Can Small and Medium Enterprise Survive in MEA 2025: A Case Study of Agro-Industry SMEs in Indonesia

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Abstract
Food processing agro-industry is one of creative industry sectors that has high contribution to Indonesia's economic development, employment, and Gross Domestic Product (GDP) in Indonesia. Competitiveness is a combination of the successful inside and outside of Small Medium Enterprise. This is why, This research aims to 1) get an overview related to the condition of food sector SMEs as well as its competitiveness and 2) understand the influence of entrepreneurial marketing and government policy to tempe chips SME’s competitiveness by using Structural Equation Model (SEM) toward MEA 2025. This research is quantitative research using 64 samples of soybean cake chips entrepreneurs are purposively. Data analysis was done by using the concept of Entrepreneurial Marketing which consist of 7 dimensions and SEM PLS to understand the relation between the important factors in developing market of SME. The results of the analysis show that government policy is insignificant, influential policy but the effect is not very significant because: there is actually technological assistance, but not yet targeted. Regarding capital, the craftsmen prefer to use their own capital. Tempe chips entrepreneurs are expected to remain focused on the quality of service to consumers, raising the selling price but still maintain the quality, entrepreneurs are expected to have innovation so that they will have different character than competitors. Good relationships with consumers must be maintained so that consumers do not switch and choose other products.

Keywords
Agroindustry; competitiveness; entrepreneurial marketing; soybean-cake chips