

The Implementation a Cost-Driven Strategy Based on Economic Sociology to Face Competition: A Case in the Tofu Agroindustry Business in Lombok - Indonesia

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Abstract: Until now, cost orientation is considered a strategy oriented to the interests of producers and does not pay attention to the interests of consumers. In its implementation, the cost-based strategy is flexible, that is, between satisfying producers' expectations of higher than normal profits and consumers' expectations of obtaining a cheap purchase price, so that it can be found. a trade-off between the interests of producers and the interests of consumers. To find the trade-off, a survey of entrepreneurs in the tofu Agroindustry under study was conducted in Mataram City and East Lombok Regency with forty sampling units each, so that there were eighty business units as samples. The result is the acquisition of a constant value of the relationship between production costs and raw material costs, minimizing the contribution margin.

Keywords: price, consumer, contribution margin, producer, benefit, compensation.

1. INTRODUCTION

Costs are cost components that have an impact on changes in total costs. *Cost drivers are the most important for management* [1] and [2]. The classic cost-based analysis uses a variable as a cost driver, for example, the cost of education determined by the number of hours of subjects in a week [3], the cost of vehicle service is determined by the number of hours of work repairing engine damage of the vehicle, train fares are determined by the distance travelled. The cost-based strategy is a strategy to determine the production costs without taking into account the amount of fixed costs, but the fixed costs are included in the variable costs [1]. As a determinant of production costs, it is the variable cost component that most influences the production volume by adding a certain percentage that is determined in advance as a fixed cost [4].

Calculation of production costs using the cost-based method as a strategy that provides convenience to commercial actors to determine the sale price of production [5]. The selling price of output is easily adjusted based on changes in the price of the determinants of production costs. Changes in the price of direct materials or direct labor wages have a significant effect on production costs [6] and [2]. As an illustration, the cost of tofu production is determined by the raw material cost for

soybeans, because the raw material cost for soybeans is strongly correlated with production volume. The raw material cost for soybeans is the largest component of tofu production costs of total production costs [7].

Determining production costs using the conventional cost-based method provides benefits to producers [8], but does not necessarily result in customer satisfaction and there is no guarantee that customers remain loyal. In a situation where prices are too high, customers may switch to substitute goods, so the demand for goods will decrease. One of the considerations for customers to remain loyal is that the price of these goods is relatively cheap compared to substitute goods.

From the results of a study by [7] that tofu products are included in the group of foods with prices that tend to increase, but the demand for tofu is almost stable, because the demand curve it is inelastic. Price changes have little effect on the volume of demand. In the pandemic situation of 2021, where the raw material price of soybeans skyrocketed, but the production activities did not stop, because the business players were able to get around the production costs by applying the cost-driven method as a strategy to determine the selling price or reduce the size of the product with a fixed selling price. Minimizing products with a given selling price is a strategy to reduce production costs by saving direct materials use, so it becomes an integral part of the cost-based strategy.

There are two types of tofu traded in Mataram City, namely tofu produced by the Sasak ethnic group and tofu produced by the Parahyangan or Sumedang ethnic tofu. The Sasak ethnic tofu production process uses energy efficient stoves and biomass as fuel, boiling tofu pulp uses a mixture of wood and agricultural waste (biomass) in energy efficient stoves without using fossil fuels, and coagulating materials in brine without dyes, so it has a distinctive taste and color image [9]. Tofu produced by the Sasak ethnic group is different from tofu produced by other ethnic groups or different from tofu produced in Vietnam that uses fossil fuels and coagulating materials using vinegar [10]. Due to the uniqueness of the process, flavor and color of Sasak ethnic tofu, Sasak ethnic tofu is preferred by the indigenous Sasak ethnicity and ethnic Balinese and Javanese immigrants, while ethnic Mbojo dislikes ethnic tofu Sasak, because of its chalky white color, unless processed into tofu content or tofu dumplings.

The preferences of customers and consumers towards Sasak ethnic tofu are not only determined by the sale price but also by the socio-cultural values of the community [11] and [12]. The sociocultural values of the community of clients and consumers know how to be an alternative in the formulation of strategies to face the competition based on sociology. How the actors interact reciprocally so that the productive activities continue with raw material suppliers, distributors, clients and consumers. Customers expect to receive a continuous supply so that they can always find work and earn a living, without being rigid in the application of mathematical calculations using the cost-based method. Through this sociologically based approach, it is hoped to better understand various cost-driven related rationales at the level of normative theory with social practice.

At the level of perfect competition, market players act as price takers and each market participant cannot control price, so price becomes a given factor, but on the other hand, business players who cannot compete will either leave the market or be willing to accept short-term market losses in the hope that it will be profitable in the long run. That is why the application of the cost-based strategy is not rigid, but rather depends on the socioeconomic conditions and situations that affect it. The problem is what social variables influence entrepreneurs when implementing the cost-based strategy to be able to produce sustainably.

2. LITERATURE REVIEW

One of the small and medium-sized industries engaged in food processing is the tofu Agroindustry business with production of wet tofu lasting only 1 (one) day without preservatives [13]. Tofu product should be immediately distributed to consumers with a short marketing chain Producers sell directly to consumers or through collector traders [14].

The most consumed vegetable protein sources are tofu and tempeh and have been widely consumed by the community [12], indicating that tofu has been included in the weekly food menu for some residents, even for various ethnic communities on the island of Lombok and tempeh dominate their menu [15], but it is different from rural Ngawi in that tofu and tempeh are food for the poor [16] because the price of tofu is relatively cheap compared to food sources of animal protein, so the poor can afford it. Therefore, tofu food is identical to the food of the poor in urban and rural areas. Normatively, access to affordability is determined by product prices and income levels.

Based on the results of a study conducted by [17] that entrepreneurs in the tofu and tempe Agroindustry do not understand about product quality and environmental quality, but are still focused on achieving operating profit, there is no awareness

of the importance of the environmental cost component which is indicated by the absence of an environmental cost account in the general costs of production. In reality, each individual and community is always changing with the times [18]

Cost-based analysis is a normative study that places the calculation of production costs and sales prices on a mathematical basis, but in reality artisans are human beings as social beings that interact with each other, so in studies sociological studies, the focal point lies in the behavior, practice and institutions of Agroindustry entrepreneurs who know how to face competition when considering the sustainability of relationships with clients and consumers [19], which allows that a person assumes the role of another and reflect on oneself as an object [20]. Social phenomena can be analyzed with factors that encourage reciprocity [21]and [22].

The cost-based strategy that prioritizes only the interests of the producers no longer seems relevant in the current competitive situation, as indicated by the fluctuations in the price of soybeans as the main raw material in the tofu production process in recent decades. due to dependence on imported soybeans. , so it is not impossible to increase prices by selling proportionally to the increase in soybean prices. Therefore, it is necessary to find a strategy that allows tofu production activities to be carried out in a sustainable manner, taking into account the purchasing power of consumers by reducing the formation of minimal added value in the agro-industrial process of tofu. The discovery of socioeconomic variables as a consideration in the implementation of a cost-based strategy is a finding that is expected to be achieved in this article.

The reciprocal relations between the commercial actors between the institutions of the marketing chain, the supply chain and the value chain are not limited to commercial relations, but are also linked to social and economic relations that are needed, mutually beneficial and they foster each other in an unwritten partnership relationship. but there is also a relationship within a family bond or as a profession through the formation of a joint business group or cooperative[23].

The tofu Agroindustry business not only has an impact on the welfare of entrepreneurs, but also has positive and negative externalities. The positive impact is to create jobs and income for suppliers of industrial inputs and have an impact on distributors of tofu products to consumers. The negative impact is that it causes pollution by liquid waste that is dumped into the sewers , causing a bad smell and often causing protests from residents because it is affected by waste pollution [24]. The positive spillover effect resulting from the tofu Agroindustry business is to create job opportunities for families and others living around the place of business. Female workers prefer jobs that require fewer skills [25].

Results from previous studies indicate that consumer awareness of food safety is increasing due to food safety incidents and illnesses [26]. The incidence of safety and illness obtained by consumers is the effect of externalities of food consumption that are directly related to the demand for food products.

3. RESEARCH METHODS

The research was conducted in areas in West Nusa Tenggara Province, namely in East Lombok Regency and in Mataram City. East Lombok Regency represents the rural community and Mataram City represents the urban community. The unit of analysis in this study is a household that has a business as a tofu producer. The research location was selected using a purposive sampling technique, while the sampling unit was selected using the accidental sampling method. E.Asici (2021). The number of selected sampling units is 40 units in East Lombok Regency and 40 units in Mataram City.

Collecting data using a triangular method consisting of structured interviews, in-depth interviews, and observations [27] and E. Asici (2021). The structured interview technique uses a questionnaire and direct observation at the location of the business activity. In-depth interviews were conducted to obtain detailed data on production values and production costs, while observations were made with observations ranging from the preparation of consumable materials, use of labor, production processes, and calculation of production quantities and average variable production costs, as well as social interactions. between tofu entrepreneurs and suppliers of raw materials and consumables and between tofu entrepreneurs and distributors as well as the community in which they live and do business.

In this study using mixed models as a combination of quantitative and qualitative methods(Migiro SO and Magangi BA, 2011). Quantitative methods applied to the calculation of production costs were analyzed using descriptive statistical analysis methods to gain knowledge about the formulation of production costs using the cost driven method. driven using a qualitative method by considering aspects of social relations and social interaction between producers and suppliers of raw materials and other consumables, relations between producers and distributors of customers and comparative socio-economic interactions between regions in Indonesia using the desk study method(A.BurgerT.Silima, 2006).

4. RESULTS AND DISCUSSION

Companies of scale

The tofu Agroindustry is classified as a household-scale industry with a total capital of less than Rs 50 million and non-family workers of 1 (one) to 3 (three) persons. The home industry is a productive activity that takes place in residential housing complexes, using workers from the close family, owners and managers of production and marketing activities. The average amount of investment capital is IDR 27,830,000 per business unit, as shown in Table 1.

Table 1. Average Investment Capital Requirements

Number	Tool	Volume	Unit price	Value (IDR)
1	Building	1	12,500,000.00	12,500,000.00
2	Kiln	2	1,475,000.00	2,950,000.00
3	Wok	1	900,000.00	900,000.00
4	Steam boiler	1	1,675,000.00	1,675,000.00
5	Well / Airmeter	1	1,500,000.00	1,500,000.00
6	Milling machine	1	4,400,000.00	4,400,000.00
7	Print	2	1,675,000.00	3,350,000.00
8	Tub/bucket	3	165,000.00	495,000.00
12	Load beam	3	20,000.00	600.00
Amount				27,830,000.00

The tofu Agroindustry business is a privately owned business, which limits its ability to carry out capital accumulation. The amount of equity capital is very limited, due to the limited ability to accumulate capital, the amount of available capital is also limited. Capital needs are satisfied with own capital, if capital needs have not been satisfied with own capital, the shortage can be covered with loan capital.

Due to the limitation of capital, the stock of raw materials and other materials is only to meet the needs of 1 (one) to 7 (seven) days. The average operating capital is IDR 4,282,250 (Table 2).

Table 2. Average operating capital requirements

No	Row Material	Volume	Unit price	Value (IDR)
1	Raw material (kg)	300	11,700	3,510,000.00
2	Wood and biomass (packages)	26	10,000	2600.00
3	Water (m ³)	5	5,000	25,000.00
4	Salt water (tube)	1	24,000	24,000.00
5	Pertalite (liter)	5	7,650	38,250.00
6	Labor wages	5	85,000	425,000.00
Amount				4,282,250.00

A tofu Agroindustry unit requires investment capital and operating capital of IDR32,112,250. Considering the amount of investment capital and operating capital of the tofu Agroindustry in Lombok Island, the tofu Agroindustry business is included in the category of home industry, because the use of capital is less than 50 million rupees.

Meanwhile, starting a home-scale tofu Agroindustry business requires relatively low investment and operating capital, ranging from IDR 9-10 crore, to be exact, IDR 9.2 crore, not including rent, business rental, premises and stoves. When starting a business, use a place of business owned by parents or in-laws without rent. At the social level in Indonesia, especially on the island of Lombok, West Nusa Tenggara province, it seems that social relationships are still strong, so they can be used as social capital to support the economic activities of the household. The role of the family helps to support the establishment of productive activities such as the tofu Agroindustry business on a family scale.

Initial capital requirements are derived from equity and loan capital. Own capital is obtained from the entrepreneur's savings, while loan capital is obtained from close relatives without collateral or interest. As lenders (creditors), including parents, in-laws, brothers-in-law and/or in-laws, a small percentage of entrepreneurs take advantage of credit from banks, because they cannot provide guarantees or do not understand the procedures and requirements for obtaining bank credit and having the least 6 years of experience (six months). The use of financing sources from relatives or relatives obtains convenience, that is, in addition to being interest-free, it also has a relatively long grace period, and does not need to be paid in installments

but is paid according to ability to pay in installments or repay immediately according to the agreement Loan agreements with family members are usually not written This is different from credit originating from formal financial institutions or banks where credit transactions are They are made in writing with the approval of a notary and are accompanied by guarantees from credit insurance companies.

The results of this study show that the need for investment and operating capital seems to be lower compared to similar companies in Java, that the capital requirements for tofu companies range from 50 to 62 million rupees. Considering this capital requirement, Java tofu Agroindustry business is classified as a small business, because the capital exceeds IDR 50 million [28].

Socioeconomic Impact of the Tofu Agroindustry for the Community

The socio-economic impact of the existence of the tofu Agroindustry has been felt by the community in the core locations of the domestic industry, but it also benefits the outside community through the flow of raw materials and other consumables, the absorption of employment in the production process and the distribution of products flows from producers to consumers. Producers maintain the interactional relationship and social structure between entrepreneurs in the tofu Agroindustry, suppliers of raw materials and consumables, as well as distributors who play a role in marketing tofu products to consumers. Employers also maintain good relations with workers so that the social system works smoothly by providing incentives to workers and distributors [29]. Socio-economic relations are built from business relations and continue to develop into social relations due to friendship in social life. Reciprocal interactions occur between the entrepreneurs of the tofu Agroindustry and the suppliers of raw materials, firewood and biomass, and the suppliers of salt water. The purchases of raw materials and consumables are coordinated in a joint business group so that they save more on transportation costs and also get reduced prices if the volume of each order is larger. The formation of a social network for entrepreneurs in the tofu Agroindustry on the island of Lombok is similar to the one formed in Lebai Ulu district, Muara Enim regency, namely the existence of a network for obtaining raw materials raw materials and a network for the commercialization of products that is formed based on common interests, the loan of capital to suppliers of raw materials and the existence of trust, among them [30]. The use of raw materials and other materials that are used up in a production process is shown in Table 3.

Table 3. Use of raw materials and other materials in a production process

Number	Exercise	Volume	Unit (units)	Unit Price (IDR/Sat)	Amount (IDR)
1	Acquisition of soybean	64.50	kg	11,673	752,908.50
2	Water to soak soybeans	0.13	meter ³	25,000	3,250.00
3	Pertalite fuel	1.87	liter	7,850	14,679.50
4	Water to grind	0.12	meter ³	25,000	3,000.00
5	Wood	5.23	meter ³	10,000	52,300.00
6	water to boil	0.05	meter ³	25,000	1,250.00
7	Electricity	0.92	kWh	980	901.60
8	Saltwater	7.62	liter	1,000	7,620.00
9	Soda	2.25	grams	960	2,160.00
Amount					838,069.60

The largest variable cost component in the one-time tofu production process is the raw material cost of soybeans (89.84%) of the total cost of consumables (Table 4).

The hallmark of home industry is the owner, as well as the manager and worker in the production process. The company location is centralized in one environment and usually forms a pre-cooperative or joint venture. The results of the observations show that the members of the group are close relatives of the Group Leader who are intense in social interaction with the social environment where the location of the business coincides with the complex where they live. The closeness of the kinship facilitates the socioeconomic activities that are appreciated in the good productive process. Even in the Covid-19 pandemic, the production and distribution processes are running smoothly. The socio-economic behavior of tofu Agroindustry owners in Lombok Island is in agreement with the research results of [31] in East Luwu Regency, which shows that tofu Agroindustry business activities tofu can reach an income level that is sufficient for a decent standard of living.

The tofu Agroindustry business is a formidable home industry, which, although it was hit by the economic crisis due to the Covid-19 pandemic, still exists today. Tofu Agroindustry companies in Mataram City and East Lombok Regency are able to adapt to the changing socio-economic environment. The rise in soybean raw material price has caused many tofu

companies to suspend production in Jakarta or elsewhere, but the Lombok island tofu Agroindustry business can still survive and even make a profit. above normal [7]. The adaptability with the often changing socio-economic environment occurs in the TahuSerasi type of business in Semarang Regency, Central Java. The TahuSerasi business that is formed in 1994 still survives because it has built social capital that is sociologically intertwined between business owners, joint venture groups, suppliers, and distributors. The sociological relationship is the result of establishing a mutualistic (mutually beneficial) relationship in profit sharing [32].

Profit sharing seems to be quite strong in the decision making for the owners or managers of the tofu Agroindustry, so the implementation of the cost-based strategy is relatively flexible, as it can provide above-normal profits. . This above-average profit is shared with non-family workers and distributors by giving discounts to distributors and giving rewards to non-family workers. The use of labor in the tofu Agroindustry in Lombok Island is shown in Table 4. The number of non-family workers working in the tofu Agroindustry ranges from 1 to 3 people with an average working hours of 7 hours. 26 minutes or the number of working days 1 person, 19 HKO per production process. Meanwhile, the workforce in the family ranges from 1-2 people, so it can generally absorb 2-5 people per production process.

Table 4. Use of labor in the tofu Agroindustry by production process

Number	Exercise	Kindergarten (People)	JK (min)	Volume	Unit (units)
1	Transportation of Soybeans and other Ingredients	1	24	0.05714	H.K.O.
2	Storage of soybeans and other ingredients	-	-	0	-
3	soybean cleaning	-	-	0	-
4	of soybeans	1	43	0.10238	H.K.O.
5	Soybean drainage	1	12	0.02857	H.K.O.
6	soybean mill	1	144	0.34286	H.K.O.
7	Soybeans Boiling	1.31	176	0.54895	H.K.O.
8	soybean extract filter	1	3	0.00714	H.K.O.
9	Clumping soy juice	1	13	0.03095	H.K.O.
10	Tofu print	1	9	0.02143	H.K.O.
11	Piercing tofu	1	5	0.01190	H.K.O.
12	Tofu cutting	1	7	0.01667	H.K.O.
13	Distribution of Tofu Products	1	10	0.02381	H.K.O.
Amount			446	1.19181	

Note: HKO = people working days

Lintang[33]have identified social changes in the tofu Agroindustry workforce in Pakis sub-district, Malang regency, i.e., there has been a change in mindset including changes in the means of subsistence from cultivation to processing, increased professionalism, increased family. socioeconomic well-being, greater enthusiasm and motivation at work, as well as a greater awareness of the importance of education. There has also been a change in the pattern of work and cooperation, and a change in the pattern of interaction with members of the community, as well as changes in social status by achieving equality. Thus, workers in the tofu Agroindustry business experience social changes from an agrarian society to an industrial society that adapts to changes in the social environment. Such social changes also seem to occur in the tofu Agroindustry workers in the city of Mataram, but not in the workers of the East Lombok Regency, who still maintain their traditional life as village communities making a living from farming and ranching. secondary as they continue to farm and cultivate. /or work. or increase. However, passion for performing religious rituals remains high in both Mataram City and East Lombok Regency. By-products of tofu feces and liquid waste are used as animal feed and drink, livestock is an additional source of income for tofu entrepreneurs.

Tofu entrepreneurs, as well as their children's parents, foster a pattern of entrepreneurial education for their children by involving children in the activities of the tofu production process from an early age, so that children who have grown up are trained to organize the production process. With the pattern of education at work, it seems effective in reducing skills in the process of production and marketing of products, so that when they are adults they have the ability to be entrepreneurs. Generally, parents inherit the skills of the tofu production process to their children. The same was true in other areas, including the results of a study by [34]in Wlingi District, Blitar Regency that parents have instilled entrepreneurial values in their children through training from an early age. , or initiative Children participate in helping their parents to work and

want to follow and inherit the skills of their parents, or participate in training organized by the government. Agroindustry owners in Mataram City and East Lombok Regency are the skills they have acquired from training they have attended at their parent's place of business, except for a small number who have received training and guidance from the district/ city industrial office.

The culture of work in the perspective of ethnic Chinese and Javanese in the city of Kediri is a study by [35] by presenting Tahutakwa as the main focus of the study. The work ethic of the Chinese community is different in perspective compared to the ethnic Javanese in Kediri city, especially in terms of values and attitudes that regard work as something positive. The work ethic of the Chinese community is categorized into aspects of work discipline, seeing work as an obligation, and being proud of the work done. These three aspects are used as the basis for regeneration to form the culture of Chinese society. Whereas the Javanese people of Kediri city have a tendency to be easily satisfied and willingly accept whatever condition they achieve. Javanese society is also famous for its character of upholding the values of togetherness through deliberation or deliberation. These characters give the impression of being less willing to work hard for progress or success compared to ethnic Chinese. Comparing the work ethic of the Chinese community with the ethnicity living on the island of Lombok, it seems that they do not agree with the socio-economic conditions regarding the prospect of the tofu Agroindustry, because the ethnic Chinese have left. tofu production activities and have been replaced by the indigenous people of the island of Lombok, namely the Sasak ethnic group. The ethnic Chinese are the part that introduced tofu processing technology to the Sasak ethnic group, but are no longer interested in trying to become tofu producers, preferring to go into retail business.

The price of soybeans in recent decades has risen sharply, prompting protests from tofu and tempeh artisans. The protest was expressed through a production strike from July 25 to 27, 2012 where the protest was published in the media as a form of transaction in which the protesting group needed the media to expose their expression with the aim that the government subsidize the prices of soybeans to tofu. -tempe artisans who actually benefited from soybean importers. From this description, it appears that the interaction of tofu entrepreneurs is not limited to tofu producers, but also to journalists, soybean importers and the government who have mutual interests with each other [36]. What is interesting is that tofu farmers on the island of Lombok are not lazy to protest, because they have understood the strategy of dealing with changing situations. When the Covid-19 pandemic lasted two years from 2020 to 2021, they adapted to the rising prices of soybeans as the main raw material for making tofu. Adaptation was compromised by downsizing the tofu mold and selling it at a fixed price and sharing profits with distributor customers as a way to implement a cost-based strategy based on economic sociology versus competition.

Cost push strategy

In a study carried out by [7] that as a determinant of costs in the tofu production process on a domestic scale is the raw material. The cost of production is 1,862 times the cost of raw materials. The implementation of production costing based on the cost of raw materials is called a cost-driven strategy. Cost-based strategies are possible because they ignore in the short term the sacrifice of fixed costs and labor costs in the family. What is important for tofu producers is that they continue to exist by providing supplies of tofu to customers so that customers remain loyal or do not switch to other producers because they are not producing. Socioeconomic aspects are considered when setting the sale price. The applied strategy is to ensure that all variable costs are covered by the sale price, while the sacrifice of fixed costs (Table 5) and family labor wages can be ignored in the short term. Legislatively, the sale price is set at 2 (two) cal or 200% of the cost of the raw material so that the producers earn above the norm but less than 2 (two) times the cost of the raw material, because the dealers ask for a discount. To maintain good relations with customers, tofu-producing entrepreneurs offer discounts to customers through the profit-sharing mechanism [32].

Table 5. General costs of the tofu agroindustry per year

Number	Tool	Value (IDR)	Technical age	Depreciation (IDR/year)
1	Building	12,500,000	12.00	1,041,666.67
2	Kiln	2,437,500	2.78	878,378.38
3	Wok	900,000	3.80	236,842.11
4	Seam boiler	1,700,000	4.00	456,375.84
5	Well / Airmeter	1,500,000	10.00	150,000.00
6	Milling machine	5,712,500	4.68	1,221,925.13
7	Print	1,700,000	4.33	393,063.58
8	Tub/bucket	378,250	1.90	199,078.95
Amount				4,577,330.65

For tofu Agroindustry entrepreneurs who are less efficient in the production process, they face difficulties in competing, because the price of raw materials continues to rise during the Covid-19 pandemic from Rs 8,500/kg in early 2020 to Rs 12,500/kg. rupees/ kg at the end of 2021 [37], some entrepreneurs cannot provide stock of raw materials, so they are forced to take a break from production, in addition to the cost The driven method has not been implemented as a strategy to deal with competition based on economic sociology. Tofu producers who cannot compete are entrepreneurs who do not have much experience and are not part of a joint business group. of tofu in the production centers, can be adapted because the purchase of raw materials and other consumables is done collectively Collective purchases can save on transportation costs Transport and large volume purchases get discounts from suppliers It turns out that social interaction in the tofu production center has a positive effect in reducing production costs, so that they become strong entrepreneurs of tofu in the face of competition [29].

In addition, in determining the sale price, it is done by adding a contribution margin. The contribution margin is the sum of the selling price to the average variable cost. The value of the added contribution margin is adjusted for the purchasing power of consumers or the ability of distributors to market tofu products. The value of the contribution margin is determined considering the willingness of consumers or customers to pay for tofu products and payment systems, in addition to considering family relationships with customers [37]. Introduce contribution margin into the cost-driven equation model as a solution to accommodate producers' interests of making a profit with consumers' interests of low prices.

By using the cost-driven strategy method, it is possible for consumers to obtain flexible prices with a minimum constant value (k) equal to the ratio of total production costs (TCP) to raw material costs (RMC). The increase in the price of raw materials resulted in a decrease in the value of the constant from which all $k = 2$ could be reduced to $k = 1.862$, because the value of $k = 1.862$ is the ratio between the total costs of production and the minimum raw material[(equation (1)). material costs that can be tolerated so that the tofu production process can be carried out sustainably.

Controlling the selling price of tofu is not only done by setting a constant value, but also through changes in production technology, including the use of steam boilers and the use of energy efficient ovens. In this study, data was obtained that almost all tofu producers in the production center of Mataram city use steam boilers (Table 5). The use of a steam boiler can reduce production costs, which is more efficient than tofu producers that do not use it. Tofu producers also use energy-efficient stoves, so they can save on the use of firewood and biomass. The results of this study are in line with the results of research by [38]that the use of steam boilers can reduce fuel costs and increase profits by 12%. The use of a steam boiler can speed up the boiling process of soybean juice and save the use of firewood and biomass.

The external socio-economic environment also contributes to the sustainability of the tofu Agroindustry in Mataram City and East Lombok Regency, in addition to factors of consumer taste and purchasing power, as well as the price of substitute products (substitute products) and ethnicity. factors have shaped a social system that supports the formation of industrial centers that are capable of producing efficiently, in addition to the role of government agencies in fostering household-scale business and small and medium-sized industries. The Sasak ethnic group is very fond of consuming the typical Sasak tofu that is characterized by being a white tofu with a coagulating material of salt water based on soybeans. Tofu has become a weekly staple on the Sasak ethnic cuisine menu. Besides having a peculiarity in texture and flavor, it is compared to Sumedang tofu which uses vinegar as a coagulating agent with a sour taste. Advances in food technology have resulted in many products derived from tofu, such as stuffed tofu, opor tofu, dumplings, tofu, and tofu soup. The demand for tofu has never decreased despite the Covid-19 pandemic, so the tofu Agroindustry continues to exist in the producing centers.

5. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

1. The cost as a strategy that prioritizes the interests of producers and at the same time considers the interests of distributors to obtain products according to the purchasing power of consumers through profit sharing.
2. Minimize the contribution margin as a solution to the competitive situation due to the increase in the prices of raw materials.
3. The impact of rising raw material prices on production costs can be achieved through production cost efficiency through cooperation in joint business groups, so that the purchase of raw materials and other consumables can be done collectively , in order to reduce order costs.
4. Production cost efficiencies can also be achieved through the use of steam boilers, the use of energy efficient stoves and the use of biomass as fuelwood mix.

Recommendation

1. Flexibility in the implementation of the cost-based strategy as a solution to overcome the competition.
2. The negative impact of rising raw material prices can be reduced through interactive socio-economic cooperation in joint business groups and by forging sustainable cooperation with suppliers of raw materials and other consumables, as well as distributors through participation in Profits.
3. Tofu producers are always striving to use steam boiler technology and use energy-efficient ovens and biomass to reduce production costs.

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