

**EXPLORATORY STUDY OF CO-LOCATION IN VALUE
CREATION AND CAPACITY BUILDING: A CASE STUDY OF
SMEs IN THE MOBILE DEVICE AND CULINARY BUSINESS
SECTORS IN PADANG CITY**

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Abstract

To address the gap in understanding how co-location benefits differ across industries, this study comparatively analyzes the mechanisms of value creation and capacity building among Small and Medium Enterprises (SMEs) in Padang City's mobile device and culinary sectors. Employing a qualitative, exploratory case study design, the research was conducted between May and July 2025 at two key business hubs in Padang City: Plaza Andalas for mobile device SMEs and GOR Haji Agus Salim for the culinary sector. Data was collected via semi-structured interviews and direct observations with ten SME owners (five from each sector) and was subsequently analyzed using thematic and comparative methods. The results reveal that while both sectors leverage a co-location "destination effect" to attract high customer traffic, their value creation strategies diverge significantly. In the mobile device sector, where products are standardized, value is created through intangible assets such as superior customer service and technical expertise, with capacity being built in a "co-opetitive" environment through rapid observational learning to replicate competitor strategies. Conversely, the culinary sector functions as a community-based ecosystem where value is intrinsically tied to tangible product quality, including superior taste and unique recipes, with capacity building relying on social networks and informal peer-to-peer knowledge exchange. Despite these differences, a key finding that unites both sectors is a significant gap stemming from the widespread lack of formal business training among the entrepreneurs, a factor that literature identifies as a fundamental element of capacity building.

Keywords: Co-location, Value Creation, Capacity Building, SMEs, Comparative Analysis, Culinary Sector, Mobile Device Sector

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Abstrak

Untuk mengatasi kesenjangan pemahaman mengenai bagaimana manfaat ko-lokasi berbeda antar industri, penelitian ini secara komparatif menganalisis mekanisme penciptaan nilai dan pembangunan kapasitas di kalangan Usaha Kecil dan Menengah (UKM) pada sektor perangkat seluler dan kuliner di Kota Padang. Dengan menggunakan desain studi kasus kualitatif eksploratif, penelitian ini dilaksanakan antara bulan Mei dan Juli 2025 di dua pusat bisnis utama Kota Padang: Plaza Andalas untuk UKM perangkat seluler dan GOR Haji Agus Salim untuk sektor kuliner. Data dikumpulkan melalui wawancara semi-terstruktur dan observasi langsung terhadap sepuluh pemilik UKM (lima dari setiap sektor), yang kemudian dianalisis menggunakan metode analisis tematik dan komparatif. Hasil penelitian mengungkapkan bahwa meskipun kedua sektor memanfaatkan "efek destinasi" dari ko-lokasi untuk menarik arus pelanggan yang tinggi, strategi penciptaan nilai mereka sangat berbeda. Di sektor perangkat seluler dengan produk yang terstandarisasi, nilai diciptakan melalui aset tak berwujud seperti layanan pelanggan yang unggul dan keahlian teknis, sehingga kapasitas dibangun dalam lingkungan "ko-opetitif" melalui pembelajaran observasional yang cepat untuk meniru strategi pesaing. Sebaliknya, sektor kuliner berfungsi sebagai ekosistem berbasis komunitas di mana nilai secara intrinsik terikat pada kualitas produk yang nyata, seperti rasa superior dan resep unik, dengan pembangunan kapasitas yang bergantung pada jaringan sosial dan pertukaran pengetahuan informal antar rekan. Terlepas dari perbedaan ini, temuan kunci yang menyatukan keduanya adalah adanya kesenjangan signifikan yang berasal dari kurangnya pelatihan bisnis formal yang diterima oleh para pengusaha, sebuah faktor yang menurut literatur merupakan elemen fundamental dalam pembangunan kapasitas.

Keywords: Co-location, Value Creation, Capacity Building, SMEs, Comparative Analysis, Culinary Sector, Mobile Device Sector