

NAVIGATING GROWTH AND CHALLENGES IN JAPANESE STREET FOOD BUSINESS: A STRATEGIC SWOT AND IFE-EFE ANALYSIS OF KENKAYA

By

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Abstract: This study aims to analyze the growth dynamics, operational challenges, and development strategies of a Japanese street food business through a case study of Kenkaya. A descriptive qualitative method was employed, supported by SWOT analysis and the use of IFE and EFE matrix as analytical tools. The findings indicate that Kenkaya's business growth is driven by product quality that suits local tastes, affordable pricing, and an attractive menu variety. Digital promotions, including Instagram advertising, online ordering platforms, and customer loyalty programs, also play a significant role in attracting new customers. However, challenges such as a non-prime location, limited operating hours, and internal staff coordination issues remain significant obstacles. Kenkaya has implemented several strategies, including price discounts, loyalty cards, menu development, and quality control of ingredients. The SWOT analysis reveals strengths in product quality and competitive pricing, with opportunities arising from increased market interest in Japanese cuisine. Meanwhile, threats come from intense market competition and environmental conditions. The IFE score of 2.75 and EFE score of 2.85 place Kenkaya in Quadrant II of the SWOT matrix, suggesting a diversification strategy to leverage internal strengths in responding to external threats.

INTRODUCTION

Japanese cuisine has become one of the most favored culinary traditions in Indonesia, evidenced by the increasing number of restaurants and food outlets offering authentic dishes from the Land of the Rising Sun. The Indonesian public's growing familiarity with Japanese flavors ranging from ramen and sushi to Japanese-themed snacks—further fuels this trend. As noted by renowned chef and culinary author Anthony Bourdain, “Japanese food offers a unique balance of flavor and aesthetics, making it one of the world's most influential culinary traditions” (Bourdain, 2016).

In recent years, the Japanese culinary industry in Indonesia has experienced significant growth. According to the Indonesian Central Statistics Agency (Badan Pusat Statistik, BPS, 2020), there were 357 Japanese restaurants nationwide. Although the COVID-19 pandemic caused fluctuations, the overall trend indicates rising public interest in Japanese cuisine. Contributing factors include high-quality ingredients, reputation for cleanliness, affordable pricing, and flavor profiles adapted to local tastes. Since 1993, the number of Japanese restaurants has increased by 36%, supported by cultural events such as Japanese festivals and anime shows, which have attracted wider audiences. Additionally, menu adaptations and accessibility via online ordering platforms have accelerated the sector's growth.

Beyond upscale restaurants, the expansion of Japanese street food concepts has made authentic Japanese dishes more accessible to a broader consumer base, especially the middle class seeking quality food at reasonable prices. In Japanese culture, street food stalls known as *yatai* (屋台) are small food carts or kiosks selling popular dishes like ramen, takoyaki, and yakitori. Ashkenazi and Jacob (2003) describe *yatai* not merely as food vendors but as social spaces fostering direct interaction between sellers and customers. The flexibility and lower operating costs of *yatai* models make them highly attractive for the Indonesian market, offering competitive pricing and casual dining experiences.

Another appeal of Japanese street food lies in menu innovation tailored to local preferences, such as ramen made with locally available ingredients. This fusion offers entrepreneurs opportunities to balance authenticity with market acceptance. However, despite its potential, the business faces challenges including intensifying competition, consumer selectivity, and the need for continuous innovation without compromising authenticity. Porter (1985) emphasizes that competitive advantage requires clear differentiation and unique value offerings to customers. Thus, product and service uniqueness are critical success factors in Japanese culinary businesses.

Additional challenges involve managing raw materials and product quality, with price volatility and ingredient availability affecting production costs and pricing strategies. Hygiene and food safety are also paramount, given the open-air nature of street food operations. The growth of Japanese street food businesses is influenced by both internal and external factors. Internal factors include product quality, operational management, marketing strategies, and cost and resource efficiency. Consistent food quality and menu innovation are key to customer loyalty, while effective inventory management, cleanliness, and customer service enhance consumer experience and competitiveness. Externally, market trends, consumer purchasing power, industry competition, and government regulations play significant roles. Businesses must adapt swiftly to changing culinary trends and economic conditions that impact consumer behavior. Competitive pressures from similar culinary ventures regarding pricing and concept pose ongoing challenges. Understanding these factors enables businesses to formulate effective strategies for sustainability and growth.

This study examines Kenkaya, a Japanese street food business that strives to offer authentic flavors at more accessible prices compared to conventional restaurants. The analysis focuses on Kenkaya's growth strategies, operational challenges, and potential opportunities for future development. By identifying the key factors driving its growth, the obstacles it faces, and effective strategies to overcome them, this research aims to provide practical recommendations not only for Kenkaya but also for similar ventures within the

Japanese street food sector. Specifically, the study addresses critical questions about the drivers of Kenkaya's business dynamics, the challenges encountered in its operations and expansion, and the strategic approaches necessary to foster sustainable growth. Through this comprehensive exploration, the study seeks to contribute valuable insights to support Kenkaya's ongoing success and enrich the broader discourse on the development of Japanese street food businesses in Indonesia.

LITERATURE REVIEW

Several previous studies have been conducted related to the analysis of challenges and growth in the Japanese culinary business. One such study is titled "Product Development Strategy of Japanese Food-Based MSMEs at The Hungry Sushi" by Baiq Hamda Indriani (2021). This research focuses on the product development strategies applied by the MSME The Hungry Sushi in facing competition in the Japanese culinary business in Indonesia. The main objective of the study is to understand how The Hungry Sushi develops its products to enhance competitiveness in the Japanese food market and to identify factors contributing to the business's success. The study employs a descriptive qualitative method, with data collected through direct observation of production processes, interviews with the business owner and loyal customers, as well as documentation of marketing strategies and product innovations. The findings show that The Hungry Sushi implements various innovative product development strategies, such as adapting flavors to local consumer preferences, offering affordable pricing, and creating more practical food concepts like smaller, easy-to-eat sushi rolls. Additionally, The Hungry Sushi actively utilizes social media as a promotional and communication tool with customers. The theoretical foundation used in this study includes product innovation theory and culinary marketing strategies. This study differs from the current study in that it focuses more on product development strategies, whereas the present study emphasizes the overall business growth aspects, including operational challenges and development strategies.

Another study titled "Review of Foreign Branding Initiative (FBI) Strategy in Japanese Culinary Businesses in Indonesia" by Elli Rahmawati Zulaeha, Yusnida Eka Puteri, and Rahayu Aprilianti (2022) aims to analyze how the Foreign Branding Initiative (FBI) strategy is employed in the Japanese culinary industry in Indonesia and its impact on consumer acceptance and business sustainability. Using a descriptive qualitative method, the researchers analyze several Japanese restaurants that apply the FBI strategy, covering aspects such as restaurant names, interior design, food presentation, and the use of the Japanese language in their branding. The results indicate that the FBI strategy is highly effective in attracting Indonesian customers interested in Japanese culture. Restaurants that use Japanese names and interior elements resembling traditional Japanese establishments tend to be more favored compared to those offering only Japanese food without strong branding elements. The study is grounded in branding theory and marketing strategies based on cultural identity. This study differs from the study by Zulaeha et al. by not focusing solely on branding but also emphasizing operational business aspects and development strategies, which are less explored in the context of street-level Japanese culinary businesses.

Further, a study titled "Marketing Strategy in Efforts to Increase Revenue at Megumie Ramen & Takomon Stall in Paringin" by Muhammad Aldianor (2023) evaluates the marketing

strategies implemented to increase sales revenue amid growing competition in the Japanese culinary industry. Employing a descriptive qualitative approach, data were collected through direct observation of business operations, interviews with the owner and regular customers, and documentation of marketing activities. Findings reveal that digital marketing strategies, social media promotions, and customer loyalty programs effectively enhance the business's appeal. However, challenges such as fluctuations in imported ingredient prices and reliance on foreign suppliers were also identified. The theoretical basis for this research includes digital marketing theory and market analysis. The difference from the current study lies in the narrower focus on marketing aspects, whereas this study provides a broader analysis covering business growth factors, operational challenges, and development strategies.

Another relevant study is "Online Marketing Strategies in Culinary Businesses to Increase Sales" by Rizky Maulana (2021), which focuses on the role of online marketing in boosting sales for culinary businesses. The case studies involve several successful restaurants and culinary MSMEs utilizing digital platforms. Using a descriptive qualitative method, the study analyzes various online marketing techniques, including social media use, influencer marketing, and optimization of online delivery services. The results show that culinary businesses active in online marketing tend to experience an increase in customer numbers and sales compared to those relying on conventional marketing methods. Platforms like Instagram, Facebook, and TikTok are proven effective in increasing business exposure, especially when supported by attractive visual content and good customer interaction strategies. The theoretical foundation includes digital marketing theory and online marketing communication strategies. The main difference from this study is the focus on online marketing, while this study emphasizes overall business growth, including operational challenges and development in the street-level Japanese culinary market.

Based on these four studies, this study differs significantly in research focus, analysis methods, and theoretical frameworks. While prior studies largely discuss marketing strategies, branding, or product innovation, this study concentrates on the dynamics of growth and challenges faced by street-level Japanese culinary businesses. Therefore, this study is expected to provide new contributions to the study of Japanese culinary business in Indonesia, particularly in understanding how street-level culinary businesses can survive and develop amid intense market competition.

Offering a novel contribution, this study addresses the relatively underexplored dynamics and challenges of small-scale street food businesses, contrasting with the predominant focus in existing literature on marketing or customer satisfaction within large-scale restaurants. Employing a descriptive qualitative approach, the research integrates interview data with sales records to gain a comprehensive understanding of Kenkaya's operations. The findings aim not only to reveal factors affecting business sustainability but also to offer actionable insights for street food entrepreneurs confronting similar challenges, ultimately supporting sustainable growth and enriching the discourse on Japanese street food business development in Indonesia.

RESEARCH METHODS

This study employs a descriptive qualitative method to analyze the growth, dynamics, and challenges faced by the Japanese street food business, specifically focusing on Kenkaya. This approach allows for an in-depth exploration of the experiences of business operators, customer perceptions, and operational challenges encountered in business development. The data collected are primarily descriptive narratives rather than numerical statistics, providing a holistic understanding of the business realities under study.

The research was conducted at Kenkaya Yatai, located at Jl. Cargo Permai No. 197x. The primary data consist of qualitative descriptive data, collected through interviews and sales records related to the development, dynamics, and challenges within the Japanese street food business. Primary data were obtained directly from key informants through interviews with co-owners, staff, and customers, as well as through direct observation. These data help understand the growth dynamics, operational challenges, and strategies employed in developing the Japanese street food business. Secondary data were sourced from existing literature, including books, journals, industry reports, and company documents.

The research instruments included interview guides and observation checklists. Interviews were chosen for their ability to elicit in-depth information directly from respondents, allowing for a nuanced understanding of their experiences, views, and opinions. Open-ended interviews allow the researcher to obtain broader insights and capture contextual nuances often missed by closed-ended questionnaires. The case study approach was used to understand the phenomenon comprehensively in its real-life context.

Interviews were conducted with key stakeholders to gain a comprehensive understanding of Kenkaya's business dynamics. Details of the data collection process are as follows:

1. Interviews with Co-Owner:

These interviews aimed to explore factors influencing Kenkaya's growth dynamics, operational challenges, and the strategies implemented or planned. Main themes included:

- a. Internal and external factors affecting growth.
- b. Operational and business challenges from both internal and external perspectives.
- c. Strategies to enhance growth or address challenges.

2. Interviews with Staff:

Focused on daily operational constraints, workflow effectiveness, and staff experiences in customer service, addressing the second research question related to challenges.

3. Interviews with Customers:

Concentrated on customer awareness of Kenkaya, evaluations of the business, and barriers affecting purchasing decisions. The insights gathered support addressing the second and third research questions, informing strategy formulation to boost sales.

Moreover, this study integrates strategic management tools, namely SWOT analysis and the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices, to systematically assess Kenkaya's business environment. The SWOT framework identifies and categorizes internal strengths and weaknesses as well as external opportunities and threats. The IFE and EFE matrices further quantify these factors by assigning weighted scores that reflect the relative importance and the company's response effectiveness. This quantitative evaluation complements the qualitative insights by providing a structured, objective basis

for assessing Kenkaya's overall strategic position. The integration of these tools facilitates a thorough understanding of the business's internal capabilities and external market conditions, enabling the formulation of targeted strategies for sustainable growth and competitive advantage.

RESULTS AND DISCUSSION

Factors Influencing the Growth Dynamics of Kenkaya's Business

Business growth is not solely measured by increased sales figures but also by the ability to sustain, adapt, and expand market reach. Kenkaya, a Japanese street food business operating in a suburban area, experiences growth dynamics shaped by various internal and external factors.

Based on interviews with the co-owner, Kenkaya has seen an increase in the number of customers trying their food since its inception.

"The development has been quite good. There is an increase in total customers coming to try our food. However, sales revenue or turnover remains relatively stable," the co-owner explained.

This indicates that growth in customer numbers does not always correspond directly to increased revenue, which may be influenced by variations in customer purchase behavior, menu choices, and visit frequency.

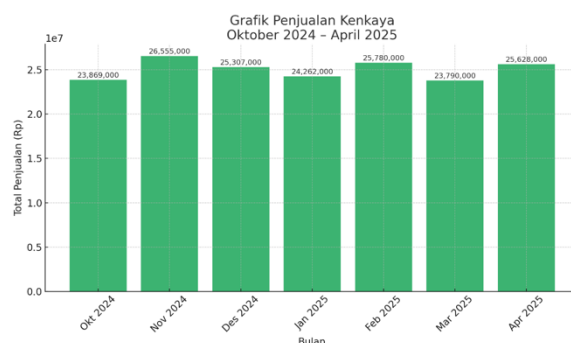


Figure 1. Kenkaya's monthly sales performance from October 2024 to April 2025

Monthly sales data reveal a fluctuating yet generally stagnant pattern, ranging between IDR 23,000,000 and IDR 26,000,000 from October 2024 to April 2025. This stagnation is influenced by various internal and external factors. Internally, the less strategic location situated in a warehouse area with heavy truck traffic and limited operating hours restricted to nighttime contribute to these challenges. Additionally, marketing strategies such as promotions and advertising have not been strong enough to foster sustainable customer retention. Externally, consumer spending patterns characterized by higher consumption at the beginning of the month and decline towards the end also contribute to sales imbalances. Weather conditions, such as heavy rain, and holiday periods significantly reduce visitor numbers.

Although there was an increase in sales from October to November 2024, subsequent trends show fluctuating sales without any significant spikes. Notably, daily sales reports highlight a striking difference between early and late-month revenues. For instance, on April 1, 2025, daily sales exceeded IDR 7,000,000, whereas on April 29, 2025, sales drastically dropped to approximately IDR 3,600,000. These figures are corroborated by visual observations, which recorded busy conditions at the start of the month and noticeably quiet periods towards the end.

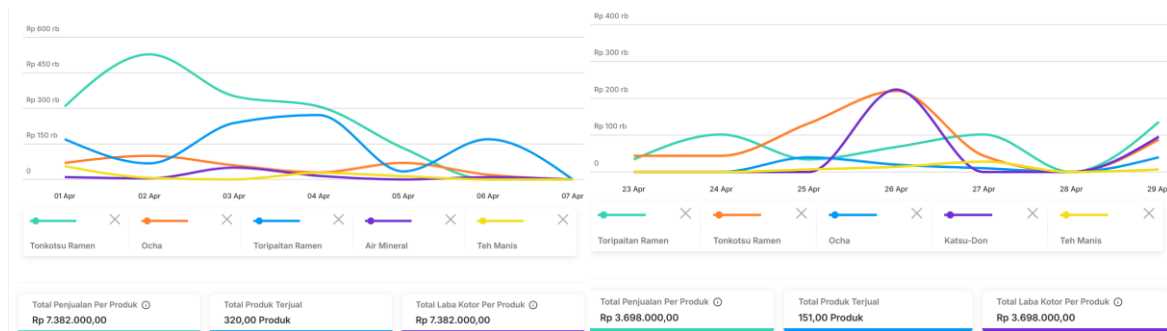


Figure 2. Kenkaya's Sales Report At Beginning and End of Month (April 2025)

Keivo, the co-founder of Kenkaya, emphasized the significant influence of timing on customer visits. He explained,

"Busy days are usually Friday and Saturday, sometimes Sunday. The beginning of the month, especially up to the 10th, is usually crowded." (Keivo, personal interview, May 12, 2025).

This statement reflects a consumer behavior pattern highly influenced by salary cycles and purchasing power. Most of Kenkaya's customers are young working adults, whose spending habits tend to peak at the start of the month and decline toward the end. Additionally, weather conditions play a significant role in influencing customer turnout. As a semi-outdoor food stall, Kenkaya is particularly vulnerable to rain. The co-founder further explained, *"When it rains continuously from afternoon to evening, like earlier this year, visitors are quite rare. Maybe traffic congestion also plays a part, so people are reluctant to go out. If it rains heavily but only at night, we still get some customers, but not many. Light drizzle doesn't really affect us."* (Keivo, personal interview, May 12, 2025).

Location was also cited as a key challenge to business growth:

"Our location isn't where people usually go. There are many trucks and warehouses, so it's not ideal for a food stall." (Keivo, personal interview, May 12, 2025).

Situated in a logistics and industrial zone, Kenkaya lacks the natural foot traffic commonly found in city centers or near campuses, which limits its exposure to potential customers.

To overcome these challenges, several marketing strategies have been implemented: *"10% discounts, promos on Gojek and Grab, Instagram ads, collaborations with food vloggers... loyalty cards... and free snacks for first-time customers."* (Keivo, personal interview, May 12, 2025).

These efforts reflect a proactive approach to customer acquisition through both direct and digital channels. Promotions and online delivery partnerships are aimed at broadening the customer base beyond walk-in traffic. Collaborations with food vloggers and targeted Instagram advertisements demonstrate Kenkaya's responsiveness to digital marketing trends that significantly influence consumer decision-making. Additionally, loyalty programs and first-visit incentives are intended to enhance customer retention and encourage repeat visits.

From an operational standpoint, major religious holidays also affect foot traffic. *"Holidays like Galungan and Christmas have a noticeable impact, since many of our customers are Hindu and Christian."* (Keivo, personal interview, May 12, 2025).

This insight aligns with the demographic context of Bali, where the majority of the population practices Hinduism, and Christianity is also prevalent among urban residents. During such religious

observances, local consumers are more likely to stay home or travel, leading to decreased visits to food establishments. Recognizing the seasonal impact of religious holidays allows business owners to plan appropriate operational adjustments such as stock control, staffing schedules, and targeted promotions to maintain stability even during periods of reduced external demand.

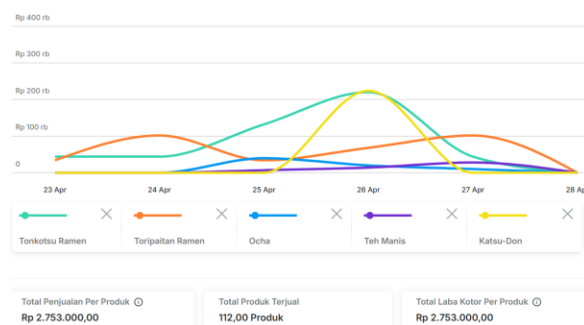


Figure 3. Sales During Easter and Galungan Holidays 2025

Kenkaya's growth dynamics are influenced by five key factors: customer visit timing, weather conditions, business location, religious holidays, and the effectiveness of promotional strategies. Among these, timing emerged as the most dominant factor, with notable increases in customer visits observed during weekends and at the beginning of each month.

Adverse weather, particularly heavy rainfall, negatively affects foot traffic due to the semi-outdoor nature of Kenkaya's setup. Spatial adjustments or enhancements in online service delivery could serve as viable solutions to mitigate this impact. The business's location in a warehouse district presents an additional challenge, as it lacks natural foot traffic. To address this, Kenkaya has leveraged digital promotions and partnerships with food delivery platforms to broaden its market reach.

Efforts such as social media advertising, collaborations with food vloggers, and listings on online ordering platforms have been implemented. However, these strategies require ongoing evaluation to ensure they effectively target the intended audience. Despite these initiatives, consistent and stable growth remains a challenge.

In short, customer timing and weather conditions are the most influential factors in Kenkaya's growth. Continuous refinement of promotional strategies, spatial adaptation, and service innovation are essential to support the business's long-term sustainability and expansion.

Operational and Strategic Development Challenges Faced by Kenkaya

Operating a Japanese street food business presents unique challenges that impact both daily operations and long-term development. Based on in-depth interviews with the co-owner, staff, and customers, the challenges Kenkaya faces can be grouped into three main categories: internal operational issues, external factors, and business development constraints.

1. Internal Operational Challenges

Internal challenges primarily relate to human resource management, team coordination, and service standards. Co-founder Keivo emphasized the importance of maintaining consistent operations to ensure customer satisfaction: *"My job is to attract customers and ensure they're not disappointed with the food. That's why I have to maintain our standards."* (Keivo, personal interview,

May 12, 2025). However, issues such as tardiness, unclear job descriptions, and inconsistent staff performance persist: *"Sometimes staff come late or don't complete their tasks properly."* (Keivo, personal interview, May 12, 2025)

Staff members also echoed concerns about weak communication and coordination: *"Teamwork is still at a low to middle level. Sometimes orders get mixed up, and there's no response during busy times."* (Malvin & Advent, personal interviews, May 14, 2025). Another issue involves the staff's limited ability to communicate with foreign customers: *"I can't speak English, and there are often order mistakes."* (Sugik, personal interview, May 14, 2025). These quotes highlight the pressing need to strengthen internal coordination, communication, and training.

2. External Challenges

Kenkaya's location in a warehouse district poses significant disadvantages: *"We're located in an area people don't usually go to. Lots of trucks and warehouses, not ideal for a food stall."* (Keivo, personal interview, May 12, 2025) Religious holidays also influence customer traffic, particularly due to the demographics in Bali: *"Holidays like Galungan and Christmas affect us since most of our customers are Hindu or Catholic."* (Keivo, personal interview, May 12, 2025). These fluctuations underscore the importance of adapting operational strategies during specific periods to mitigate income volatility.

3. Business Development Challenges

Although there are plans to expand, Kenkaya is currently focused on stabilizing its core operations: *"Yes, there's a plan to open a second outlet, but not anytime soon. I want to focus on this stall first and make sure it runs smoothly."* (Keivo, personal interview, May 12, 2025). Customer feedback also highlights development opportunities, particularly regarding operating hours and location: *"They should open a new branch in Renon and extend their hours. Right now, it's only open at night."* (Matthew, personal interview, May 14, 2025)

Kenkaya's challenges fall into three broad categories: internal operations, external environmental factors, and business expansion constraints. Internally, issues with discipline, communication, and teamwork indicate a need for structured job assignments and continuous staff development. Externally, the non-strategic location and seasonal fluctuations in customer traffic demand adaptive marketing and operational responses particularly through digital promotions and online services.

In terms of development, although expansion opportunities exist, the business must first build a solid foundation to maintain quality and consistency. From the researcher's perspective, Kenkaya possesses strong growth potential if it remains responsive to both internal inefficiencies and external dynamics. Strengthening human resources, enhancing service quality, and implementing strategic innovations will be crucial to sustaining and scaling the business moving forward.

Business Development Strategies at Kenkaya

To address various operational challenges and market dynamics, Kenkaya has implemented a range of strategies aimed at ensuring sustainable business growth. Internal needs, external environmental factors, and direct feedback from customers and operational staff shape these strategies. One of the primary focuses of Kenkaya's growth strategy is active promotion, particularly through digital media. This includes partnerships with food delivery platforms such as Gojek and Grab, as well as advertising campaigns on Instagram. Kenkaya has also collaborated with food vloggers to boost brand visibility and attract a wider audience.

Additionally, customer loyalty programs have been introduced, such as stamp cards and free

snacks for first-time buyers: *"Recently, we launched a loyalty card program. Customers who collect six stamps can redeem them for a free meal of their choice. First-time customers also get a free snack."* (Keivo, personal interview, May 12, 2025)

From a product development perspective, Kenkaya has expanded its menu to include new options such as various types of ramen and traditional Japanese snacks. However, based on input from the kitchen staff, there is a recommendation to limit the addition of snacks and instead focus on enhancing the variety of rice and ramen dishes: *"For product improvement, I think we don't need more snacks, the variety is enough. The current ramen and rice options are still manageable."* (Malvin, personal interview, May 12, 2025). Customer feedback also plays an essential role in shaping future strategies. One customer, Randy, suggested improving the cleanliness and comfort of the dining area, particularly by reducing dust from the nearby road. He also proposed adding non-pork menu items to cater to a wider range of dietary preferences. This feedback reflects customer expectations for a cleaner dining environment and a more inclusive menu.

Other customers emphasized the importance of expanding service coverage in terms of location and operating hours. For example, opening a branch in Renon and starting earlier in the day could help Kenkaya reach new market segments, especially those unable to visit during evening hours.

Internally, staff also highlighted areas for improvement, particularly in foreign language proficiency: *"Language is a challenge most of us can't speak English, but recently we've had more foreign customers."* (Advent, personal interview, May 12, 2025). To maintain product quality, Kenkaya has adopted a daily routine of checking ingredients and conducting taste tests before service: *"Every night, the team both kitchen and service checks what ingredients are running low so we can restock the next day. We also conduct taste testing daily to maintain quality."* (Keivo, personal interview, May 12, 2025). Regarding business expansion, the co-owner expressed a cautious approach, prioritizing the stability of current operations before opening new branches: *"Yes, there are plans to expand, but not anytime soon. I want to focus on stabilizing this outlet first. Once everything runs smoothly, then we can think about opening another location."* (Keivo, personal interview, May 12, 2025).

Based on the collected interviews, Kenkaya's business development strategies can be summarized into the following key areas:

1. Digital Promotion & Customer Loyalty: Leveraging online platforms, discount offers, and loyalty programs to increase customer retention and reach.
2. Product Innovation: Maintaining a balanced and efficient menu while ensuring quality.
3. Enhancing Customer Comfort: Addressing issues like dust, seating arrangements, and amenities based on customer suggestions.
4. Expansion Opportunities & Operating Hours: Exploring the feasibility of new locations and adjusting hours to capture daytime customers.
5. Human Resource Development: Improving team efficiency and language skills to better serve a diverse customer base.
6. Stabilizing Internal Operations: Prioritizing consistency and operational readiness before expanding.

By adopting an adaptive and customer-informed approach, Kenkaya has laid a strong foundation for sustainable growth and competitive positioning in Bali's Japanese street food market. The SWOT analysis table is presented as follows:

Table 1. SWOT Analysis

<i>INTERNAL</i>		
<i>EKSTERNAL</i>	<i>Strengths (S)</i>	<i>Weaknesses (W)</i>
	1.Affordable prices for Japanese food 2.Diverse menu that suits local tastes 3.Active promotion on Instagram 4.Fast service and continuously innovative menu	1.Less strategic location (warehouse area, low foot traffic) 2.Lack of team coordination and communication 3.Limited operating hours (only open at night) 4.Some staff are not proficient in English
<i>Opportunities (O)</i>	<i>SO</i>	<i>WO</i>
1.Rising trend of Japanese food among youth 2.Potential expansion into busy areas like Renon 3.Opportunity to attract foreign (Western) tourists	1.Leverage affordable pricing and local-adapted menu to target young customers and tourists 2.Expand digital promotions beyond Instagram to reach a broader market 3.Develop a loyalty card system to retain customers	1.Extend opening hours to lunchtime to attract the lunch crowd 2.Provide English training for staff to enhance tourist service 3.Test new locations in more strategic areas (e.g., pop-up stalls or food stands)
<i>Threats (T)</i>	<i>ST</i>	<i>WT</i>
1.Rainy weather affects visitor numbers 2.Competition with other Japanese restaurants and street food vendors 3.Limited customer reach due to night-only operations	1. Improve venue comfort (install dust curtains, improve lighting and layout) 2. Develop weather-based promotions (rain discounts, WhatsApp pre-orders)	1.Improve team coordination SOPs to maximize peak hour efficiency 2.Optimize staff performance to remain competitive with other Japanese restaurant

Table 2. IFE

Strength

Strategic Factor	Weight	Rating	Score
Affordable prices with high quality	0.3	4	1.2
Diverse menu aligned with local preferences	0.2	3	0.6
Active promotional strategy	0.2	4	0.8
Friendly and efficient service	0.3	4	1.2
Total	1.0	18	3.8

Weakness

Strategic Factor	Weight	Rating	Score
Not in a prime location (warehouse area, low foot traffic)	0.3	3	0.9
Lack of team coordination and communication	0.3	3	0.9
Limited operational hours (only open at night)	0.2	3	0.6
Some staff are not yet proficient in English	0.2	2	0.4
Total	1.0	11	2.8

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Table 3. EFE

Opportuniy

Strategic Factor	Weight	Rating	Score
Rising trend of Japanese food among youth	0.4	4	1.6
Potential expansion into busy areas like Renon	0.3	4	1.2
Opportunity to attract foreign (Western) tourists	0.3	3	0.9
Total	1.0	11	3.7

Threat

Strategic Factor	Weight	Rating	Score
Rainy weather affecting visitor numbers	0.3	4	1.2
Competition from other Japanese restaurants and street food vendors	0.4	4	1.6
Limited customers due to night-only operations	0.3	4	1.2
Total	1.0	12	4.0

The synthesized results from the IFE and EFE tables presented above, the summary is as follows:

1. Total strength score: 3.8
2. Total weakness score: 2.8
3. Total opportunity score: 3.7
4. Total threat score: 4.0

To determine the coordinate points on the diagram, calculations using the IFE and EFE results are required according to the following formula:

1. Internal analysis coordinate (X) is calculated using the formula:

$$X = (\text{Total Strength Score} - \text{Total Weakness Score}) \div 2 = (3.8 - 2.8) \div 2 = 0.5$$
2. External analysis coordinate (Y) is calculated using the formula:

$$Y = (\text{Total Opportunity Score} - \text{Total Threat Score}) \div 2 = (3.7 - 4.0) \div 2 = -0.15$$

Based on these calculations, the resulting strategic position coordinate is: (X = 0.5, Y = -0.15)

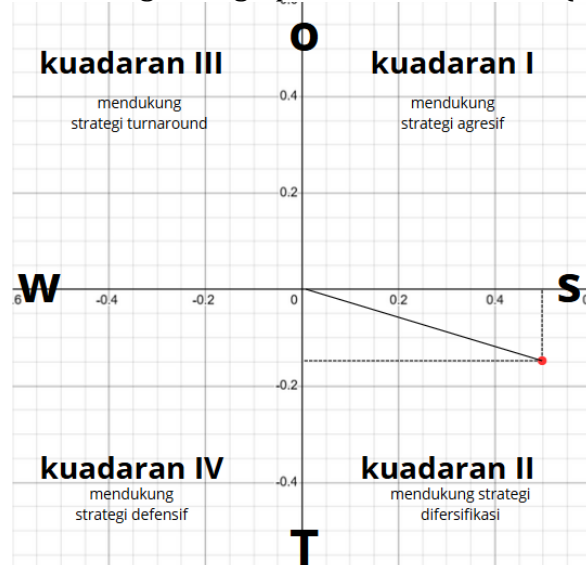


Figure 4. IFE-EFE Matrix Analysis

In the coordinate-based SWOT analytical framework, the results of the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices are plotted onto a Cartesian diagram to visually represent the strategic positioning of a business entity. This mapping enables a comprehensive understanding of the organization's internal and external dynamics. The Cartesian diagram is divided into four strategic quadrants, each offering distinct strategic implications:

1. Quadrant I (Strengths–Opportunities): Reflects a condition in which the organization possesses substantial internal strengths and operates within an environment rich in opportunities. This strategic position is ideal for adopting aggressive growth strategies, such as market expansion, product development, or capacity enhancement.
2. Quadrant II (Strengths–Threats): Characterizes an organization with robust internal capabilities that is concurrently facing significant external threats. In such a context, a firm is advised to pursue competitive or adaptive strategies, such as product or service differentiation and innovation, to sustain its market position amidst external challenges.
3. Quadrant III (Weaknesses–Opportunities): Denotes a situation where internal limitations coexist with a favorable external environment. This quadrant suggests the need for a turnaround strategy, which may involve internal restructuring, enhancement of operational systems, or investment in human capital development to capitalize on external opportunities.
4. Quadrant IV (Weaknesses–Threats): Represents the most critical strategic position, marked by both internal deficiencies and adverse external conditions. Organizations in this quadrant should implement defensive strategies, such as cost minimization, market focus (niche targeting), or business consolidation, to ensure survival.

The results of the SWOT analysis indicate that Kenkaya is positioned in Quadrant II (Strengths–Threats/ST), suggesting the use of strategies that leverage internal strengths to address external threats. This implies that the business possesses considerable internal advantages such as strong product quality, competitive pricing, and efficient service delivery while simultaneously encountering notable external threats, including intensifying market competition and environmental uncertainties.

Given this strategic position, the most appropriate course of action is the implementation of a defensive diversification strategy. This involves leveraging the firm's internal strengths to buffer against and adapt to external pressures. Practical strategic initiatives may include expanding market coverage (for instance through geographic diversification or mobile units), adjusting operational hours to capture additional consumer segments, enhancing service capacity to improve customer experience, and reinforcing brand positioning to strengthen the firm's competitive standing in an increasingly volatile external environment.

CONCLUSION

This study analyzed the growth dynamics, operational challenges, and development strategies of Kenkaya, a Japanese street food business. The findings indicate that Kenkaya has experienced growth in customer numbers and brand popularity, primarily driven by product quality that aligns with local tastes, affordable pricing, diverse menu offerings, and digital marketing strategies such as Instagram promotions and loyalty programs. However, sales revenue has not increased significantly due to low average transaction values and promotional activities that reduce profit margins.

Operational challenges include a less strategic location, limited operating hours, staff

coordination and discipline issues, and a lack of foreign language skills. External challenges consist of fluctuating customer numbers during religious holidays, intense competition in the Japanese culinary market, and infrastructure problems such as dusty environments.

Kenkaya has implemented strategies like discount promotions, loyalty programs, menu diversification, and regular quality checks. Future strategies should focus on enhancing service quality, including foreign language training for staff, extending operating hours, and potentially expanding business locations. The SWOT analysis revealed strengths in food quality, competitive pricing, and fast service, while weaknesses lie in location and human resource limitations. Opportunities exist in growing market interest and tourism, whereas threats stem from fierce competition and environmental conditions. The IFE and EFE scores place Kenkaya in a stable but externally challenged position, recommending a diversification strategy to leverage internal strengths against external threats.

Based on the study's conclusions, the following recommendations are proposed for Kenkaya's management:

1. Strengthen internal team coordination through structured training and clear task allocation to improve service consistency and efficiency.
2. Enhance service capacity for foreign tourists by training staff in basic English and cultural awareness.
3. awareness.
4. Gradually adapt operating hours, such as opening earlier on weekends, to attract lunchtime customers.
5. Improve customer comfort by addressing environmental concerns, like dust protection and better layout design.
6. Continue innovating promotional efforts and strengthen brand positioning on social media through compelling visual storytelling to boost brand awareness and customer engagement.
7. Develop a systematic customer and sales data recording system to enable targeted promotional strategies and innovation based on analyzed consumption behavior.

Implementing these recommendations is expected to support Kenkaya's sustainable growth, allowing it to compete healthily and innovatively within both local and potentially national Japanese street food markets.

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