

BUSINESS DEVELOPMENT STRATEGIES OF WARUNG YADNYA SARI: A CASE STUDY OF AN MSME IN UBUD, GIANYAR, INDONESIA

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in promoting regional economic growth, generating employment opportunities, and strengthening local economic resilience. However, sustaining business performance in an increasingly competitive environment requires entrepreneurs to continuously adapt their strategies while maintaining customer trust and business competitiveness. This study aims to analyze the entrepreneurial journey of Warung Yadnya Sari, a family-owned retail business in Ubud, Gianyar, by examining its establishment, business development process, development strategies, and the factors contributing to its long-term sustainability. A qualitative approach with a case study design was employed to gain an in-depth understanding of the business development process. Data were collected through semi-structured interviews, direct observation, and document analysis, and analyzed using an interactive qualitative analysis model consisting of data collection, data reduction, data display, and conclusion drawing. The findings indicate that the sustainability of Warung Yadnya Sari is primarily supported by entrepreneurial leadership, strategic product diversification, customer-oriented service, competitive pricing, and strong relationships with the local community. The transition from selling ceremonial supplies to offering daily household necessities enabled the business to respond effectively to changing market conditions while maintaining its cultural identity. Despite facing challenges such as increasing competition, limited financial resources, and the absence of digital business practices, the enterprise has maintained sustainable growth through continuous adaptation and effective business management. This study contributes to the entrepreneurship and MSME literature by demonstrating that long-term business sustainability is achieved through the integration of entrepreneurial resilience, strategic adaptation, and customer relationship management. The findings also provide practical insights for MSME owners and policymakers in designing sustainable business development strategies for family-owned enterprises.

Keywords: business development, business sustainability, entrepreneurial leadership, family business, MSMEs.

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a fundamental role in regional economic development by generating employment opportunities, stimulating entrepreneurship, and strengthening local economic resilience. In Indonesia, MSMEs are recognized as strategic contributors to inclusive economic growth because of their flexibility in responding to market dynamics and their close connection with local communities. Recent studies have further emphasized that sustainable MSME development requires not only entrepreneurial capability but also adaptive business strategies that respond to changing market environments and consumer demands (Fahmie et al., 2025). Furthermore, sustainable business development contributes to broader regional development by supporting local economies and preserving cultural identity (Puji Astutik et al., 2025).

Business sustainability has increasingly become an important topic in entrepreneurship research. Previous studies have shown that long-term business success is influenced by strategic marketing, innovation, business diversification, and the ability to respond to environmental changes. Hossain et al. (2025) argued that sustainable business growth depends on strategic decision-making supported by business intelligence and adaptive management. Similarly, Al-Tarawneh (2025) highlighted that effective marketing strategies are essential for building sustainable business models, while Levchenko (2025) emphasized that business expansion requires continuous adaptation of marketing strategies to reach wider customer segments and maintain competitiveness.

One example of a sustainable local enterprise is Warung Yadnya Sari, a family-owned business established by Wayan Kartini in Ubud, Gianyar, Bali. The business originated from modest economic conditions with the primary objective of supporting household income. Initially specializing in ceremonial offerings (yadnya supplies), the enterprise gradually diversified its products by offering groceries and daily household necessities in response to increasing competition and changing consumer needs. This strategic adaptation enabled the business to survive and grow while maintaining its close relationship with local cultural values and community demands.

Although previous studies have extensively examined sustainable business strategies, entrepreneurship, and marketing, relatively few have investigated how traditional family-owned MSMEs develop from small household businesses into sustainable enterprises through gradual strategic adaptation. Existing research predominantly focuses on innovation, digital transformation, or financial sustainability, whereas limited attention has been devoted to understanding the entrepreneurial journey, business diversification, and strategic decision-making processes within culturally embedded local businesses. This research gap indicates the

need for a qualitative case study that explores the long-term development process of traditional MSMEs operating in unique socio-cultural environments.

Therefore, this study aims to analyze the entrepreneurial journey and business development of Warung Yadnya Sari by examining its establishment, business growth process, business development strategies, and the key factors contributing to its sustainability. Specifically, the study addresses the following research questions: (1) How was Warung Yadnya Sari established? (2) How has the business developed from its inception to the present? (3) What strategies have been implemented to support business development? and (4) What factors contribute to the long-term sustainability of the enterprise? The findings are expected to enrich the literature on entrepreneurship and family business development while providing practical recommendations for MSME owners seeking sustainable business growth.

The originality of this study lies in its comprehensive examination of a traditional family-owned retail MSME that has successfully sustained its business through entrepreneurial perseverance, product diversification, and strategic adaptation while preserving local cultural values. Unlike previous studies that primarily emphasize digital transformation or technological innovation, this research demonstrates how entrepreneurial leadership and adaptive business strategies contribute to the long-term sustainability of a culturally embedded local enterprise.

2. LITERATURE REVIEW

Business sustainability has become a central issue in entrepreneurship and MSME research. Hossain et al. (2025) emphasized that sustainable business growth is achieved through adaptive strategic decision-making supported by business intelligence and continuous innovation. Their study provides a comprehensive framework for understanding business growth from a strategic perspective. However, the research mainly focuses on predictive models and rural businesses in the United States, providing limited explanation of how small family-owned enterprises in developing countries achieve sustainable growth through entrepreneurial adaptation.

Marketing strategy has also been recognized as a key determinant of business sustainability. Al-Tarawneh (2025) argued that effective marketing strategies strengthen business competitiveness by enabling enterprises to develop sustainable business models and maintain long-term customer relationships. Similarly, Levchenko (2025) highlighted that business expansion depends on continuous adaptation of marketing and promotional strategies to respond to changing market conditions. While these studies provide valuable insights into strategic marketing, they primarily discuss marketing effectiveness without comprehensively examining the entrepreneurial process and business development journey of traditional family-owned MSMEs.

From the perspective of sustainable business development, Fahmie et al. (2025) found that sustainable management practices and strategic business development improve the long-term performance of Indonesian MSMEs. Likewise, Puji Astutik et al. (2025) demonstrated that

sustainable development strategies should integrate economic growth with local cultural values and community participation to enhance regional competitiveness. These studies strengthen the argument that business sustainability requires strategic adaptation, innovation, and stakeholder support. Nevertheless, they pay limited attention to how individual entrepreneurs initiate, develop, and sustain family-owned businesses through practical business decisions over time.

Based on the previous literature, several research gaps can be identified. First, existing studies predominantly discuss sustainable business strategies from managerial, financial, or marketing perspectives, while limited research examines the entrepreneurial journey underlying long-term business sustainability. Second, previous studies generally analyze modern enterprises or broader MSME sectors, whereas traditional family-owned retail businesses that preserve local cultural values remain underexplored. Third, few studies simultaneously investigate business establishment, growth processes, strategic adaptation, and sustainability factors within a single qualitative case study. Therefore, this study addresses these gaps by exploring the development of Warung Yadnya Sari as a successful family-owned MSME in Bali.

The theoretical foundation of this study is based on the concept of business sustainability, entrepreneurial strategy, and business development. Business sustainability refers to an enterprise's ability to maintain long-term performance through continuous adaptation, innovation, and effective resource management (Fahmie et al., 2025). Entrepreneurial strategy emphasizes the entrepreneur's capability to identify opportunities, diversify products, and respond to market changes to sustain competitive advantage (Hossain et al., 2025). Meanwhile, marketing strategy is understood as a series of activities designed to create customer value, strengthen market positioning, and expand business opportunities through adaptive promotional approaches (Al-Tarawneh, 2025; Levchenko, 2025). These theoretical perspectives provide the analytical basis for understanding the development and sustainability of Warung Yadnya Sari.

Based on these theoretical perspectives, this study adopts a conceptual framework that links four major dimensions: business establishment, business development process, business development strategies, and sustainability factors. The framework assumes that entrepreneurial leadership and strategic adaptation influence business growth through product diversification, customer-oriented marketing, and responsiveness to market changes. The interaction of these dimensions ultimately contributes to the long-term sustainability and competitiveness of family-owned MSMEs while preserving local cultural values. This framework serves as the foundation for analyzing the development of Warung Yadnya Sari and identifying practical lessons that can be applied by other traditional MSMEs.

3. METHODS

This study employed a qualitative research approach using a case study design to obtain an in-depth understanding of the entrepreneurial journey, business development process, business strategies, and sustainability factors of Warung Yadnya Sari in Ubud, Gianyar, Bali. A

qualitative case study was selected because it enables researchers to explore a contemporary phenomenon within its real-life context while providing a comprehensive understanding of the experiences, decisions, and strategies adopted by business owners (Sugiyono, 2022).

The unit of analysis in this study was Warung Yadnya Sari as a family-owned MSME. The primary informant was the business owner, who possesses comprehensive knowledge regarding the establishment, development, and management of the enterprise. Additional information was obtained from family members involved in the business and supporting documents related to the enterprise's operational activities. Data were collected through semi-structured interviews, direct observation, and document analysis to obtain rich and comprehensive information regarding the business development process.

Data analysis followed the interactive qualitative analysis model proposed by Sugiyono (2022), consisting of data collection, data reduction, data display, and conclusion drawing and verification. To enhance the credibility of the findings, the study applied source triangulation and method triangulation by comparing information obtained from interviews, observations, and documentary evidence. The analysis focused on four main aspects: (1) the history of the establishment of Warung Yadnya Sari, (2) the business development process from its inception to the present, (3) the business strategies implemented to support growth and sustainability, and (4) the key factors contributing to the long-term success of the enterprise. This analytical framework enabled a comprehensive understanding of how entrepreneurial leadership and strategic adaptation contribute to the sustainability of a traditional family-owned MSME.

4. RESULTS AND DISCUSSION

4.1 Business Establishment and Development Process

The findings reveal that Warung Yadnya Sari was established in 2009 as a family-owned enterprise with the primary objective of improving household income. Initially, the business specialized in selling ceremonial supplies (yadnya equipment), reflecting the strong influence of Balinese cultural and religious traditions on local entrepreneurial activities. Although the strategic location in Ubud enabled the business to attract both local customers and visitors, increasing competition among similar retailers gradually reduced profit growth. Consequently, the owner responded by diversifying the product portfolio to include groceries and daily household necessities, marking a significant turning point in the business development process.

This finding demonstrates that business sustainability is closely associated with entrepreneurial adaptability. Rather than maintaining a single-product strategy, the owner continuously evaluated market conditions and adjusted business decisions according to customer demand. This result supports the argument of Hossain et al. (2025) that sustainable business growth depends on entrepreneurs' ability to make adaptive strategic decisions in response to environmental changes. The case also illustrates that business sustainability in traditional MSMEs is achieved through continuous learning and strategic flexibility rather than relying solely on initial business concepts.

4.2 Business Development and Marketing Strategies

The study found that Warung Yadnya Sari has experienced steady business growth over the past sixteen years. Business expansion is reflected not only in increased daily income and customer volume but also in the recruitment of local employees to support operational activities. The enterprise has implemented several business development strategies, including product diversification, competitive pricing, inventory management, customer-oriented services, and relationship marketing through strong social interaction with customers. Word-of-mouth promotion remains one of the most effective marketing approaches because of the close social relationships within the local community.

These findings reinforce the importance of strategic marketing in achieving long-term business sustainability. Al-Tarawneh (2025) argued that sustainable marketing strategies should focus on developing long-term customer relationships rather than merely increasing short-term sales. Likewise, Levchenko (2025) emphasized that business competitiveness depends on the entrepreneur's ability to continuously adjust marketing strategies according to market characteristics. Unlike modern retail businesses that rely heavily on digital promotion, Warung Yadnya Sari demonstrates that customer trust, personalized services, and cultural proximity remain valuable competitive advantages within traditional markets.

4.3 Internal and External Factors Affecting Business Sustainability

The SWOT analysis indicates that the sustainability of Warung Yadnya Sari is influenced by both internal and external factors. The business benefits from several strengths, including its strategic location, loyal customer base, high-quality customer service, and strong family management. Nevertheless, limitations such as restricted financial resources, conventional financial recording systems, limited storage capacity, and inventory constraints remain important managerial challenges. Externally, increasing demand for daily necessities, government support for MSMEs, and opportunities for business digitalization create favorable growth prospects. Conversely, competition from modern retail stores, fluctuations in commodity prices, and seasonal declines in tourism continue to threaten business performance.

These findings are consistent with Fahmie et al. (2025), who emphasized that sustainable MSME development depends on balancing internal organizational capabilities with external environmental opportunities. Furthermore, the results indicate that long-term sustainability requires entrepreneurs to continuously strengthen managerial capacity while adapting to evolving market conditions. Therefore, business sustainability should be viewed as an ongoing strategic process rather than a static business outcome.

4.4 Research Implications

The findings provide both theoretical and practical implications. Theoretically, this study extends the literature on entrepreneurship and family-owned MSMEs by demonstrating that sustainable business development is influenced not only by marketing strategies but also by entrepreneurial perseverance, business diversification, customer relationship management, and

continuous strategic adaptation. Unlike previous studies that primarily emphasize digital transformation or financial performance, this research highlights the importance of integrating local cultural values with adaptive business strategies to sustain long-term competitiveness.

Practically, the findings suggest that MSME owners should continuously evaluate market changes, diversify products according to consumer needs, strengthen customer relationships, and gradually adopt modern management practices, including digital financial recording and digital marketing. Government agencies and business development institutions may also utilize these findings as a reference for designing mentoring and capacity-building programs tailored to traditional family-owned MSMEs. Collectively, these efforts can enhance business resilience, improve regional economic development, and preserve local entrepreneurial values in increasingly competitive business environments.

5. CONCLUSION AND LIMITATION

This study concludes that the long-term sustainability of Warung Yadnya Sari is primarily driven by entrepreneurial leadership, strategic adaptation, and customer-oriented business management. Established as a small family-owned enterprise specializing in ceremonial supplies, the business successfully transformed its business model through product diversification, competitive pricing, high-quality customer service, and strong relationships with the local community. These strategies enabled the enterprise to respond effectively to market competition while maintaining its cultural identity and customer loyalty. The findings demonstrate that sustainable business development in traditional MSMEs is not solely determined by financial resources or technological advancement but also by the entrepreneur's ability to identify market opportunities, make adaptive strategic decisions, and continuously innovate in response to changing consumer needs. This study contributes to the entrepreneurship and MSME literature by providing empirical evidence that the integration of entrepreneurial perseverance, strategic diversification, and local cultural values constitutes an effective foundation for achieving long-term business sustainability.

This study has several limitations. First, the research focuses on a single family-owned MSME in the retail sector, limiting the transferability of the findings to other business sectors or geographical contexts. Second, the qualitative case study approach emphasizes an in-depth understanding of the entrepreneurial process without incorporating quantitative business performance indicators that could provide broader empirical validation. Third, although the study identifies opportunities for digital business development, it does not evaluate the implementation or effectiveness of digital marketing strategies because the enterprise has not yet fully adopted digital technologies. Future research is therefore recommended to conduct comparative case studies involving multiple MSMEs from different sectors and regions, integrate qualitative and quantitative approaches, and examine the impact of digital

transformation, financial management practices, and entrepreneurial innovation on long-term business sustainability.

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