

Traditional Food Business Surviving Strategy during the Covid-19 Pandemic in Indonesia: A Case Study of a Small Traditional food business-Pempek MINIAMPERA

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Abstract

The Business owner is facing the same problem and looking for a solution to survive in the Covid-19 Pandemic situation. The massive movement from traditional to digital done by many businesses to hang on. The movement becomes the only one make sense strategy in this situation. Nevertheless, the problem is not all of the business types suitable for being digital. Moreover, many small businesses and traditional businesses do not have enough resources to become digital. Refuse to death, some traditional small businesses in Indonesia, trying to find out the other solution. Could the business survive or slowly dying to death? What is the survival strategy that uses in traditional business? Using a case study on a small traditional food business, namely Pempek MINIAMPERA, this research aims to determine how this business could survive during the pandemic? The shocking finding from the MINIAMPERA is that the business is not moving their activity to digital but could create maximum profit at a stable rate. This research provides the detail of the survival innovation strategy implemented by MINIAMPERA that called as personal neighborhood selling approach strategy. Because of the research done in the traditional food business, the strategy may be different and not suitable for other kinds of business and different countries with different cultures from Indonesia.

Keywords

Creativepreneurship, Entrepreneurship Strategy, traditional food business, Covid-19 Pandemic

1. Introduction

The covid 19 pandemics become the worst pandemic that has to face during this century. This situation never ever could be imagined before, where people have to stop all the outside activity. Social distancing and physical distancing protocol made all the business practice cannot be maintained as usual. All have to change; all have to make fast adaptation to this new condition or died. The current requirement has a significant impact on business. The Business owner is facing the same problem and looking for a solution to survive in the covid 19 pandemic situation (Fairlie, 2020; Liguori & Pittz, 2020). The massive movement from traditional to digital is done by many businesses to hang on (Baker & Judge, 2020; Galhotra & Dewan, 2020; Seetharaman, 2020). The action becomes the only one make sense strategy in this situation.

Nevertheless, The problem is not all of the business types suitable for being digital. Moreover, many small businesses and traditional businesses do not have enough resources to become digital. Refuse to death, some conventional small businesses in Indonesia, trying to find out the other solution. Small businesses, most traditional businesses, usually lack technology use in their business activity (Baker & Judge, 2020; Buffington et al., 2020; Prakoso, 2020) The new situation that suddenly rises makes technology vital and urgent to apply in daily activity. Meanwhile, traditional and conventional business mostly depends on regular activity. Face-to-face activity and social engagement are the most crucial part for them. Before pandemics, food businesses are attractive for *creativepreneur*. They could put much of their effort into building some creative and innovative product. During the pandemic many of health issue have to face by them. The hygiene factors become one of crucial matter to customer. Customer lack of trust about the healthy and safety protocol.

Using case study method on a small traditional food business in Indonesia, namely MINIAMPERA, this research trying to explore what is the serious matter that food business face during the covid-19 pandemic and examines what is the right strategy that could be implement by traditional food business to survive. MINIAMPERA is one of traditional food business in Indonesia that could be survive during the pandemic. The specific product of MINIAMPERA is pempek. Pempek is the popular menu from south Sumatra and has already become a national food treasure. Pempek could find in many places in Indonesia. Like other traditional food business, MINIAMPERA also find some difficulties to switch their business model to digital platform. With the very small piece of digital role, the MINIAMPERA still could survive and have good performance on selling and operational.

2. Literature Review

2.1 The Covid-19 Pandemic Challenge facing by Traditional Food Business

For the first time in December 2019, Corona Virus was identified in Wuhan, China. The pandemic has rapidly spread. This pandemic influences many aspects of life, including political, economic, social, cultural and human life (Grant & Perren, 2002; Paul & Chowdhury, 2020). The pandemic forces people to stay away from others. To maintain the pandemic impact, the government has implemented a lock-down policy. Government policy in Indonesia takes a social distance. Dividers have considered choosing a few food items in the common situation (Kalogiannidis, 2020). This policy has a major effect on the company. Many companies need to limit their times of operation. It is difficult for the food and beverage business (Chowdhury et al., 2020). The effects of this situation are not easy for small companies (Chowdhury et al., 2020).

In Indonesia, The impact of Covid-19 has been devastating and hit altogether on social and financial life (Bartik et al., 2020; Maduwinarti & Andayani, 2021). Based on information from the Indonesia Central Bureau of Measurement West Java Territory (BPS Jawa Barat) (2020), SMEs still work in normal operation with 51.59% within the neighborliness field (settlement, nourishment, and refreshments). In any case, in contrast, 19.94% of businesses ought to cut their operation by making representatives severally unpaid. BPS moreover clarify that 2.48% commerce still increment in their salary but shockingly 86% of SME trade pay diminish amid this widespread. Government has discharged a few boost approach for all SME in Indonesia, like hold their credit for a maximum one year, rebuilding credit ensures (Tejomurti et al., 2020). With this effect, we will see how Covid-19 makes SME trade stunned and difficult to outlive amid the dad.

2.2. Creativity for surviving

Today, The Business faces a complex environment like various information with many products and services that make the product life cycle shortening (Kutsikos & Kontos, 2013). opportunity creation is applied to create and develop business under uncertainty (Ojala, 2016). business opportunities make plans from entrepreneurs and convert them into business opportunities (Shrestha, 2015). The business opportunities could be understood as market imperfections that allow agents to benefit by introducing new and or upgraded products or services. (Gruber et al., 2015). Examining the world economy's improvement nowadays, numerous individuals consider opening their business and building new ventures (Wright et al., 2002). Many people have different motivations to create some new business, becoming entrepreneurs or *creativepreneur*. According to previous research, young people have several reasons to learn about creative business (Mulyani et al., 2019). Usually, they encourage them to make something and get the next pay (Benhabib et al., 2015). Business visionaries take the parts moreover shift from fabricating, administrations, retailers or merchants, farming and mining businesses, utilities, and transportation businesses (Zainol Ayadurai, S., 2011).

2.3. Creativepreneurship as a tools to survive

Creativepreneurship consist of creative and entrepreneurship words. The concept about creative entrepreneurship was brought by Joseph Schumpeter in 1942. The creative entrepreneurship words first mention in Prophet of Innovation. The theory explained about the creative destruction that would influence the future, where conventional product replace by new and futuristic ones (McCraw, 2007). Based on the previous research, Creativity in entrepreneurial business has significant roles that become part Innovation dimension of Entrepreneurial Orientation (So et al., 2017). The Creativepreneurship could be describe as creative process of thinking and act to build problem solving business for their customers.

2.4 Food business Model in the digital world

Food business, especially traditional food business has many aspect that cannot be generate from other business. The traditional word always relate to tradition. Something that people of specific place, specific region keep to maintain from generation to generation. Build a business idea to sustainable business in term of traditional food business, has their own challenges. The significant field that have to consider is customer perceives. Previous research show that tradition plays meaningful roles in traditional food business (Dettori et al., 2020). In the same times, the innovation process in the entrepreneurial business have to keep growth. Preserve the tradition without stop the innovation, as well as the literature mention that the crucial part of business to become sustainable business is innovation (Fu-Sheng et al., 2020).

The digital business model for traditional food, cannot replace the whole business process (Franco & Martins, 2020; Zhang et al., 2019). Customer trust and engagement more challenging in virtual. People cannot touch and sense the real product. Nevertheless, the product pictures or the product film cannot replace the actual taste of the real food. The customers concern about the quality of the food product that ordering by online, compare to product in offline stores (Vargas & Budz, 2019).

3. Methods

The traditional food business have a crucial matter to solve in the Covid-19 situation, that facing them to limited choice, moving the business online (Akpan et al., 2020; Galhotra & Dewan, 2020; Liguori & Pittz, 2020; Purbasari, 2021). Additionally, the miserable fact show that many aspect food business cannot replace to online (Dettori et al., 2020; Fu-Sheng et al., 2020; Vargas & Budz, 2019; Zhang et al., 2019). This research explore the possibility for the traditional food business to survive and achieve sustainable business performances. The specific purposes of the research to find the answers of the questions bellow:

- What is the effective business selling strategy for traditional food business?
- What is the crucial part from customer perspective have to maintain in the food business selling strategy to improve performance?
- What is the innovation in the food traditional that could create them survive?

To answer the research questions, the data collected from the customers reviews and feedback through direct interviews. The research using primary and secondary data to provide complete results about the business performances. The secondary data, collected from company data of sales. All the data collected were analyzed to

examine the effectiveness of implement strategy during the Covid-19 Pandemic. using the qualitative research method, all the collected data will describe descriptively.

A case study apply to MINIAMPERA traditional food business with several considerations. The MINIAMPERA is one of traditional food business that still preserve the traditional aspect in their product. The pempek is the traditional food in Indonesia that still hold tight the tradition in the product appearance and taste. The pempek never much changes from time to time. As part of learning process, the young owner of MINIAMPERA could running the business successfully survive during the pandemic, without substitute the offline to online. Based on all the aspects above, hopefully the research could bring new values to other small traditional food business to help them survive and growth.

4. Results and Discussion

The MINIAMPERA is small traditional food business in West Java, Indonesia. The management of the MINIAMPERA running by the family members. As the family business, traditionally maintance through generation to generation. The family started the business in 1975 by the Tjin Family. They have previous brand that known as “Mpek Selam 14 Ilir”. In 1997, the next generation of the family move to Bandung and the business was given to the fourth generation. As the young person, Kiky Chandra, the fourth generation of the Tjin Family, has so many passion to bring the business to the next level. He decide to give a new name to the business. In the 2018, the business name officially turn to MINIAMPERA. The name of Ampera refer to Jembatan Ampera, the famous icon bridge in Palembang. The word Ampera was chosen to remember the origin of pempek. The word Mini was placing to the brand to send the message to the customers that they could taste the original pempek with authentic tastes without have to go to Palembang. The customers could feel, smell, taste, sense the Mini of Palembang authentic taste through the product of pempek MINIAMPERA.

Preserve the authentic taste and tradition doesn't mean to stop the innovation. Through creative and experiential learning process from the entrepreneurial education, the owner has so many experimental business development process. Starting from the ideation process, idea and validation, prototyping, market testing and business development, some of improvement made to MINIAMPERA. MINIAMPERA add new modern concepts to the classic authentic pempek. Their changes the packaging, sales methods and add some modification to the menu without changing the authentic taste.

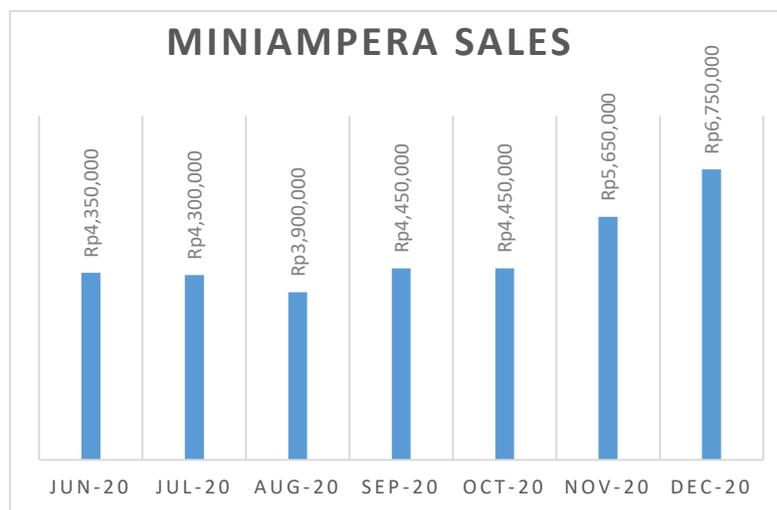


Figure 1. MINIAMPERA Sales

Based on the figure above, MINIAMPERA has significant sales Growth during the pandemic. This is something that we never imagine before. During the pandemic, many of traditional business faces challenging situation. Many of them died. Nevertheless, the MINIAMPERA, as a conventional food business, still has significant growth in sales.

Based on the sales data collected, mini ampere has 39% sales growth from 2019 to 2020. The sales growth of MINIAMPERA automatically has a significant impact on profit growth. The business's financial report shows that there is about more than 100% growth from 2019 to 2020.

Customer growth in a matter of months increased by an average growth rate of 15%. By carrying out promotions on various social media and distributing brochures, this is one way that customers for MINIAMPERA will increase. To measure customer satisfaction, a questionnaire was used. Likert scale is used in this study with five answer choices, ranging from agreeing to disagree. Surveys and interviews with the consumers aim to see how the customer is satisfied with the product and the services. The data collected found that customer of MINIAMPERA has reasonable satisfaction. Many respondents answer that they are really satisfied with the taste of product, the Hygiene, the services, and the uniqueness of the current owner's product innovation.

From the customers data of MINIAMPERA, found that MINIAMPERA has good customer retention. The customers of MINIAMPERA usually do repeated orders. They have good engagement with the owner of MINIAMPERA, besides the taste of pempek itself. The excellent communication skill that owns by the owner has a good impact on improving customer engagement. Due to the traditional ways of promotion held by the owner, customers have trust in the products. They believe in the hygiene cook process and the fish's freshness as the recipes' base material. The customers perspective collected day by day business, through direct interview by the owner of MINIAMPERA who also part of the researcher team. From the daily interview (from June 2020 to December 2020), the researcher collected several issues that become customers concern during the period of Covid. From the interviews found several issues that almost all the customers mention in their conversation:

- Concern about the safety protocol that could not be implement during the Covid by the seller
- Concern about the hygiene process in food process and production
- Concern about additional expense that have to be paid when using online food delivery.
- Concern about the freshness of food and the different portion of food when ordering by online

Based on the customers perspective, MINIAMPERA applied the traditional approach called personal Neighborhood selling approach

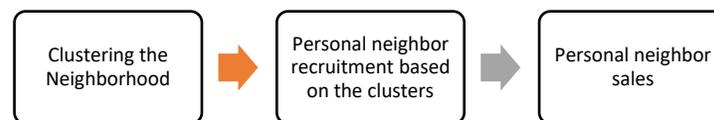


Figure 2. The personal Neighborhood selling approach

The strategy implemented by MINIAMPERA during the Covid not significantly changes. The owner put constants effort into maintaining communication with potential customers. The significant asset of the MINIAMPERA a is the owner itself. His passion for keeping business running and growth during the challenging situation makes his never give up.

When other businesses, doing the massive movement to digital, MINIAMPERA put the big concern on personal selling. The owner creates marketing cycles that segmenting the area of selling. The selling strategy implemented by MINIAMPERA could be called a neighborhood selling approach. This is the smart strategy that elaborates the Sundanese cultures to the business. Sundanese people always have a high engagement to the person who come from their own neighborhood circle. Recruiting the neighbor as personal sales for specific areas based on their lives improves customers' trust and engagement to buy and consume the foods without any worry of virus issues.

The Selling Strategy that implement by MINIAMPERA, combine the personal selling and local culture. This strategy effective to answer all the customers concern during the Covid. The strategy that implement in MINIAMPERA, changing the main stream perspective about surviving during the Covid. this research also confirming the previous research result, that online platform cannot substitute the offline selling in traditional food business(Zhang et al., 2019).

5. Conclusion

Based on the research result, MINIAMPERA as small traditional food business have good selling performance during the Covid pandemic. This shows that the opportunities to survive during the Covid for traditional food business without rely on online platform is possible. The alternative strategies could be chosen besides massive digitalization during the Covid-19 pandemic. The challenging situation could be managed when the business owner puts all the business's passion and effort. A case study of MINIAMPERA shows that in the pandemic, this business could running well and get specific growth in profit and customers. The soft entrepreneurship skills and analysis skills that own by the owner already save the company. This is proof that creativity and innovation are the keys to manage the business. In that way, every entrepreneur or business owner needs to learn and maintain their creative spirits. An entrepreneur who always finds ways to survive, using innovative and creative solutions, and then harmonizes with the environment and culture called *creativepreneur*. The research finding also support the previous research's result in traditional food business that online platform as sales cannot replace the offline channel. The online platform act as addition to them rather than substitute (Zhang et al., 2019). by understanding about customer's perspective on what they really concern, the effective strategy could be build by the owner of MINIAMPERA.

The innovation strategy that implement by MINIAMPERA, combine personal selling and local culture. That could be called as personal Neighborhood selling approach Strategy. The result finding in this research could be improve by examine more and break down the aspect of personal neighborhood approach strategy. The next research also could looking for the requirement needed to implement this strategy. Base on the assumption, this strategy could give different effect to different culture that different with Indonesia (West Java) cultures.

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