

Competitive analysis and product development in an herbal medicine MSME: A Porter's Five Forces and Market Sensing Capability perspective

Uswatun Hasanah^{*}, Nurbaiti, Aqwa Naser Daulay
Management, Faculty of Islamic Economics and Business, Universitas Islam Negeri Sumatera Utara, Indonesia

Abstract

This study examines product development planning strategy supported by market sensing capability in relation to perceived consumer attractiveness at Dapoer Niswah Herbal Jamu MSME. The study uses a descriptive qualitative case-study approach through interviews, observation, and documentation, with the competitive environment examined using Porter's Five Forces. The findings indicate that competitive pressure is reflected in ease of entry, consumer choice, substitute products, supplier conditions, and rivalry among competitors. Dapoer Niswah responds through product diversification, herbal tea bags, powdered and dried herbal products, herbal param, Coffee Jamu, packaging improvement, and digital marketing. Market sensing is carried out through customer communication, sales evaluation, bazaar activities, and observation of trends and competitors. Internal revenue increased from IDR 217,263,000 in 2024 to IDR 227,246,000 in 2025 (4.59%); however, this figure is not interpreted as evidence of effectiveness because no cost/profit benchmark or external comparison was available. The novelty lies in integrating a Porter-based competitive analysis with market sensing and product-development planning in a single herbal jamu MSME case. The study is limited to one MSME and management-side informants; no direct consumer survey or consumer interview was conducted. The practical implication is that jamu MSMEs should formalize market-information collection and link it to product-development decisions, especially regarding practicality, packaging, product differentiation, and consumer needs.

Keywords: Consumer Attractiveness, Product Development Strategy, Market Sensing Capability, Porter's Five Forces.

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***Corresponding author:**

uswa282502@gmail.com

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INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are an important part of the Indonesian economy because they not only contribute to production and trade activities, but also create jobs, increase people's income, and drive the regional economy. Janah, U. R. N., & Tampubolon (2024) state that MSMEs are drivers of economic activity because they directly involve the community in various business activities. In line with this, Putranto et al. (2025) explain that MSMEs play a role in expanding employment opportunities and maintaining the continuity of economic activities when the business environment changes. However, this role faces increasingly complex challenges, such as changes in consumer needs, technological developments, and business competition. A product that was previously popular is not necessarily still suited to consumer needs in the following period. Therefore, the sustainability of MSMEs increasingly depends on business actors' ability to read market changes, create value, and develop products that remain relevant to their consumers.

This challenge is also found in the jamu (herbal medicine) and herbal product industry, which has economic value while also being part of Indonesia's cultural heritage. Sihombing and Nugraha (2025) note that in 2023 there were 627 registered Traditional Medicine Small Enterprises (UKOT), 272 Traditional Medicine Medium Enterprises (UMOT), and 144 Traditional Medicine Industries (IOT), while more than 24,447 jamu products had obtained distribution permits (Kartika et al., 2025). Increasing public attention to health has also driven demand for jamu, which during the COVID-19 pandemic increased by around 41% in several regions and reached 600% in the Province of East Nusa Tenggara (Soesilowati et al., 2024). However, this growth has also increased competitive pressure because consumers have many alternatives to compare in terms of benefits, taste, price, safety, packaging, and practicality. In addition, the existence of health drinks, supplements, ready-to-consume herbal drinks, and other health products as substitute products further widens consumer choice. This condition requires jamu MSMEs to understand changing consumer preferences, monitor competitors, and recognize alternative products in order to maintain the attractiveness of their products.

This condition can be seen at Dapoer Niswah Herbal Jamu MSME in Medan Marelan District, Medan City, which has customers with diverse characteristics. Based on observation results and sales data, the main customers come from a group of young mothers aged around 25–35 years and older adults aged around 40–75 years. These differing characteristics indicate differences in the considerations used when choosing a product, such as practicality and packaging for the younger age group, and benefits and safety for the older age group. The ability to meet consumer needs and expectations can create a positive experience that subsequently drives satisfaction, repeat purchases, and recommendations. Mittal et al. (2023) found a positive relationship between customer satisfaction and retention and word of mouth, while Riyadi, M. E. Y., & Erdiansyah (2023) and Sukma, N. R., Sugianto (2024) show that satisfaction can support the formation of loyalty through repeat purchases and recommendations. Therefore, consumer attractiveness in this study relates not only to a product's ability to attract attention, but also to its ability to provide value that suits consumer needs and expectations.

Efforts to meet these needs relate to a business's ability to develop products based on market opportunities. Crawford, C. M., & Di Benedetto (2021) explain that product development is a process of creating value through the development of new products or the improvement of existing products in accordance with market needs. In the context of MSMEs, this process needs to be supported by directed planning so that product development results not only in variation, but also in value for consumers. Dewina, T. A., & Senjawati (2024) show that structured product development planning can help MSMEs increase competitiveness and expand their market. On the other hand, Market Sensing Capability enables a business to obtain and utilize information about customers, competitors, trends, and changes in the business environment as a basis for decision-making (Abdullah & Ampauleng, 2023). Thus, product development needs to be based on market information so that the resulting innovations suit consumer needs and competitive conditions.

Dapoer Niswah has made various efforts through the development of liquid jamu, jamu tea bags, dried jamu or powder, herbal param, and the Coffee Jamu innovation. This business has also renewed its packaging and utilized Instagram, TikTok, WhatsApp Business, marketplaces, and websites to expand its market reach. Based on internal records, revenue increased from IDR 217,263,000 in 2024 to IDR 227,246,000 in 2025, an increase of 4.59%. Because the study does not have comparable industry growth data, cost/profit information, or earlier-year performance data, the 4.59% figure is treated only as a description of internal revenue change, not as evidence that the product-development strategy was ineffective. The figure instead provides a reason to examine how competitive information and market sensing are translated into product-development decisions.

Product Development Planning Strategy in this study is understood as a process that connects market opportunities, consumer needs, and product-development decisions. Kotler et al. (2022) describe new-product development through stages from idea generation and screening to concept development, marketing strategy, business analysis, product development, market testing, and commercialization. Dias and Lages (2021) show that market-sensing capability provides information through analytical processes, customer relationships, business experience, and organizational articulation. The two constructs are therefore linked in this study: Market Sensing Capability is treated as the information process, while Product Development Planning Strategy is treated as the process of translating that information into product decisions.

Previous studies provide a basis for linking market sensing, product development, and competitive analysis, but they address different empirical settings. Dias and Lages (2021), using more than 180 SMEs, identify analytical processes, customer relationship, business experience, and organizational articulation as dimensions of market-sensing capability and link them to new product development success. Khasanah and Sukresna (2023), in 338 food-product SMEs in Central Java, examine market sensing, product innovation capability, competitive advantage, and marketing performance. In the herbal sector, Kho et al. (2023) apply Porter's Five Forces together with PESTLE and SWOT to Sido Muncul, while Setiyawati et al. (2021) apply competitive-forces analysis to a jamu partnership business. These studies leave room for a qualitative case analysis that integrates Porter's competitive forces, market sensing capability, and product-development planning in a small-scale jamu MSME and traces how market information is translated into concrete product decisions. The novelty of this study is therefore contextual and integrative: it examines one herbal jamu MSME through these three analytical lenses rather than claiming that the integration of market sensing and product development is theoretically new.

LITERATURE REVIEW

Consumer Attractiveness

Porter's Five Forces provides the competitive-analysis base for this study. Porter (2008) identifies five forces that shape industry competition: threat of new entrants, bargaining power of suppliers, bargaining power of buyers, threat of substitute products, and rivalry among existing competitors. The framework is used here as a qualitative lens rather than as a numerical scoring model. Evidence about entry barriers, supplier conditions, consumer choice, substitute products, and rivalry is interpreted from interviews, observation, and documentation. The approach is relevant to herbal businesses because recent analysis of Sido Muncul also demonstrates the use of Porter's framework to examine competition in the herbal-medicine industry (Kho et al., 2023). In this study, the Five Forces identify competitive pressures that create information needs; Market Sensing Capability then explains how the MSME obtains and interprets market information, while Product Development Planning Strategy explains how that information is translated into product decisions.

Consumer attractiveness refers in this study to the perceived ability of a product to gain consumer attention and consideration because the product offers relevant benefits and value. This operationalization is adapted from the customer-value and consumer-choice perspective in

Kotler et al. (2022) and Solomon (2020), and contextualized to herbal products. Because no direct consumer survey or interview was conducted, the study treats consumer attractiveness as a management-perceived and observation-based construct rather than a statistically measured consumer outcome. The analytical indicators are: (1) product quality and benefits; (2) product innovation and distinctiveness; (3) product variety and suitability to different needs; (4) packaging and presentation; (5) price–benefit fit; and (6) promotion and product image. These indicators are used to organize evidence about why particular product characteristics are considered attractive by the business and observed in customer responses.

Product Development Planning Strategy

Product Development Planning Strategy is defined as the planned process through which market opportunities and consumer needs are translated into new or improved products. Kotler et al. (2022) describe new-product development as a sequence involving idea generation, idea screening, concept development and testing, marketing strategy development, business analysis, product development, market testing, and commercialization. To keep the framework, method, and findings consistent, this study uses those stages as the analytical indicators of product-development planning rather than the earlier seven-item set. The stages are: (1) idea generation; (2) idea screening; (3) concept development and testing; (4) marketing strategy development; (5) business analysis; (6) product development and market testing; and (7) commercialization. In a small jamu MSME, these stages may be informal and overlapping, but they provide a consistent structure for tracing how market information is translated into product decisions.

Strategic planning provides direction for determining goals and actions, while product-development planning connects those decisions with product ideas, testing, commercialization, and subsequent evaluation. In this study, the product-development stages are interpreted qualitatively from the evidence obtained at Dapoer Niswah, such as the introduction of jamu tea bags, powdered products, dried products, Coffee Jamu, packaging renewal, and adjustments in product presentation. This approach avoids treating the existence of new products as automatic evidence of market success; instead, each development is examined in relation to the market information and competitive conditions reported by the business.

Related literature also supports the operational context of these constructs. Muniarty et al. (2023) emphasize that product development can involve improvement, refinement, innovation, and adjustment to consumer needs, while Almuarif (2023) highlights the role of planning in directing organizational action. Bayighomog Likoum et al. (2020) place market sensing within firms' responses to environmental change, and Siswati et al. (2024) emphasize customer-relationship practices in small businesses. For the consumer-facing dimensions of the present study, Wardhana (2021) discusses consumer behavior in the digital era, while Kurniawan and Sawitri (2024) show the relevance of packaging design to consumer attraction in an herbal MSME. These sources are used to contextualize, rather than to claim direct equivalence with, the present qualitative indicators.

Market Sensing Capability

Market sensing capability is a business's ability to read, understand, and utilize information about market conditions to support decision-making. Bayighomog Likoum et al. (2020) explain that the ability to understand market changes is important for companies to respond to the dynamics of the business environment. Dias, A. L., & Lages (2021) explain that market sensing capability relates to a company's ability to obtain and process market information that can support the success of product development. Thus, the ability to understand the market relates not only to information-seeking activities, but also includes the process of understanding and using that information in determining business actions. Based on Dias, A. L., & Lages (2021), the indicators of market sensing capability in this study include:

- 1) Analytical processes, namely the ability to collect, process, and analyze information about market conditions and changes.

- 2) Customer relationship, namely the ability to obtain information about consumer needs and responses through communication with customers.
- 3) Business experience, namely the ability to utilize business experience in understanding consumer needs and market changes.
- 4) Organizational articulation, namely the ability to convey and use market information as a basis for decision-making.

These four indicators show that market sensing capability is a process carried out on an ongoing basis. Businesses need to pay attention to changes in consumer needs, competitor product developments, market trends, and consumer responses to the products offered. At Dapoer Niswah, this ability can be seen through communication with customers, observation of popular products, sales evaluation, bazaar activities, and monitoring competitor developments and trends through digital media. The information obtained can then be used as a consideration in determining which products need to be maintained, improved, or developed. Abdullah & Ampauleng (2023) show that market sensing capability can support product innovation through the process of knowledge creation. Thus, Dapoer Niswah's ability to understand market changes becomes an important basis for determining the direction of product development so that it remains suited to consumer needs.

Conceptual framework

The conceptual framework of this study describes how business competition, the ability to understand market conditions, and product development planning are interrelated in efforts to increase consumer attractiveness at Dapoer Niswah Herbal Jamu MSME.

- 1) Porter's Five Forces Analysis is used to identify the competitive conditions faced by Dapoer Niswah, including competition with similar businesses, the threat of new entrants, substitute products, consumer power, and suppliers. This analysis helps Dapoer Niswah understand the various pressures in the business environment that can be considered in determining a product development strategy.
- 2) Market Sensing Capability shows Dapoer Niswah's ability to understand market changes through observation of trends, tastes, needs, and consumer responses. This information becomes the basis for the business in determining the direction of product development so that it remains relevant to market conditions and suits consumer expectations.
- 3) Product Development Planning Strategy is Dapoer Niswah's effort to develop products based on market information through innovation, product variation, packaging improvement, and quality enhancement. This strategy is directed at meeting consumer needs, creating satisfaction, and increasing product value. This satisfaction can drive loyalty through repeat purchases, continuing to choose Dapoer Niswah's products, and recommending them to others.
- 4) Consumer Attractiveness shows a product's ability to attract attention and encourage consumers to try Dapoer Niswah's products. This attractiveness can be strengthened through innovative, varied, quality products supported by attractive and informative packaging. Thus, product development that suits market needs can increase product attractiveness amid competition.

Overall, this conceptual framework shows that the competitive pressure faced by Dapoer Niswah drives the business to understand market conditions through Market Sensing Capability. Information about trends, tastes, needs, and consumer responses then becomes the basis for formulating a Product Development Planning Strategy through innovation, adding variations, improving packaging, and enhancing quality. This strategy is expected to increase product attractiveness while meeting consumer needs and expectations. Products that are able to provide value and a positive experience can create customer satisfaction, which subsequently has the potential to strengthen loyalty through repeat purchases, continuing to choose Dapoer Niswah's products, and giving recommendations to others.

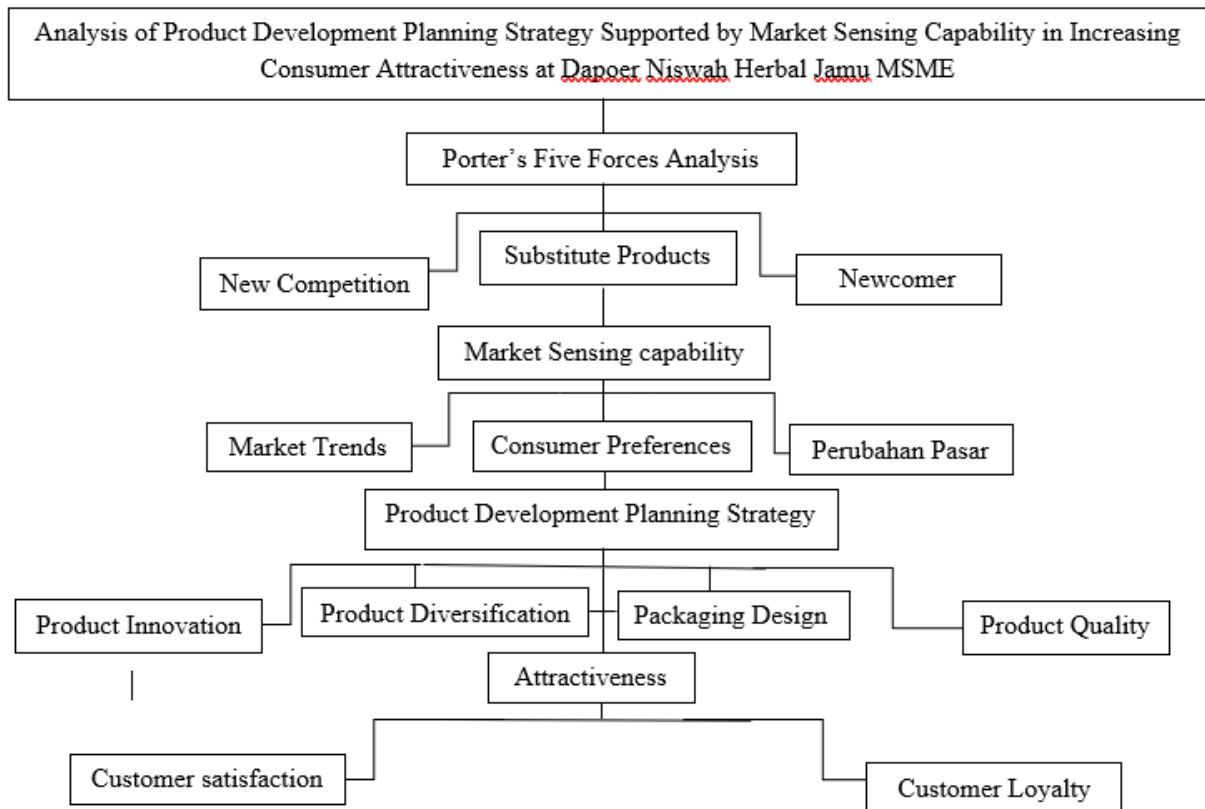


Figure 1. Conceptual Framework
Source: Researcher's Processed Data, 2026

RESEARCH METHOD

This research uses a descriptive qualitative case-study approach to examine product-development planning strategy and Market Sensing Capability in relation to perceived consumer attractiveness at Dapoer Niswah Herbal Jamu MSME. The research was conducted from February to August 2026 on Jalan Marelan II Pasar IV Timur, Gang Karya, Rengas Pulau Sub-district, Medan Marelan District, Medan City. Porter's Five Forces was used as a qualitative framework to analyze competitive conditions. Informants were selected purposively: Niswah Lestari as the owner; Zein Nuren Sinaga and Muhammad Abdy as production-team members; Ihsan Baihaqi as admin; and Dinda and Jessika Sitio as intern students.

The research focused on competitive conditions, Market Sensing Capability, Product Development Planning Strategy, and perceived consumer attractiveness. Data were obtained through interviews, observation, and documentation. Interviews explored competition, consumer needs as reported by management, product-development decisions, and responses to market changes. Observation covered production, marketing, service, product development, and digital-media activities. Documentation covered activity records, product information, marketing activities, and internal revenue records. The available revenue documentation shows aggregate revenue of IDR 217,263,000 in 2024 and IDR 227,246,000 in 2025; disaggregated sales by product and customer group were not available in the research materials. No direct consumer interview or survey was conducted. Accordingly, statements about customer groups, including the reported concentration of young mothers aged approximately 25–35 and older adults aged approximately 40–75, are treated as management-reported observations rather than as independently sampled consumer evidence.

Data were analyzed descriptively and thematically. Evidence was first organized according to the five competitive forces, the four Market Sensing Capability dimensions of Dias and Lages (2021), and the seven product-development stages derived from Kotler et al. (2022). Evidence from

interviews, observation, and documentation was compared to identify consistencies and differences. The Five Forces were presented qualitatively rather than through weights, ratings, or composite scores because the study did not establish an independent scoring rubric, assessor protocol, or validated cut-off values. This procedure improves transparency and avoids presenting researcher-assigned numerical scores as if they were standardized measurements

RESULTS AND DISCUSSION

Based on the results of interviews, observation, and documentation, the competition faced by Dapoer Niswah is quite diverse. Competition comes not only from other jamu businesses, but also from various health products that can become consumer choices, changing public tastes, and marketing developments through digital media. To understand this condition, this study uses Porter's Five Forces, which covers the threat of new entrants, supplier bargaining power, buyer bargaining power, the threat of substitute products, and rivalry among competitors. These five aspects provide a picture of the pressures faced by Dapoer Niswah and become considerations in determining the direction of product development.

Threat of New Entrants

Table 1. Analysis of the Threat of New Entrants

Potential Threat of New Entrants	Weight	Rating	Score
Relatively affordable capital requirements	0.32	3	0.96
Product differentiation	0.33	2	0.66
Ease of marketing through social media and marketplaces	0.35	4	1.40
Total Threat of New Entrants Score	1.00		3.02

Source: Researcher's Processed Data, 2026

Based on Table 1, relatively affordable capital requirements obtained a score of 0.96, indicating that this condition makes it easier for new entrants to enter the jamu business. Product differentiation obtained a score of 0.66, which can act as a barrier, but is not yet strong enough because jamu products can still easily be developed into various variants. Meanwhile, ease of marketing through social media and marketplaces obtained the highest score, 1.40, because digital technology allows new entrants to reach consumers without a physical store. With a total score of 3.02, the threat of new entrants to Dapoer Niswah is fairly high. Therefore, Dapoer Niswah needs to strengthen innovation, differentiation, quality, packaging, and digital marketing.

Amid the increasing ease with which new business actors can enter the jamu market, Dapoer Niswah is required not merely to maintain its existing products, but to continually introduce renewals that provide value to consumers through product variation, quality, and uniqueness (Kotler, P., Keller, K. L., & Chernev, 2022). This effort can be seen in the variety of products offered, such as liquid jamu, powdered jamu, jamu tea bags, postpartum jamu, dried jamu or dried param, herbal body scrub, healthy drinks, and Coffee Jamu. This variety gives consumers more choices while also being one way for Dapoer Niswah to build differentiation amid increasingly open competition. However, a large number of variations does not necessarily make a product more attractive if it does not suit market needs. Therefore, every product development needs to be based on information about consumer needs and preferences, trend developments, and competitor conditions, so that the innovation carried out not only adds product types but is truly able to increase consumer attractiveness.

Supplier Bargaining Power

Based on Table 2, the availability of raw materials from several sources has a weight of 0.35 and a rating of 2, giving a score of 0.70, indicating that Dapoer Niswah does not depend on a single supplier because raw materials are obtained from farmers, local traders, and farmer groups. Raw material quality has a score of 0.66, while price and seasonal changes have a score

of 0.64. With a total score of 2.00, supplier bargaining power is classified as low to moderate and relatively controllable. Nevertheless, Dapoer Niswah still needs to maintain relationships with suppliers to ensure the availability of raw materials, which reaches around 500 kg per week.

Table 2. Analysis of Supplier Bargaining Power

Supplier Bargaining Power Factor	Weight	Rating	Score
Availability of raw materials from several sources	0.35	2	0.70
Raw material quality	0.33	2	0.66
Price changes and seasonal conditions	0.32	2	0.64
Total Supplier Bargaining Power Score	1.00		2.00

Source: Researcher's Processed Data, 2026

Low pressure from suppliers is an advantage for Dapoer Niswah, but this does not mean the raw material aspect can be ignored, because product variety and consistent quality still depend on the availability of safe, quality raw materials. This condition gives Dapoer Niswah room to maintain smooth production while developing various herbal products according to consumer needs. Given the substantial need for raw materials, good relationships with farmers, local traders, and farmer groups need to be maintained so that supply remains stable. In addition, raw material quality control is important because the quality of ingredients such as ginger, turmeric, galangal, and Javanese turmeric will affect the taste, quality, and benefits of the product received by consumers. Thus, Dapoer Niswah's ability to maintain supplier relationships not only supports the production process, but is also an important part of maintaining quality and the sustainability of its product development.

Buyer Bargaining Power

Table 3. Analysis of Buyer Bargaining Power

Buyer Bargaining Power Factor	Weight	Rating	Score
Large number of jamu and health drink choices	0.35	4	1.40
Sensitivity to price and taste	0.33	3	0.99
Consideration of quality, benefits, packaging, and practicality	0.32	3	0.96
Total Buyer Bargaining Power Score	1.00		3.35

Source: Researcher's Processed Data, 2026

Based on Table 3, the large number of jamu and health drink choices has a weight of 0.35 and a rating of 4, giving a score of 1.40, making it the largest source of pressure from the buyer side. Sensitivity to price and taste scores 0.99, while quality, benefits, packaging, and practicality score 0.96. This condition shows that consumers have many choices and can compare products before buying. Dapoer Niswah responds to this condition by maintaining its most popular products, such as Ginger-Red Ginger Turmeric Base and Tamarind Turmeric, and by offering products in powder and tea bag form. However, the 4.59% increase in revenue shows that this effort still needs to be supported by a deeper understanding of consumer needs and preferences (Bayighomog Likoum et al., 2020).

The large number of choices available to consumers means it is not enough for Dapoer Niswah to simply know which products are bought the most; it also needs to understand why consumers choose those products. This becomes increasingly important because Dapoer Niswah's largest groups of customers come from two groups with different characteristics, namely young mothers aged around 25–35 years and older adults aged around 40–75 years. Young mothers tend to need practical products that are easy to use in daily activities, while older consumers place more consideration on the benefits, quality, and safety of the product. This difference shows that consumer needs cannot be viewed uniformly. Therefore, Dapoer Niswah needs to use information about consumer behavior and preferences as a basis for determining

which products to maintain or develop, including product form, size, packaging, taste, and marketing methods.

Thus, the high buyer bargaining power is a driver for Dapoer Niswah to strengthen its Market Sensing Capability. The ability to understand changing consumer needs can help the business determine more precisely targeted product development. The products developed should not simply add choices, but must provide benefits and convenience that are truly felt by consumers. In this way, product development can better suit market conditions while strengthening consumer attractiveness amid the many jamu and health drink product choices available.

Threat of Substitute Products

Table 4. Analysis of the Threat of Substitute Products

Threat of Substitute Products Factor	Weight	Rating	Score
Large variety of alternative health drinks and products	0.34	4	1.36
Practicality of substitute products	0.33	3	0.99
Price and benefits of alternative products	0.33	3	0.99
Total Threat of Substitute Products Score	1.00		3.34

Source: Researcher's Processed Data, 2026

Based on Table 4, the variety of alternative health drinks and products has a weight of 0.34 and a rating of 4, giving the highest score of 1.36. The practicality, price, and benefits of substitute products each obtained a score of 0.99. These results indicate that consumers have many choices besides jamu, such as herbal tea, juice, health drinks, vitamins, and supplements. With a total score of 3.34, the threat of substitute products is classified as high. This means consumers can easily switch to other products if they are considered more practical, have a more suitable price, or provide benefits that better match their needs (Dewina, T. A., & Senjawati, 2024).

This condition drives Dapoer Niswah to continue developing in order to remain attractive amid competition. One approach is Coffee Jamu, a place where consumers can enjoy jamu while relaxing and chatting. This concept provides a more modern and comfortable jamu-drinking experience. However, its sales have not been optimal because the business location is not very strategic. This shows that consumer attractiveness is influenced not only by product innovation, but also by location, place comfort, and appropriate marketing strategy. Therefore, evaluation of consumer response and market conditions needs to be conducted regularly so that the development of Coffee Jamu better suits consumer needs. This information can become a basis for Dapoer Niswah in determining product improvements or more appropriate marketing strategies.

In facing the threat of substitute products, Dapoer Niswah's Product Development Planning Strategy needs to be directed at product development and presentation that suits consumer needs, by maintaining the quality of popular products such as Ginger-Red Ginger Turmeric Base and Tamarind Turmeric, and evaluating products that have not been optimal in terms of taste, size, price, packaging, and presentation. This effort can be strengthened by maintaining Dapoer Niswah's distinctive characteristics, such as liquid jamu with a thick texture due to the starch from the rhizomes used, and jamu tea bags with a taste not far different from liquid jamu. In addition, the availability of healthy drinks provides an alternative for consumers who are less fond of the taste of jamu. These distinctive characteristics and needs can serve as a basis for developing more practical products, such as jamu in powder and tea bag form, while also improving packaging appearance so that it is more attractive and easier to carry (Mittal et al., 2023). Thus, product development not only adds choices, but also maintains the characteristics that differentiate Dapoer Niswah from substitute products.

This development needs to be supported by Market Sensing Capability, namely Dapoer Niswah's ability to understand changes in consumer needs and choices. Information can be obtained through customer feedback, sales results, comments on social media, and observation of competitors' products and strategies. By understanding this information, Dapoer Niswah can

determine which products need to be maintained, improved, or developed. Thus, product development aims not only to add variety, but also to produce products and a consumption experience that are more practical, attractive, and suited to consumer needs.

Rivalry Among Competitors

Table 5. Analysis of Rivalry Among Competitors

Rivalry Among Competitors Factor	Weight	Rating	Score
Price competition	0.20	4	0.80
Quality and product variety competition	0.20	3	0.60
Promotion and digital marketing competition	0.20	4	0.80
Product innovation and packaging competition	0.20	3	0.60
Location and service competition	0.20	4	0.80
Total Rivalry Among Competitors Score	1.00		3.60

Source: Researcher's Processed Data, 2026

Based on Table 5, price competition, promotion and digital marketing competition, and location and service competition each have a weight of 0.20 and a rating of 4, giving a score of 0.80. Meanwhile, quality and product variety competition and innovation and packaging competition each obtained a score of 0.60. This condition shows that rivalry among competitors occurs across various aspects, not only price, but also product quality, innovation, packaging, promotion, location, and service. Dapoer Niswah has responded to this condition by utilizing Instagram, TikTok, WhatsApp Business, marketplaces, live selling, bazaars, and community engagement. With a total score of 3.60, rivalry among competitors is classified as high and is the strongest pressure compared to the other forces. Therefore, Dapoer Niswah needs to continually adjust its marketing strategy and product development to changing market needs so that consumer attractiveness is maintained (Utia Elja Rizki et al., 2021).

The high level of competition shows that it is not enough for Dapoer Niswah to simply offer many product choices; it needs a real advantage that makes consumers interested in and choose its products over those of competitors. Product development needs to be directed toward advantages that have real value for consumers, whether in terms of quality, benefits, practicality, packaging, or product variety. Thus, the innovation carried out does not merely add choices, but is able to provide a strong reason for consumers to choose Dapoer Niswah. The variety of products such as liquid, powder, and tea bag jamu, postpartum jamu, dried param, herbal body scrub, healthy drinks, and Coffee Jamu can become a strength if each product is developed to suit the needs and characteristics of its consumers (Silayoi, P., & Speece, 2017).

In this regard, Product Development Planning Strategy can be directed at improving existing products while also developing products that better suit consumer needs. Powder and tea bag products, for example, can be developed as more practical choices, while the quality and taste of popular products such as Ginger-Red Ginger Turmeric Base and Tamarind Turmeric need to continue to be maintained. Meanwhile, Coffee Jamu can be developed in terms of its venue concept to provide a jamu-drinking experience in a more modern and comfortable atmosphere. This development needs to be supported by Market Sensing Capability, namely by paying attention to customer feedback, sales results, comments on social media, and competitor product developments. By understanding this information, Dapoer Niswah can determine the products and innovations that are truly needed by the market, so that product development becomes more precisely targeted and is able to increase consumer attractiveness (Crawford, C. M., & Di Benedetto, 2021).

Recapitulation of Dapoer Niswah's Porter's Five For

The high buyer bargaining power and threat of substitute products show that consumers have many choices and can easily switch to other products. This condition requires Dapoer

Niswah to understand consumer responses, sales results, market trends, and competitor developments through Market Sensing Capability. This information can then become the basis for Product Development Planning Strategy in determining which products need to be maintained, improved, or developed. On the other hand, Dapoer Niswah has distinctive characteristics that can attract consumers, such as liquid jamu with a thick texture due to the starch from the rhizomes used, and jamu tea bags with a taste not far different from liquid jamu. In addition, the availability of healthy drinks provides a choice for consumers who are less fond of the taste of jamu.

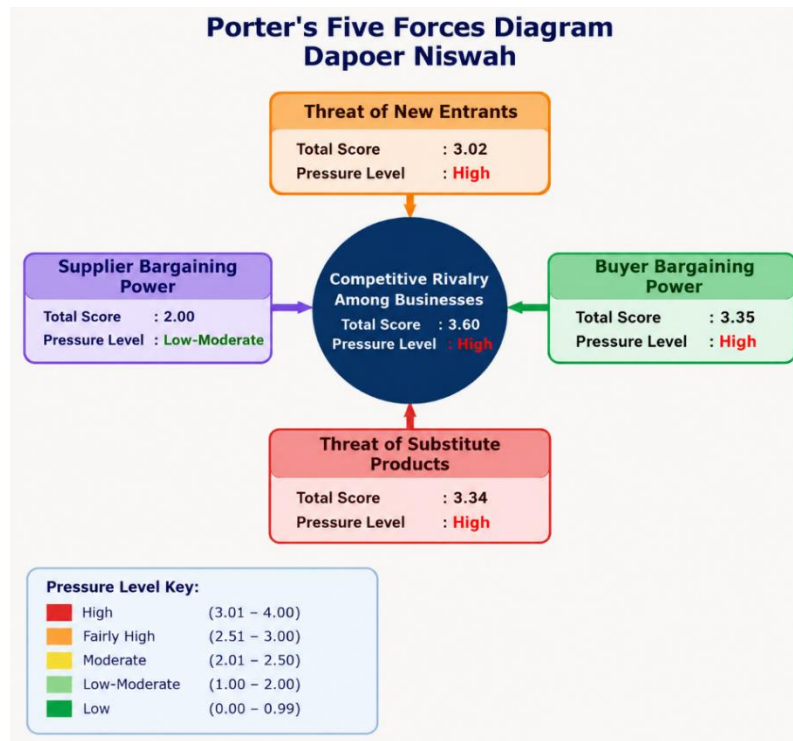


Figure 2. Recapitulation of Dapoer Niswah's Porter's Five Forces

Source: Researcher's Processed Data, 2026

These distinctive characteristics become increasingly important because Dapoer Niswah's largest groups of customers come from young mothers aged around 25–35 years and older adults aged around 40–75 years, who have different needs. Young mothers tend to prioritize practicality, while older consumers pay more attention to the benefits, quality, and safety of the product. This difference needs to be a consideration in product development so that it remains suited to consumer needs. Through Market Sensing Capability, Dapoer Niswah can understand these needs and use them in Product Development Planning Strategy, so that product development not only adds choices, but also maintains uniqueness and provides the benefits and convenience that give consumers a reason to keep choosing Dapoer Niswah.

CONCLUSION

This study aimed to examine product-development planning strategy supported by Market Sensing Capability in relation to perceived consumer attractiveness at Dapoer Niswah Herbal Jamu MSME. The findings show that the business operates under competitive pressure arising from new entrants, supplier conditions, buyer choice, substitute products, and rivalry among competitors. These pressures create information needs that are addressed through customer communication, sales evaluation, bazaars, digital-media observation, and monitoring of competitors and trends. The information is then reflected in product-development decisions, including tea bags, powdered and dried products, packaging renewal, healthy drinks, and Coffee Jamu.

The findings also show that consumer attractiveness should not be inferred simply from the number of products developed or from aggregate revenue growth. Dapoer Niswah's internal revenue increased by 4.59% from 2024 to 2025, but the available evidence does not permit a conclusion that product development caused this increase or that the growth was adequate. Product-level sales, profit/cost information, direct consumer data, and an external benchmark were not available. The study therefore contributes a qualitative explanation of how market sensing is used in product-development decisions rather than a test of causal effects on consumer attractiveness.

Theoretically, the study contributes a contextual integration of Porter's Five Forces, Market Sensing Capability, and Product Development Planning Strategy in a small herbal jamu MSME. It does not claim that the relationship between market sensing and product development is theoretically new; prior studies have already established that relationship. Practically, the findings suggest that jamu MSMEs can improve decision-making by formalizing customer and competitor information, linking that information to the stages of product development, and evaluating practicality, packaging, differentiation, and product quality before expanding product variety. The principal limitation is the single-case design and reliance on owner, staff, and intern informants, with no direct consumer interview or survey and no disaggregated sales data. Future research should therefore incorporate consumer-level evidence and, where feasible, product-level sales and cost data to examine whether the observed market-sensing and product-development processes are associated with measurable changes in consumer response and business performance.

For Dapoer Niswah, market information should be recorded more systematically, including customer feedback, product-level sales, competitor observations, digital engagement, and reasons for product selection. The information can be reviewed periodically against the stages of product development so that decisions to maintain, improve, test, or commercialize products are supported by explicit evidence. Particular attention should be given to practical product formats, packaging, distinctive product characteristics, and the Coffee Jamu concept, including its location and consumption experience.

For future researchers, a multi-case qualitative study or a mixed-method design could combine management-side evidence with direct consumer interviews or surveys. Product-level sales, cost and profit data, and customer segmentation could also be incorporated so that changes in consumer attractiveness and business performance can be examined more directly. Comparative studies of several jamu MSMEs could further clarify which market-sensing and product-development practices are transferable across different business settings.

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