

Adaptation Strategy in The Food Industry During COVID-19 Pandemic in Jember Regency

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Abstract. This study aims to analyze Adaptation Strategy in the Food Industry during the COVID-19 Pandemic in Jember Regency. This is qualitative research using a case study approach. Data collection was carried out through in-depth interview and observation (participant observation). Data sources were obtained from key informants with the criteria of staple food business actors, market snacks business actors and cookies business actors in Jember downtown. The data analysis technique was carried out using the Miles and Hubberman analysis model, starting from information collection, data reduction to interpretation analysis of research findings. Data were collected by means of observation, interview and document collecting. Data analysis included data reduction, interpretation presentation and analysis of information obtained from food business actors. There were five impacts of covid upon food business actors, including a decrease in sales turnover, capital challenges, distribution problems, constraints in marketing and challenges in obtaining raw materials (especially during the peak of the pandemic). The adaptation strategies carried out by food business actors were price adjustment, online sales, pick-up marketing, budget management, maintaining the availability of raw materials, downsizing, and establishing a community of business actors.

Keywords: Adaptation strategy; Covid-19 Pandemic Era; Culinary Industry; MSMEs

1 Introduction

Micro, small and medium enterprises (MSMEs) are one of the backbones of the national economy. MSMEs currently become the spearheading of domestic economic cycle. The MSME sector contributes to economic growth, job creation and employment, forming gross domestic product (GDP), as well as a source of non-oil and gas exports. Micro, Small and Medium Enterprises aim to grow and develop their businesses in order to build the national economy based on fair economic democracy (Law no.20 of 2008). It is evident that MSMEs were the most stable sector during the economic crisis that hit Indonesia in 1998 and 2008. The strength of MSMEs is integral to the transaction turnover using local products and in direct contact with the primary needs of the Indonesian people. Based on data compiled by the Ministry of Cooperatives and Small and Medium Enterprises, the number of MSMEs in Indonesia is

increasing every year. It was recorded that in 2015 it was 59,262,772, then in 2016 it increased to 61,651,177, then the number of MSMEs also increased to 62,922,617 in 2017, and in 2018 the number of MSMEs again increased to 64,194,057 (Nasution, 2020).

The Covid-19 pandemic has become a common problem faced by the global community, including Indonesia. This causes various impacts socially and economically. According to data submitted by Nainggolan (2020), the national economy experienced a decrease in the second quarter of 2020 with an economic growth of -5.3%. This was due to the decreasing level of public consumption as a result of the COVID-19 pandemic. COVID-19 stands for coronavirus disease 2019, which is an infectious disease caused by the SARS-CoV-2 virus. This virus was first detected in Wuhan, Hubei Province, China, around the end of 2019 (Rodriguez and Alonso, 2020). Furthermore, in its development, WHO announced that this corona virus (Covid-19) was declared a global pandemic because the intensity of transmission was pretty high, massive and the speed exceeded the epidemic state.

Various policies have been carried out by the government to overcome the Covid-19 pandemic, starting from Large-Scale Social Restrictions (PSBB) to the Community Activities Restriction Enforcement (PPKM). The policies implemented until September 2021 had not shown any decrease in the number of confirmed Covid-19 positive cases. However, from October to December 2021, the spread of the corona virus has shown a significant decrease in Covid-19 exposed cases. The spread of Covid-19 has resulted in complex problems such as health, financial and physiological problems, even to the economic recession that hit various countries in various parts of the world (WHO, 2020). MSMEs sector is also affected by the Covid-19 pandemic.

The global economy has been greatly affected by the COVID-19 pandemic, without exception, it also has a very significant impact on the domestic economy in various parts of the world, especially the existence of MSMEs in various countries. Based on data released by the Ministry of Cooperatives and MSMEs in Sugiri (2020), the difficulties experienced by MSMEs during the pandemic were divided into four problems. First, there is a decrease in sales due to reduced community activity in making purchases (56%). Second, capital difficulties due to challenging capital turnover as a result of the pandemic (22%). Third, the existence of product distribution problems due to restrictions policies in various regions (15%). Fourth, challenges in obtaining raw materials (4%).

The food and beverage (culinary) industry is one of the fastest growing industries in the world (Chowdhury, et al, 2020). It can be seen that when traveling abroad, it is easy to find places or outlets that offer food and beverages, including in Indonesia. Based on the research conducted by Chowdhury, et al, (2020), it shows that the short-term impacts of the Covid-19 pandemic on the food and beverage industry, such as product expiration, lack of working capital, and limited distributor operations are quite severe. Meanwhile, the medium- to long-term impacts are expected to be more complex and uncertain. In the longer term, various performance metrics, such as return on investment by companies, company contribution to gross domestic product (GDP), and employee size, are all expected to decline.

Jember Regency is one of regions that has a fairly dense population. Based on a release from the Central Bureau of Statistics (BPS) of Jember Regency in 2020, Jember population reached 2,536,729 (BPS Jember, 2020). This fairly large number excluded migrants who were mostly students. It is known that there are several universities in Jember Regency, both public and private, so that they contribute to the total population of the community. Correlating with this, the food industry is experiencing a fairly rapid development. The food industry is one of the creative economic activities experiencing fairly rapid growth. Many franchises have sprung up in the culinary field ranging from national to international scales such as Pizza Hut, Mc

Donald, KFC, Baba Rafi Kebab, Grilled Donuts, Sate Klopo Asia, and so on. Various businesses in the food field have emerged, ranging from those offering meals to snacks, in Jember Regency. There are a lot of souvenir centers that offer various foods from signature food to food from other regions in Jember Regency. This shows that the trend of the food business continues to grow.

The Covid-19 pandemic affects the sustainability of MSMEs, including the food industry, as previously explained. The absence of student activities on campus due to the implementation of the work from home (WFH) system causes a decrease in mobility so that it affects MSMEs, especially food businesses in Jember Regency. Regardless the Covid-19 pandemic, according to Situmorang (2008), the common problems faced by MSMEs include a) limited capital, b) marketing difficulties, c) simple organizational structure and division distribution is not formal, d) low management quality, e) limited and low-quality HR, g) mostly do not have financial statements, h) poor legality aspect, j) low quality technology usage.

Based on this description, an adaptation strategy is required to maintain sustainability of MSMEs, especially food businesses in Jember Regency. According to Bennett (1976), adaptation is a human responsive behavior to environmental changes. The era of the Covid-19 pandemic requires business actors, especially in the food industry, to take a series of actions that can adapt to current conditions. The decreasing human mobility in transacting food products must be addressed as a challenge to make changes so that business activities can continue running. The adaptation process according to Pavola and Adger (2006) is basically a change in behavior at the individual level. However, it is interesting to see how the adaptation process is carried out by MSMEs, especially in the food business.

Strategies in the adaptation process are very important for individuals who encounter new environments, both natural and social environments (Riady, 2004). The Covid-19 pandemic is a new condition (environment) because its emergence has changed the order of life. Especially in the current pandemic conditions, the threat is a virus that is invisible, but real. Therefore, it is challenging, at least in the near future to stop the virus, but adaptation to overcome the situation can be done. MSMEs, especially businesses in the food field, must be able to adapt to the conditions of this pandemic by making breakthroughs so that they are not eroded by circumstances so that the existence of their business is maintained.

The adaptability of the community is determined by the economic capacity, knowledge, experience and community response to environmental conditions (Adger and Vincent, 2005). In the context of the community's economic capacity, it is integral to the community's efforts to earn greater income, but the Covid-19 pandemic conditions pose different challenges. When associated with culinary businesses in the midst of this Covid-19 pandemic, food business actors must accept openly in response to the existence of Covid-19. Food business actors must show that businesses must continue to exist, even in the midst of the Covid-19 pandemic. Business actors must think positively that behind the Covid-19 pandemic, there are lessons to be learned so that business activities can still run and even adapt to new conditions and order of life.

Based on the research conducted by Susanti, et al (2020), collaboration between marketing, finance and issue management needs to be considered with all conditions, but in normal circumstances it is also well prepared so that MSMEs are expected to be able to adapt well. In line with the results of the research conducted by Susanti, Sarasa (2020) stated that in entering the new normal era, MSME actors who were slumped by the Covid-19 pandemic needed an extraordinary strategy, so that their business could survive and thrive in the era of adapting to new normal. Policy makers are expected to provide encouragement as well as better regulations, especially those that can help the business climate continue developing. Regulation is a tool that can be a capital strength for MSME actors. Research conducted by Agusetyaningrum, et al

(2016), states that culinary-based MSME development strategies are training, business protection, partnership development and promotion development.

Therefore, collective awareness is required to make this happen, plus the current Covid-19 pandemic conditions make the challenges faced by MSMEs, especially in the food industry, much more difficult. The research indicates that the Covid-19 pandemic will not have a major impact on MSMEs who have the foresight to observe what is happening in other countries and make provisions and changes to their business operations (Gerald, et al, 2020). This means that food business actors must think big and be able to adapt to the conditions of the Covid-19 pandemic. According to Soemarwoto (in Sariffuddin, 2014), human influences and are influenced by their environment in a circular manner. People shape and are shaped by their environment because of the process of human adaptation to their environment (Folke, 2006).

Based on the description that has been presented, it is interesting to reveal in depth the adaptation strategies carried out by food business actors in Jember Regency to face the Covid-19 pandemic. As previously explained, this pandemic is a new environment that requires individuals and business actors to adapt to the situation. Food entrepreneurs need to adapt to the Covid-19 pandemic. A field study was carried out to find out the reasons behind the MSME actors in the food industry to adapt to the conditions of the Covid-19 pandemic. This research attempts to compare the adaptation strategies of food business actors, especially in staple foods, market snacks, and cookies. This was carried out because each of these food businesses has its own characteristics and uniqueness.

2 Research Methods

This is qualitative research using a case study approach. Qualitative research can be used to uncover and understand something behind a phenomenon that is not widely known (Strauss and Corbin, 2003). A case study approach is suitable when the main question of a research is related to how or why, when the researcher has little opportunity to control the events to be investigated, and when the focus of the research lies on contemporary phenomena in real-life context (Yin, 2014).

Data collection was carried out through in-depth interview and observation (participant observation). Data sources were obtained from key informants with the criteria of Food business actors for staple foods, market snacks and cookies in Jember Regency, especially in Jember City. The data analysis was carried out using the Miles and Hubberman (1994) scheme as shown in Figure 2 below.

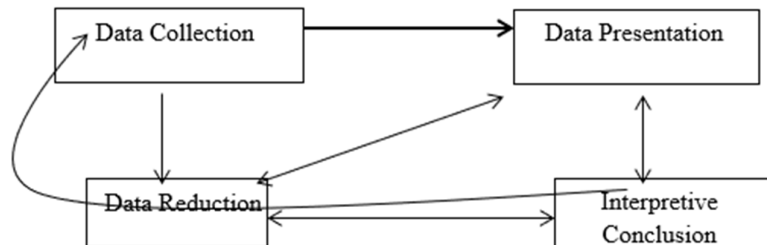


Fig.1 Skema Analisis Model Miles dan Hubberman

3 Results and Discussion

Results of the Research

This research was conducted from August to October 2021. The research was conducted on several MSMEs in the food industry. The results that have been achieved were in-depth interviews that referred to the guidelines, transcripts of interview results and participant observations as well as documentation of research activities as attached. The results presentation was started with a description of the impact of the Covid 19 pandemic, then continued with a description of the reasons for Covid 19 which greatly impacts food business actors and the adaptation strategies carried out by food business actors to stay afloat in their business activities.

3.1 Impacts of the Covid Pandemic

Based on data findings in the field, several impacts of the Covid-19 pandemic that could threaten business continuity, especially businesses in the culinary field, were found. Furthermore, the findings were reduced based on the type of data unit, namely data from field observations and in-depth interviews. In-depth interviews were conducted by taking 15 informants who were food business owners in Jember Regency. However, the interview needs to be conducted in-depth using the triangulation method in order to obtain more complete information. There are 5 main impacts of the Covid-19 pandemic that can threaten business continuity; first, the pandemic affects sales turnover, second, the pandemic affects distribution channels, third The pandemic affects product marketing, fourth, the pandemic affects the availability of raw materials, fifth, the pandemic affects business capital.

a. Decrease in sales turnover

The Covid-19 pandemic that has hit Indonesia has greatly impacted the existence of the business world, one of which is the MSME sector. Jember is one of the regencies where the culinary industry is growing quite rapidly. The emergence of the Covid-19 pandemic has also hit culinary business actors in Jember. As stated by Mr. Swr as the owner of the Bubur Pasundan, his sales turnover decreased by 50% - 60%. In line with this, Mrs. Sbk as the owner of the Bogananda stall stated that her business had to close because students were temporarily out of school. Responding to this, she switched her business by selling in front of the double way.

This was also experienced by Mr. AR, the owner of the Cimol and Cireng aneka rasa, as his statement that the Covid-19 pandemic has greatly affected sales turnover, especially tradesmen in the MSME sector, which on average decreased sales turnover due to lack of buyers. Mr. Ari Sutikno as the owner of the Cake Wati business seemed to emphasize what was felt by other business actors, stating that the decline in turnover was around 60%. MSMEs around the campus experienced the most severe decline in sales turnover. Like the case of Mrs. Biki, who was previously selling in the FKIP campus of Universitas Jember, she had to close her shop due to covid. At that time, the campus was on lockdown, all students were studying from home. Until now, Mrs. Biki has not reopened her shop, because UNEJ has not fully implemented offline learning. Universitas Jember was still quiet, because students were still taking online learning from their respective homes.

b. Problems in distribution channels

Most MSMEs in the food industry use distribution channels directly to consumers. Business actors use the power of products and information by word of mouth or social media to sell their products. Few business actors take advantage of agency and reseller model partnerships. The Covid-19 pandemic has disrupted distribution channels as stated by Mr. Rdr as the owner of

Jember Primadona souvenir business. "Yes, it definitely has an impact, especially souvenirs like this which are synonymous with tourism activities in a region". The decline in tourists visit to Jember has greatly impacted the decline in shopping for souvenirs by public or consumers. Furthermore, Mr. Rdr explained that Primadona partners who were in Bali and Jakarta during this pandemic did not take Primadona products to be marketed outside Jember.

That was in line with what was conveyed by Mr. Udin, the owner of the McDono business, who stated that the effect of the pandemic had reduced purchases through carts or gojek. Mr. Snd, the owner of the Bank One restaurant, opens online order via WA. In this case, the Covid-19 pandemic affects the distribution channels of food business actors directly and indirectly. The existence of the covid pandemic also affects the shift in the way of purchasing from offline to online purchases. Distribution channels through online platforms are a highly promising market opportunity. Online purchase method can expand the reach of the market or consumers. Online channels also make transactions simpler and faster.

c. Nonoptimal marketing activities

Regarding business marketing, most food business actors said that the current Covid-19 pandemic affected business marketing activities due to decreased demand, resulting in a decrease in business income. As stated by Mr. Swr, the owner of Bubur Pasundan, his business income was decreasing. Mr. Swr plans to increase the selling price of his porridge to deal with the decline in income due to the lack of marketing, but is still observing the development of the situation.

Mr. Hnd as a pecel maknul business actor also conveyed the same thing that his business income experienced a decrease. However, pecel maknul made adjustments in response to government regulations related to stall displays, by providing a place for washing hands and encouraging people to wear masks. This is intended to make visitors feel safe when buying pecel, while following the government's advice. Martabak Royal business also made adjustments related to this pandemic period, as stated by Mr. Yd that the adjustments were made by increasing the opening hours of the stalls. In this case, it can be seen that the pandemic affects the marketing of food business actors. Thus, they make some adjustments in response to the restrictions imposed by the government. The marketing carried out by food businesses is generally related to the length of business hours. Generally, the longer the business hours, the higher the sales turnover will be. The pandemic period has forced them to reduce their business hours, due to restrictions imposed by the government. The reduction in business hours can be circumvented by opening earlier. So, business actors can still open their business even if it is not up to night-time, like normal hours.

d. Raw material supply constraints

Basically, almost all business actors who became informants stated that during normal times the raw materials were quite abundant, but during the pandemic the majority of business actors stated that the supply of raw materials for production was hampered. As stated by Mr. Rdr as the owner of the Primadona souvenir business, this is because there is no supply in the market. The restrictive policy in the market resulted in difficulties in obtaining raw materials. The same thing was conveyed by Mr. Udin as the owner of the McDono business who said that there were problems in obtaining raw materials. Even if such materials existed, their prices were expensive. Mr. Anang as a fried bread business actor also admitted that the price of raw materials increased. The same thing was conveyed by Monic, as a Seblak Yummi business actor, who stated that she was experiencing problems because the outlets providing raw materials were closed.

In terms of raw materials, most culinary business actors stated that there were obstacles in obtaining raw materials during the Covid-19 pandemic. This is somewhat different from conditions before the Covid-19 pandemic. This problem occurred when the government imposed a market opening and closing policy and limiting wholesale markets business hours. It becomes an obstacle in getting raw materials for food businesses in Jember.

e. Business capital constraints

Most food business actors said that there were differences in business capital before and during the pandemic. Before the pandemic, there were no significant difficulties in capital to run their business, but during the pandemic there were a few obstacles because no one was ready to face the Covid-19 pandemic. The pandemic came very suddenly. As stated by Mrs. Sbk as the owner of the Bogananda stall, during the pandemic there were a few problems regarding business capital. Debt and installment payment to the bank were delayed. Mr. Hendra, as the owner of the Pecel Maknul business, said that the capital turnover was a bit slow. Mr. Snd, as the owner of the Warung Bank One business, said that during the pandemic season, turning over the capital was quite challenging.

The revenue decreased so he took steps to reduce employees and the number of menus. In this case, Mr. Snd conveyed differently, that at the beginning of the pandemic there were difficulties in capital because the capital came from income, but in the end, it could be overcome by reducing the merchandise. Mr. Rdr, as the owner of the Primadona business, experienced the same thing that the pandemic has made everything difficult, including capital problems. The plan to add outlets had to be postponed due to the Covid-19 outbreak. The same thing was conveyed by Mas Rosi, as a souvenir business actor for Cita Rasa, who overcame the lack of capital by selling his box car assets. The causes of this pandemic affect various sides, including capital.

Capital remains an important thing for food business. On average, those who became informants were experienced actors. Thus, problems related to capital were only a few during the pandemic. However, when looking at the information from the informants, this pandemic has made them think hard to find solutions to keep their business going. This can be overcome by taking advantage of the profits they saved before the pandemic. This savings is indeed intended as a capital reserve when needed at any time, such as during this pandemic outbreaks.

3.2 Reasons of why Covid-19 has had a huge impact on businesses

The following describes the main reasons of the impact of the Covid-19 pandemic on the sustainability of food businesses in Jember Regency. Most food business actors in Jember Regency explained that sales turnover decreased during the current Covid-19 pandemic. As stated by Mr. Swr as the owner of Bubur Pasundan business, there has been a decline in purchasing power. In this case, Mrs. Sbk emphasized the market segmentation of the Bogananda stall, which on average were students, so that the existence of restrictions such as PPKM resulted in a decrease in sales turnover. In line with what was conveyed by Mr. Hnd as the owner of Pecel Maknul, he stated that the isolation policy caused a decrease in sales turnover. Most food entrepreneurs explained that the existence of PPKM caused people to spend more time at home, causing their purchasing power to decrease. Some business actors target college students for their marketing. As it is known that students do not do face-to-face learning on campus so that this has an impact on the decline in sales turnover.

Most food or culinary business owners said that distribution channels were quite disrupted by the Covid-19 pandemic. Mr. Rdr as the owner of typical Jember Primadona souvenirs stated

that wholesalers and retailers did not dare to take the products. Many marketing distribution channels were jammed during the Covid 19 period. These business actors mostly use direct distribution channels. The distribution channel experienced problems due to the decline in buyers due to social restrictions imposed by the Government.

The majority of MSMEs in the food sector stated that during the Covid-19 pandemic they experienced marketing disruptions due to decreased demand, resulting in a decrease in overall business income. As stated by Mr. Swr as the owner of the Bubur Pasundan business, there is a plan to increase the price to cover the declining income, although it is still a discourse. Mrs. Sbk as the owner of the Bogananda warung business said that the pandemic period had changed the segmentation, which previously targeted students, now shifted to the public in general. The impact of the Covid-19 pandemic was greatly felt by Mrs. Sbk because her marketing activities had stopped due to the closure of the KWU FKIP Laboratory at the Universitas Jember and finally turned to looking for a new segment, that is the public in general. It is different with Mr. AR as the owner of Cimol and Cireng Aneka Rasa who said that he is currently using promotions by utilizing information technology. To deal with the decline in buyers, Mr. AR uses technology in his marketing. Most food business actors feel that marketing is not running optimally, resulting in a decrease in the number of buyers due to the Covid-19 pandemic.

Food business actors in Jember Regency admitted that they experienced obstacles in obtaining raw materials during the Covid-19 pandemic. As long as there is community activities restriction policy, almost all suppliers of raw materials stop operating. Farmers faced a challenge in selling to the market. Many agents who sold raw materials had also closed. As a result, the price of raw materials increased. Most of the food business actors have experienced difficulties in obtaining raw materials during the Covid-19 pandemic. The underlying reasons, according to the informants' data in the field, were: first, the obstacle was due to the market closure which had occurred due to the restrictions on mobilization implemented by the government during the Covid-19 pandemic. Second, as a result of these restrictions, several suppliers raised the price of raw materials. This event was experienced by almost all business actors, especially those engaged in the food industry.

Most food business actors said that there were differences in business capital before and during the pandemic. During the pandemic there were several obstacles because no one was ready to face the Covid-19 pandemic. The following were some of the reasons given by the informant regarding the reasons behind the challenge in capital during the pandemic. During the pandemic, the capital turnover experienced a slowdown. The capital obtained from the loan was overdue on its payments. It will be even more difficult when paying the interest.

Based on the information obtained from the informant, it is found the same reason why there is a business capital challenge during the pandemic. The main factor is that most of the business actors rely on personal capital obtained from the profits from their daily sales. When there is no buyer due to restrictions imposed by the government, it can cause a decrease in sales turnover. The decrease in turnover also affects the capital turnover of these food business actors. This also affects overdue payments from banks. For those who did not use banking services, due to the heavy installments and interest, they relied on the assets they had. If they needed or face challenge in capital, they preferred to sell their assets to fill the capital needs in running a food business.

3.3 Food Business Actors' Adaptation Strategy

The following is an explanation regarding the adaptation strategies carried out by food business actors to keep their business going during the Covid-19 pandemic.

a. Strategy to Maintain Turnover

Mrs. Sbk as the owner of the Bogananda stall business has her own strategy to deal with the decreasing sales turnover during the pandemic. The strategy when the pandemic started was selling in front of the double way. The next strategy was using the building next to the house for selling products. Mr. Hnd as the owner of the Pecel Maknul business employed a strategy by offering prices adjusted to the pandemic conditions and the conditions of the stalls were adjusted to the tastes of millennials. Based on this information, Mr. Hnd preferred to play a price strategy and this had been prepared long before the pandemic. It was different with Mr. Snd, the owner of the Bank One food stall, who placed more emphasis on online promotional media via Whatsapp. The buyers ordered via WA, then his employee deliver the products to the buyer.

b. Online Sales Strategy

Regarding the distribution channel, Mr. Udin as the owner of McDono business explained that he sold by carts and promoted online sales. Regarding distribution channels, he kept using direct distribution channels. The difference now was that he also used online media. Mr. Znr, a Pukis Surabaya businessman, preferred the method of open orders. Although the sales decreased, but that method was still maintained. To maintain the distribution channel, he kept employing open orders method for various purposes such as celebrations, although it was recognized that during the pandemic there had been a decline. Almost all food business actors carried out adaptation strategies by utilizing distribution channels such as go-food, which nowadays has become a necessity. Given that gadget and technology have ruled, business actors have to keep up with the times so as not to be left behind. To maintain distribution channels, they must cooperate with go-food applications. It turns out that online sales can be an alternative in reaching consumers directly.

c. Pick-up Marketing Strategy

Regarding the interesting marketing strategy conveyed by Mrs. Sbk, as the owner of the Warung Bogananda business, that during this pandemic period, she learned a lot about marketing. Previously, when selling at the canteen, she only used a banner containing the available menus and sold well. Meanwhile, during a pandemic, they had to do personal selling which means they had to offer a menu for sale. Personal selling marketing is carried out by sending messages to groups on social media. That's a personal selling marketing strategy. Ibu Sbk uses a pick-up strategy by offering a menu that will be sold through her social media group. Mr. AR as the owner of cimol and cireng aneka rasa business, adapted by reducing the number of flavors, from six flavors to three flavors. Mr. AR, during the pandemic, maintained his selling technique using carts as usual. Mr. Yudi circumvented the marketing of his products by advancing his business hours. In addition, Mr. Yudi also said that the key to marketing is good service. Good service can also be used as a promotional medium, because buyers will recommend it to others.

d. Strategy to Maintain Availability of Raw Materials

Mr. Swr as the owner of the Bubur Pasundan business explained that there was no specific strategy regarding raw materials because there were no difficulties in obtaining raw materials. There was no specific strategy, except making price adjustments. In line with what was conveyed by Mr. Rdr as the owner of the Primadona souvenir business, he said that he also made adjustments to product prices. In addition, he also bought materials in bulk quantities and

then stored them for gradual production. In carrying out his business, Mr. Udin stated that he implemented two special strategies to address the difficulty of raw materials during the Covid-19 pandemic, that were price adjustments and purchasing materials in bulk quantities. Mbak Monic as the owner of the Seblak Yummi business also applied a material stock strategy as stated in her statement, adapting it by dealing with a large stock of ingredients, then storing it in the refrigerator to make it last longer. Buy more and save more. According to Monic, purchasing materials in large quantities saved the budget. Although it required some capital and storage space, this was still carried out as the purchase price for bulk quantities was cheaper. In addition, some of the business actors implemented a price adjustment strategy in response to the availability of raw materials in the market.

e. Capital Availability Strategy

Regarding the business capital, Mr. AR as the owner of the Cimol and Cireng aneka rasa said that he did not dare to borrow from a bank because of the high interest expense. To get around the obstacles in terms of capital, Mr. AR used a survival strategy by not adding food products, but by maintaining product quality. A similar strategy was carried out by Mr. AC as a fried bread business actor by taking a frugal strategy as an option. Mr. AC was more concerned with the need for his business to survive rather than having to expand the market during the pandemic. Mr. M. Znr as the owner of the Pukis Surabaya business stated that frugality was a realistic strategy choice to maintain capital flows during the pandemic.

Mr. Swr as the owner of the Pasundan Porridge business, he said that his strategy was to be discipline in carrying out financial records so that the capital from his daily turnover could be monitored neatly. Mr. Swr also placed more emphasis on discipline in recording income and expenses. Mrs. Sbk also had more or less the same strategy in overcoming capital barriers during the pandemic. Budget management was carried out by Mrs. Sbk so that even if there was a disaster like this pandemic, she could still open a shop in the area near her house. Mas Rosi as the owner of a Cita Rasa souvenir shop who experienced the impact of the covid pandemic on his business capital. His strategy was reducing the number of employees and sold his operational car to meet his business capital. Although quite ironic, this needed to be done so that his business could survive in the midst of a pandemic that was still not fully resolved. An idea as well as a strategy to maintain the availability of capital was conveyed by Mr. Rdr as the owner of the Primadona souvenir business. In addition to negotiating with banks, he also made a breakthrough by establishing a community of MSME actors called IKM Nusantara as a forum for communicating with each other, including overcoming community members' capital barriers.

Based on information obtained from informants in the field, it is known that capital is a fairly serious issue during the Covid-19 pandemic. Several MSME actors have different strategies in addressing these problems to capital. This strategy can be divided into four main strategies. First, a frugal strategy as practiced by several business actors so that capital turnover can be used optimally for business continuity. Second, a budget management strategy is carried out so that the income and expenses are clear. This can optimize business capital because the budget is rotated according to the needs of business circulation. The business is run based on budget management. Third, workforce reduction strategy. Although not expected, this strategy was chosen to reduce the swelling capital burden as a result of the Covid-19 pandemic. Fourth, a strategy to form a community of MSME actors named IKM Nusantara. This is an interesting breakthrough, especially in response to the pandemic. The community is required to strengthen and support each other in various matters including business capital issues, promotions and business-related information among fellow MSME actors.

Discussion

Based on the results of the data presented, important points are found which are the research findings presented in the following discussion.

a. The impact of the Covid-19 pandemic on the sustainability of food businesses

Based on the results of research that became the findings in the field that the Covid-19 pandemic which has lasted for almost two years has a serious enough impact on the sustainability of the food industry in Jember. Five main impacts found in this study are; first, decreased sales turnover. Most of the food business actors in Jember experienced a decrease in sales turnover. Indeed, the rise and fall of sales turnover is a common thing in business practice. However, during the Covid-19 pandemic, the decrease in sales turnover occurred in a relatively longer time. In addition, some business actors found some difficulties in returning sales turnover to what it was before the Covid-19 pandemic. Second, barriers in distribution channel of materials. Most food business actors in Jember, in carrying out their business activities, used direct distribution channels. The Covid-19 pandemic has hampered distribution channel activities due to the restrictions imposed by the government.

Third, marketing activities that were not running optimally. Most food business actors thought the same way that marketing activities could not run optimally as in the pre-pandemic period, so there were needs for adjustment. Fourth, constraints in the supply of raw materials from suppliers. The government's policy of limiting the spread of Covid-19 has caused the supply of raw materials to also experience problems. Fifth, challenges in business capital. Most business actors used business capital from the daily turnover. Therefore, when sales turnover decreased, the impact experienced was that business capital was inadequate to carry out business activities.

The problems experienced by food business actors in Jember seemed to be also experienced by food business actors in other areas. Based on the data released by the Ministry of Cooperatives and MSMEs in Sugiri (2020), the difficulties experienced by MSMEs during the pandemic were divided into four problems. First, there was a decrease in sales due to reduced community activity in making purchases. Second, challenges in business capital due to challenging capital turnover as a result of the pandemic. Third, the existence of product distribution barriers due to restrictions policies in various regions. Fourth, a challenge in obtaining raw materials. This statement is also supported by the results of research conducted by Chowdhury, et al, (2020) showing that the short-term impacts of the Covid-19 pandemic on the food and beverage industry, such as product expiration, lack of working capital, and limited distributor operations are quite severe.

b. Reasons of why Covid-19 has had a huge impact on businesses

Based on the findings of research in the field, the majority of food business actors thought that the decline in sales turnover, problems in the distribution channel of goods, and marketing activities that did not work were caused by the decrease in number of buyers due to restrictions imposed by the government, both in the form of PPKM and emergency PSBB. Most food business players explained that the PPKM and emergency PSBB has made people to spend more time at home, causing a decrease in buying and selling transactions. Moreover, some business actors targeted college students. When students were out of school, a decrease in sales turnover was inevitable. This also affected distribution channels and marketing constraints that did not run optimally due to the lack of buying and selling activities.

Regarding the delay in the supply of raw materials, two reasons were found in the field. First, the obstacle was due to the market closure which occurred due to the restrictions on

mobilization imposed by the government during the Covid-19 pandemic. Second, as a result of these restrictions, several suppliers raised the price of raw materials. This event was experienced by almost all business actors, especially those engaged in the food industry. These two basic reasons are the reasons for the supply of raw materials to be hampered and affect the production activities of food business actors in Jember.

Regarding the business capital constraints, it was found that the main factor was a decrease in sales turnover. The decrease in turnover also affects the capital turnover of these food business actors. This also affects overdue payments from banks. Both business actors using banking services and non-banking services stated that the decline in sales turnover resulted in difficulties for business actors to obtain capital to carry out their business activities.

When mapped, of the five factors that have the most impact on the sustainability of the food industry in Jember, it can be stated that the biggest impacts are the decrease in sales turnover, business capital constraints, nonoptimal marketing, constraints in supply of raw materials, and problems in distribution channel of materials.

c. Food Business Actors Adaptation Strategy

Based on the research findings, in order to maintain sales turnover, business actors used a price adjustment strategy. The price adjustment strategy was carried out to increase demand. Buchari (2014) stated that price policy is a decision regarding the price to be followed for a certain period of time. Kotler and Keller (2008) stated that the objectives of pricing include; First, to help the company survive from unfavorable conditions. Second, pursuing maximum market share. Third, leadership in product quality. Fourth, maximizing short-term profit.

Furthermore, in order for distribution channels to run optimally during the pandemic, food business actors used online sales strategies. Most food business actors in Jember used direct distribution channels. The reduced mobility of citizens could also affect the decline in the distribution of materials from sellers to consumers so that some business actors chose promotions using online media so that consumers wanted to buy their products even though they were at home. This strategy was carried out in order to maintain the distribution of food products to consumers or suppress the decline in distribution activities as a result of the Covid-19 pandemic. Next, to make the distribution channels keep running, most food business actors used online sales strategies by utilizing various social media and applications, such as go-food, facebook, whatsapp, and other online media. As stated by Sarasa (2020) that in entering the new normal era, MSME actors who have fallen due to the Covid-19 pandemic need an extraordinary strategy, so that their business can survive and thrive in the era of adapting to the new normal. One of them is by using the current technological approach. Jati and Yuliansyah (2017), stated that consumer buying interest is categorized as quite positive towards online marketing strategies carried out by online shops for products being marketed.

Business actors implement a personal selling marketing strategy as an effort to keep their marketing activities running even during the pandemic. This is carried out so that consumers have an attachment to the seller even during a pandemic. The hope is that consumers are interested in making purchases either from home or directly to the counter. The personal selling strategy is carried out by contacting consumers who have been customers so far, using SMS, telephone, or WhatsApp. The personal selling strategy is also implemented by buying and selling online by utilizing the social media, then uploading product images so that they can be seen by potential consumers and loyal customers. In addition, some business actors choose to sell early to avoid restrictions (PPKM) imposed by the government. Personal selling strategy means that business actors are active in finding customer.

In order to maintain the availability of raw materials so that production remains optimal, there are two strategies used by business actors. First, the strategy of purchasing raw material stocks in bulk. Second, carrying out a price adjustment strategy. These two strategies are used by food business actors in dealing with the supply of raw materials that are hampered due to restrictions (PPKM) imposed by the government. Purchase of raw materials in bulk is intended so that production can continue even if there is a market closure due to the PPKM policy. In addition, buying raw materials in bulk can reduce prices because usually the purchase price is cheaper than buying in small quantities.

The price adjustment strategy is intended so that business actors do not make a loss due to the scarcity of raw materials which causes raw materials to become more expensive than usual. Ferdinand (2006) explained that price is one of the important variables in marketing as it can influence consumers in making decisions to buy a product for various reasons. The results of research conducted by Wijaya and Sirine (2016) found that in setting prices, business actors should employ cost plus pricing method. This method sets the selling price for one unit of soy sauce product from the production cost per unit product plus a certain percentage of the production cost. The pricing is chosen by considering that the company knows more with certainty about the cost of production than the consumer.

Next, to maintain the availability of business capital, several MSME actors have different strategies in addressing the challenges in the capital. This strategy can be divided into four main strategies. First, frugal strategy. The frugal strategy is intended so that business capital is effectively used for business purposes. Some food business actors obtain business capital from the daily sales profit. The pandemic caused business actors to save on daily needs to maintain the availability of capital for business. Second, budget management strategy. This strategy is carried out to make the business actors to be more discipline in managing their finance. The operating income obtained by some business actors from sales turnover is integral to daily or household consumption.

This will create an uncontrolled use of finance for business capital. Mien and Thao (2015) explained that financial management is related to the effectiveness of fund or capital management. Ida and Dwinta (2010) described financial skill as a technique to make decisions in financial management behavior, such as preparing a budget, choosing investments, choosing insurance plans, and using credit is part of financial skills. Budget management carried out by some food business actors in Jember is a positive thing, especially during the current pandemic because it is rare for MSME business actors to carry out budget management processes in their business operations.

Third, downsizing strategy. This strategy was chosen as a direct impact of the Covid-19 pandemic. The reduction in manpower must be taken because the business owners faced financial difficulties because they were unable to pay employee salaries. Although this option is less popular, it has to be taken because the income earned has decreased so that it cannot cover the operational costs of the business. Fourth, establishing a community of MSME actors. This is an interesting breakthrough, especially in response to the pandemic. The community is required to strengthen each other and support each other in various ways, including capital issues among MSME actors.

A community called IKM Nusantara was initiated by Mr. Rdr as the owner of a typical Jember Primadona souvenir business. In relation to community problems, there is the term Community of Practitioner (CoP) which means a group of people who have the same interests in a problem and work together to find a solution (Knowledge Management Team of PT. PLN Persero, 2009). There are several reasons that make Community of Practitioner considered unique which are; building knowledge into "Best Practice", knowledge that is targeted at real

problems, improves the quality of knowledge and its implementation in the future, allows the emergence of new innovations, and independent learning (Veronica, 2012). These strategies are used by food business actors in Jember so that the availability of capital for businesses can be maintained despite the decrease in sales turnover due to the Covid-19 pandemic.

4 Conclusion

Based on the results of the study, it is found that the Covid-19 pandemic affects the sustainability of the food business in Jember. There are five main impacts of the Covid-19 pandemic for food businesses in Jember. First, the Covid-19 pandemic affects sales turnover. Second, the Covid-19 pandemic affects distribution channels. Third, the Covid-19 pandemic affects marketing activities. Fourth, the Covid-19 pandemic affects the availability of raw materials. Fifth, the Covid-19 pandemic affects business capital. Most food business actors feel that the decrease in sales turnover, problems in the distribution channel of materials, and marketing activities that do not work are caused by the decline in the number of buyers due to the restriction policies imposed by the government. Regarding the delay in the supply of raw materials, two reasons were found in the field. First, the problem was due to the market closure which occurred due to the restrictions on mobilization imposed by the government during the Covid-19 pandemic. Second, raw material suppliers increased the price of raw materials. Regarding challenges in business capital, most business actors explained that the main factor was the decrease in sales turnover. There were several adaptation strategies carried out by food business actors in Jember including, price adjustment strategies, online sales strategies, personal selling marketing strategies, strategies for purchasing raw materials in bulk, frugal strategies, budget management strategies, workforce reduction strategies, and strategies to form communities of business actors.

Acknowledgements

We gratefully thank the Hibah Kelompok Riset 2021 Program by Lembaga Penelitian dan Pengabdian Kepada Masyarakat (LP2M) University of Jember for financial support.

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