
Differentiation Strategy of Tofu and Tempeh Micro, Small, and Medium Enterprises for Food Security During The Covid-19 Pandemic

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ABSTRACT

Purpose: To achieve the level of prosperity is not an easy thing. Becoming an entrepreneur is not an alternative profession, but being an entrepreneur is a strategic choice that must be made with a firm and strong determination.

Findings: The essence of entrepreneurship is to build an entrepreneurial atmosphere so that students like challenges, are creative, innovative, and have the courage to take or manage risks (character).

Research limitations/implications: Imagine if all graduates in Indonesia had entrepreneurial characters, of course Indonesia would rise to become an authoritative country in the eyes of the world. Indonesia will have strong competitiveness, its economy will be independent, and its image will improve.

Practical implications: The formulation of the problem in this study is how the entrepreneurial attitude of students so far and how the needs of teachers and students for teaching materials that can improve the entrepreneurial attitude of students.

Paper type: Research paper.

Keyword: Digital Books, Experiential Learning, Entrepreneurship

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I. INTRODUCTION

A. Background

The government continues to increase the prevention of coronavirus, which is currently at large-scale social restrictions. According to Minister of Health Regulation Number 9 of 2020, concerning PSBB Guidelines in the Context of Accelerating Handling of Covid-19, it includes certain activities of residents in an area suspected of being infected. It limits the movement of people and goods for a particular province, district, and city. As pandemic attacks, the Ministry of Cooperatives and SMEs states that there are 37,000 MSMEs seriously impacted. The details are: 56% experienced a decline in sales, 22% had financing difficulties, 15% had problems with the distribution of goods, and 4% lacked raw materials. This problem is increasingly widespread if associated with the policy in several other areas, resulting in many people staying at home. No less than 1.6 million workers have been laid off, given the weak financial liquidity and heavy labor costs.

The OECD explains several solutions to maintain the performance of all businesses, such as strict health protocols, delays in debt payments, financial assistance, and structural policies. At the same time, the long-term strategy focuses on the introduction and use of digital technology, as well as preparing to enter the Industry 4.0 era. First, there is no need to panic, and always be vigilant to maintain the health and safety of employees and customers. Second, think positively and believe that there is an opportunity in every crisis.

Third, it relates to the adaptation strategy and the suitability of the business model with current conditions. This short-term and long-term strategy must be prepared while hoping for a vaccine to be found and mass-produced soon.

B. Problem identification

Do the product, quality, and image differentiation strategies have a significant effect on food security?

C. Research Objectives

The study is to apply a differentiation development strategy for sustainable competitiveness through:

1. Product improvements,
2. Quality advancement,
3. Image breakthrough, with the same types of products from Kediri, Jobang, and Sumedang,

II. LITERATURE REVIEW

A. Differential Strategy

It is a way to achieve long-term goals, such as geographical expansion, diversification, acquisition, product development, market penetration, employee rationalization, divestment, liquidation, and venture. It is a comprehensive and integrated plan that links the strategic advantages with environmental challenges to reach primary objectives. According to Kertajaya (2007), all efforts create uniqueness with others to provide the best value for consumers.

B. Product distinction

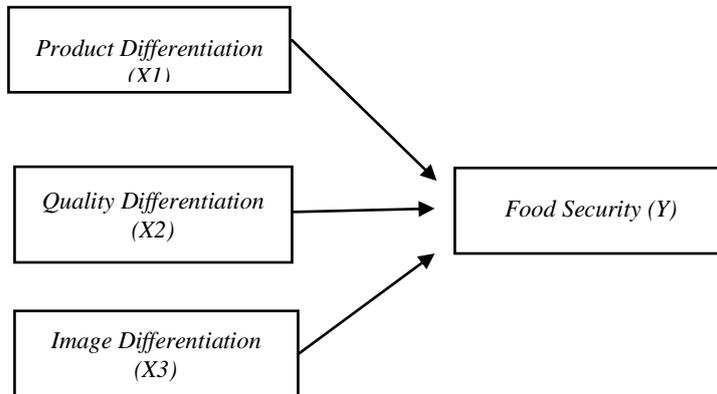
Here, the company creates new exceptional ones in terms of quality to support the position in the market. The comparison can be with alternative ones. The quality reflects how a product can be appropriately used and trusted until the end of time. Budiyo (2004) argue that the most important determinant of new product success and profitability is its standing. The ones with uniqueness and differentiation are the hallmark of a company.

C. Food Security

According to Ross (2001), food security is a condition when everyone at all times has access to and control over food in sufficient quantities and of good quality for an active and healthy life. In Indonesia, it is stated in Law No. 7 of 1996, which explains five parts:

- 1) Availability. Fulfillment of sufficiency in terms of quantity for the community, plants, and animals.
- 2) Health. Standard terms must be reasonable and fit for human consumption to meet the needs of carbohydrates, proteins, fats, vitamins, and minerals.
- 3) Safety. It means that there are no harmful ingredients that can harm human health.
- 4) Even distribution. People can find it easily everywhere.
- 5) Affordable. It is available at a reasonable price.

III. FRAMEWORK OF THINKING



Information:

→ = Showing Simultaneous Affecting Relationships

Customers expect to get satisfaction. These expectations will be influenced by past experiences, comments from relatives, promises, and rival information. Universities must create, manage systems to acquire more customers, and maintain their quantity to complete customer satisfaction (Supranto & Limakrisna, 2011).

IV. RESEARCH METHODS

A. Types and Approaches of Research

This type of research is descriptive to analyze the data without intending to make generalizations. The approach used is qualitative to understand the underlying meaning of human behavior.

B. Place and Time of Research

The object was Tofu Industrial Center in Sidoarjo.

C. Population and Sample

It combines all elements such as events, things, or people with similar characteristics that become a research universe. In comparison, the sample is a subset of the population (Ferdinand, 2014:171).

D. Data analysis

The qualitative research method is a study to examine the condition of natural objects, where the researcher is the critical instrument (Sugiyono, 2005). According to J.Moleong (2005:6), it intends to understand what is experienced by the subject. It includes behavior, perception, motivation, action, and others holistically and descriptively. It is in the form of words and language, in a particular context that is reasonable, by utilizing various natural methods.

E. Types of Data and Data Sources

It is a measurement of qualitative data.

F. Data Collection Techniques

Interview.

V. DISCUSSION

This study identifies the importance of product differentiation using a case study and data collection techniques using snowball sampling through interviews, observation, and document studies. The results show that it is an effective solution to increase the competitive advantage of production for food security. Product differentiation, according to Kotler & Armstrong (2012), includes privileges (features), performance, style,

and design. The implication of the results is to make a positive contribution to the government to pay more attention to the local potential by creating new and more productive business opportunities with high economic value. At the same time, it empowers the surrounding community as subjects in the business by establishing partnerships. According to Kartajaya (2004), generic defines uniqueness as integrating content, context, and offering infrastructure to customers. Offers must be completely different in what and how to offer, where the infrastructure must be possible for the company. Furthermore, Kartajaya states that distinction is none other than every effort to incorporate them as far as possible. The context and infrastructure must be excellent. So, the promises made are reflected in positioning the product, brand, and company. Opinions of research informant 1 (Producer) in terms of specificity are: The uniqueness of the product compared to its competitors in terms of shape design and packaging made of plastic, standing pouch, and leaves. Another strategy to support product differentiation is to use high-quality and expensive soybeans and adopt the production style from Malang and Pekalongan. It is at the same time a differentiator of our products with others. The opinion about packaging in the form of design and other local potentials was expressed by the 2nd informant (Reseller): It adopted the production technique from Malang and Pekalongan. Not all consumers like them and know about manufacturing adoption from Malang; therefore, resellers outsmart it by buying and reselling the two adopted products twice. Another opinion that supports the importance of differentiation strategy was put forward by the 3rd informant (consumer): The main attraction of tempe and tofu is the excellent quality of soybeans, lasting up to 2 days, and affordable selling prices between Rp.3000,- Rp. 5000., according to the quality of the material. Imported ones from America are of good quality. However, some consumers are not satisfied with the reduced size at this price during this pandemic. Finally, interviews conducted by the author with entrepreneurs reveal that soybean consumption before the pandemic could reach 1 ton per month, compared to only 300 kg-500kg today.

VI. SUGGESTIONS

1. Business owners must produce exceptional products or create new strategies so that consumers are loyal. They have to focus on running the business even though there are many competitors.
2. Entrepreneurs should provide online media services for easy buying.
3. Financial statements must be recorded to know business performance.
4. Applied marketing strategy should be maintained.

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