

Customer Validation Analysis for Business Development Strategy Nuggedang Business

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Abstract:- Micro, small and medium enterprises (MSMEs) are an important sector in an economy and create jobs. However, many MSMEs fail in just a few years. This research has a role in understanding how Customer Validation can develop and increase opportunities in MSMEs. This research aims to develop Nuggedang business strategies. This research is qualitative research with a descriptive approach. This research involved 10 informants who were consumers of Nuggedang business.

Determining the number of informants based on the 5S Technique. The analysis technique used is the interactive technique from Miles & Huberman. The validation results of Nuggedang business products stated that products from Nuggedang business had a positive influence on community needs. From Validation Customer has been done is that there are several suggestions and assessments on Nuggedang business products to be able to develop products to be even better. In this research, taste variants, product shapes and product packaging are very important for a product. In this case, Nuggedang business succeeded in getting a taste that its customers liked, so that consumers were able to recognize products from Nuggedang business.

Keywords:- Customer Validation, Development Strategy, MSMEs.

I. INTRODUCTION

In this era which has reached a significant level of progress, the development of Micro, Small and Medium Enterprises (MSMEs) is increasing rapidly. Even though many MSMEs have succeeded in growing and developing, unfortunately it cannot be ignored that there are a number of MSMEs that have failed and even gone out of business. Furthermore, Small and Medium Enterprises (UMKM) that experienced a decline in revenue during the COVID-19 pandemic had a significant impact on the reduction of the country's income (Tohari et al., 2021). This failure is generally caused by a lack of sufficient income to support operational continuity. This condition indicates that there is a lack of important elements or aspects that are not being met, including obstacles in promotion and a lack of understanding of the business opportunities being implemented. Therefore, the main challenge facing MSMEs today is how to develop strategies that are able

to build and improve the sustainability of their businesses. The aim of this research is to explore consumer needs using the Customer Validation approach in determining MSME business development strategies. Customer Validation can be defined as a set of mechanisms used in business units to create and deliver added value for customers so that customers can capture the value provided to them through the business model (Tricahyono et al., 2018). With this method, you can find out the value, shortcomings and advantages of an MSME product.

Nuggedang business is an MSME that was only founded in 2023 and this business innovates nuggets with processed bananas. Therefore, Customer Validation is a strategy that can develop MSME products through direct assessment by customers. Customer experiences regarding purchasing decisions are greatly influenced by reviews (feedback), (Chung et al., 2018; Chatterjee et al., 2021; Vrontis 2021). To achieve success and answer these challenges, Customer Validation is a strategy that can build and develop MSMEs on a regular basis and is very important. By innovating products that have been validated, Nuggedang business products can provide value to public interest and introduce products to suit community needs and expectations.

By involving the community in testing product assumptions, it becomes the essence of what is called Customer Validation. Carrying out this strategy can provide a strong foundation for business development that focuses on real solutions for customers. According to Kotler & Keller (2000: 177), consumer satisfaction is a person's feeling of happiness or disappointment that arises after comparing the results of the product in question against the expected performance. Creating customer satisfaction can provide several benefits, including the relationship between the company and its customers being harmonious, providing a good basis for repeat purchases and creating customer loyalty. Result of Customer Validation does not only stop at measuring customer response, but also provides opportunities for Nuggedang business for reflection and continuous improvement. Swasta & Irawan (2000: 5), states that marketing is a system of business activities aimed at planning, determining prices, promoting and distributing goods and services that can satisfy the needs of both existing and current buyers potential. In this case

customer Validation it can also be a promotion as well as a trial to get people's wants and needs

is how to develop strategies that can build and enhance their business sustainability.

II. LITERATURE REVIEW

- (Hilmi, 2020; Hong & Nguyen, 2020; Hiemstra, Van Der Kooy, & Frese, 2006). Micro, Small, and Medium Enterprises (MSMEs) require effective business development strategies to grow and thrive, especially in developing countries.
- (Ries, 2011; Blank, 2013). Customer validation is an important activity in developing MSMEs. It is done to verify and validate whether the offered products or services can meet the needs and desires of potential customers.
- (Morris, Schindehutte, & Allen, 2005). One of the goals of customer validation is to enhance customer satisfaction. By validating customer needs and preference, MSMEs can generate more satisfying product or services, which in turn can increase customer satisfaction levels and build long-term relationship.
- (Blank & Dorf, 2012). Customer validation also helps MSMEs minimize unnecessary costs. By performing customer validation before launching products or services, MSMEs can avoid unnecessary expenses in developments that are irrelevant to market needs.
- (Cooper, 2014). Customer validation also aims to improve the success of MSMEs. By ensuring that the offered products or services have a sufficient market share and attractiveness, MSMEs can enhance their chances of success.

❖ *Problem Statement*

The development of Micro, Small, and Medium Enterprises (MSMEs) is growing rapidly, but there are still a number of MSMEs that experience failure and closure. Nuggedang, an MSME that started its business 8 months ago, is trying to survive from such failures, which are commonly caused by insufficient income, promotional challenges, and a lack of understanding of business opportunities.

Therefore, a business development strategy that can build and enhance the sustainability of Nuggedang's business is highly needed. In this regard, the customer validation method is expected to achieve that goal.

❖ *Key Point within the Problem Statement*

➤ *Failure and Closure of MSMEs:*

Despite the rapid development of Micro, Small, and Medium Enterprises (MSMEs) in this era of significant progress, there are still a number of MSMEs that experience failure and even closure. The success of MSMEs in growing and expanding cannot ignore the fact that some MSMEs face serious challenges in maintaining their operational sustainability. One of the factors influencing these failures is the lack of sufficient income to support business operations. In this context, the main challenge faced by MSMEs today

➤ *Meeting Consumer Needs and Innovating MSME Products:*

To achieve success and address the challenges they face, MSMEs need to focus on meeting consumer needs and innovating their products. In this regard, the Customer Validation strategy becomes crucial in developing MSME products through direct assessment by customers. Customer experiences and feedback have a significant impact on purchasing decisions. By involving the community as part of product assumption testing, MSMEs can establish a strong foundation for developing their business with a focus on real solutions for customers. Additionally, Customer Validation provides an opportunity for MSMEs for reflection, continuous improvement, and introducing products that align with the needs and expectations of the community.

III. RESEARCH METHODS

This research is descriptive research with a qualitative approach. This research involved 10 informants who came from consumers of Nuggedang business products, the number of which was determined using the 5R technique (relevance, recommendation, rapport, readiness, reassurance). Data collection was carried out by interviews and using a questionnaire as the instrument. The analysis technique used uses the theory from Miles & Huberman which is known as interactive techniques. This method analyzes qualitative data which is carried out interactively and continues until completion. This analysis technique includes several stages: data reduction, data display, conclusions and verification.

IV. RESULTS AND DISCUSSION

Nuggedang business only opened their business 8 months ago. In a business, a businessman must be able to know the advantages and disadvantages of the products he has. In order to expand the Nuggedang business, they must carry out a business development strategy. One way to develop the Nuggedang business is a business that operates in the field Food and Beverage which sells products made from bananas which are innovated to look like nuggets and have various flavors such as chocolate, cheese, vanilla and others.

Customer segmentation is how Nuggedang business can see customers who have the potential to buy products (Fauziyah 2022). Therefore, the customer segmentation reached by Nuggedang business is men and women aged 8-60 years, students, workers and families. With this segmentation, it is possible to provide products and services that suit customer needs. Customer relationships basically describe how the relationships are built between organizations or companies in business and their consumers and customer relationships are how

organizations maintain relationships with customers (Aliwinoto et al., 2022). The following are the results of

interviews conducted with several informants who met the criteria for the 5R technique.

Table 1. Interview Result

No.	Informan Initial	Question	Answer
1	B	<ol style="list-style-type: none"> 1. Have you ever tried banananuggets before? 2. What do you think about the appearance of the banana nugget product? 3. Do you prefer original banana nuggets, a flavored variant, orboth? 4. What do you think about the priceof Rp. 20,000 according to the product quality of the banana nuggets? 5. Are you more interested in practical or visually attractivebanana nugget packaging? 6. What are your criticisms and suggestionsfor our banana nugget products? 	<ol style="list-style-type: none"> 1. Never before 2. In my opinion, the appearance of these banana nuggets is good, and like nuggets in general. And In my opinion, these banana nuggets are very healthy for the body, especially since they are made from bananas. 3. As for me, I like chocolate,that's also my favorit flavor 4. For the price of 20 thousand,it's worth it, it's good with nugget quality. This banana, only the texture has been softened a bit, I thought the texture was still rough, you know. 5. The packaging is good, justadd a design that attracts customers, don't be plain white like this 6. Yes, that was to smooth the texture again, so I can add suggestions flavor variants such as cheese, vanilla, etc. then, the packaging can be improved again, in terms of color, which I think is possiblelike colors Banana is the main ingredient. That's all
2	US	<ol style="list-style-type: none"> 1. Have you ever tried banana nuggets before? 2. What do you think it looks like? from the banana nugget product? 3. Do you prefer original banana nuggets, a flavored variant, orboth? 4. What do you think about the price offered compared to the productquality of banana nuggets? 5. Are you more interested in practical or visually attractive banana nugget packaging? 6. Criticism and suggestions for our banana nugget products? 	<ol style="list-style-type: none"> 1. Never before 2. In my opinion, this 3. My family and I prefer the taste of chocolate and the taste of cheese, because my family often buys it chocolate or cheese flavored snacks 4. From my point of view, it's quite of the banana nuggets. And I cheap considering the quality also tried it earlier, the texture is still lacking gentle. But it looksgood, that's all the texture is still a littlerough this banana nugget product 6. My suggestion is to improve the texture so that it is smoother and affordable for the price. Moreover, theshape is good and has various shape variants too.

3	M	<ol style="list-style-type: none"> 1. Have you ever tried banananuggets before? 2. What do you think about the appearance of the banana nugget product? 3. Do you prefer original banana nuggets, a flavored variant, orboth? 4. What do you think about the price offered compared to the product quality of the banana nuggets? 5. Are you more interested in practical or visually attractivebanana nugget packaging? 6. Criticism and suggestions for our banana nugget products? 	<ol style="list-style-type: none"> 1. Never before, I've also just heard of these banana nuggets 2. In my opinion, this is good, there are various variantsshape too. I think thesebanana nuggets have potential. With various shapes too 3. I like both, because they'reboth equally delicious. 4. From what I see, the price of these banana nuggets is quite reasonable, considering the quality, packaging and size the product. I can't compare yet directly with similar products 5. I like things that are practical but include the product name, logo and composition, that's all 6. My suggestion is to increase the variety of flavors Many people are interested in it, and there is still no further completeness for the packaging, such as color and composition.
4	R	<ol style="list-style-type: none"> 1. Have you ever tried banana nuggets before? 2. What do you think about the appearance of the banana nugget product? the? 3. Do you prefer original banana nuggets, a flavored variant, orboth? 4. What do you think about the price offered compared to the product quality of the banana nuggets? 5. Are you more interested in practical or visually attractive banana nugget packaging? 6. Criticism and suggestions for our banana nugget products? 	<ol style="list-style-type: none"> 1. Once, at that time I bought it online 2. In my opinion, this is goodand not inferior to The banana nuggets that I bought at that time, only these banana nuggets have many different shapes 3. I prefer the taste of chocolate. That's my favorite flavor When I buy snacks 4. The price is not much different from the one I bought, regardless of the cost outside of the banana nuggets. Withthis quality it is still quite worth it. But please make it more subtle the texture 5. I'm the one who is visually attractive. That's the thing that interests me. If I buy, look at the visuals first 6. My advice is, above all, just soften the texture. Then improve it again The packaging can attract interest, whether from a cute logo or colors that match the banana nuggets
5	OAK	<ol style="list-style-type: none"> 1. Have you ever tried banana nuggets before? 2. What do you think about the appearance of the banana nugget product? 3. Do you prefer original banana nuggets, a flavored variant, orboth? 4. What do you think about the price offered compared to the product quality of the banana nuggets? 5. Are you more interested in thebanana nugget packaging practical or visually appealing? 	<ol style="list-style-type: none"> 1. Never before 2. From my point of view, it's interesting, right? many shapes made like round, thensquare, there are star shapes too 3. I like the taste of chocolate,but the chocolate taste is too dominant, too mostly chocolate 4. It's just right, just reduce the chocolate, that's fine.Already

		6. Criticism and suggestions for our banana nugget products?	It's appropriate if you can reduce the chocolate a little 5. I'm the one who is visually attractive. That reflects the product 6. My suggestion is to make the packaging better, not plain white, just make it the same as the color of the banana nuggets. And slightly reduced the chocolate flavor. Addition Flavor variants can also be added. And the texture can be refined further
6	M	<ol style="list-style-type: none"> 1. Have you ever tried banana nuggets before? 2. What do you think about the appearance of the banana nugget product? 3. Do you prefer original banana nuggets, a flavored variant, or both? 4. What do you think about the price offered compared to the product quality of banana nuggets? 5. Are you more interested in practical or visually attractive banana nugget packaging? 6. Criticism and suggestions for our banana nugget products? 	<ol style="list-style-type: none"> 1. Never before 2. It's already good, bro, by sharing various shapes it makes it even better and more creative. It's just that the color and texture have been refined further, 3. I really like the chocolate one, but usually I like the dipping sauce one it's better 4. The price is right, with the taste and shape and packaging is also good 5. I don't really pay attention to the packaging, what's important is the taste and the quality of the product 6. There's no more, sir, that's what I thought it would be better to add the dipping sauce to, but for the filling in the banana nuggets, omit it.
7	S	<ol style="list-style-type: none"> 1. Have you ever tried banana nugget before? 2. What do you think about the appearance of the banana nugget product? 3. Do you prefer original banana nuggets, a flavor variant, or both? 4. What do you think about the price offered compared to the product quality of the banana nuggets? 5. Are you more interested in practical or visually attractive banana nugget packaging? 6. Criticism and suggestions for our banana nugget products? 	<ol style="list-style-type: none"> 1. Never 2. The appearance is good, bro, the taste is also delicious, the sweetness is also just right 3. I like both, but also some healthy food too, so I like whatever taste I like 4. In my opinion, the price is a little expensive, for Rp. 20,000, because it's for it doesn't have enough content and isn't big enough for this kind of content 5. If I'm practical, it's simple as long as it's possible promote products these banana nuggets My suggestion was that the price could be around Rp. 10,000 – IDR 15,000, that's all
8	K	<ol style="list-style-type: none"> 1. Have you ever tried banana nuggets before? 2. What do you think about the appearance of the banana nugget product? 	<ol style="list-style-type: none"> 1. Yes, ma'am, I'm also the seller 2. The appearance is already good, bro, but in my opinion it can be made into various shapes, well, every shape variant can be given a taste, For example, the round

		<ol style="list-style-type: none"> 3. Do you prefer original banana nuggets, a flavored variant, or both? 4. What do you think about the price offered compared to the product quality of the banana nuggets? 5. Are you more interested in practical or visually attractive banana nugget packaging? 6. Criticism and suggestions for our banana nugget products? 	<p>shape has an original taste, while the square shape can be chocolate. That's it, bro</p> <ol style="list-style-type: none"> 3. I really like the taste of cheese, bro, that's my most favorite flavor 4. The price is also quite cheap, bro, this quality 5. For me, the important thing is to have a logo and composition for food like this, bro, I don't have one yet its composition. Maybe you can change the color to yellow or nugget color, bro, that would be nice 6. It's no longer there, bro, that's all I said
9	R	<ol style="list-style-type: none"> 1. Have you ever tried banana nuggets before? 2. What do you think about the appearance of the banana nugget product? 3. Do you prefer original banana nuggets, a flavored variant, or both? 4. What do you think about the price offered compared to the product quality of the banana nuggets? 5. Are you more interested in the banana nugget packaging practical or visually appealing? 6. Criticism and suggestions for our banana nugget products? 	<ol style="list-style-type: none"> 1. Yes, sir, but at that time it tasted sweet when I bought it 2. The appearance is like a nugget In general, bro, the taste is just right, I like the taste of chocolate, not too much, not too much 3. For me, I like all flavors, bro, I'm not too picky when it comes to taste 4. The price is appropriate for the quality, it's delicious and sweet to. 5. As for the packaging, I prefer something visually attractive, bro, that's better 6. My suggestion is to improve the packaging of the banana nuggets, if I look at it, it's still a bit plain, you could add things like order number, social media, composition and so on, bro, that's all.
10	IKL	<ol style="list-style-type: none"> 1. Have you ever tried banana nuggets before? 2. What do you think about the appearance of the banana nugget product? 3. Do you prefer original banana nuggets, a flavored variant, or both? 4. What do you think about the price offered compared to the product quality of the banana nuggets? 5. Are you more interested in practical or visually attractive banana nugget packaging? 6. Criticism and suggestions for our banana nugget products? 	<ol style="list-style-type: none"> 1. That's it, bro 2. For me, it's just right, bro, the appearance is right, it's also attractive and the color the nuggets are also beautiful 3. I like the taste of tiramisu, sir, it's really delicious. I like the taste of tiramisu the same vanilla 4. It fits, sir, the quality is good, the color is beautiful the nuggets 5. If I'm just keeping it simple, what's more important to me is the taste, bro 6. If I may, I'd like something with tiramisu flavor, that's my favorite, and if I may, there are options that

			<p>can be dipped like that, so there's something that melts, there's something that can be dipped like a sauce like that.</p>
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From the results of this descriptive data, it describes the results of the analysis of informants by using responses from 10 respondents regarding validation of Nuggedang business products. Based on data from interviews that have been conducted where researchers use qualitative methods and descriptive approaches. In this research, we will explain and explain the data that researchers have obtained through in-depth interviews conducted with informants.

Based on the results of interviews with several informants regarding banana nugget products, several interpretations and conclusions can be drawn. First, the majority of informants had never tried banana nuggets before, indicating that this product is still relatively new or not yet widely known. However, the appearance of the banana nugget product was considered good and attractive by several respondents, with a variety of shapes that added to its appeal. Second, in terms of taste preferences, informants have different tendencies. Some informants like the original taste, while others prefer it.

Flavor variants such as chocolate or cheese. This shows the importance of offering a variety of flavor choices to meet consumer preferences. Third, related to price, some respondents considered the price of banana nuggets to be commensurate with their quality, although there were those who wanted an improvement on the rough texture. Meanwhile, the packaging aspect is also considered important, with several respondents liking visually attractive packaging. The general suggestions given by respondents were to improve the texture of the nuggets, add more flavor variants, and improve the packaging to make it more attractive and in line with the product theme.

Overall, the interviews revealed that banana nugget products have attractive potential with good appearance and a variety of shapes. Even though some respondents had never tried it, there was quite a lot of interest in trying this product. Taste preferences varied, with some informants liking the original flavor while others preferred flavor variants such as chocolate or cheese. This shows the importance of presenting a variety of flavor choices to meet consumer tastes. The product price is considered commensurate with its quality, although some respondents want improvements to the rough texture. The packaging aspect is also considered important, with a desire for packaging that is visually appealing. The suggestions given focus on improving texture, adding flavor variants, and improving

packaging that is more attractive and in line with the product theme.

In this context, banana nugget business can take several strategic steps. First, it is important to increase consumer awareness of these products through effective marketing efforts. This can be done by holding free samples or special promotions to attract new consumers. Second, Nuggedang business must expand the choice of flavors offered, such as adding new flavor variants that are in great demand such as cheese, vanilla or others. This will provide a wider variety for consumers and increase the attractiveness of the product. The three Nuggedang business must pay attention to the texture aspect of the product, by making improvements to make it softer and more satisfying for consumers.

Finally, in an effort to increase the attractiveness of packaging, companies are advised to design packaging designs that are visually attractive by using colors that reflect the main ingredient of the product, namely bananas. By implementing these steps, Nuggedang business can strengthen the position of their banana nugget products in the market and meet consumer preferences and expectations.

V. CONCLUSION

This research aims to analyze Customer Validation as a business development strategy for Nuggedang MSMEs. In this research, an analysis of Nuggedang business products was carried out based on responses and assessments from 10 consumer informants. The validation results show that Nuggedang business products have a positive influence on community needs. In an effort to develop the business, this research received several suggestions, such as expanding flavor variants, increasing the number of product shapes and packaging. Apart from that, Customer Validation is also considered important in introducing products to the public and obtaining feedback that can be used for continuous improvement. By combining aspects of innovation and understanding consumer needs, Nuggedang business have the potential to improve business sustainability and strengthen relationships with customers.

In conclusion, this research shows the importance of Customer Validation as a strategy for developing MSME businesses. By involving consumers in the product validation process, Nuggedang business can understand consumer needs and preferences and provide better products. The results of this research provide a strong

foundation for developing MSME businesses that focus on customer satisfaction and gaining their loyalty. In addition, this research emphasizes the importance of innovation in product development, by expanding flavor variants and improving aspects of form and packaging. Thus, Nuggedang business have the potential to continue to grow and develop in the MSME market by effectively utilizing the Customer Validation strategy.

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