



Failed Products Of Micro, Small And Medium Enterprises In West Kotawaringin Central Kalimantan

Muhammad Zainal Arifin ¹⁾; Jelita ²⁾; Ainol Muliansyah ³⁾

^{1,2)} Faculty of Economics and Islamic Business, State Institute of Islamic Religion (IAIN) Palangka Raya, Indonesia

³⁾ Study Program of Islamic Banking Faculty of Economics and Islamic Business, State Institute of Islamic Religion (IAIN) Palangka Raya, Indonesia

Email: ¹⁾ zainalpk@iain-palangkaraya.ac.id; ²⁾ jelitamuslimah@iain-palangkaraya.ac.id
³⁾ ainolmuliasyah@gmail.com

How to Cite :

Arifin, Z, M., Jelita, J., Muliansyah, A. (2025). Failed Products Of Micro, Small And Medium Enterprises In West Kotawaringin Central Kalimantan. EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis, 13(1). DOI: <https://doi.org/10.37676/ekombis.v13i1>

ARTICLE HISTORY

Received [26 Juni 2024]

Revised [10 January 2025]

Accepted [14 January 2025]

KEYWORDS

Consumer Satisfaction, Consumer Loyalty, And Product Purchase Decisions.

This is an open access article under the [CC-BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license



Abstract

Many Micro, Small and Medium Enterprises (MSMEs) in West Kotawaringin Regency such as crackers and amplang are relatively expensive. Due to the high cost of kerupuk and amplang, these products are only consumed by people with middle to upper income. The product packaging also does not include the expiry date and components of the ingredients used. Based on initial observations of Micro, Small and Medium Enterprises (MSMEs) in West Kotawaringin, some consumers claim to be dissatisfied with Small Micro Enterprises both in terms of service, product design and in terms of marketing. The approach in this research is descriptive qualitative research method. This method is used to observe or detect various facts or phenomena and social symptoms that are natural (nature) through field observations. The results of this study indicate that there are two factors that cause product failure in West Kotawaringin MSME businesses, namely internal and external factors.

INTRODUCTION

Having your own business is not as easy as many people imagine. everyone must have a dream to have their own business that can generate large profits. But in reality there are often obstacles and obstacles that are not small and maybe even heavy so that many people experience failure in the business they have built. For people who get this failure there are two possibilities that can be obtained. The first is to give up and return to the beginning or the second is to keep struggling in developing the business.(Razak 2015)

The success of an entrepreneur is closely related to his ability to see business opportunities and utilise them properly. The ability to see opportunities is the capital in coming up with ideas to provide satisfaction to consumers. When building a business, profit and success are the prioritised factors. No wonder a company or business must take into account all factors. Starting from capital, cost budget, to finding competent people to make the business grow.

However, the success of a business cannot be separated from customer satisfaction. Consumer satisfaction or customer satisfaction is also an important factor in building a business. If customers are satisfied, it will certainly increase sales from the company.(Zul Rachmat, S. Kom. et al. 2023)

Business competition in today's globalisation era is increasingly rapid. Increased competition requires business actors to have a competitive advantage in order to survive and compete with other business competitors. Efforts that can be made are to improve product quality and service quality. Quality according to Crosby is: Quality is conformance to requirements or specifications. Quality has a variety of meanings and interpretations which are adjusted to the objectives to be achieved. Tjiptono said that: "Quality has many meanings, such as conformity to demands or requirements, suitability for use, continuous improvement, fulfilment of needs, doing something right from the start and happy activities in providing services."(Mulyawan 2016)

Business competition among Micro, Small and Medium Enterprises (MSMEs) is increasing so that product failure is an inevitable risk for business actors. These high consumer demands must be addressed by business actors by producing new products that can meet consumer needs and expectations. When the amount of profit from product sales cannot cover capital and marketing, it is certain that the product has the status of a failed product. This failure can be caused by products that consumers do not need, poor service, low product quality, lack of customer loyalty, and inappropriate pricing.(Zahir 2023)

Many Micro, Small and Medium Enterprises (MSMEs) in West Kotawaringin Regency such as crackers and amplang are relatively expensive. Due to the high cost of kerupuk and amplang, these products are only consumed by people with middle to upper income. The product packaging also does not include the expiry date and components of the ingredients used. Based on initial observations of Micro, Small and Medium Enterprises (MSMEs) in West Kotawaringin, some consumers claim to be dissatisfied with Small Micro Enterprises both in terms of service, product design and marketing. This research is very important and interesting because West Kotawaringin Regency is located on the edge of the sea and rivers so that it produces a lot of fish, especially balida fish. However, these processed products such as fish crackers, amplang and wet crackers produced by Micro, Small and Medium Enterprises (MSMEs) in this district are not very marketable because the price is relatively expensive. Moving on from this, the research team is interested in examining how the failure products of Micro, Small and Medium Enterprises (MSMEs) in West Kotawaringin Regency, Central Kalimantan.

LITERATURE REVIEW

Consumer Behaviour

Consumer behaviour is the behaviour shown by consumers in searching for, buying, using, and stopping the use of products or services.(Fatoni 2014) A consumer uses their income to buy various goods and how they determine how much to consume now and how much to save for later consumption.(Cahyono 2019) Engel, Blackwell, and Miniard define consumer behaviour as the actions directly involved in obtaining, consuming, and spending products and services. Consumption is carried out by all people of various ages, but each age has different consumption characteristics. Consumer behaviour is the study of how individuals, groups, and organisations choose, buy, use, and how goods, services, ideas, or experiences satisfy their needs and wants..(Dr. Yoesoep Edhie Rachmad, S.E., M.M., Ph.D. et al. 2022)

Consumer behaviour is the behaviour of searching, buying, evaluating, using, and spending products and services that consumers expect to meet their needs. This action involves a single study of purchases and exchanges, including goods and services, experiences, acquisition of ideas, consumption, and production. There are several factors that can determine

consumer purchasing behaviour, including cultural, social, personal, and psychological factors. Cultural factors have a large and broad influence. The following will explain some of the factors that influence consumer behaviour, namely cultural, sub-cultural, and social class factors play an important role in consumer behaviour.(Mauludin et al. 2022)

Purchase Decision

There are several types of buying behaviour based on the level of buyer involvement and the level of brand differences, namely:s:

1. Complex purchase behaviour. This behaviour consists of a three-step process, initially consumers develop beliefs about a particular product, second, consumers build attitudes about the product, third, consumers make careful purchasing choices.
2. Discomfort-reducing purchase behaviour. Sometimes consumers are highly involved in the purchase, but they see little difference between brands. In this situation, after the purchase the consumer may experience the discomfort of feeling unpleasant or hearing favourable news about another brand and will be alert to information that supports his decision.
3. habitual buying behaviour.
4. Variety-seeking purchase behavior. (Firmansyah 2018)

The factors that influence consumer decisions in making purchasing decisions:

a) Internal Factors

Internal factors are factors that can influence consumers in making purchasing decisions. This factor comes from within each individual. Internal factors include perception, belief, motivation, and learning.

b) External Factors

External factors are factors that influence an individual's purchasing decisions that come from outside the consumer. External factors include several things, including membership in a group, social class, and culture.

Customer Satisfaction

Important for the survival of the company, satisfying consumer needs can increase the advantage in competition. Consumers who are satisfied with products and services tend to repurchase products and reuse services when the same needs reappear in the future. This means that customer satisfaction is a key factor for consumers in making repeat purchases, which is the largest proportion of the company's sales volume, as according to the company's sales volume.(M. Soleh Mauludin, Adnan Dewa Saputra, Anggi Zulfika Sari, Itatul Munawaroh 2022).

Satisfied conditions can also be known by comparing conditions between before and after consumption. The before position is indicated by expectations related to the tendency and reaction to various related product attributes. Meanwhile, the after position is indicated by the state of the consumer after finishing consuming, whether what is experienced can fulfil what is expected or not. (Dr. Ekawati Rahayu Ningsih, SH 2021). Customers or consumers who continuously and repeatedly come to the same place to use a product or service can say that they are satisfied with the product or service provided by the company. There is a feeling that is felt more when a desire or desire that is expected is achieved. (Tjiptono 2011).

Product

Each company offers its products with the advantages possessed by the products it produces. Therefore, it raises competition among companies with the same or similar products to be tighter because consumers will choose the better one. Thus, the company must maintain its survival. Companies as producers must be more careful in observing the needs or desires of

consumers and be more prepared to face the market. One of the readiness that can be considered by the company is the marketing mix.

In general, consumers purchase a product that is checked first is the quality and specifications of the product. When making a purchase, starting from checking product specifications, product quality, price to the product brand. In order for the product to be said to be of high quality, the company needs a special institution as a quality guarantor. (Abdul Aziz, S.E. 2022). Products should be seen as solving a problem for the company, if a consumer buys a product, they can benefit from using the product. Many products can be differentiated based on the shape, size, or physical structure of the product. In typical product differentiation, products are offered based on: features, reliability, quality of performance, repairability, reliability of fit, style, and durability. (Dr. Marissa Grace Haque-Fawzi, S.H., M.Hum., M.B.A., M.H. et al. 2021)

Consumer Loyalty

Customers who are loyal are willing to buy even if the price is a little expensive and always make repeat purchases and recommend the product or service to others. The attitude of customers in making purchases is also influenced by the level of customer satisfaction. This means that if the customer is satisfied with what is expected, it can create a loyal attitude towards something obtained. (Mashuri 2020).

To maintain competitiveness with competitors, a company needs to maintain customer loyalty as the level of competition is increasing. needs to maintain customer loyalty along with the increasingly high level of competition. Loyalty will help the company to sustain the continuity of its business, show commitment to customers which is shown by repeated purchasing behaviour and recommend to others (A. P. Putri and Bharata 2023).

METHODS

The approach in this research is descriptive qualitative research method. This method is used to observe or detect various facts or phenomena and social symptoms that are natural through field observations (empirical) which are used as data sources and then analyse and try to relate to existing theories. (Puspitawati and Herawati 2013). This type of research is phenomenological. This type of phenomenology is carried out to obtain knowledge as it appears in consciousness, something that is perceived by someone or something that is known through consciousness in his experience. (Dr. J. R. Raco, ME. 2010). Phenomenological research is conducted in order to gain in-depth understanding, researchers use data from observations, interviews, and documentation in finding meaningful experiences of subjects. Phenomenology can be an analytical tool to obtain what is referred to as pure subjectivity. (Kamayanti and Mulawarman 2016) The information explored is about the factors that influence consumer satisfaction behaviour towards purchasing Micro, Small and Medium Enterprises products in Central Kalimantan in West Kotawaringin Regency.

The data analysis technique used in this research is qualitative data analysis techniques. then the object in this study is Consumer Satisfaction on Micro, Small and Medium Enterprises Products. For research subjects Micro, Small and Medium Enterprises in Central Kalimantan Studies in West Kotawaringin district).

RESULTS

West Kotawaringin Regency is one of the regencies in Central Kalimantan province. The district capital is Pangkalan Bun. The district has an area of 10,759 km² and a population of 270.4 thousand people. (Statistik Daerah Kabupaten Kotawaringin Barat Tahun 2020). The motto of the district is "Marunting Batu Aji" which means Towards Glory. Kotawaringin Barat comes from the word "Kotawaringin" and "Barat". Kuta means "Gapura", Waringin means The meaningful Banyan

tree "Pengayoman", while West comes from the division of place. Overall, Kotawaringin Barat means "the gate of protection in the West".(Setda kutawaringin barat 2019).

DISCUSSION

Many products (MSMEs) already have regular customers, this is evidenced by the regular delivery of business products outside the region and buyers continue to look for products that have become the favourites of these customers. Business actors in the West Waringin district of Central Kalimantan have done several ways to increase their sales. Building communication with customers Communication is the most important thing in increasing customer loyalty. With the communication that is created, customers will feel 'cared for' by business actors so that a sense of belonging can arise. They can also get to know other products or services because of communication. Furthermore, creating innovation, boredom will approach anyone if they are faced with the same thing continuously. Likewise in the business world, customers will feel bored if they sell the same product or service without any innovation. Active in various social media, MSMEs can provide information about their products on social media or interact with customers directly. This is also supported by observations and questions from the UMKM Office that social media training is often carried out in promotions and always involves umkm in product exhibitions in various regions, especially in West Kotawaringin. Next, asking for reviews and promotions has an impact on customer loyalty and customers feel valued asking for reviews by giving testers to consumers from the results of their analysis, a sense of liking will arise and indirectly customers will promote or recommend to other consumers.

The products of micro, small and medium enterprises in West Kotawaringin Regency have several causes of failure of their business products, namely as follows:

Internal Factors for Business Actors

1. Limited source of funds. If a small business is unable to sell its products, it is very dangerous because it can stop the business. So in other words, cash or funds are the lifeblood of any business.
2. Lack of competence in managerial matters. Managerial issues are very important and most basic in a business. Therefore, if the managerial system does not have good competence, it can be calculated when the business will go out of business and not succeed. Mixing household finances with business is what causes many businesses to fail.
3. Unprepared for change and product innovation. Many business owners are not ready for change. Entrepreneurs who are not ready for change and innovation in their business environment will not succeed and have a greater chance of failing in their business than those who are ready to face all forms of change.
4. Inappropriate product pricing. Price is the main factor that consumers consider in buying products. The perpetrator should be able to determine the price in accordance with the intended market segment. If the target is the lower middle class, then you can set a price that is slightly below the market price. But if the target is the upper middle class, then set a slightly higher price, which of course must be balanced with the appropriate product quality. Do not generalise all prices to be expensive.
5. Low product quality and benefit information. Today's consumers have become smarter and more critical, they are able to differentiate between quality products and those that are perfunctory.

External factors of business actors.

1. Government policies and assistance to support and protect micro, small and medium enterprises are highly expected by business actors, but inequality and inaccuracy of assistance are often complained about by business actors.

2. Lack of consumer loyalty. Growing consumer loyalty and trust in products is not easy. Try to do it by branding so that the product is better known to consumers and highlighting the value of the product to build consumer trust. The greater the benefits that consumers get from the product, the higher their trust in the business product will be.

CONCLUSION

The conclusion of the research report is: West Kotawaringin Regency is a district that is located on the edge of the sea so that this area has a lot of marine products such as fish and undang, so that in these two districts there are many Micro, Small and Medium Enterprises (MSMEs) engaged in making fish crackers. In general, consumers are satisfied with fish crackers because they taste very good and savoury. However, the problem is that the price is expensive. This price is what makes many umkm products fail in the market. It is hoped that Pangkalan Bun Regency's umkm producers will also make processed fish products in smaller packages so that the price will be cheaper. For regional policy makers, the aspect of equity and increasing the quality and quantity of local government assistance needs to be increased because this programme is very beneficial for improving the quality of umkm product

LIMITATION

The limitations in this study only cover the field of micro, small and medium enterprises in west kotawaringin and seruyan regencies, central kalimantan. Especially in culinary products that do not provide complete information on their products such as halal labels and expiration dates.

REFERENCES

- Abdul Aziz, S.E., M.M. 2022. *MANAJEMEN PRODUK Efektif Dan Efisiensi Produk*. Edited by Eri Setiawan. Pertama. purbalingga: EUREKA MEDIA AKSARA,. <https://repository.penerbiteureka.com/media/publications/556906-manajemen-produk-efektif-dan-efisiensi-p-fc3b213a.pdf>.
- Cahyono, Edwin Bahtiar Hidayat dan Eko Fajar. 2019. "Penerapan Perilaku Konsumsi Islam Pada Penerima Beasiswa Satu Keluarga Satu Sarjana Badan Amil Zakat Nasional Di Jawa Timur (Perspektif Fahim Khan." *Jurnal Ekonomi Syariah Teori Dan Terapan* vol 6 no 7. <https://doi.org/10.20473/vol6iss20197pp1462-1475>.
- Dr. Ekawati Rahayu Ningsih, SH, MM. 2021. *PERILAKU KONSUMEN Pengembangan Konsep Dan Praktek Dalam Pemasaran*. Edited by Ach. Mahfud. Pertama. Yogyakarta: Idea Press Yogyakarta. http://repository.iainkudus.ac.id/9731/1/PERILAKU_KONSUMEN_Ekawati%28KUDUS%29.pdf.
- Dr. J. R. Raco, ME., M.Sc. 2010. *METODE PENELITIAN KUALITATIF*. Edited by Arita J.B. Soedarmanta L. Jakarta: t PT Grasindo, Jalan Palmerah Selatan 22 - 28, Jakarta 10270. <file:///C:/Users/ASUS/Downloads/metode-penelitian-kualitatif.pdf>.
- Dr. Marissa Grace Haque-Fawzi, S.H., M.Hum., M.B.A., M.H., Msi, MM. Dr. Ahmad Syarief Iskandar, SE., M.Pd Dr. Heri Erlangga, S.Sos., MM Dr. Ir. H. Nurjaya., SE., and M.M. CHT. Denok Sunarsi, S.Pd. 2021. *STRATEGI PEMASARAN Konsep, Teori Dan Implementasi*. Edited by Della Anastiya Putri. Tangerang: Pascal Books. http://repository.ibs.ac.id/4966/1/PUBLISHED%2C_Book%2C_e-Book%2C_Dr._Marissa_Grace_Haque%2C_et_al%2C_June_2022.pdf.

- Dr. Yoesoep Edhie Rachmad, S.E., M.M., Ph.D., CIPA., M.M. Sri Sudiarti, S.E., La Ode Turi, M.Pd. Dewi Endah Fajariana, S.Pd., M.M. Yudo Kisworo, S.Si., M.M. Ryan Firdiansyah Suryawan., S.E., Dr Hendy Tanadi, et al. 2022. *Manajemen Pemasaran*. Edited by Sunarno Sastro Atmodjo DR., D.Sc., Drs., S.IKom. S.E. S.T., S.AP., S.IP., S.Sos., and C.JKP M.Si., M.Sc., M.M., C.CW. Pertama. purbalingga: EUREKA MEDIA AKSARA, AGUSTUS 2022 ANGGOTA IKAPI JAWA TENGAH NO. 225/JTE/2021. <https://repository.penerbiteurka.com/media/publications/558183-manajemen-pemasaran-c4343ed3.pdf>.
- Fatoni, Siti Nur. 2014. *Pengantar Ilmu Ekonomi : Dilengkapi Dasar-Dasar Ekonomi Islam*. Bandung: Bandung : CV Pustaka Setia., 2014.
- Firmansyah, M. Anang. 2018. *PERILAKU KONSUMEN (Sikap Dan Pemasaran)*. Edited by Dwi Novidiantoko. Pertama. Sleman: Deepublish Publisher. https://www.researchgate.net/profile/Muhammad-Firmansyah-4/publication/329587407_PERILAKU_KONSUMEN/links/5c24627b458515a4c7faed1d/PERILAKU-KONSUMEN.pdf.
- Kamayanti, Ari, and Aji Dedi Mulawarman. 2016. *Metologi Penelitian Kualitatif Akuntansi*. Edited by Aji Dedi Mulawarman. Kedua. Jakarta: Jakarta : Yayasan Rumah Peneleh, 2016. <https://opac.perpusnas.go.id/DetailOpac.aspx?id=1080468>.
- M. Soleh Mauludin, Adnan Dewa Saputra, Anggi Zulfika Sari, Itatul Munawaroh, Erica Pramesti Regita. 2022. "Analisis Perilaku Konsumen Dalam Transaksi Di E-Commerce." *Proceedings of Islamic Economics, Business, and Philanthropy* 1 (1): 108–23. [file:///C:/Users/ASUS/Downloads/M.+Soleh+Mauludin+-+Analisis+Perilaku+Konsumen+Dalam+Transaksi+Di+e-Commerce+\(1\).pdf](file:///C:/Users/ASUS/Downloads/M.+Soleh+Mauludin+-+Analisis+Perilaku+Konsumen+Dalam+Transaksi+Di+e-Commerce+(1).pdf).
- Mashuri, Mashuri. 2020. "Analisis Dimensi Loyalitas Pelanggan Berdasarkan Perspektif Islam." *IQTISHADUNA: Jurnal Ilmiah Ekonomi Kita* 9 (1): 54–64. <https://doi.org/10.46367/iqtishaduna.v9i1.212>.
- Mauludin, M Soleh, Adnan Dewa Saputra, Anggi Zulfika Sari, and Itatul Munawaroh. 2022. "Analisis Perilaku Konsumen Dalam Transaksi Di E-Commerce" 1 (1).
- Mulyawan, Dr. Rahman. 2016. *Birokrasi Dan Pelayanan Publik*. Edited by Wawan Gunawan. Pertama. Unpad Press.
- Puspitawati, Heri en, and Tin Herawati. 2013. *METODE PENELITIAN KELUARGA*. Edited by Ardh ya Pratama. Pertama. Bogor: T Penerbit IPB Press Kamplls IPB Taman Ken ca Jja Bogor. https://repository.ipb.ac.id/bitstream/handle/123456789/64243/metode_penelitian_keluarga.pdf;jsessionid=DBE7CAAD59C9A5A65C636ECD39A5CFD7?sequence=1.
- Putri, Aprillia Pratiwi, and Wira Bharata. 2023. "PERILAKU LOYALITAS KONSUMEN BERDASARKAN TEORI UTILITAS DAN MODEL SATISFACTION-LOYALTY." *Journal of Applied Business and Economic (JABE)* 10 (2): 157–72.
- Razak, Moh. Alifuddin dan Mashur. 2015. *KEWIRAUSAHAAN Strategi Membangun Kerajaan Bisnis*. Edited by Pertama. Jakarta: MAGNAScript Publishing. <http://repo.handayani.ac.id/47/1/e-Book-Kewirausahaan.pdf>.
- Setda kutawaringin barat. 2019. "Sejarah Singkat Kobar." Pemerintah Kabupaten Kotawaringin Barat. 2019. <https://portal.kotawaringinbaratkab.go.id/id/sejarah-singkat>.
- Statistik Daerah Kabupaten Kotawaringin Barat Tahun. 2020. "Data Kependudukan." Pemda Kobar. 2020. <https://portal.kotawaringinbaratkab.go.id/id/data-kependudukan>.

- Tjiptono, Fandy. 2011. *Pemasaran Jasa*. Malang: Bayumedia Publishing.
<https://openlibrary.telkomuniversity.ac.id/pustaka/17556/pemasaran-jasa.html>.
- Zahir. 2023. "5 Penyebab Utama Kegagalan Produk Dan Cara Mengatasinya." PT Zahir Internasional. 2023.
- Zul Rachmat, S. Kom., M.M., M.M. Irzan Soepriyadi, S.E., M.M. Nur Fadillah Suprayitno, S.E., M.M. Egis Yani Pramularso, S.E., M.SM. Dr. Tantri Yanuar Rahmat Syah, S.E., M.M. Ana Fitriyatul Bilgies, S.E., CP.s Justin Hidayat Sopotra, S.E., M.M., and M.M. Arief Yanto Rukmana, S.T. 2023. *Kewirausahaan*. Edited by M.M. Dr. Fachrurazi, S.Ag. Pertama. padang: PTGLOBAL EKSEKUTIF TEKNOLOGI.