

Innovation Product Development and Satisfaction on Business

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Abstract

This study aims to test the formula for innovative products in developing a business based on customer satisfaction so that the products created have the optimal formula and are accepted by consumers. The research was conducted through the action research method on the research business with an experimental research approach. The research was conducted by experimenting with making innovative products for nine months. There are several consumers involved in research to provide input through a survey on the formula for innovation products; data from consumers are processed using the satisfaction index. This study indicates that the innovative product with an optimal formula can be accepted by the community and can be traded in the market. There are steps taken to determine product acceptance, namely product prototyping and product satisfaction testing. This research is useful for companies that will make more efficient and effective company operational costs, where it is necessary to carry out the prototyping stage and test customer satisfaction with the product.

Keywords

Product Innovation, Business Development, Satisfaction.

1. Introduction

The creative industry in Indonesia is increasingly important in supporting economic prosperity (Hikmawati and Alamsyah 2018). Currently, it continues to be developed and becomes the government's attention (Rahmi et al. 2017). In supporting the creative industry, of course, entrepreneurs' creativity is needed because entrepreneurial creativity is an economic resource (Utama and Ratnapuri 2018). The reason is the twenty-first-century industry will depend on products through creativity and innovation (Sutapa, Mulyana, and Wasitowati 2017). Based on the phenomenon of economic development, it seems clear that innovation in new products is needed for entrepreneurs in developing their products. The creative industry's characteristics in creating work patterns, production, and distribution emphasize efficiency and effectiveness (Herrera 2016). The creative era is called the new economy, which puts forward information and creativity based on ideas and knowledge from human resources as the main production factors (Andjarsari et al. 2013). The creative era is often referred to as the Creative Industry or Creative Economic, while the creative economy currently has sixteen sub-sectors that significantly contribute to supporting the national economy, including the culinary sector (Sutapa et al. 2017). The culinary sector in 2016 contributed 41.69% of the Gross Domestic Product in Indonesia (Utama and Ratnapuri 2018). It seems clear that the development of new products through innovation can be done in the culinary field today. In Indonesia, culinary is the most popular part of the millennial community; it appears from the buyers who are more dominated by millennials with new and innovative products (Setiadi et al. 2018; Wicaksono and Nuvriasari 2012). However, competition is increasingly competitive, and businesspeople continue to try to innovate, win the competition, and meet consumer demand through products that exceed consumer expectations (Delgado-Verde, Martín-De Castro, and Amores-Salvadó 2016). In this case, there is an essential role for an innovation that needs to be done in the culinary field to win the competition by creating product innovations (Alamsyah, Syarifuddin, and Mohammed 2018; Herrera 2016).

The current reality is that innovation can increase the added value of a product, which is one of the sources of company growth (Alamsyah et al. 2019; Andjarsari et al. 2013). Creating new products can solve problems or provide better solutions to consumer problems. So that entrepreneurs are cautious in creating more innovative products to be accepted by the market (Hariyanto and Alamsyah 2019; Herrera 2016). Product innovation is a combination of various

processes that influence each other; in fact, innovation plays an essential role in the marketing concept because innovation provides the company's ability to be one step ahead of its competitors (Andjarsari et al. 2013; Hikmawati, Alamsyah, and Setiadi 2020). The current phenomenon supports this, namely, the higher the innovation made on a product, the better the perception or quality of customer service (Rujirawanich, Addison, and Smallman 2011). Based on the phenomenon of product innovation, this study aims to examine innovative products in business development through customer satisfaction. The research position is apparent, namely the study of consumer behavior in assessing products that are given innovation to be able to compete in target markets and support product development.

2. Literature Review

2.1. Product Innovation

Product innovation can be defined as the practical implementation of an idea into a new product or process (Castka et al. 2015). New products or innovations in the context of marketing are goods, services, or ideas that are perceived as something new and different from pre-existing goods, services, or ideas (Mourad et al. 2012). Product innovation is creating new products that can meet consumers' needs and desires to buy an interest in these products, which are expected to be realized through purchasing decisions (Agnihotri and Bhattacharya 2015). In fact, product innovation must create a sustainable competitive advantage in a rapidly changing environment and towards a global market (Delgado-Verde et al. 2016). The success of product innovation requires a match between the process and the enabling environment (Alamsyah et al. 2020; Alamsyah, Suhartini, et al. 2018; Kim 2016). Previous studies conveyed that innovation is used in all potential company operations to create thought and care for people, ultimately creating consumer satisfaction (Andjarsari et al. 2013). It seems clear that innovation in products is closely related to consumer satisfaction; consumers will, of course, assess all the selected products and recommend them to other parties in the form of positive and negative things from the product.

2.2. Customer Satisfaction

The previous theory said that customer satisfaction is the feeling of pleasure or disappointment of someone who comes after comparing their perceptions or impressions of a product's performance and expectations (Alamsyah, Trijumansyah, and Hariyanto 2017; Xu and Gursoy 2015). An expression expressed by consumers, whether happy or not, is compared between the expectations of a product expected with the reality of the product obtained (Zaim, Ramdani, and Haddi 2020). Examining the theory explains that satisfaction is based on the consumer's assessment of the product received (Torres and Tribó 2011). So that companies need to pay attention to the quality of the products offered. Customer satisfaction contributes to a number of essential aspects, such as creating customer loyalty, improving company reputation, reducing price elasticity, reducing future transaction costs, and increasing the efficiency of employee productivity (Mulyono, Indonesia, and Helmi 2018). This explains the importance of maintaining customer satisfaction, of course, through the value of the products offered and full of innovations created. Satisfaction ultimately becomes an individual's perception of a product's performance or service related to consumer expectations (Alamsyah and Muhammed 2018; Hong, Thong, and Tam 2006). In this case, it is the marketer's duty to continue to maintain and pay attention to the expectations of consumers through product innovation in new product development.

3. Methods

The research method used was action research, where researchers in their business carried out the research. Another method used is experimental research through experiments to create products in the researcher's business. This study's object is the Wan Mey Dimsum business, with a focus on research variables on product innovation and customer satisfaction. Product innovation is assessed through experimental research by testing eight times in a time series. Meanwhile, customer satisfaction is assessed through a quantitative questionnaire with analysis through index evaluation. The research stages are carried out, firstly to carry out product validation, second to evaluate customer satisfaction, so that the level of product innovation can be found through the analysis of the consumer satisfaction index for the created products. The research was conducted for nine months in 2020 by considering the results of the product prototyping validation test.

4. Results and Discussion

Research through action research carried out in the research business; namely, Wan Mey Dimsum, was conducted in 2020, with a nine-month research period starting from February to November. The study focuses on testing the Wan Mey Dimsum product innovation and evaluating customer satisfaction. For product innovation testing through prototyping, tests were carried out eight times. All the tests there were failed products and successful products with

followed by assessing the consumer satisfaction index for the products that have been created, to assess the feasibility of the product prior to production and market offering.

4.1. Product Validation Test

In the validation of product trials that are carried out eight times, of course, there are several main ingredients used for product testing. The following is the composition for making products at Wan Mey Dimsum, including chicken, shrimp, sago flour, dried cuttlefish, yam, sugar, leeks, garlic, flavoring powder, dumplings skin, sesame oil, oyster sauce, and fish sauce. Of the three ingredients, the amount calculated in grams is distinguished; the following are the results of the test results for the manufacture of Wan Mey Dimsum products in Table 1.

Table 1. Prototyping Test

Ingredients	Experiments (gr/gram)							
	1	2	3	4	5	6	7	8
Chicken	160	160	160	160	160	160	160	160
Shrimp	45	45	45	45	45	45	45	45
Sago	30	30	30	30	30	30	40	40
Dried Squid	30	30	30	30	30	30	30	25
Jicama	30	30	30	30	30	30	30	30
Sugar	20	20	20	20	20	20	20	20
Onion Leaves	15	15	15	15	15	10	15	15
Garlic	10	10	10	10	10	20	10	10
Dried Shrimp	10	0	0	0	0	0	0	0
Flavoring	20	20	15	10	7	7	7	7
Siomay Skin	15	15	15	10	6	6	6	6
Sesame Oil	15 ml	15 ml	15 ml	15 ml	15 ml	15 ml	15 ml	15 ml
Oyster Souce	15 ml	15 ml	15 ml	15 ml	15 ml	15 ml	15 ml	15 ml
Fish Souce	0	0	0	0	0	0	0	15 ml
Results	Fail	Fail	Fail	Fail	Success	Fail	Fail	Success

Based on the test results data in Table 1, it is clear that there were eight tests, and only five tests and eight tests were declared successful. The meaning of success is that the Wan Mey Dimsum product has a shape and taste according to consumer desires. Based on these findings, it can undoubtedly be explained that two product compositions can be used as guidelines in making Wan Mey Dimsum-style dim sum, namely composition two and composition eight. Through the findings in this prototyping, of course, it has benefits for Wan Mey Dimsum's business in creating product innovations according to today's consumers' wishes and being a suggestion for other entrepreneurs who will try to make similar products with different variants. Furthermore, after finding the Mey Dimsum wan product's composition, a customer satisfaction test was carried out, which is presented in the next explanation.

4.2. Consumer Satisfaction Index

Table 2. Satisfactions Index

Indicators	Weight Factors	Weight Satisfaction
Question 1	12.6	54.55
Question 2	12.4	52.49
Question 3	12.8	53.44
Question 4	11.4	48.46
Question 5	11.9	51.46
Question 6	13.3	60.97
Question 7	12.4	55.58
Question 8	13.3	60.97
WT		437.93
CSI		87.59

The next study is to measure consumers' satisfaction index, which is assessed from the weight of the question or loading factors. There are two products that are declared successful and accepted by consumers, then the product is assessed for its satisfaction to twelve active consumers, namely consumers who have just received the product. So that

the level of pure satisfaction is obtained because they have just tried the product. There are six questions measured through indicators and known from customer satisfaction index data processing to get the total weight results and the customer satisfaction scores, namely 437.93 (WT) and 87.59 (CSI). Based on these findings, the consumer satisfaction index is acceptable considering that the index is in the category of customer satisfaction.

6. Conclusions

It is concluded that this study aims to make product prototyping through product innovation and evaluation through customer satisfaction. The research object on the Wan Mey Dimsum business is a research business, so the study is carried out through action research. The research findings show that to create product innovation, prototyping tests can be tested eight times. The Wan Mey Dimsum product can suit consumer desires with the composition in the second and eighth test results. Through the composition of the results of the second and eighth tests, these findings can serve as a guide in Wan Mey Dimsum's business as well as other new startup businesses. Another finding in the study stated that consumer satisfaction at Wan Mey Dimsum through product innovation was accepted. Given that the index of processed data from consumers explains product acceptance following consumer expectations. The studies carried out certainly have limitations, where the study only focuses on product innovation based on prototyping and satisfaction levels based on consumer feasibility indicators. The study was not conducted on larger consumers and did not quantitatively assess the impact of product innovation, so that the limitations of this study become suggestions for further research.

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Biographies

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