

Digital Transformation of Culinary MSMEs: A Case Study of Warung Coto Jeneberang Kendari, Southeast Sulawesi

Larasanti Cahyaningsih¹, Muslim Mualim¹, Nur Azkia¹, Nuriyah Dani¹, Jumarni Ibrahim¹

¹ Accounting Study Program, Faculty of Economics and Business, Halu Oleo University, Indonesia

***Corresponding Author**, Email: larasanticahyaningsih@gmail.com

Abstract

Digital transformation is a key factor in increasing the competitiveness of Micro, Small, and Medium Enterprises (MSMEs) in the Industry 4.0 era. Culinary MSMEs face challenges in adopting digital technology to expand their markets, improve operational efficiency, and strengthen their brand image. This study uses a mixed-methods approach, including a literature review combining 15 international journals and direct interviews with the owner of Warung Coto Jeneberang Kendari. This research focuses on digital marketing, technology-based operational management, and crisis survival strategies. The study results show that digital transformation has a significant impact on improving business performance, with digital literacy, infrastructure support, and government policies as key determinants of success. The Warung Coto Jeneberang case study shows that innovation through the integration of GrabFood services since 2017, the use of online couriers, and the use of QRIS for non-cash payments has proven effective in maintaining business continuity, even when the COVID-19 pandemic reduced sales by up to 70%. These findings confirm that digitalization is not just a trend, but a crucial strategy for culinary MSMEs to survive and thrive.

Keywords: Culinary MSMEs, Digital Marketing, Digital Transformation, GrabFood, QRIS.

INTRODUCTION

Digital transformation is the use of digital technology in various aspects of modern life, not only limited to digital literacy but also concerns the ability of organizations to implement new technologies to improve business operations (Hutama et al., 2023). In the context of MSMEs, digital transformation includes the integration of technology into business processes, the adoption of digital marketing strategies, and the use of e-commerce platforms that enable business actors to expand markets and increase efficiency (Purnomo et al., 2024).

MSMEs are the backbone of the Indonesian economy, contributing significantly to the national Gross Domestic Product (GDP), accounting for 61% and employing 97% of the workforce (Purnomo et al., 2024). Of the total 65.5 million MSMEs in Indonesia, the culinary sector dominates, accounting for 35%. However, only around 30% of MSMEs have optimally utilized digital platforms (Alifudin et al., 2024). This situation indicates a persistent digital divide that needs to be urgently bridged.

The development of digital technology has brought significant changes in consumer behavior. Today, consumers no longer rely solely on in-person purchases, but also on app-based services such as GoFood, GrabFood, and ShopeeFood. This shift has forced culinary MSMEs to shift their strategies from

conventional to digital to remain relevant and competitive. The COVID-19 pandemic accelerated this adoption as activity restrictions pushed consumers to shift to online transactions (Maulana, 2024). Other studies confirm that digitalization opens up broader market opportunities, improves operational efficiency, and strengthens customer loyalty (Hartini & Rohman, 2025).

Warung Coto Jeneberang Kendari was established in 2006 and has moved three times. It last occupied its current location in 2017, before the COVID-19 pandemic. During the pandemic, sales at the stall dropped drastically, dropping to 50% or even 30% of normal levels. However, the presence of GrabFood, which was incorporated in 2017, and the support of local couriers like Maxim helped the stall survive. Furthermore, innovations in the form of cashless payments (QRIS) have made transactions even easier for customers. This fact demonstrates that digital transformation is not just an option but a strategic necessity for culinary MSMEs to survive. This is consistent with the finding that digital literacy, leadership, and organizational agility positively influence the success of digital transformation (Sidabutar & Siswanto, 2024).

Furthermore, digital transformation aligns with the Indonesian government's vision to accelerate digital economic development. Government programs such as

the National 1000 Digital Startup Movement and the target of onboarding 30 million MSMEs to digital platforms by 2024 provide crucial momentum for MSMEs to make changes. These programs are expected to accelerate MSME digital transformation, although successful implementation still depends on the readiness of business actors themselves (Wijatmoko et al., 2025).

METHODS

This study employed a mixed methods approach, comprising literature and direct interviews. Secondary data were obtained through a literature review of 15 international journals relevant to the digital transformation of culinary MSMEs over the past five years (2020–2025). Primary data were obtained through direct interviews with the owner of Warung Coto Jeneberang Kendari, who provided historical and current information regarding the digital transformation undertaken. The research stages include: 1. Planning: Determining the topic and journal inclusion criteria and developing interview instruments. 2. Implementation: Collecting relevant journals and conducting field interviews. 3. Analysis and Synthesis: Combining findings from the literature with interviews to build a comprehensive understanding.

RESULTS AND DISCUSSION

The Role of Digital Transformation for Culinary MSMEs

Digital transformation involves integrating technology into all aspects of business. For MSMEs, this includes utilizing online ordering applications, social media for promotions, and digital payment systems (Hutama et al., 2023; Upe, 2023). Through social media, e-commerce platforms, and delivery services, MSMEs can reach a wider consumer base at a lower cost (Kwok, 2022; Siamagka et al., 2020). Research in Karawang shows that digitalization increases competitiveness, although barriers such as limited digital literacy and resources are still common (Maulana, 2024).

At Warung Coto Jeneberang, the use of GrabFood and QRIS has not only expanded the market but also increased transaction efficiency. Interview data shows that daily sales, which initially dropped by 70% at the start of the pandemic, have rebounded to 80% of normal levels after optimizing delivery services and digital promotions. This aligns with a study by Nuryati

et al. (2023), which found that digitalization improves the performance of MSMEs post-pandemic through digital marketing strategies and cashless services. Furthermore, research by Yulianti et al. (2025) also shows that ease of access and use of digital services, including cashless payments, significantly contribute to consumer satisfaction and loyalty.

Challenges in Implementation

Interviews with the owner of Warung Coto Jeneberang revealed that while digitalization helped them survive the crisis, challenges remain. These include limited employee digital literacy and the additional costs of using delivery services. This aligns with Purnomo et al. (2024), who highlighted low digital literacy as a major barrier. However, with simple training and platform support, Warung Coto Jeneberang was able to adapt.

Furthermore, another challenge is the increasingly fierce competition on digital platforms. Many other culinary MSMEs in Kendari have also started joining GrabFood or GoFood, requiring Warung Coto Jeneberang to differentiate itself. One way to do this is by maintaining the consistency of Coto Jeneberang's distinctive flavor, which is a strong identity and difficult to imitate.

Determining Factors for the Success of Digitalization

Studies show that digital literacy plays a crucial role as a mediating variable in the revitalization of MSMEs (Putri & Asyari, 2023). Without adequate knowledge, consistent technology adoption is difficult. Other factors include leadership and organizational agility, which have been shown to improve the performance of MSMEs in the culinary sector (Sidabutar & Siswanto, 2024).

The decision to join GrabFood in 2017 demonstrates a sound long-term vision. With this move, the warung not only expanded its market reach but also built a modern brand image. The support of local couriers like Maxim further strengthened the distribution network. This practice aligns with the findings of Noval et al. (2025), who emphasized the importance of differentiation and innovation strategies in maintaining competitive advantage.

When compared to culinary MSMEs in Bogor or Jakarta (Alifudin et al., 2024), Warung Coto Jeneberang's digitalization pattern is similar in terms of utilizing delivery services and social media. However, the difference lies in the scale of adoption. In large

cities, MSMEs were quicker to adopt paid advertising and data-driven marketing strategies, while in Kendari, strategies focused more on personal relationships with customers. This demonstrates that local context significantly influences MSME digital transformation models.

Furthermore, from the perspective of innovation adoption theory (Rogers, 2003), Warung Coto Jeneberang is considered an early adopter of GrabFood in Kendari. This early decision was a determining factor in helping the stall survive the pandemic. Meanwhile, from the Resource-Based View (RBV) perspective, the unique combination of traditional recipes and digital technology integration creates a competitive advantage that is difficult for competitors to imitate.

Warung Coto Jeneberang has been able to survive because its owner is responsive to technological changes. The owner actively learns to use online applications and monitors consumer trends through social media. This strategy reflects the findings of Hartini & Rohman (2025), who emphasized the importance of balancing modernization and preserving traditional identity.

Social and Educational Implications

The digital transformation at Warung Coto Jeneberang has not only impacted sales turnover (economic), but also educational (entrepreneurship) and social aspects (MSME welfare). With the increase in online orders, there has been an expansion of job opportunities through the involvement of GrabFood and Maxim couriers. Furthermore, the stall's continued existence during the pandemic has helped maintain the economic stability of employees' families and contributed to the local economy in Kendari. This aligns with a study by Sembiring et al. (2025), which showed that integrating digital literacy with entrepreneurship education can increase the income of culinary MSMEs while preserving local cultural heritage.

Comparison with International Studies

The results of this study are consistent with research in Southeast Asia that demonstrates the crucial role of food delivery platforms in the growth of MSMEs (Lee et al., 2020). The difference is that MSMEs in Indonesia rely more on government policies to promote digital literacy, while in other countries, incentives come from the private sector. This suggests

that collaboration between the government, digital platforms, and local communities is key to success.

CONCLUSION

Digital transformation has proven to be a crucial strategy for culinary MSMEs to navigate market changes and crises. Digital transformation offers significant opportunities for culinary MSMEs to increase competitiveness, expand markets, and maintain business sustainability. The Warung Coto Jeneberang case study demonstrates that the use of GrabFood, QRIS, and digital promotional strategies enabled them to maintain business continuity amid the pandemic. These findings are consistent with international literature emphasizing the role of digital literacy, leadership, and innovation as key determinants of successful digitalization.

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