

Adaptive and Digital Marketing: A Sustainable Strategy for Developing Culinary SME Business (Law of The Republic of Indonesia, Number 20 of 2008) Post-pandemic

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ABSTRACT

When situations and conditions in the small, medium and large-scale environments change, these changes have an impact on every activity, even the most pronounced post-pandemic areas of business. The SME-class culinary business in the city of Batu can survive and some are growing in the pandemic situation and conditions, and this is an interest to be researched to develop a post-pandemic business. This study uses a qualitative type with data collection namely observation, interviews, and documentation then analyzed using an interactive model. The results of this study prove that the Adaptive Strategy (SA) contributes to providing solutions to survive and or develop, it should be noted that being adaptive requires various maturity steps by examining various internal and external aspects. At least it needs a concept or strategy of "landscape, learning, leadership", which is strengthened by considerations and policies in efficiency, utilization, flexibility, timeliness, value, or cost. So that it can increase the ability to survive and even develop in various situations. In addition to Adaptive Strategies, Culinary SMEs use digital marketing strategies through social media. Social media is effective for business activities because it can bring together a brand/company/business with the target audience/market. Thus increasing revenue and being able to grow the business.

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I. Introduction

The wave of the Covid-19 pandemic that hit the world, especially in Indonesia since the beginning of 2020, has had a major impact on various aspects and activities of life, including in the business sector. Small and Medium Enterprises (SMEs) are seen as part of the economic pillars that make a large contribution to the national economy so they become one of the government's concerns. According to [22] that "Small and Micro Enterprises (SMEs) are important sectors and have a large contribution in realizing national economic development goals, such as economic growth, job opportunities, increasing foreign exchange, and regional economic development. SMEs are expected to have the ability to participate in spurring national economic growth so they need protection in the form of government policies such as laws and government regulations. There are regulations in the form of laws and government regulations relating to the production side, banking, and others".

Implementation of a business strategy requires innovation, so innovation in aspects of knowledge, organizational structure, leadership ability, regeneration, and employee abilities have a significant effect on business continuity [1]. Then it was stated that SMEs in Colombia the results that: "the difficulty in being sustainable is due to the lack of employee capabilities, the use of technology that has not been maximized, limited capital to advance, and the government's lack of attention [11]. Managers use skills that match their abilities based on the size of the company. The lack of management skills in small and medium-sized enterprises poses a significant challenge to business development and sustainability[5].

It is stated that the problems faced by SMEs can be faced with adaptation strategies to maintain business, some businesses are faced with quite high liquidity problems and the risk of bankruptcy [4]. Implementation of developing innovation in SMEs is a formidable challenge for managers in achieving their vision, mission, and goals, the ability to compete requires optimal and efficient use of resources [14]. Furthermore, it is mentioned that seven significant strategic implementation variables are an innovation in product and marketing, business exhibitions in the local environment, gender, strategic market location, sustainable business practices, marketing efficiency, and business reputation and superior service [16]. Then mentioned on SMEs in the Spanish Basque city, with the result: "1). long-term managerial orientation is a key factor for business development, 2). business innovation capabilities (customer needs, technology choices, conceptualization and experimentation, collaboration, and innovation strategies) support competitive ability and business development.

This step of implementing a sustainable business for SMEs is not only focused on overcoming the impact of the pandemic, but also on planning future business strategies after the current pandemic. So, in the business world, a sustainable business is a business that has a positive impact, both on the community, the environment, and on society as a whole. Meanwhile, sustainable business can be categorized into two: the influence of business on the environment and the influence of business on society. Through the implementation of sustainable business, it is hoped that this contribution can be made.

Sustainable business cannot be separated from technological developments. Technological developments make the world more connected and closer. Make the culture of a country more quickly recognized by other countries. Even in the product business one country can make products in another country. In this post-pandemic condition, technological developments are needed by all businesses to rise and continue their lives.

Based on the State Ministry of Cooperatives and Small and Medium Enterprises, the Central Statistics Agency (BPS), and Law no. 20 of 2008, what is meant by SME here is a company that has a net asset capital of less than Rp. 10 billion excluding land and buildings or has a total annual sales of less than Rp. 50 billion.

The empowerment of SMEs is seen as very important because the role of SMEs as a form of the people's economy is very large, and their contribution to GDP is 14.67 percent compared to the industrial sector which is only 13.80 percent and SMEs have an 8.53 percent share in labor absorption [3]. SMEs, which are an integral part of the national business world, have a very important and strategic position, potential, and role in realizing national development goals in general and economic development goals in particular [8]. This business is a business activity that is able to expand employment opportunities and provide broad economic services to the community, can play a role in the process of equity and increase people's income, and encourage economic growth [15]. The development of SMEs in Indonesia can be seen from four levels of development policies, namely: the meta-level, the macro level, the organization level and the micro level. At the meta-level, the political will of the founders of the Republic of Indonesia has provided support based on clear and firm legislation for cooperatives, as stated in Article 33 of the 1945 Constitution and its explanation [18].

The company's mission is a unique purpose that distinguishes it from other companies of its kind and identifies the scope of its operations. The organization's mission is the purpose or reason why the organization exists and defines the fundamental and unique goals that distinguish a company from other companies [24]. Resource Based View (RBV) theory emphasizes that resources are what actually help companies exploit opportunities and neutralize threats, and for a valuable resource, it must be rare, difficult to imitate, and not easy to replace [4], [5], [2]. A resource-based view of the company's insight into the company's performance that has implications for competitive advantage makes an important contribution to strategic management. Furthermore, he argues that most of the contributions of this theory are conceptual rather than empirical [4], [21].

Whereas Resource Based View Strategy is an organizational resource management strategy proposed by Barney. This strategy can produce competitive advantage, not only in organizational culture but includes all company assets, capabilities, organizational processes, company characteristics, information, knowledge and so on which these resources are under the company's control for strategy implementation in order to achieve effectiveness and efficiency, [22]. Then it is stated that RBV can explain that companies with the ability to manage "budgets, develop human

resource capabilities, and utilize information technology" to the maximum can create value for the company. The assumption of this theory is how companies get added value by managing their resources according to the company's capabilities [10].

The strategy that has been set must be implemented, not just a plan. The implementation of the strategy must be appropriate and in accordance with the strategic plan that has been set, without the appropriate implementation of the strategic plan, it will only be a dream far from reality [17]. Predicting business sustainability is very important for management and business owners to anticipate the possibility of a potential bankruptcy [7]. So it is clear that business sustainability is a condition when a company has the ability to run and develop its business. As it is said that: "the sustainable business perspective takes into account not only profits and returns on investment but also how business operations affect the environment, natural resources, and future generations".

It is important for business people to implement "sustainability", in addition to contributing to facing challenges in business competition. Implementing a "sustainable" business will also be able to affect the business's success [12]. When a business focuses on sustainable business, it has indirectly shown a professional attitude and concern for all parties [23]. In addition, the principle of sustainability will also motivate to align the vision, mission, goals, and values of the company so that the entire team can not only contribute to building, maintaining, and enhancing the reputation of the business, but also to meeting customer needs while finding new opportunities for development. business in accordance with the times [9].

In keeping up with the times, SMEs are expected to be able to market their products by applying technology. According to Safitri (2015) and Kautsarina (2013) that SMEs must be careful in choosing social media that is in accordance with their marketing objectives. Maharani, Ali, and Astuti (2012) stated that SMEs are one of the important business sectors in Indonesia because they have an important role in the economic growth of Indonesia. Although there have been many SMEs that have developed in Indonesia and apply information technology for their business activities, there are still many SMEs that have not implemented information technology, especially using social networking media, and do not understand how big the benefits and role of using social networking media are.

Mohammed, Fisher, Jaworski, & Paddison (2003), digital marketing is the process of building and maintaining relationships with customers through online activities to facilitate the exchange of ideas, products, and services that provide satisfaction to both parties. Nugrahani (2011) states that the development of information technology applied in business is called digital marketing which is not only used by large companies but is also used by SMEs in marketing their products. By using digital marketing, SME product marketing can be broader and can achieve greater profits.

II. Methods

The type of research used is qualitative research, "qualitative research appears with various terminology, including constructivist, naturalistic, interpretive, and post-positivist or postmodern qualitative research terminology is a series of non-statistical research techniques and processes used to collect data about social phenomena" [20]. The purpose of qualitative research or naturalistic inquiry is to develop concepts that help understand social phenomena in natural settings, by emphasizing understanding, experience, and looking at participants [6].

The sample of this research is culinary business owners (SMEs) who meet the inclusion and exclusion criteria (assets and labor according to BPS provisions) selected by purposive sampling. So the sample of this research was determined by BSI's Culinary Sector SMEs in Batu City. Then the data were collected using observation, interviews, and documentation. The research data analysis used an interactive qualitative analysis model consisting of "data collection, data display, data condensation and conclusion - drawing / verifying" [14].

III. Result and Discussion

There are 50 business owners or leaders engaged in the culinary business that are used as research samples, with 50 people having varied backgrounds, including 15% between 20-30 years old, 55% between 30-40 years old, and more than 40 years old. there is 30%. Most educations have high school graduates/equivalent, namely 62%, there is 25% undergraduate, and 13% others. Having

a length of business between 2-5 years is 20%, then the length of business between 5-10 years is 65% and more than 10 years is 15%. The number of employees who work less than 3 is 40%, then 3-5 there are 45% and more than 5 employees are 15%. There are 82% of businesses that survived during the Covid-19 pandemic and 18% that could grow by adding culinary products and by opening branches elsewhere.

In order to find out the strategies used by business owners or leaders engaged in the culinary business of BSI-assisted SMEs in the Culinary Sector in Batu City, it can be seen in the following description.

No	Ability	Strategy
1	Survive	No specific strategy line of business as before Covid-19 Reduce contests that are considered waste Using go-food services
2	Developing	Develop a strategy that is deemed appropriate Running a business with innovation Reducing expenses that are considered waste Using go-food services Maintain good relationship with customers Looking for new customers to become customers Improving the quality of culinary products and services Give discounts for big purchases Give employee bonuses if you get new customers Innovate in marketing activities Develop cooperation/collaboration models Applying for a bank loan for expansion Using own savings for expansion Using the Instagram Platform for product promotion Using Instagram Ads in promotion

Source: data processing, 2022

The ability to survive and develop culinary businesses (SMEs) obtained from the results of this study provides evidence that every situation and condition has its strategy that needs to be used, this strategy is the Adaptive Strategy (SA). This is following the thinking of [19] that: "organizations that can survive and live long are not the strongest but the most adaptive, namely those that always adapt to various changes". Adaptive is a focus on making business processes more flexible and capable so that organizations can make rapid changes. The level of adaptability is also referred to as one of the cultural requirements that makes an organization able to change and compete while winning the competition [2].

An adaptive organization can: "focus on efforts to develop change, enhance organizational performance such as profitability, growth, liquidity, and others. Utilizing information technology to automate new forms of collaboration, innovation, resource sharing, and sourcing. Stay optimistic about resources (such as people, products, services, technologies, and processes) and do everything in a competitive market that is constantly changing.

Reality can be found, that in the business world there are quite a few successful owners or leaders who see differences, and changes and can use them as the key to competition. For example, while many view the emergence of the internet as a threat to business, others see it as an opportunity. To know when to change, a business owner or leader must survey a broad, broad range of business views. Looking at the business environment, identifying capabilities and their relationship with other similar business organizations, then making Internal Factor Analysis Summaries (IFAS) in the form of strengths and weaknesses, as well as external factor analysis summaries (EFAS), namely opportunities and threats observantly and carefully. The next important thing is to first understand the business organization before starting to change it, then understanding

the organizational landscape and the role of change in the business is a point for critical strategic analysis of the company.

Along with the development of digital technology, SMEs can market their products online and make transactions through the online banking system as well. The development of digital technology has changed marketing from small and medium enterprises (SMEs) which was originally done conventionally to digitally by utilizing the use of social media and the use of websites to market their products. The use of online media is the right choice for SMEs to develop the business they run. The ease of internet access today, the magnitude of the benefits, and the low cost required are the main reasons for SMEs before they finally choose online media as the right solution to expand their business reach.

In this case, culinary SMEs use digital marketing strategies through social media. One of the selected social media is the Instagram platform. Instagram is an effective social media for business activities because it can bring together a brand / company / business with their target audience / market based on information principles and according to the essence of social media as a means of communication and information with user friendly features and provides convenience for the user experience.

Apart from using Instagram for information and communication, UKM Culinary also spreads advertisements on social media. Ads can appear on social media according to the selected criteria. Relevant ads can be executed not only using the Instagram Ads feature, but also through publicity activities on Instagram through influencers, celebrities, and food bloggers.

So the strategy is to use digital marketing that can be used for online marketing and sales. Culinary SMEs will certainly be able to increase sales volume online. In the end, it will increase business income and will eventually be able to develop the Culinary SME business after the pandemic.

IV. Conclusion

Any business, in any form and type of business and wherever it stands cannot avoid aspects of competition and changes in the social, economic, cultural, and other environments including Covid-19 which has hit since the end of 2019. For SMEs, the culinary business is a challenge in various conditions. needs to be anticipated so that it can survive and it can develop in the conditions faced in its scope of business. Adaptive strategy or adaptive strategy is a solution that can make a high contribution to survival and development. Managing an adaptive business requires non-traditional vision and skills, so situational leadership is needed to be successful against the complexities of change and competition. Owners or leaders must think not only with whom to create relationships (relationships) but also the type of relationship they want and the risks associated with various relationships, also need adaptive leadership in a complex environment, so that the business or business being run can survive and thrive.

In following the development of the Culinary SMEs era, they use digital marketing strategies. Digital marketing strategy through social media. One of the selected social media is the Instagram platform. Instagram is an effective social media for business activities because it can bring together a brand/company/business with the target audience/market.

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