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Harmonizing Differentiation and Cost Leadership Strategies in Culinary Businesses

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Abstract

The culinary business is a sector that continues to grow amidst the challenges of globalization, intense competition, changes in lifestyle, and technological developments. In Indonesia, this sector contributed around 41% of the creative economy's GDP in 2020. In Indonesia, 74% of culinary businesses implement differentiation and cost leadership strategies, but only a small percentage achieve high performance. This shows the challenges in implementing both strategies simultaneously. This research seeks to develop a framework for implementing a combination of differentiation and cost leadership strategies simultaneously in the culinary business. This is done by understanding consumer trends, changing demographics, technology trends, and competition in the market. This research uses qualitative methods with a case study approach to explore the application of differentiation and cost leadership strategies in culinary businesses in the Medan region, North Sumatra. The sample was 47 culinary entrepreneurs who had high performance. Primary and secondary data are used to analyze operational information, costs, and profit margins. The research results show that the integration of differentiation and cost leadership strategies opens up opportunities to create added value for customers while remaining efficient by focusing on unique product quality, operational efficiency, cost control, and experience and value-based marketing so that culinary businesses can succeed in a competitive market.

Keywords

Implementation Framework, Contemporary Analysis of Culinary Businesses, Cost Leadership Strategies, Differentiation Strategies, Harmonizing

1. Introduction

Culinary business is an important business sector to highlight because this business is still growing amidst various challenges. This business is estimated to grow every year by 6.53% (CAGR 2024–2028). The global food and beverage market is projected to grow from \$5943.8 billion in 2020 to \$6138.5 billion in 2021 at a compound annual growth rate (CAGR) of 3.3%. This paints an exciting future and illustrates the sector's huge potential, whether in terms of innovation, job creation, or market opportunities for existing and emerging companies. However, it cannot be ignored that globalization, intense competition, changes in lifestyle, increasingly diverse consumer preferences, and technological developments have created big challenges and opportunities for culinary business actors.

In Indonesia, the culinary sector continues to experience development; the Central Statistics Agency (*Badan Pusat Statistik/BPS*) in 2023 states that to date, there are 10,900 culinary businesses spread throughout Indonesia in 2023, namely a total of 9,464 businesses (86.83%) of which in the form of restaurants or eateries, 359 businesses (3.29%) were in the form of catering, and the remaining 1,077 businesses (9.88%) were in the other category. According to the Minister of Tourism and Creative Economy of the Republic of Indonesia, Sandiaga Salahuddin Uno, culinary is the subsector that contributes the largest to the Gross Domestic Product (GDP) of the creative economy. According to data from the Ministry of Tourism and Creative Economy, the culinary subsector contributed IDR 455.44 trillion or around 41% of the total creative economy GDP of IDR 1.134 trillion in 2020. Following databooks. metadata. id, based on data from the BPS, in the second quarter of 2022, the food and beverage subsector became the largest contributor to GDP in the industrial sector, reaching IDR 302.28 trillion (34.44%). Gross Domestic Product (GDP) at constant prices for the food and beverage industry will increase by 4.90% (yoy) in 2022. This is partly driven by increased production of food and beverage commodities. Apart from that, the development of the culinary industry in Indonesia is also influenced by various factors, such as the implementation of appropriate marketing strategies, innovation, and the use of social media for online marketing. However, the impact of the COVID-19 pandemic has changed consumer behavior, such as preferring online purchases and take-away food, so culinary businesses must adapt by implementing online systems for delivery services, focusing on take-away promotions, and increasing consumer confidence. related to hygiene (Sulistiyawati, 2022). Not a few, culinary businesses have experienced bankruptcy due to the implementation of lockdowns and social distancing. Quoted from Suara.com, Irwan S Widjaja from the Association of Indonesian Food and Beverage Producers said that many factors caused the culinary business to be forced to close down during the pandemic, one of which was errors in financial management and also a lack of creativity and innovation in running the business culinary. This shows that dynamic environmental changes, including developments in technology and social media, require business people in the culinary industry to be able to analyze consumers' views on culinary delights in Indonesia, which can influence marketing strategies and culinary product development.

Business strategy is an important key to maintaining and sustaining the culinary business (Darmawi, 2022; Gil-Gomez et al., 2020; Ratnapuri et al., 2021), amidst challenges and intense competition. Innovation in menu and food quality, supported by smart and effective marketing campaigns, can help create a positive impression and build loyalty (Wahyono et al., 2023). Based on the results of a pre-survey (2022) of 300 culinary businesses in Indonesia, it is known that there are 74% (222 businesses) implement differentiation strategies and cost leadership simultaneously to respond to changes in contemporary trends: consumer preferences and technology and continuously changing consumer trends. However, of the total 222 businesses,

there were 47 (21.8%) culinary businesses achieving very high performance, 41 (18.4%) high performers, 54 (24.3%) moderate, and as many as 47 (34%) businesses experiencing a performance crisis. Based on this data, it is known that one side of this strategy has the opportunity to be implemented to achieve high performance, even though 47 businesses are experiencing a crisis. Differentiation strategies can increase added value but can bring high production costs and will ultimately affect company performance (Wahyono et al., 2023). In contrast, cost leadership may achieve operational efficiency but may limit the ability to meet increasingly diverse consumer needs (O'Brien et al., 2003). This requires companies to have effective management systems, sophisticated technology, and trained employees to achieve operational efficiency. However, this makes it difficult for culinary businesses to innovate. Michael Porter (1985) as the originator of the differentiation and cost leadership approaches, said that it is impossible to implement them simultaneously because the differentiation approach emphasizes innovation, creativity, and product differentiation or services, while cost leadership pursues operational efficiency and cost control to provide products or services at competitive prices.

Research has been conducted on implementing differentiation and cost leadership strategies simultaneously (Anwar & Shah, 2021; Al -Abdallah et al., 2021; Zhang & Liang, 2023) and has also been widely implemented in culinary businesses (Harahap, 2022; Pusung et al., 2023; Ngo, 2023) and its implementation has provided optimal performance (Anwar & Shah, 2021; Al -Abdallah et al., 2021; Zhang & Liang, 2023). However, the research does not use the latest trends, as consumer preferences, technology, and consumer trends are constantly changing, so contemporary analysis provides an edge in an ever-changing environment. Technological advances have made it easier for culinary businesses to implement differentiation and cost leadership strategies through innovation in their menus, creating more attractive customer experiences, responding to evolving consumer preferences, and reaching different market segments (Xie et al., 2021). In addition, when culinary businesses implement differentiation and cost leadership strategies simultaneously, this can help culinary businesses minimize financial risks (Thu, 2023) because they can create a strong competitive position, where differentiation strategies can increase revenue through increasing product value while cost leadership can increase profitability. Differentiation strategies are useful for companies in differentiating their products, improving the innovation process, and strengthening their brands when entering new regions. This activity aims to obtain higher profits and obtain higher competitiveness among its competitors (Anwar & Shah, 2021). On the other hand, using a cost leadership strategy can help companies produce products and services at lower prices, allowing their customers to purchase products in larger quantities, which in turn results in higher profit margins (Iwan & Arisman, 2023).

In most studies, attention is paid to the application of differentiation and cost leadership strategies simultaneously in the culinary business, which focuses conceptually, while the application of differentiation and cost strategies simultaneously is important for developing a structured framework for implementing strategies systematically to make it easier for businesses to understand the steps involved. steps necessary to effectively implement differentiation and cost leadership strategies in daily operations. As stated by Porter, implementing it at the same time is impossible because it requires different resources, while various studies show that implementation provides optimal performance, unfortunately, this research does not explain in detail the practical steps in implementing it. This research seeks to develop a framework for implementing the combination of differentiation and cost leadership strategies simultaneously in the culinary business. This is done by understanding current culinary market trends and dynamics. This includes consumer trends, demographic changes, technology trends, competition in the market, and establishing a framework for implementing the

integration of differentiation and cost leadership strategies simultaneously. This is based on the Main Hypothesis. Harmonization of differentiation and cost leadership strategies in the culinary business can be achieved by identifying the key elements of both strategies and adapting them to the current culinary business context.

2. Literature Review

Implementation framework refers to the structure or plan used to implement or carry out a particular strategy, policy, or program (Nilsen, 2020). This framework provides detailed guidance or steps to carry out a plan or strategy so that it can be implemented effectively. An implementation framework may include identifying clear goals, assigning responsibilities to specific individuals or teams, resource allocation, scheduling, performance measurement, evaluation, and adjustment or improvement processes. Ideally, an implementation framework is used before and during implementation efforts in the real world (Moullin et al., 2020). Applying this implementation framework helps in maintaining focus, reducing obstacles, and improving coordination between the various parts or aspects involved in carrying out a plan. This also allows better monitoring and evaluation of progress achieved and allows adjustments to strategies if necessary to achieve desired results.

Contemporary analysis in the culinary business refers to an approach that involves a deep understanding of the trends, current practices, and dynamics that exist in the food and beverage industry. This involves a comprehensive review of the factors that influence the culinary business today, such as changes in consumer preferences, innovation in product development, marketing strategies, operational management, sustainability aspects, as well as the use of technology in this industry (Cousins & Weekes, 2020). This analysis can include market mapping, evaluating trending business strategies, identifying new opportunities, and an in-depth understanding of the challenges faced by culinary businesses. In addition, contemporary analyses also often consider the impact of globalization, demographic changes, and other external factors that influence consumer behavior and food industry dynamics. This contemporary analysis of the culinary business aims to enable stakeholders in the culinary business to adjust their business strategies, follow consumer trends, improve product quality, utilize technology wisely, and adapt to the ever-changing business environment.

A cost leadership strategy aims to produce products at low costs or equivalent value to competitors' products. This strategy can be achieved through operational efficiency, resource capacity utilization, and better access to raw materials, and technology (Al-Abdallah et al., 2021). Companies that adopt a cost leadership strategy aim to increase market share by implementing lower costs compared to competitors (Pusung et al., 2023). Cost leadership is a company's ability to reduce costs in planning activities such as branding and distribution and identify opportunities in local markets to be recognized (Gupta et al., 2016). According to Sugiat et al. (2020), reducing costs means increasing efficiency to increase productivity projections and providing guarantees regarding service, quality, and risk by managers. The focus of this strategy is to lower product prices as a way to attract price-conscious customers. In this case, the company participates less in R&D activities and promotional efforts and instead achieves profits by reducing unit costs through increasing sales volume (Zhang & Liang, 2023).

Differentiation strategy refers to the steps or efforts taken by a company to create significant differences in its products, services, or services, which then generate value for customers and create a unique and meaningful impression. A differentiation strategy aims to differentiate a company's products or services from competitors' products or services, and this is characterized by developing new products or improving existing products (Mura et al., 2020). This is a strategy that has the potential to maintain customer loyalty because by implementing a differentiation

strategy, customers can experience higher value compared to similar products or services. According to Kotler (2017), one of the competitive advantages of a company can be realized through differences (differentiation) in the company's offerings that provide added value to consumers. A differentiation strategy can increase a company's competitive advantage. Therefore, the implementation of a differentiation strategy is usually accompanied by higher investments in R&D. Harmonizing is the process of aligning or combining several elements, policies, strategies, or decisions so that they work in harmony or balance with each other. In the context of the culinary business, harmonizing can refer to efforts to align policies and strategies to better achieve goals. Harmonizing encourages harmony and balance in various aspects so that different elements can work together effectively to achieve the desired results.

3. Methods

This research method uses a qualitative research method with a case study approach, namely by investigating in depth to understand how they implement differentiation and cost leadership strategies. The unit of analysis in this research is culinary businesses (restaurants, cafes) in the Medan - North Sumatra region, Indonesia. The population in this case is culinary businesses that achieved very high performance based on the results of the pre-survey, namely 47 businesses. This research uses a saturated sample, namely making all members of the population the research object. The informants in this research were business owners or managers and culinary employees. The data used is primary data and secondary data. Primary data is restaurant operational data about daily operations: daily/weekly/monthly sales, operational costs, profit margins, etc. Marketing data, product and menu data, strategy performance data, namely data regarding how product differentiation is carried out in terms of unique features, quality, or customer experience provided as well as details of operational cost management strategies and cost savings. Secondary data includes industry and market data, financial and economic reports, academic journals and articles, and information from business associations or the government.

Data collection techniques are carried out by: a. Interviews to gain in-depth insight from stakeholders, business managers, or experts about the strategies implemented in the culinary business, b. Content Analysis in reviewing documents, promotional materials, or online content related to the culinary business to understand how differentiation and cost leadership strategies are reflected in their communications, c. Observation and observation of culinary business operations to understand how differentiation and cost leadership strategies are implemented in daily practice. Data analysis was carried out by: 1. Data Coding: Creation of added value through differentiation as well as Operational Cost Management, 2. Theme and Sub-theme Analysis: Collaboration with Local Suppliers and Production Process Optimization, 3. Interpretation and interpretation, 4. Hypothesis development or Narrative, 5. Data Triangulation: comparing findings from interviews with other data, such as analysis of restaurant financial reports or customer reviews.

4. Results

4.1. Contemporary Analysis

Contemporary analysis in the culinary business depicts significant changes, where transformations are occurring that affect the way restaurants, delivery services, and culinary businesses operate and interact with consumers. Contemporary analysis in the culinary business begins with understanding the current trends and dynamics of the culinary market. Case studies such as restaurant "A" show that consumers tend to be more interested in unique and creative culinary

experiences than price or authenticity of taste. Even though the prices are slightly above average, the unique experience is the main attraction for consumers who are looking for new sensations in every culinary visit. Meanwhile, Traditional Food Stall "B" offers classic dishes from certain regions with authentic flavors. Even though the price is slightly higher, the authenticity of the taste gives this food stall a competitive advantage in the culinary business. Cafe "C" shows customer interest in affordable prices and good quality food. From these three case studies, it can be seen that consumer preferences in the culinary business vary. Restaurant "A" attracts consumers with a unique experience, albeit at slightly higher prices. Meanwhile, Traditional Food Stall "B" emphasizes authentic taste with prices slightly above average. At Cafe "C", the majority of customers prioritize affordable prices although experience and taste are also important. Based on this case study, it can be seen that it is important to understand consumer preferences; Culinary businesses need to adapt their strategies, where restaurants that focus on unique experiences must consider price, while those that emphasize authentic flavors need to maintain quality at competitive prices. Although the value of the experience or taste is important, price also influences consumer decisions. This understanding helps culinary businesses adapt strategies to be more responsive to customer needs and desires.

Not only consumer trends, but demographic change trends can also influence consumer preferences in the culinary business. Like restaurant "X" which focuses on healthy food with high nutritional value and low calories. An analysis of customer data shows an increase in the number of millennial generations as the main consumers of this restaurant who tend to prefer organic food, low in sugar, and suits their dietary needs. This generation-dominated demographic is driving demand for organic foods, local ingredients, and meal options that can be tailored to specific dietary needs. Then the "Y" Cafe offers menu choices for families and has a children's play area. With young families as its main customers, the cafe adjusted its menu by adding healthy food options for children and family-friendly menu packages. Restaurant "Z" offers authentic traditional regional cuisine to attract local and international tourists interested in culinary heritage. This restaurant adds a variety of local foods as well as experiences that introduce local traditions and culture. This case study shows how demographic changes influence food preferences in the culinary business. The adoption of a healthy lifestyle by the millennial generation has changed the food and beverage industry and also influenced the culinary business. Restaurant "X" attracts the attention of the millennial generation who cares about health by offering a healthy and organic menu. Cafe "Y" adapts its menu for young families who need healthy, child-friendly food. Meanwhile, Restaurant "Z" offers traditional cuisine that is attractive to tourists and residents who want to experience local culinary delights. Culinary businesses must adapt to these demographic preferences to enable menu innovation and attract and retain customers from targeted segments.

Technological advances have also changed the way culinary businesses operate and interact with consumers. Technology trends in the culinary business are driving efficiency and providing a better customer experience. Case studies such as "R" restaurants has an online ordering platform that allows customers to order food via a mobile app. Integrated payment systems can speed up transactions, while cloud-based order management systems improve kitchen, inventory, and food delivery efficiencies. By adopting this technology, "R" restaurants can increase service speed, optimize the order process, and increase convenience for customers. Meanwhile, food delivery service "S" has a food delivery app that facilitates ordering from various restaurants with real-time order tracking. With the adoption of this technology, "S" food delivery services can provide fast and reliable service to customers and improve their operational efficiency. The online reservation platform "T" helps customers book places at restaurants online as well as assists with queue management. The

platform helps restaurants improve customer experience by reducing wait times and optimizing queue management. Several of these case studies show the positive impact of adopting technology in the culinary business can improve order management, inventory, and delivery processes. Orders and reservations via the app give customers more convenience and control in booking and planning their visits. Restaurants and food delivery services need to adapt to these technology trends to stay competitive and meet customer expectations. Successfully integrating this technology is key to maintaining a competitive advantage in an ever-evolving industry.

The culinary business, competition in the market has also changed the way businesses operate and interact with consumers. The main competitors in the culinary business can vary depending on the type of business, location, and target market. Case study of fast food stalls "X" and "Y" which compete in the market with similar offerings but use different strategies. Warung "X" offers lower prices and discount packages, while Warung "Y" emphasizes quality and innovation in healthy food choices and high-quality ingredients. Then, Italian restaurants "A" and "B" compete in the same area with different approaches. Restaurant "A" leverages location and branding to attract customers by offering an authentic Italian culinary experience, while Restaurant "B" focuses on special promotions and more personalized customer service. We can also see another case from healthy food restaurants "E" which focuses on menu innovation and digital marketing to reach the millennial generation by providing a diverse and healthy menu. Meanwhile, restaurant "F" prioritizes direct interaction with customers and a membership program for nutritional consultations and community activities with customers. This case study shows how major competitors in the culinary industry use different strategies to differentiate themselves in the same or similar markets. Implementing the right strategies helps them attract and retain customers amidst fierce competition. Through three case studies about competition in the culinary business market, it is known that price and differentiation strategies are used to differentiate themselves in a competitive market. Branding and customer service are also important differentiators, as is the case with typical Italian restaurant "A" using authentic Italian branding and Italian restaurant "B" with more personalized customer service. Strong branding and more personalized customer service can be important differentiators in similar markets. Then menu innovation and customer engagement strategies can also be used to face competition in the culinary business market where restaurant "E" uses menu innovation and digital marketing for the millennial generation, while restaurant "F" focuses on direct involvement and community programs. Strategy selection must be based on a strong understanding of customers and competitors, especially in the face of a competitive market. Differentiation through quality, branding, innovation, and unique services is very important to set yourself apart, especially when supported by the right technology and marketing to reach a specific target market. This emphasizes the need for appropriate strategies in the culinary business to maintain market share and attract relevant customers.

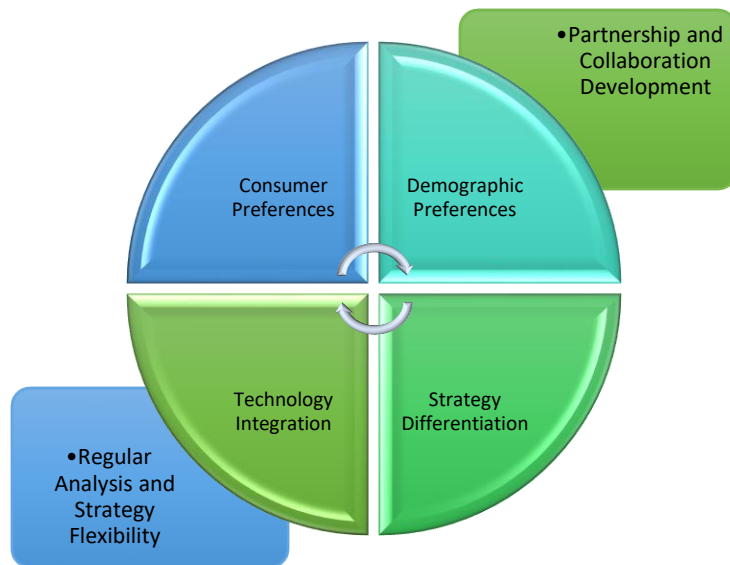


Figure 1. Contemporary Analysis of the Culinary Business

The Figure 1, is a framework for conducting a contemporary analysis of culinary businesses that focuses on a deep understanding of consumer preferences. Culinary business players must actively understand their consumers' preferences. This involves monitoring market trends, customer surveys, and data analysis to adapt business strategies to evolving preferences. Culinary businesses also need to adapt their strategies to demographic changes. This allows for innovation in the menu and customer experience. Additionally, the adoption of technology, such as online ordering, food delivery apps, and online reservation platforms, can help culinary businesses improve operational efficiency, order management, and interactions with customers. This technology integration is the key to remaining relevant and competitive in the culinary business sector. Contemporary analysis of the culinary business also involves differentiation strategies through price, quality, branding, innovation, and customer service strategies in facing competition in the culinary business market. Business people need to choose and implement strategies that suit the market environment and customer preferences. In addition, collaboration with local suppliers, business partners, or marketing platforms can also open up new opportunities and increase competitiveness. Culinary businesses also need to carry out regular analysis of markets, trends, and competitors to achieve strategic flexibility which is key to being able to respond to changes quickly and effectively.

4.2. Integration of Differentiation Strategy and Cost Leadership

Integration of differentiation and cost leadership strategies in the culinary business can be carried out by involving emphasis on product quality and uniqueness while still maintaining efficient expenditure. This includes developing unique and high-quality products with exclusive dishes that are not offered by competitors with an emphasis on creativity and innovation, using high-quality ingredients to meet customer expectations, and creating an experience that is not only limited to taste, but also other elements such as a unique restaurant layout, service, or theme that enhances the overall customer experience. For example, the fine dining restaurant "XR" has developed a special menu of fusion cuisine that combines food elements from various cultures to create a unique culinary experience, using premium ingredients, and working with local suppliers to obtain high-quality ingredients at affordable best prices. They also use technology for efficient inventory management.

This "XR" restaurant successfully combines differentiation through a unique menu and high-quality ingredients with cost leadership through operational efficiency and supply chain to maintain excellence in the culinary market. The integration of these two strategies is also carried out by the "GB" Organic Cafe and the "UV" Restaurant where the "GB" Organic Cafe focuses on healthy food with a unique menu and establishes partnerships with local farmers to obtain organic ingredients at more affordable prices. This restaurant also minimizes waste and optimizes production, combining differentiation with cost leadership. Meanwhile, "UV" Restaurant offers fast-casual dishes with unique flavors with high-quality ingredients, establishes partnerships with local producers, and manages the supply chain efficiently. Integration of differentiation strategy through creative menus with high-quality ingredients and cost leadership through efficient supply chain management, both of which offer unique value at controlled costs, attracting various customer segments in the culinary business. The three restaurants in the culinary business used as case studies can use several methods to integrate differentiation and cost leadership strategies with a focus on unique product quality. They can conduct market analysis and customer surveys to understand preferences, industry trends, and market demand. Menu innovations and unique dining experiences can be designed through research to create interesting menu variants and different experiences. In addition, supply chain management and operational efficiency can use technology to manage inventory, optimize production, and reduce waste of raw materials. The three restaurants must also carry out performance evaluation and continuous improvement to track the success of strategy integration, paying attention to sales increases, profit margins, customer satisfaction levels, as well as feedback and market trends. This shows that the integration of differentiation and cost leadership strategies in the culinary business requires a holistic approach by combining strategic aspects to provide added value to customers while still considering cost efficiency.

The integration of differentiation and cost leadership strategies in the culinary business with a focus on operational efficiency and cost control also enables the creation of high-quality products with low production costs. This integration involves using technology for operational efficiencies, speed up the order and delivery process, and manage food waste by recycling or reducing waste, analyzing every operational aspect, including labor, energy costs, or logistics to identify areas where costs can be reduced without sacrificing product quality. This integration allows businesses to maintain product quality while minimizing production costs. The fast food restaurant "BF" offers a fast food menu consisting of fresh and healthy ingredients that can be tailored to suit specific diets or health preferences, highlighting fresh ingredients at more affordable prices from local farmers and using technology for order management and efficient inventory to reduce waste. By using differentiation strategies through healthy food and fast service, as well as cost leadership through efficient supply chain management, the "BF" restaurant has succeeded in combining these strategies which can have a positive impact on the restaurant. Meanwhile, the "AW" Coffee Cafe also integrates this strategy by offering specially roasted local coffee and aesthetic interior design with cost leadership through efficient supply chain management and careful management of operational costs.

The use of differentiation and cost leadership strategies that focus on operational efficiency and cost control in the culinary business can also be seen in the fusion restaurant "FT" through unique dishes with touches from various cultures and creating an interesting culinary experience with cost leadership through direct partnerships with suppliers to obtain raw materials at affordable prices so that we can carry out efficient supply chain management. The steps for integrating differentiation and cost leadership strategies in the culinary business which focuses

on operational efficiency and cost control involve a comprehensive audit of business processes, including inventory management, order management, and operational processes. Identify food waste areas so that food waste can be minimized. Implementation of this strategy can be done through an automated inventory management system, automated order management, and establishing operational standards. These steps help culinary businesses identify areas where operational efficiency can be improved by using technology, reducing waste, and managing costs without compromising product quality.

Integrating differentiation and cost leadership strategies with experience and value-based marketing can create competitive attractiveness by offering unique value at efficient costs so that it can build customer loyalty and create a strong identity. This integration can be done through marketing through the stories behind each dish, experiences that differentiate the restaurant from others, and highlighting aspects of local traditions found in the menu. This strategy also utilizes digital marketing through social media platforms such as Instagram, Facebook, or TikTok to share interesting content about culinary delights and unique dishes. This marketing strategy can also engage customers through contests, polls, and ratings. By combining experience and value-based marketing with differentiation and cost leadership strategies, restaurants can strengthen their brand image while controlling costs, creating deeper engagement with customers, and strengthening their competitive position in the marketplace. The use of differentiation and cost leadership strategies that focus on experience and value-based marketing in the culinary business can be seen in the "ACE" Bistro Restaurant which offers a unique fusion menu with touches from various cultures. This restaurant also has direct partnerships with local farmers for fresh ingredients at affordable prices. With marketing by telling the story behind the menu, this restaurant successfully integrates differentiation strategies, cost leadership, and experience and value-based marketing. Through a unique menu and differentiated dining experience, the restaurant attracting customers looking for an unusual culinary experience. In addition, through direct partnerships with local suppliers and the application of technology in operations, this restaurant has managed to keep production costs under control without sacrificing the quality of raw materials or customer experience.

Through experience and value-based marketing, the bistro restaurant "ACE" has succeeded in building stories behind the dishes, and presenting content that provides added value to customers. The integration of these three strategies allows "ACE" restaurants to offer a meaningful dining experience to customers, strengthen their position in the market, and make the restaurant a sought-after destination for foodies looking for a unique and satisfying experience. Steps for integrating differentiation strategies, cost leadership, experience, and value-based marketing in the culinary business can be done by identifying business uniqueness, evaluating the supply chain, and implementing operational efficiency measures. First, identify the uniqueness of the business, review the supply chain to optimize production costs, then implement operational efficiency measures and form partnerships with local suppliers. Tell the stories behind the dishes via social media, and create content that adds value. In addition, evaluate and adjust by observing relevant performance metrics such as production costs, customer satisfaction, or interactions on social media to ensure the strategy is running according to plan and carry out regular evaluations to identify areas that need improvement. These steps help in effectively integrating differentiation, cost leadership experience, and value-based marketing strategies, creating continuity between unique product offerings, smart cost management, and marketing that adds value to customers. Based on the results of this research, we can describe the integration of differentiation and cost leadership strategies in the culinary business.

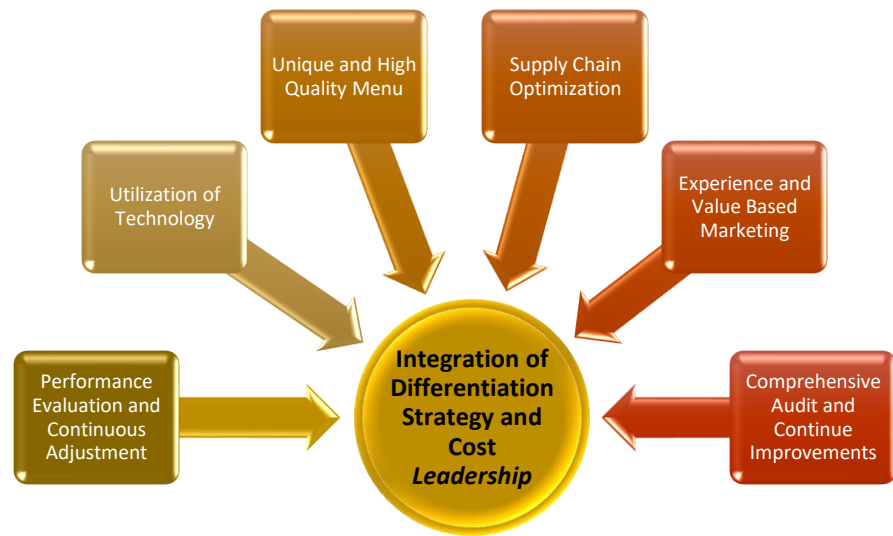


Figure 2. Integration of Differentiation Strategy and Cost Leadership

Figure 2 is a framework that illustrates the integration of differentiation and cost leadership strategies in the culinary business which focuses on developing unique and high-quality menus where culinary businesses need to continue to develop unique and high-quality products with exclusive dishes that are not offered by competitors. This menu innovation can be done after understanding culinary trends and customer preferences. Apart from that, culinary business players must also look for high-quality raw materials at optimal prices through partnerships with local suppliers and negotiating prices. Operational efficiencies in the supply chain, including inventory management and shipping, will help reduce production costs. The integration of differentiation and cost leadership strategies in the culinary business can also be done with the integration of technology, such as automatic inventory management systems, automatic orders, and digital marketing, which can improve operational efficiency, and cost management, and provide a better experience to customers. Leveraging digital marketing to tell the story behind the dishes, and provide content that adds value is also useful for building a strong brand identity through experience-based marketing to increase customer attraction. Culinary business players also need to evaluate performance by monitoring relevant operational metrics. Rapid response to market changes and continuous adjustments in strategy will ensure the continued success of strategic integration. After the evaluation is carried out, culinary business players must also carry out a comprehensive audit of business processes, including inventory management, order management, and operations. Identify waste areas, analyze food waste patterns, and continuously improve operational processes.

Contemporary analysis in the culinary business is very important because various external factors can influence the implementation of differentiation and cost leadership strategies. This includes consumer trends, demographic changes, technological developments, and dynamically changing market competitive conditions. The influence of these factors plays a key role in shaping harmonization strategies in the culinary industry. Consumer trends such as a trend toward healthy menus, demand for organic foods, or interest in unique dining experiences have influenced culinary strategies. According to Ahn & Ryu (2019), consumer tendencies toward unique and exclusive dining experiences give rise to the need for strong differentiation in menus and customer experiences. On the other hand, affordable prices remain the main consideration for most consumers (Putra et al., 2021). This encourages culinary companies to combine differentiation strategies with efforts to

maintain competitive prices. Additionally, demographic changes, such as changes in food preferences by generation, can also influence business strategies. According to Kang and Ridgway (2017), younger generations tend to be more open to culinary innovation, wanting unique, healthy, and sustainable food options. On the other hand, older generations may be more concerned about value and best quality at an affordable price. Therefore, harmonization between innovative product differentiation and cost reduction can be important to meet diverse generational preferences.

The influence of technology in the culinary business is also an important thing to pay attention to because this has changed the way culinary businesses operate and interact with consumers. Technology trends in the culinary business are driving efficiency and providing a better customer experience. Food delivery apps, online reservation platforms, and order management systems have changed the way restaurants operate. According to Gupta & Rangaswamy (2020), adapting technology in operational processes can help control costs, increase efficiency, and provide a better experience to customers. Not only that, competitor analysis is also very important in determining differentiation and cost leadership strategies. According to Porter (1985), strong competition can encourage companies to pursue differentiation advantages and look for ways to maintain lower costs. Competitor studies will help in adjusting strategies to be more adaptive and responsive to market dynamics. By understanding these contemporary factors, culinary businesses can take the right strategic steps in creating harmonization between differentiation and cost leadership.

Strategic integration in the culinary business is a holistic approach that combines various important aspects such as product quality, operational efficiency, experience, and value-based marketing. The main aim of this strategic integration is to increase the competitiveness of the culinary business amidst dynamic market changes and challenges. By combining these aspects, culinary businesses can adapt quickly, attract new customers, and maintain close relationships with existing customers. Focusing on product quality is an important point in gaining and maintaining customer loyalty in the culinary industry. According to Kotler and Keller (2016), superior product quality can create significant differentiation in the market. In the culinary sector, product quality is not only related to the taste and visual presentation of the food. More than that, this is related to authenticity and the quality of the ingredients used. This focus on product quality involves aspects of quality raw materials, innovation in the menu, and a satisfying eating experience for customers. Based on this, the culinary industry demands excellence in selecting raw materials, serving food to the highest standards, and creating a satisfying culinary experience. Superior product quality is not only about the deliciousness of the dish but also about the authenticity and ingredients used in the cooking process. Additionally, providing a satisfying culinary experience requires attention to detail, from the layout of the restaurant to the familiarity of the service to the atmosphere created around the dish.

Along with this, operational efficiency is also the main basis for keeping production costs under control without reducing quality. Good management of the supply chain, efficient inventory, and use of technology can help achieve this goal. According to Hayes & Pisano (1996), optimizing operational processes can increase productivity and reduce waste. In the culinary business, this can include efficient inventory management, supply chain optimization, use of technology to speed up service or save costs, and effective human resource management. Effective inventory management ensures the use of the right raw materials as needed, and optimizes production processes. Additionally, an optimized supply chain helps in sourcing high-quality raw materials at affordable prices, speeds up the flow of goods, and reduces shipping costs. The use of technology, such as automated ordering systems

or inventory management software, helps speed up service, reduce errors, and manage operational costs more effectively. Not only that, proper staffing, adequate training, and efficient schedule management can improve overall productivity. By reducing waste, culinary businesses can increase efficiency and better manage their resources. In the long term, these operational efficiencies can contribute to better financial performance, increase profitability, and help businesses develop sustainably in a competitive industry.

On the other hand, experiential and value-based marketing also plays an important role in attracting customers. This includes how businesses tell stories, add value to products, and create emotional connections with consumers through various channels. According to Pine & Gilmore (1998), customers not only buy products but also the experiences associated with them. This is an important basis for developing a culinary business marketing strategy, where in the culinary business, the focus on the experience is not only about the taste of the food but also about the stories and values associated with each dish. This allows customers to engage emotionally, providing deeper meaning to each visit. Apart from that, digital marketing via social media platforms is also an effective means of sharing interesting stories, images, and videos about the culinary process, the secrets behind each dish, or the story of the restaurant itself. Through valuable content such as cooking tips, health articles, or information about quality ingredients, restaurants can enrich customer experiences and build engaged communities.

Customer engagement is also a focus in experience and value-based marketing. Restaurants invite customers to engage in contests, polls, or ratings that allow them to feel directly involved in the culinary experience on offer. This not only builds a strong bond between customers and restaurants but also provides an opportunity for customers to feel involved in a unique culinary journey. By paying attention to these aspects, culinary businesses can create strong differentiation, build a positive brand image, and maintain loyal customers. Superior product quality not only attracts new customers, but also maintains long-term relationships with them, provides an unforgettable culinary experience, and encourages them to come back again. Apart from that, culinary businesses can also increase operational efficiency to manage resources optimally and provide valuable experiences for customers through marketing that focuses on value and experience. This strategic integration helps culinary businesses to survive and develop in a competitive market.

5. Conclusion

Contemporary analysis in the culinary business focuses on significant changes affecting the way restaurants, delivery services, and culinary establishments operate and interact with consumers. Varying consumer preferences, demographic changes, technological advances, and intense competition are the main factors that culinary business players need to understand and adapt to. The integration of differentiation and cost leadership strategies in the culinary business opens up opportunities to create added value for customers while remaining efficient in spending. In this context, a focus on unique product quality, operational efficiency, cost control, and experience and value-based marketing are the keys to achieving success in the culinary business. This research does not discuss periodic evaluations of the strategies implemented. Identify areas where you can improve differentiation or further optimize cost control. Therefore, this can be used as a reference for further research.

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