

## Culinary Product Innovation Strategy Micro, Small and Medium Entreprise in The New Normal Era

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### ABSTRACT

The existence of a corona virus epidemic or Covid-19 that lasted a long time in several countries, one of which in Indonesia has a negative impact on the Micro and Small Medium Enterprises (MSMEs). The impact that occurred was the decline in turnover due to the reduced number of buyers, where many MSMEs had to close their businesses. When entering the new normalcy era or the New Normal era, the SMEs will open their businesses again but get new challenges in terms of product innovation. Innovation is needed to make a business survive in the new normal era, one of which is innovation in terms of product types. The purpose of this study is to produce recommendations for SMEs in determining the right product innovation strategy in the New Normal era. This study raises the formulation of the problem of how the SME product innovation strategy in the current era of New Normal. The method used in this study is a qualitative research method with data collection techniques through network interviews and descriptive data analysis techniques, with research informants who are SMEs in East Jakarta. The results of this study indicate that in the New Normal era, the SMEs are implementing a product innovation strategy by changing the shape of the product in the same type (changing shape) and also changing the type of product that is different from the previous product (changing type). By implementing the two product innovation strategies, SMEs can still compete in the New Normal era at this time. Recommendations from this research are expected to be used by SMEs to be more innovative in producing culinary products so they can survive in the New Normal era.

**Keywords:** Culinary, Strategy, Innovation, Product, New Normal

### INTRODUCTION

2020 is a historic year for humankind in various parts of the world, because at the beginning of this year there was a virus that quickly spread to various parts of the country including Indonesia. This virus is called corona virus or Covid-19. Millions of people have become victims of the outbreak of the virus that initially infected people in the city of Wuhan, China. The government, in this case the president and related staff, responded to this condition quickly, one of them by forming a rapid cluster of corona virus control. Starting from two Indonesian citizens who were stated to be positive in Covid-19, the virus quickly spread to a wider environment until all provinces in Indonesia were found to be infected.

Entering the fifth month of the outbreak of the corona virus in Indonesia, more than 100,000 people have been infected. The mortality rate for this virus is also very high, however the rate of possibility of recovery is also quite a lot. Various efforts have been made by the Indonesian government to reduce the spread of this virus which must be obeyed by the whole community,

including the obligation to use masks every time they go out of the house, use a dish sanitizer and often wash their hands using soap. Efforts to keep distance or large-scale social restrictions are also important things that must be obeyed by the whole community.

Covid-19 pandemi that befall this society actually creates a crisis in various sectors of human life, where this condition is a condition where the lives of individuals or larger community groups become disrupted and do not work well. A crisis is a condition that will threaten the integrity or sustainability of an individual or group (Machfud, 2011). Various things that cause the crisis include the fact that there are differences in facts and information that are spread and cannot meet human needs due to unstable situations.

Certain countries or regional groups certainly do not want to let the crisis occur in the long run. For out prevention efforts need to be made against the crisis that occurred. All levels of society and the government have an obligation to be able to restore the situation. Similarly, to restore the current situation which is still covered by the co-19 pandemic. All levels of society must be integrated in making efforts to overcome the crisis caused by the epidemic of this disease.

The outbreak of the corona virus has a very wide impact on business in almost all sectors and levels, including the level of micro, small and medium enterprises (MSMEs). At present there are many MSME entrepreneurs who close their businesses due to various reasons including decreasing the number of buyers causing a decrease in omzet so that business actors are no longer able to continue the business. But there are also SMEs who actually give birth to new innovations in addressing the current situation. This innovation is intended so that the business can continue to run and deliver the results expected but in accordance with what is needed by the community in the current conditions. Creating innovation is not easy but innovation is a key for businesses to be able to maintain their business in any condition, including to keep their businesses running.

Significant reduction in buyers is caused by a decline in the community's economy which has an impact on decreasing purchasing power. During the pandemic as currently implemented Large-Scale Social Restrictions (PSBB) in all regions of the country of Indonesia. This PSBB also causes a decrease in the movement of the community resulting in reduced buying and selling activities. The application of the work from home (WFH) pattern for almost all company employees is also an important factor that also reduces the community buying and selling activities, because very few people are active outside the home, both in urban and other environments.

The important thing that becomes the next challenge is the ability of businesses to capture opportunities and create the best innovations in their business products that can attract people's buying interest. Making an innovation is indeed not easy, that's why we need a proper understanding of the existing situation that examines the needs of the community right now. In other words, find out what the market needs and conduct in-depth analysis before deciding to make an innovation in this case the product innovation. In the midst of a pandemic like now the people really need something new, one reason is the high level of stress or boredom because they are only at home. For that the presence of innovative products, especially in terms of culinary is a breath of fresh air for today's society.

This year Katadata data collection company conducted a survey related to the current condition of MSMEs, the result was that 83% of MSMEs in DKI Jakarta Province experienced a negative effect from the pandemic situation that had occurred more than 5 months.

Some 7% of MSMEs were stagnant in the sense that there was no increase in profits, and some 6% of MSMEs had an increase in income. Businesses that have experienced an increase in turnover are providers of daily necessities or household needs. This is because some people do their activities at home whether they are working or studying remotely.

At present the Province of DKI Jakarta is still in a pandemic situation and the implementation of PSBB is still the same but there is a slight leeway namely the Transitional PSBB. This period is known as the new normal period, where there are some new habits that must be carried out by the whole community as part of a healthy lifestyle. Habits that must be carried out during the new normal period include wearing a mask every time you leave the house, often using hand sanitizers and often washing your hands using soap under running water. Government in this case the Provincial Government. DKI Jakarta also applies sanctions for residents found violating the regulation. Sanctions include fines whereby payment of fines will be distributed to help healing victims of Covid-19, and the second sanction is social work such as sweeping the road. The implementation of these sanctions is expected to be a deterrent effect for people who have violated and hopes to not repeat them again, because the use of masks is one way to prevent the spread of the corona virus.

Based on the background, the researcher is interested in analyzing the product innovation strategy carried out by IMKM in the new normal era at this time. The research is focused on the location of East Jakarta because there are quite a number of MSME actors in this region and the East Jakarta area as well as an area that is quite high in the level of community mobilization and sale and purchase. Based on the background explanation, the researcher raised the formulation of the problem formulated in the title of this study, which is the culinary product innovation strategy micro, small and medium enterprises in the new normal era. The purpose of this study is to analyze the forms of product innovation strategies that are appropriate for culinary sector SMEs in the New Normal era.

The benefit of this research is that it can contribute to the development of Science with a focus on culinary product innovation strategies in order to increase the turnover of SMEs in the pandemic and enter the new normal era. Practically this research is expected to provide input to relevant institutions to develop a form of product innovation strategy in terms of effective education for SMEs in the current pandemic situation, as well as provide input to the Regional Apparatus Organization (OPD) regarding policies in order to be able to encourage increased business turnover of actors SMEs in the pandemic period and entering the new normal era.

## **METHODS**

Research on culinary product innovation strategies in Micro, Small and Medium Enterprises (MSMEs) in the New Normal Era uses a descriptive qualitative methodology. Theoretically there are several opinions that form the basis of qualitative research such as Merriam's opinion in Creswell (1994: 145). This study practically seeks to examine the real events in life experienced by the subjects in this study holistically and meaningfully. In a more straightforward description, this study seeks to present a description and explanation of the culinary product innovation strategy in Micro, Small and Medium Enterprises (MSMEs) in the New Normal Era.

The purpose of qualitative research is aimed at explaining the phenomenon profusely through the deepest study and data collection. Qualitative research does not prioritize population

size or sampling. If the data obtained is deep and able to be used to explain the phenomenon under study, thus there is no need to look for another sampling. This type of qualitative research emphasizes the quality of the data not the quantity (Kriyantono, 2009). This research uses literature study data collection techniques and informant interviews conducted online using digital applications. The data analysis technique used in this study is a qualitative data analysis technique where the data analysis used is in the form of words, sentences or narratives both obtained from interviews and literature studies. Data analysis techniques in this study refer to the concept of Miles & Huberman (1992) known as interactive models where the concept of data analysis is classified in three steps, namely data reduction, data presentation and drawing conclusions.

## **RESULTS AND DISCUSSION**

In the new normal era, the government in this case the provincial government of DKI Jakarta is giving a little leeway to the SMEs to be able to reopen their atmosphere but still pay attention to the health protocol. As a form of responsibility, the government also organizes various training for culinary MSMEs related to efforts to increase turnover or strategies to be able to survive in an era like today. One of the strategies in question is the strategy of innovating product forms and product variants themselves. Innovation is absolutely necessary for business people in any field, including in the culinary field, as a weapon in order to be able to maintain and develop their business in any condition. By adapting to changes in people's desires, SMEs are considered to have succeeded in analyzing market needs or market segmentation. Culinary product innovation strategies that are most appropriate to be applied in the new normal era are product innovation strategies and product innovation strategies in the same type of culinary products.

Culinary product innovation strategy is to make changes by adding value to a food or beverage product in order to provide more value to consumers. Product innovations carried out by SMEs are changing food or beverage packaging, changing the form of food or beverage offerings, giving a new taste to a food or drink, and presenting a new form of processed food or drink. With the renewal or innovation in the form of culinary products like this is very attractive to consumers or the public and can increase buying and selling transactions at the UMK. Due to the activities of the people that up to the new normal era at this time are mostly done at home, causing a high level of stress or boredom, the community does need something new including culinary matters.

Culinary product innovation strategy itself or a new variant strategy but still in the same type of culinary also devise the right strategy for SMEs to be able to maintain their business in the new normal era at this time. This strategy is intended if he is a beverage business actor, the business actor adds a new beverage variant that is needed or desired by the community in the current normal era. Of course, the choice of a new beverage or food variant can be made based on the results of the analysis of business actors on market demand or community needs. So that the innovations launched get a positive response from the public and can directly increase revenue or business turnover.

The implementation of the two strategies mentioned above can be done by SMEs by making their own or in collaboration with other parties, in this case collaborative trading to be able to move faster and certainly more effectively. The choice of partner cooperation must of course have the same vision and mission in conducting business, so that cooperation can work

well and benefit each other especially in an era that is quite difficult as the new normal era at this time.

One informant who has implemented this strategy is Ms. Pipit where her culinary business which has been running for more than 10 years now has a turnover of 65% in the new normal era when compared to the pandemic period of the previous 3 months. At the beginning of the pandemic, Ibu Pipit had to close down her fruit juice business due to the very low sales, this was due to the reduced activity of local residents outside the home due to the outbreak of covid-19. However, when large-scale social restrictions began to enter the transition period and entered the new normal period, Ms. Pipit reopened her beverage business by adding a new beverage variant, coffee. Ms. Pipit sees that now people are more interested in coffee drinks compared to fruit juices that have been sold for a long time. Thanks to adding variants of Ibu Pipit's turnover coffee drink in the new normal era, it is now up to 65%.

Another resource person was Ms. Elin, where before the new normal era, Ms. Elin sold coffee drinks in plastic glass packaging. However, based on Ms. Elin's observation that in the new normal era, people prefer coffee drinks in a larger package, which is using a 1 liter bottle. This is due to many people who spend their time at home so if you want to buy a drink then choose the portion of the family at a more economical price. With this innovation in packaging coffee drinks, Mrs. Elin's turnover increased by 45%. Ms. Elin also proved that in the new normal era, the level of sales of coffee drinks in one liter bottles is higher compared to standard size glass coffee drinks.

In the field of food there is Mrs. Lala who sells snacks, one of which is donuts. Before entering the pandemic and new normal, Ms. Lala sold donuts and other snacks in the form of cooked fried foods. However, during the pandemic, Mrs. Lala experienced a significant turnover, on the basis of this condition, Ms. Lala had the initiative to sell her donut food that had not been cooked or fried, frozen donuts. With this, buyers start to arrive and Ms. Lala no longer experiences losses on mature products, but no one buys. In the new normal era, as now people actually choose to buy frozen food in sufficient quantities to be stocked at home. Among the advanced reasons is to be healthier because it is cooked alone and can be stored longer at home to reduce activities around the house performance to buy snacks. Through this innovation, Ms. Lala felt an 80% increase in her turnover during the new normal period.

In other culinary fields, Mr. Edy, the owner of a spice-based beverage business, also innovates by changing the shape of the products he sells. Before the pandemic and the new normal period, Mr. Edy sold his spice drinks in the form of ready-to-drink using 200ml bottles. However, due to large-scale social restrictions, Mr. Edy was also affected, which resulted in a drastic decline in income. Departing from this experience Mr. Edy who assisted his wife to innovate on their products is to sell spice drinks in powder form. So buyers can process it themselves at home by using their personal cooking utensils which are believed to be healthier, and this powder form also makes it easier for buyers if they want to have a stock of herbal drinks at home and don't stale quickly. Thanks to this innovation, Mr. Edy experienced a 55% increase in turnover.

Another informant was Mr. Fahdi, a decorative biscuit businessman, where before the pandemic, Mr. Fahdi sold ornamental biscuits that were ready to eat. But during the pandemic and new normal Mr. Fahdi innovated selling biscuits that had not been decorated, but instead he prepared a package of biscuits that were ready to be decorated, complete with coloring cream and

other decorative tools. Mr. Fahdi thought that the activity of selling this cookie decoration package could be a positive thing for children and families to fill their time spent at home. The initial target of this decorative biscuit package product was initially housewives who already had children and were studying at home, but it turned out that quite a lot of participants came from kindergarten and schools at the elementary school level. Thus the increase in turnover felt by Mr. Fahdi thanks to his product innovation is quite high, reaching 87%.

Based on the various challenges that exist in the new normal era at this time, not a few SMEs who are able to innovate for their products in order to see the opportunities and opportunities that exist. Among the innovations carried out are very diverse and even bring in turnover beyond expectations. UMKM has indeed become the main spearhead for the Indonesian economy, which is why the innovation and creativity of the SMEs are highly expected in addition to being able to make their business stable and developing, it is also expected to help the economy of the surrounding environment.

## CONCLUSION

One of the many important keys for culinary MSME entrepreneurs in order to survive in the current and new normal situation is to innovate products by first analyzing the needs and desires of the community. The SMEs must be able to implement the most appropriate product innovation as part of an effort to be able to maintain and develop their business.

The culinary product innovation strategy that is most appropriate to be applied in the new normal era is the innovation of culinary products and also the culinary product innovation itself but still in the same type of culinary.

The innovation strategy in the form of culinary products is an innovation that is quite easy to be applied by business actors, this is because there is no need for innovation recipes or the process of making culinary products itself, but by changing the packaging. The choice of packaging is adapted to the needs or desires of people in the new normal era.

Product innovation strategy but still in the same type of culinary is also an innovation choice for SMEs. The addition of new variants of culinary products sold is a surefire strategy to be able to attract people to buy. By analyzing what kind of culinary is desired in the new normal era now, businesses can adjust the results of the analysis by also providing new variants to increase sales.

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