

Entrepreneurial Value and Innovations for Sustainability: Study Case of Gurah Tea in Bantul Regency

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Abstract.

This study examines the sustainability challenges faced by Gurah Tea, a herbal tea produced by MSME located in Bantul Regency, Yogyakarta Special Region, Indonesia. Originally developed as an alternative to traditional nasal therapy, Gurah Tea has evolved into a widely consumed herbal drink with therapeutic benefits for conditions like asthma and sinusitis. Despite a stable production capacity of 40,000 boxes per month and certifications such as PIRT and Halal, the business faces significant hurdles. Key issues include lack of product innovation, limited marketing outreach, inconsistent product information, and inadequate financial and human resource management. The qualitative research method employed field observations, interviews, and documentation to gain a comprehensive understanding of these challenges. Marketing is constrained by the business's remote location and underutilization of digital platforms. Moreover, discrepancies in product claims and pricing suggest ethical concerns regarding transparency. The workforce is small and lacks technical skills needed for product diversification, while financial records are maintained manually without proper analysis. To address these issues, the study recommends strategic improvements in innovation, digital marketing, packaging, employee training, and ethical business practices. Emphasizing honesty and accurate product information is vital for consumer trust and long-term sustainability. Overall, the research highlights the critical need for holistic development to enhance MSME competitiveness

Keywords: *MSME sustainability; Herbal tea innovation; Business ethics; Digital marketing.*

I. INTRODUCTION

MSMEs (Micro, Small, and Medium Enterprises) currently play a vital role in economic growth, national development, and job creation (Zulu-Chisanga *et al.*, 2021). One of the MSME products based in Bantul Regency, located in the Special Region of Yogyakarta, is **Gurah Tea**. The capital of this regency is Kapanewon Bantul, with a current population of 980,269 people (<https://bantulkab.go.id>). **Gurah Tea** is a herbal tea product initially developed by Mr. Latif Ubin. Originally, this tea was used as part of an ancient therapy involving the expulsion of mucus from the body through the nose (detoxification). However, since not everyone was comfortable with this method, an innovation was made by converting it into a herbal drink that functions as a treatment for various illnesses, such as asthma and sinusitis. From a production standpoint, **Gurah Tea** is now produced routinely with a monthly production capacity of 40,000 boxes. It already has a

production house and several pieces of equipment utilizing simple technology, as shown in Figure 1.

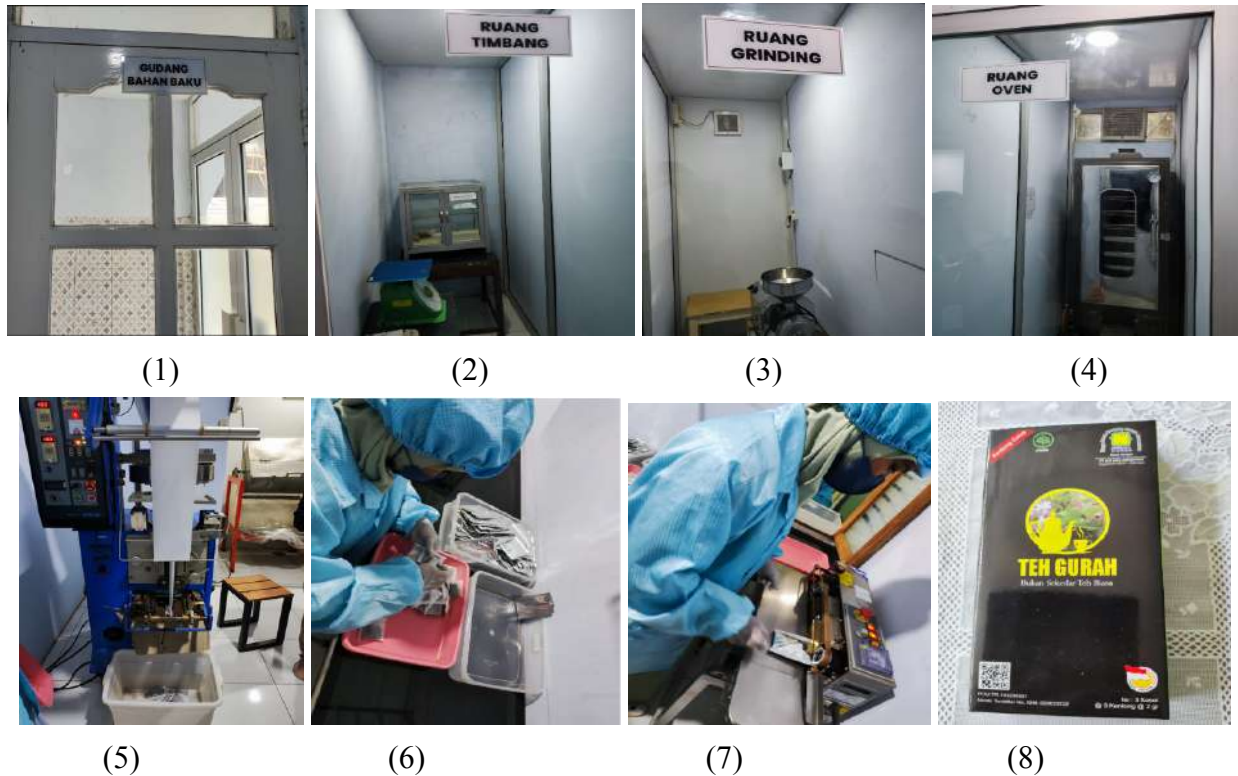


Figure 1 : Production process of Gurah Tea

Source : Field observation, May, 20, 2025

Noted:

(1) = Raw material warehouse, (2) = Weighing room, (3) = Grinding room, (4) = Oven room, (5) = Packaging process, (6) = Packing process, (7) = Sealing process, (8) = Final product

MSMEs in various countries face several constraints, particularly in terms of access to resources and key capabilities, which hinder their ability to sustainably succeed in international markets (Jalali, 2025). Measuring the success of MSMEs is not standardized across entrepreneurs, industries, or countries, as each has its own set of indicators—some financial (e.g., financial ratios), others non-financial. Business success, often associated with entrepreneurial success, is one aspect of entrepreneurship that must be measured. These measurements vary across countries and businesses because they reflect differences in entrepreneurial contexts, organizational structures, ownership, and values. Entrepreneurial values are durable, permanent, and distinctive, and they vary by country (Malovics *et al.*, 2015). This means entrepreneurial activities are heterogeneous and span a wide spectrum (Acs *et al.*, 2013). The values held by entrepreneurs significantly influence their success in managing businesses. One such critical value is business ethics. According to Ali, (2020), business actors must adhere to ethical practices to ensure business sustainability. This implies that the sustainability of MSMEs is partly determined by ethical business values, particularly honesty (Prasasti, Intan. Ameli; Sitohang, Hesekiel; Fauziah, 2022).

Innovation is regarded as a means by which entrepreneurs identify new opportunities or transform ideas into something profitable (Smith *et al.*, 2014). The success of an innovation is measured not by its novelty, but by its ability to succeed in the market.

Various scholars define and classify innovation from different perspectives. (Santoro *et al.*, 2019) categorizes innovation into three general types:

1. **Technological Innovation**, including products, processes, and services.
2. **Market Innovation**, encompassing product, pricing, placement, and promotion aspects.
3. **Administrative Innovation**, covering strategy, organizational structure, systems, and human resources.

In the case of **Gurah Tea**, innovations in pricing, placement, and promotion have not yet been implemented. The product's price remains uncompetitive compared to other Gurah tea brands, and no promotional activities have been conducted. Similarly, there have been no innovations related to business strategy or business model. In addition, programs aimed at improving human resource competencies have not yet been developed. This study focuses on two main aspects: First, exploring the challenges faced by Gurah Tea business in Bantul Village, Yogyakarta-Central Java, and second, exploring the innovations implemented to ensure business sustainability in today's competitive market environment.

II. METHODS

This research uses a qualitative approach aimed at understanding the experiences of the study subjects—such as behavior, perceptions, and actions—by interpreting phenomena from the perspective of the community where the research is conducted (Sugiyono, 2013). According to Creswell & Poth, (2018), qualitative research describes and explains collected data by observing and recording as many aspects as possible to gain a comprehensive picture of the actual condition of the research object.

This study also employs a field research approach to study, understand, and describe a group of individuals in interaction, identifying various aspects that cannot be assessed through surveys or experiments (Neumann, 2021). Primary data sources and multi-source data are used to support the validity and reliability of the information obtained. Data collection methods include unstructured interviews, field notes, and observation. Interview results were recorded and transcribed (Neuman, 2014).

III. RESULT AND DISCUSSION

Overall, the **Gurah Tea** production by MSME is operating smoothly. However, in this complex era of fierce competition, can **Gurah Tea** remain sustainable in the future? In-depth observations and interviews with the owner revealed several managerial issues in the business operations of **Gurah Tea**:

3.1 Production Aspects

Production SOPs are already in place, and the business holds a Home Industry Food Permit (PIRT) and Halal certification. Raw materials include **Sri Gunggu** leaves, sourced locally, and black tea purchased directly from PT Natural Nusantara. However, no innovations in production or packaging have been made. All products are the same in form, weight, and taste, only available in tea bag form. There is also an extract version in capsule form, but this requires skilled labor. Limitations in funding and human resource capabilities hinder technological development, even

though innovation is key to sustainability (Gimin *et al.*, 2024). Other production challenges include rainy seasons and frequent power outages, which disrupt drying (oven) and packaging operations.

3.2 Marketing Aspects

Marketing has been conducted both traditionally and via marketplaces (e.g., Shopee, Tokopedia). However, traditional sales are difficult due to the production site's remote location. When selling through stores, consignment systems are often used, which negatively impacts cash flow. The current packaging lacks clear product benefit information, so customers are not immediately aware of its uses. According to the owner, the price listed on the marketplace is around IDR 100,000, but the actual selling price is only IDR 60,000–70,000 per box. Direct purchases at the production site cost IDR 85,000 per box. Additionally, there is inconsistency in information: the owner claims each sachet yields 15 cups of tea, while the packaging and website say only 5 cups. This discrepancy suggests ethical concerns regarding honesty in business communication. Honesty is essential for maintaining sustainable business relationships (Silviah & Lestari, 2022). Other marketing channels, such as Instagram, have not been maximized. As a result, **Gurah Tea** sales are stagnant or declining, while similar, lower-priced competitors are emerging. Intense use of digital marketing is needed to grow sales (Fülöp & Topor, 2025).

3.3 Human Resources and Financial Aspects

The business operates with a small team of four employees with limited skills. While production is relatively simple, only one person is trained to encapsulate the extract. This dependency limits product and service development. Although basic bookkeeping is done manually and consistently, the owner is unable to analyze financial reports, making it difficult to identify cost-saving opportunities or base decisions on financial data

IV. CONCLUSION

Gurah Tea is an MSME product from Bantul Regency, Yogyakarta Special Region. It is an herbal tea made from locally sourced ingredients like **Sri Gunggu** leaves and black tea, with medicinal benefits such as treating asthma and coughs. However, the business faces several operational challenges in production, marketing, HR, and finance. Recommendations for the business owner include:

1. **Product Innovation:** Develop ready-to-drink versions or tea-based snacks like puddings, ginger tea, herbal teas with honey or winter melon tea. This requires simple technology such as drink sealing machines.
2. **Digital Marketing:** Intensively utilize social media to promote **Gurah Tea** and its benefits. Use TikTok Live for consumer education and update Instagram regularly.
3. **Product Size Variants:** Offer different product sizes to accommodate various purchasing powers.
4. **Packaging Update:** Include detailed product benefits on packaging to inform consumers.
5. **Employee Training:** Enhance employee skills to allow production of **Gurah Tea** derivative products.

6. **Financial Management Training:** Use simple financial apps like SI APIK to generate basic reports (income statement, balance sheet, cash flow) to support better financial decision-making.
7. **Ethical Business Values:** Emphasize honesty by providing accurate product information, including price, quality, and quantity. Misleading customers harms long-term sales and business sustainability.

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