



Research Article

Performance of culinary SMEs and literacy digitalizations: An evidence from culinary SMEs in Indonesia

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ABSTRACT

SMEs have faced a terrible situations regarding covid-19 pandemic as well as other business entity. There were previous study about SMEs either SMEs' Performance or SMEs' going concern. The conclusions of study on SMEs stated that digitalization literacy is one priority as a problem solving of SMEs' sustainability. This article try to answer the questions weather digital literacy among culinary SMEs would assist and support SMEs going concern in the future. Methods for this study is qualitative approach and confirmed the result through indepth interview with key informants, such as tribal ancestors, SMEs' actor, regulator, customer. The result of this study is digital literacy supported culinary SMEs in term of product provided and marketed, especially during period of covid-19 pandemic situations. It also means quality of SDM of SMEs actor should upgrading to achieved sustainability of culinary SMEs. The future research is the location and the kinds of product produced other than food and beverages such as services, tourism industry, the art and many other kinds of product and services provided by SMEs.

Keywords: SMEs; Performance; Culinary; Digitalizations; Literacy; Covid – 19

1. INTRODUCTION

Global situation currently is not in good atmosphere, after covid-19 pandemic, recently so many crises which every country should overcome. Those are crisis of energy, food and the most significant crisis is geopolitic crisis. Geopolitic crisis impacted also on crisis energy and crisis food, unfortunately this kind of crisis is uncontrollable crisis, due to the crisis of geopolitic ended is depend on the country of Russia and Ukraina willingness to stop the war. Many countries should ready by developing the back up strategic plan to protect their citizens during the crisis. Although Ministry of Finance of Indonesia stated that only by 2% opportunity of Indonesia exposed on crisis, still we should have early warning system and back up system for people of Indonesia,

Many countries struggling on their economic conditions, including Indonesia. As an asean countries and emerging countries with huge populations, Indonesian society economic dominated by Small Medium Seized Enterprises entities (SMEs). In general, SMEs in Indonesia majority in the business of culinary and mostly the locations are in the rural area (Arapova). Government has released some relaxations policies to support and assisted



development of SMEs in the difficult time due to pandemic. This policy of relaxation in line with several conditions in developing countries as countries like Indonesia as developing countries, investment in education for the people will increased their capacity or human capacity index (Arapova).

As we know, culinary SMEs majority in the rural area, therefore by stimulating culinary SMEs of government policy, indirectly supported economic growth of Indonesia after covid-19 pandemic. Through literacy economy and literacy digital, culinary SMEs expected could survive in their business by practising digital marketing such as on line marketing and online payment (Tiwasing et al., 2022). Technology of digital have given the possibility to all people surrounding the world communicate interactively without border. This conditions help culinary SMEs to expand the market through internationally product of SMEs.

2. LITERATURE REVIEW

The chapter of Literature review consists of explanation regarding Performance of Culinary SMEs and digital literacy on Culinary SMEs.

2.1. PERFORMANCE OF CULINARY SMEs IN INDONESIA

Some previous study used terminology of performance as survive in the long run or sustainability According to (Hasan, Hayati, Miranda, Sasmita , & Shafar, 2021) which the study of culinary SMEs in Makassar city, the SMEs slowly but sure has been shifting from traditional markets to digital markets and this business similar to other businesses entity naturally faced so many challenging and this situations could solve through collaborations among them and also be an innovative (Claudya, Suryani, & Parulian, 2020) and the creative business entity. To attract more customer and retained the existing customers, Culinary SMEs should focused on customers and the opportunity to increase the sales, and also focused on competitive advantages to be a winner in the difficult periods (Claudya et al., 2020). Culinary SMEs in Bogor city increased the sales through received halal certificates from MUI and proven the functions of halal certificates push the trust of customers to consumed the halal products (Khairunnisa et al., 2020). Meanwhile, In Bandung city, Culinary SMEs used e commerce to increase the sales and it proven through study (Ahmadi et al., 2020). According to (Arodi, 2017), literacy financial in Malang City for Culinary SMEs actor or owner have significant influenced to performance and also increased the rate of credit settlements. Increasing in the credit settlements also means that culinary SMEs have enough cashflow to pay the credit on time. In Denpasar, Bali Culinary SMEs survived through providing training to their employees to increase the capability in handling the business, designing online marketing products, pricing the product on market based, focused on promoting products and services provided to potential customers (Borishade et al., 2015).

2.2. DIGITAL LITERACY AND CULINARY SMEs

Survey on Culinary SMEs in Garut, West Java Province concluded that Electronic Words of Mouth (e_WOM) is one of the most effective and efficient ways to promote products to

former or previous customers, actual customers and potential customers in the future (Juliqah, 2015). Meanwhile, Culinary SMEs in Langkat city North Sumatera Province, used Social Media platform for brand images in order of branding for Langkat culinary ancestors called spicy porridges, as well as used web site creativity and attractive packaging (Fadli et al., 2022; Arbawa & Wardoyo, 2018). Eventhough culinary majority in the rural area, it is proven by using various tools of digital platform the Culinary SMEs will achieved its going concern in the long run, this is due to social media or online media make easier to its user to contact customers by online, no cost of transportations and no geographical barriers at all (Tiwasing, Clark, & Gkartzios, 2022). Digital literacy as well as digital finance support and have positively impacted on the performance of culinary SMEs either on the financial performance or non financial performance (Kulathunga et al., 2020). Financial performanve it means a figure describes regardeng sales or omzets, gross profit and net profits. Non financial performance means the reputations, images and brandings of their products. In Bali, culinary SMEs survived during the pandemic due to focused on increased their skill on using digital tool to market their product in the lockdown situation as well as using online payment to settle the transaccations (16).

Based on previous literature review, author developed the research questions weather digital literacy among culinary SMEs actor or employee in Depok City solve the problem arised during covid-19 pandemic due to the situations and conditions less condusive to conduct mobile activity to customers and also payment online platform and in the Depok City, Indonesia almost 90% on average the business of SMEs are in the culinary products.

3. METHODOLOGY/MATERIALS

This Sub chapter will explained about Methods of study and the materials in processing the research to answer the redearch questions and research objectives.

3.1. METHODS

This is descriptive analitic study approach since literature review based, data provided by some sources and indepth interview to key informant related to the topic and observation by using the five senses. The literature review selected about going concern of SMEs locate in Kota Depok, West Jav Province. Observation focused on SMEs activities in those city. and the key informants consists of SMEs actor, customer, regulator. Based on data provided we try to mapping the formulation of going concern of SMEs in those area and the digital literations contributions to culinary SMEs performance. Based on interview guidelines, we recorded all the answer of key informant to answer the objective of the study.

3.2. MATERIALS

This study started from phenomena of culinary SMEs dominated in the SMEs business, especially in the Depok City, almost 90% of total SMEs operated in the Depok City in the food and beverages industry. Next, held a literature review regarding topic culinary SMEs in some cities in Indonesia, concept of SMEs in some countries and concept of digital literacy.

In the Depok city we summarize the data regarding the Culinary SMEs related to profile SMEs owner and their employee.

4. RESULTS AND FINDINGS

This chapter describes about the results and findings of the Culinary SMEs in Depok City, Indonesia in order to answer the research questions and research objectives.

4.1. RESULTS

Table 1. Characteristic of Culinary SMEs in Depok City

Variables	Characteristic	amount	Percentage
Gender	Male	3	5%
	Female	59	95%
Education	Junior High School	5	8%
	Senior High School	35	56%
	Diploma 1 / Diploma 2	7	11%
	D3 (Diploma)	6	10%
	S1 (undergraduations)	8	13%
	S2 (Master Degree)	1	2%
Employee	1	39	63%
	2	13	21%
	3	5	8%
	>3	5	8%
Monthly sales	< Rp 500.000	1	2%
	Rp 500.000 - Rp 2.000.000	39	63%
	Rp 2.100.000 - Rp 3.500.000	7	11%
	Rp 3.600.000 - Rp 5.000.000	8	13%
	> Rp 5.000.000	5	8%
	others	2	3%
Business started	< 2000	1	2%
	2000 - 2010	8	13%
	2011 - 2020	41	66%
	2021 - 2022	12	19%

Sources: Primary data (Processed by Author)

Table 1 describes characteristic of culinary SMEs in Depok city, Indonesia. All Culinary SMEs operates in Depok City amounting to 62 business entity. Business culinary has been a majority field of SMEs in Depok City with an average 95%. The rest of SMEs (5%) provides services and products non Food and Beverages to customers. Education of SMEs actor graduated majority from senior high school it means that actually they already have an enough capacity to handle a business in the level of SMEs business. The SMEs actor single managed their business (61%) and monthly Sales majority amounting on the range from Rp 500.000 to Rp 2.000.000 by monthly and mostly SMEs actor started their business since 2011 to 2020. It means not to long established their business and still in the growth level of business life cycles. Entities in the growth level of business cycles needs so many investments not only for improving the human quality but also in the improvement of

products provided to former customers, actual customers and potential customers in the future.

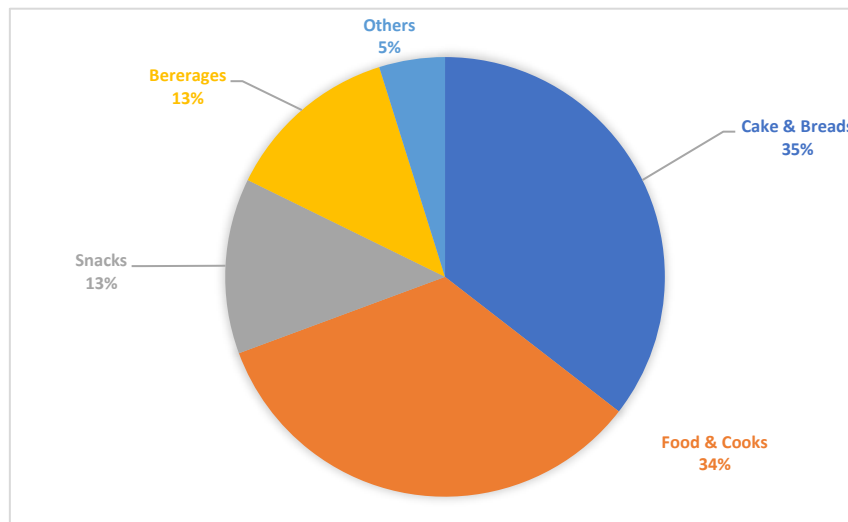


Fig. 1. Detail product Food and Beverages of Culinary SMEs in Depok, Indonesia

Fig 1 regarding the detail of Food & Beverages of Culinary SMEs in Depok City, Indonesia types of Food and Beverages of Culinary SMEs in Depok City, Indonesia consists of Snacks, Beverages, Food and cook, cake and breads and many others. Based on in-depth interview to one of the Culinary SMEs in Depok City, Indonesia let say Mrs A, the types of culinary products not only depends on their skill but also through observations and survey of customers' demand on the specific times. Next, Mrs A stated, they are clustering the customers by their age, Childrens, millenial or teenagers customers and the adult people customers. According to the key informants, the children and the millenials chosen of food and beverages influenced by whats have been happening, or trending topic or viral in the such a time. So it needs quick response of culinary SMEs actor to grab the opportunity in order to elevated their revenue or performance. The millenials needs to express themselves to the society. Table 2 shows the details of food and Beverages in Culinary SMEs.

Table 2. Detail Food and Beverages of Culinary SMEs in Depok city, Indonesia

No	Foods and cooks	snacks	Cake, bread	Beverages	Others
1	Ketupat santan, Nasi uduk. nasi kuning. Cetring dan cemilanrumahan Nasi lontongsayurgorenganlonton gisi, Ikan Bakar, ayampenyet, ayambakar), kentangbalado / kentangpenganten) kripiksingkongbalado, Cilokmercon ,kebab mambo. laukpauk	Snack, kuebetawi, makanantradisional al Seblak,jajananana k Oleh-oleh Kota Depok keripik gepok Singkongbumbu, combro, kroket,Rempeyek, keripiktempe opakrempah, makaroni	Aneka kuekering, roti pastry Roti &pudding, Kue tradisionalBeta dodol,wajik ,geplakdll kue horn/cumcum Roti, kuebasah, &kering, cake, klappertaart	Minumankesehatan & an KacangKedelai Jahe Merah Instan, healthy Coffee	Sari Merah Bawang goreng dan bawangputih

Based on data provided by government of Depok City, we grouped the culinary in Depok city into recipe of food local wisdom based, millennials recipe of culinary, healthy food. According to one of the key informant. This grouping is one of the strategy to focused on each segment. For healthy foods the segment focused on the adult society and above of age who usually focused on how to maintain their health. Local wisdom food consumed by kids and millennials and adult people, such as dodol betawi, cilok and many others.

4.2. FINDINGS

Based on data and information provides by actor of culinary SMEs Depok City, and also observations and indepth interview to some of key informants, author finds that Culinary SMEs in Depok City impacted by covid-19 pandemic this is in line with some studies in other city in Indonesia (Hasan et al., 2021; Claudya et al., 2020; Khairunnisa et al., 2020; Fadli et al., 2022; Arbawa & Wardoyo, 2018; Ahmadi et al., 2020). Culinary SMEs not only have limitation on the capital or financing but also suffered during the pandemic time, because of the limitations of society mobile activities not only from SMEs sides but also from customers sides. And majority of them is informal sectors and depend on day to day mobile activities to markets their products to the actual customers, previous customer and potential customers in the future. Food and Beverages is a basic needs for human beings, so in the difficult time individual will allocated their fund for the primary needs of their livings. This the rationale culinary SMEs major part of SMEs business and expected to give most contribution to the recovery economic of growth after covid-19 pandemic conditions.

Literacy digitalization proven assist Culinary SMEs during the difficult time, which majority used social media platform of whats apps and many others platform such as line and Instagram, twitter platform, this findings support several previous study (Hamdani & Maulani, 2018; Tiwasing et al., 2022; Kulathunga et al., 2020). Literacy digitalizatio needs skill of Culinary SMEs actor to market their product in sophistaced way, such as attracted packaging and viral food and beverages and healthy food for adult and above generations.

Based on detailed of kinds of food and beverages or culinary industry in Depok City, we finds of three grouped the culinary in Depok city. There are consists of recipe of food local wisdom based, millennials recipe of culinary, healthy food. This grouping is one of the strategy to focused on each segment. For healthy foods the segment focused on the adult society and above who would focused on how to maintain their health. According to culinary SMEs actor which focused on the millenials segment market, there were a huge utilizations of digital to market their product to millennials. It means that this kinds of Culinary SMEs should upgrading their level literacy more than other culinary segmented customer such as helathy food and local wisdom food. This findings inline with findings of culinary in Bali (Lestari et al., 2022),

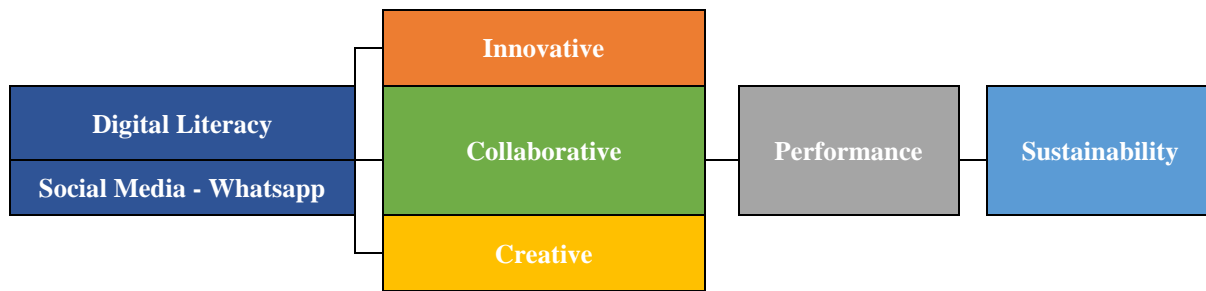


Fig. 2. Digitalization literacy role on Performance of Culinary SMEs in Depok City.

Fig. 2 described about Digitalization literacy role on Performance of Culinary SMEs in Depok City. Author try to described how Digital literacy on culinary SMEs actor support culinary SMEs performance and sustainability. Culinary SMEs handle the business from preparing the product processing the product and delivery the product and settlement thr transactions through platform online. This Platform need innovations, collaborations and creativity of culinary SMEs actor. Innovative in producing various food and beverages to actual, prospective and precious customer. Next needs collaborations between culinary SMEs in running the business, such as product complementary, product derivative or to fulfill increasing order from customers. Finally, Culinary SMEs should creative in provided promotions tools through various platform online such as create attractive short video to tiktok platform. The collaborative, innovative and creativity support the several study on Culinary SMEs (Hamdani & Maulani, 2018; Tiwasing et al., 2022). To execute role of Digital literacy needs training to employee of culinary SMEs and these findings support theory of Knowledge Based View (KBV) on culinary SMEs which is still debatable among literature study on culinary SMEs (Kulathunga et al., 2020)

5. CONCLUSION

This part consists of two parts, conclusions and recommendations for future directions.

5.1. CONCLUSIONS

Covid-19 pandemic have been accelerated the society shifting to digitalizations era. Culinary SMEs as business entity should adapted in this situations in order to keep survive in their business. Culinary SMEs similar to other business implemented the breakthrough strategy to keep going on their business. Era digital gives the major contributions to make Culinary SMEs opportunity to grab many demand for any kinds of food and beverages to customers. Culinary got advantages since Food and Beverages are the basic needs for mankind. Culinary SMEs trust that Digital literacy is a necessary conditions to maintain their performance even in the difficult time as covid-19 pandemic era.

5.2. RECOMMENDATIONS FOR FUTURE DIRECTIONS

Since this study take in one locations of culinary SMEs in Indonesia, in the future have an opportunity for future research on the research methods of empirical study and also the sample from global view to make the generalizations of the study conclusions.

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Conflicts of Interest:

No.

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