

ANALYSIS OF THE BUSINESS DEVELOPMENT STRATEGY OF SISI BASISIR RANAI NATUNA EATING HOUSE FROM AN ISLAMIC ECONOMIC PERSPECTIVE

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ABSTRACT

Despite extensive studies highlighting formal strategic planning and digital transformation as drivers of SME sustainability, little is known about how community-based enterprises survive without such mechanisms. This study examines the business development strategy of a small, family-run culinary enterprise in Ranai, Natuna Regency, that has sustained profitable operations for more than two decades without formal business planning, halal certification, or digital marketing. The research aims to describe how this strategy has actually been practiced in the field and to evaluate the extent to which its underlying practices align with Islamic economic principles, particularly maqasid al-shariah. A qualitative single case study design was employed, with data collected through in-depth interviews with the owner and long-serving staff, direct field observation, and documentation review, then analyzed thematically and triangulated across sources. Findings reveal that the enterprise's continuity is driven by an emergent, uncoded strategy centered on a narrow but consistent menu, trust-based human resource management, and a distinctive practice of offering its premises free of charge for community gatherings and celebrations, generating revenue solely from food consumption. These informal practices reflect substantive, though unstructured, alignment with Islamic values of public benefit and mutual cooperation. The study concludes that grassroots, community-embedded business models can achieve sustainable success independent of formal strategic instruments, offering meaningful implications for inclusive economic resilience in Indonesia's frontier regions in support of the Sustainable Development Goals.

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INTRODUCTION

Small-scale culinary enterprises are a significant component of local economies in coastal and frontier regions of Indonesia, functioning as informal engines of household income and community food security. In Ranai, the capital of Natuna Regency, one such enterprise has operated for more than two decades, evolving from a modest roadside stall into an established eating house without formal business planning, halal certification, or digital marketing. Despite relying on a narrow and largely unchanged menu, the enterprise has sustained profitable operations, retained long-term staff, and

remained one of the more enduring culinary establishments in the district, outperforming newer, better-resourced competitors in terms of continuity and customer loyalty.

This outcome presents a clear discrepancy with prevailing theoretical expectations. Contemporary strategy theory holds that long-term competitiveness requires continuous adaptation of strategic direction to shifting market and technological conditions (Kohtamäki, 2025). Organizational resilience literature argues that service-based SMEs sustain performance primarily through structured innovation and value co-creation capabilities (Lopez, 2024), while survival under market pressure is theorized to depend on deliberate technology adoption strategies (Mishrif, 2023) and systematic technological transformation of business models (de Mattos, 2024). Within an Islamic economic framework, sustainable business value is expected to be anchored in accountability to Allah, human stakeholders, and the environment through the maqasid al-shariah framework, rather than through informal or unstructured practice (Sutainim, 2023). Taken together, these positions imply that an enterprise lacking formal planning, product diversification, and structured sharia-based governance should struggle to sustain, let alone maximize, its performance over an extended period. The case examined here demonstrates the opposite, constituting the central empirical problem addressed by this study.

Existing studies have primarily examined culinary SMEs through digital transformation, innovation, and halal certification. However, limited evidence explains how rural community-based enterprises sustain competitive advantage through informal strategic practices. Several studies emphasize that culinary SME performance is strongly associated with continuous innovation, adaptive competitive strategy, and responsiveness to shifting consumer demand (Pusung, 2023; Fahmi, 2024; Yerizal, 2025), while others highlight the mediating role of Islamic business ethics and entrepreneurial competence in strengthening micro and small enterprise performance (Fitri, 2024; Haq, 2024). Parallel studies situate halal compliance and certification as a decisive factor for sustainable culinary business performance, arguing that certification enhances consumer trust, market access, and long-term viability (Fitri, 2023; Iffat, 2024; Widigdo, 2024; Utama, 2025), while further studies connect halal-oriented business practice to broader sharia financial ecosystems, including Islamic financial literacy, sharia financing access, and green finance linkages that support MSME resilience (Mujiatun, 2023; Napitupulu, 2024; Menne, 2023). This body of literature is typically examined within urban or semi-urban MSME contexts supported by institutional infrastructure (Efendi, 2024; Rosadi, 2024), and remains built on assumptions of deliberate strategic formalization. What is conspicuously underexplored is the case of small, family-run culinary enterprises operating in remote, institutionally thin regions, where success is achieved without formal certification, digital marketing, or structured strategic planning, yet is nonetheless sustained over an extended period.

The novelty of this study lies in its focus on an informally developed, non-certified, and non-digitalized culinary enterprise operating in a remote frontier region, examined not to measure the presence of formal strategic instruments but to uncover the tacit development logic that has enabled its long-term survival, and to evaluate that logic against Islamic economic principles. This approach diverges from the dominant research trend that treats formal certification and digital adoption as prerequisites for MSME success. By foregrounding an enterprise that has achieved sustainability through community-embedded, informally Islamic-consistent practice, this research contributes new empirical insight relevant to Sustainable Development Goal 8 (Decent Work and Economic Growth), demonstrating an alternative, grassroots pathway to inclusive local economic resilience.

This study is urgent because micro and small culinary enterprises in remote and border regions such as Natuna function as critical yet under-supported nodes of local food security and household income, directly relevant to Sustainable Development Goal 2 (Zero Hunger) and Goal 1 (No Poverty). Without empirical documentation and theory-grounded evaluation of how such enterprises actually sustain themselves, policy and community support risk being designed around urban-centric assumptions that do not reflect the operational realities of frontier micro-businesses. Understanding this enterprise's strategy through an Islamic economic lens is therefore essential not only for academic completeness but for informing locally appropriate, shariah-consistent economic empowerment in Indonesia's outermost regions.

Based on the discrepancy between the field reality and the theoretical ideal outlined above, this study is directed toward two central and non-overlapping questions. The first concerns how the business development strategy of the restaurant has actually been implemented in practice, encompassing its approach to business planning, human resource management, product management, and marketing, as observed directly in the field. The second concerns the extent to which the practices underlying that development strategy are consistent with, or diverge from, the principles and ethical foundations of Islamic economics, thereby allowing the study to assess whether the enterprise's sustained success can be understood as an implicit expression of Islamic business values rather than the outcome of formal strategic planning alone.

RESEARCH METHODS

This study employs a qualitative single case study design, chosen not to generalize patterns of culinary business strategy across cases but to gain an in-depth understanding of the tacit, uncoded development logic underlying a single enterprise: the family-run eating house in Ranai, Natuna, which has sustained operations for more than two decades. This design is justified by the deeply context-embedded nature of the phenomenon, business continuity achieved without formal planning, halal certification, or digital marketing, within a frontier district marked by institutional thinness, and by the "how" framing of the research question, which a single, information-rich case is better positioned to trace at the level of lived practice than a cross-case or survey design would allow. Data were collected through in-depth semi-structured interviews with the owner and long-serving staff, direct field observation of daily operations and the venue-sharing arrangement, and documentation review, selected jointly because tacit strategic knowledge is rarely fully articulable through interview alone and requires cross-checking against observed practice.

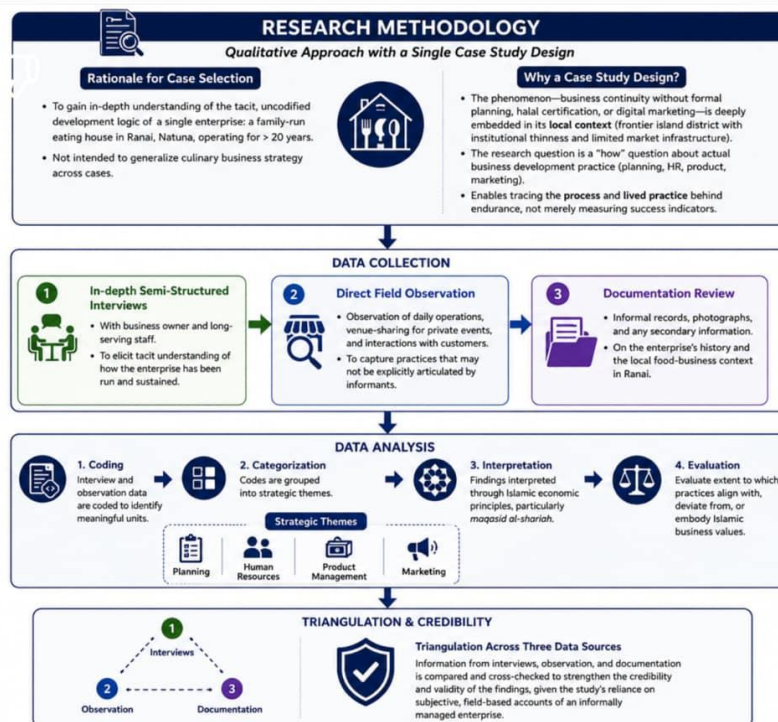


Figure 1. Research Methodology Framework

Data were analyzed thematically, with interview and observation findings coded into strategic themes (planning, human resources, product, marketing) and iteratively read against both mainstream strategic-management theory and *maqasid al-shariah* constructs, with triangulation across data sources applied throughout to strengthen credibility. This iterative interpretation is organized around an emergent conceptual model, **Community Values → Trust-Based Management → Customer Loyalty → Business Sustainability → Implicit Islamic Values**, which proposes that community-embedded values shape trust-based management, generating customer loyalty and sustainability independent of menu diversification or formal marketing, and that this pattern substantively embodies Islamic values such as *maslahah* and *ta'awun* even without conscious religious framing. Positioning the analysis around this model allows the study to move beyond description toward explaining how informal, community-embedded practice can substitute for formal strategic instruments, directly challenging the assumption that product diversification and formal governance are prerequisites for sustained SME competitiveness.

RESULT AND DISCUSSION

The Business Development Strategy as Actually Practiced

Field findings indicate that the business development strategy of the eating house in Ranai did not emerge from a formal business planning process, but rather developed gradually through the owner's experiential learning over more than two decades of operation. In terms of business planning, the enterprise possesses no written business plan, financial projections, or structured growth targets; decisions to expand the physical premises, add seating capacity, or enlarge the operating space were made reactively, based on direct observation of increasing customer volume rather than on measurable market demand projections. This pattern reflects what contemporary strategy literature terms an emergent strategy, one arising from a consistent pattern of action over time without deliberate design at the outset, which stands in contrast to Kohtamäki's (2025) emphasis on continuous, deliberate adaptation of strategic direction to shifting market and technological conditions. This divergence is theoretically significant rather than merely descriptive: it suggests that deliberateness, long treated as a precondition for strategic adaptation, may not be necessary where informal feedback loops between owner and community substitute for formal market sensing. *Figure 2. The Business Development Strategy as Actually Practiced.*

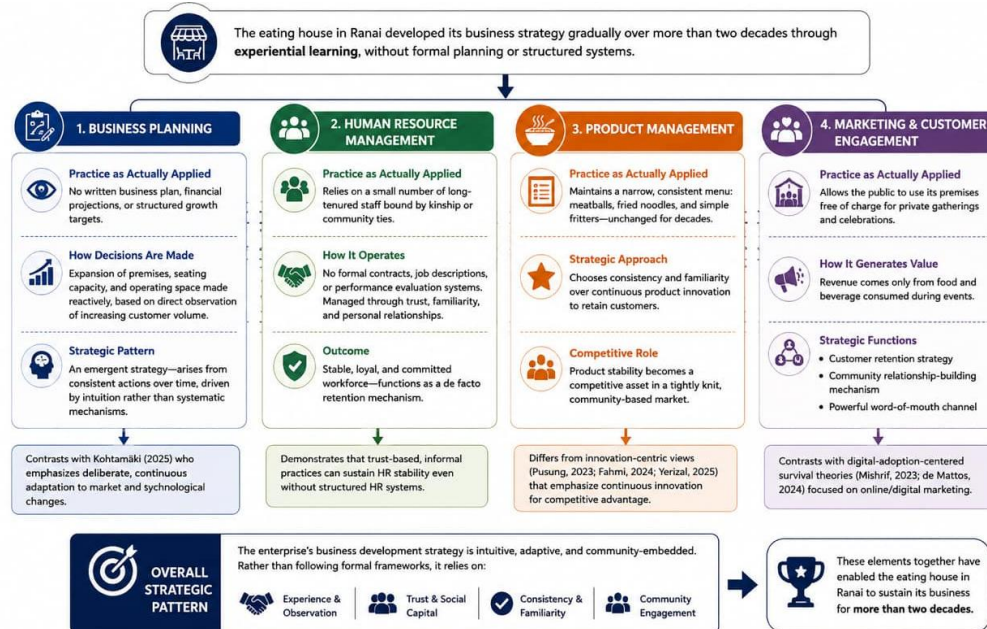


Figure 2. The Business Development Strategy as Actually Practiced

With respect to human resource management, the enterprise relies on a small number of long-tenured staff bound to the owner through kinship or close community ties rather than formal contracts, job descriptions, or performance evaluation systems, yet this informal, trust-based arrangement has produced a stable and loyal workforce functioning as a de facto retention mechanism. In terms of product management, the enterprise has maintained a narrow and largely unchanged menu throughout its operating history, deliberately avoiding the continuous product innovation that Pusung (2023), Fahmi (2024), and Yerizal (2025) identify as central to competitive advantage in the culinary SME sector. These findings challenge the dominant assumption that product diversification is a prerequisite for SME competitiveness: in this tightly knit, community-based market, menu stability itself functions as a competitive asset by reinforcing familiarity and trust, a dynamic that innovation-centric strategy frameworks do not adequately account for. The most distinctive element of the enterprise's strategy is its practice of offering its premises free of charge for private gatherings and celebrations, generating revenue solely from food and beverage consumption. Developed intuitively without reference to formal marketing theory, this arrangement functions simultaneously as customer retention, community relationship-building, and word-of-mouth marketing, positioning the enterprise as a shared community space rather than merely a food business, an outcome that diverges sharply from the digital-adoption-centered survival theories proposed by Mishrif (2023) and de Mattos (2024), and indicates that community embeddedness can serve as a functional substitute for digital marketing infrastructure in institutionally thin settings.

Alignment of the Practiced Strategy with Islamic Economic Principles

When evaluated against the framework of *maqasid al-shariah*, the informal practices identified above reveal a pattern of unintentional but substantive alignment with Islamic economic values, despite the absence of any explicit sharia-based governance structure. The venue-sharing practice reflects strong elements of *maslahah* (public benefit) and social solidarity, functioning as a form of informal *ta'awun* (mutual cooperation) embedded within a commercial transaction, while the trust-based, kinship-oriented approach to human resource management resonates with the principles of *adl* (justice) and *amanah* (trustworthiness), even though these values were never consciously framed by the owner in religious terms. At the same time, the findings reveal divergence from the fully structured Islamic business governance model advocated by Sustainim (2023), particularly regarding accountability mechanisms and formal documentation of ethical conduct: the enterprise's alignment with Islamic economic principles exists in practice (*fi'l*) rather than in codified system or formal declaration (*qaw'l*). This distinction carries a broader theoretical implication: it suggests that Islamic economic values can be embodied authentically through community-embedded informal practice, without requiring the formal certification, structured governance, or explicit sharia branding that much of the existing literature treats as prerequisites for Islamic business legitimacy, reframing the enterprise's success not as an anomaly relative to Islamic economic theory, but as an alternative empirical pathway through which such values are realized organically at the grassroots level. *Figure 3. Alignment of the Practiced Strategy with Islamic Economic Principles.*

In this model, community-embedded values of hospitality and mutual cooperation shape a trust-based approach to human resources and customer relations; this trust generates loyalty and repeat patronage independent of menu diversification or formal marketing; sustained loyalty produces long-term business viability; and the resulting pattern of practice, though never consciously religiously framed, substantively embodies *maqasid al-shariah* constructs such as *maslahah* and *ta'awun*. This model constitutes the study's principal theoretical contribution: it offers a pathway-level explanation, rather than a mere description, of how informal, community-embedded practice can substitute for the formal strategic and governance instruments that dominant SME and Islamic business literature treat as prerequisites for sustained competitiveness and religious legitimacy alike.



Figure 3. Alignment of the Practiced Strategy with Islamic Economic Principles

CONCLUSION

This study demonstrates that the sustained success of the eating house in Ranai stems not from formal business planning, product innovation, or structured sharia governance, but from an informally developed, community-embedded

strategy built on trust-based labor relations, product consistency, and a distinctive venue-sharing practice rooted in social solidarity. Evaluated through maqasid al-shariah, these practices reveal that the enterprise embodies Islamic economic values organically, in substance rather than through formal codification, challenging the assumption that certification, digitalization, and structured strategic planning are prerequisites for MSME sustainability in institutionally thin, frontier contexts such as Natuna. Theoretically, this contributes to strategic management and Islamic economics literature by showing that emergent, uncoded strategy can independently sustain competitive performance, and that Islamic values can be authentically embodied in practice (*fi'l*) rather than formal declaration (*qawl*); the conceptual model proposed, linking community values, trust-based management, customer loyalty, business sustainability, and implicit Islamic values, offers a basis for further theorization. Managerially, the findings suggest that small culinary enterprises in resource-limited settings can cultivate trust-based staff relationships and community-oriented service practices as low-cost, high-impact mechanisms for loyalty and viability, without treating formal planning or digital marketing as prerequisites for survival.

From a policy perspective, the enterprise's contribution to sustained household income and food accessibility over two decades without external support directly advances Goal 1 (No Poverty), Goal 2 (Zero Hunger), and Goal 8 (Decent Work and Economic Growth), underscoring the need for MSME support and halal certification schemes in frontier regions to accommodate informally developed, values-based business models rather than urban-centric assumptions of formalization and digital readiness. As a single case study, this research is context-bound and not statistically generalizable, and its evaluation of Islamic value alignment reflects the researcher's analytical framing rather than the owner's own religious self-understanding, which was not the focus of data collection; future research could therefore employ comparative case studies across multiple frontier enterprises to test the proposed conceptual model, longitudinal designs to trace responses to emerging digital and regulatory pressures, and approaches that incorporate owners' and communities' own religious self-perceptions to complement the etic evaluation offered here.

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