

# Strategy For Strengthening SMEs Pempek Palembang Using Local Resources of Snakehead Fish (*Channa striata*) During the Covid 19 Pandemic

Nirmala Jayanti<sup>1\*</sup>, Budi Fachrudin<sup>2</sup>, Yuwinti Nearti<sup>3</sup>

<sup>1</sup>University of South Sumatra's Faculty of Agriculture's Agribusiness Study Program

<sup>2</sup>University of South Sumatra's Faculty of Agriculture's Agribusiness Study Program

<sup>3</sup>University of South Sumatra's Faculty of Agriculture's Agribusiness Study Program

\*Corresponding Author: [nirmala.jayanti@uss.ac.id](mailto:nirmala.jayanti@uss.ac.id)

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**Abstract:** The people of Palembang city during the covid-19 pandemic, which lasted for approximately three years, tended to be more selective in buying products, one of which was the most popular Palembang food, namely pempek. The Covid-19 pandemic has also brought significant changes for Small and Medium Enterprises or SMEs in Palembang City. Many SME players have experienced a decline in sales since this pandemic, one of which is the SMsE Pempek of snakehead fish. Based on this condition, during the COVID-19 pandemic, there is a need for a strategy to strengthen SMEs that produce pempek of snakehead fish using a SWOT analysis. This research was carried out in the city of Palembang by taking samples 12 respondents at a SMEs Pempek Snakehead fish. This SMEs is located on Jl. Pakjo Palembang by consideration as one of the producers of snakehead fish pempek which is still active during the COVID-19 pandemic. In order to survive during the COVID-19 pandemic, SMEs Pempek Palembang must implement several targeted strategies, including improving services with 24-hour admin services via Whatsapp application (chat/phone) so that they can be ordered anytime, the order method made by order, creating innovations by using shuji/pandan leaves as a natural dye for pempek and minimizing the fishy smell of fish, making an MoU to snakehead fish farmers so that the availability of raw materials is guaranteed and the price is relatively more stable. In addition, the government, especially the fisheries service, can encourage the community to be more active in cultivating snakehead fish.

**Keywords:** SMEs, Pempek of snakehead fish, covid 19 pandemic

## 1. Introduction

The people of Palembang city during the Covid-19 pandemic lasted for approximately 3 years tended to be more selective in buying products, one of which was Palembang's most popular food, namely pempek [1]. The Covid-19 pandemic has also significantly changed Small and Medium Enterprises or SMEs in Palembang City. Many SMEs players have experienced a decline in sales since this pandemic, one of which is the snakehead fish pempek SMEs.

Much research has been carried out on the Strategy for strengthening Pempek SMEs during the Covid-19 pandemic, including [2] stating that SMEs can implement a strategy to survive by doing online marketing, selling through e-commerce, improving services and improving product quality as well as optimizing relationships with customers. [3] The success of the policy of saving MSMEs from the impact of the COVID-19 pandemic needs to be supported by a short-term strategy and a long-term strategy to maintain the sustainability of SMEs as one of the actors in the Indonesian economy. The SMEs are an industry that can survive during the Covid-19 pandemic [4]. This is due to the ability to adapt SMEs businesses to the latest innovative products through digital marketing [5].

Digital developments in globalization are very influential on the wheels of the economy, including the retail market. Due to the coronavirus, one by one, modern retail markets, large, micro and small, have started to experience a decrease in income. Even by presenting the convenience of shopping, in fact, in the digital era, people are still reluctant and prefer to do online shopping activities or use media applications. There are many advantages offered by online shopping. Several steps can maintain its existence in the market, especially in the digital era, such as customer refocusing and industry rethinking, designing social and digital strategies and developing organizational capabilities. The analytical procedure used in this research is SWOT.

The SWOT analysis results show that the IE matrix for Puduk Gresik's SMEs is in a position of growth and stability. The results of choosing a strategy using the AHP method determine alternative strategies, namely maintaining prices and increasing product quality without preservatives to increase consumer loyalty to products and obtain promising benefits. In addition, the Strategy is to carry out online-based promotions and provide discounts to be more widely known and attract consumers' interest outside Gresik City. These two strategies are chosen to strengthen the marketing strategy to increase Puduk Gresik's MSMEs competitive advantage. [7] Micro, Small and Medium Enterprises

(MSMEs) must be competitive to survive. One Strategy that can be applied to increase competitiveness is to combine online and offline (conventional) marketing media as suitable marketing media. Five platforms can be used: Shopee, Tokopedia, Blibli.com, Lazada and Bukalapak.

This study aims to determine the Strategy for strengthening Snakehead fish Pempek SMEs during the Covid-19 pandemic, with the research subject SMEs in Palembang City. It is strengthening the Snakehead fish Pempek SMEs during the pandemic so that they can survive and gain business profits. The qualitative analysis uses the triangulation data collection technique to explain descriptively how the Snakehead fish Pempek SMEs strategy survived during the Covid-19 pandemic. In contrast, SWOT analysis was used to systematically identify various factors and formulate the most accurate Strategy for SMEs while facing the Covid-19 pandemic. The results analyzed can be applied as a strategy that is right on target in strengthening businesses during the Covid 19 pandemic. Particular purpose; can form a system of strategies that are right on target in terms of production, packaging, licensing, capital and marketing as well as business franchises to strengthen snakehead fish pempek SMEs during the Covid-19 pandemic through cooperative institutions.

## 2. Material and Methods

### 2.1. Materials

This research was carried out in Palembang City by taking a sample of the SMEs of Snakehead Fish Pempek, where located at Jl. Pakjo Palembang, the consideration that is still active during the Covid 19 pandemic. Data collection will be collected from June to August 2022 by taking data from 2021.

### 2.2. Methods

#### 2.2.1. Sample collection and preparation

The method used in this research is a method survey. According to Sriati, 2012, the survey research method is a critical method of observation and investigation to obtain good information on a particular problem in a particular area or location. In this method, the researcher directly came to the research location and conducted interviews with SMEs. This method is intended to make a thorough observation to obtain facts from existing phenomena and seek factual information from the area under study.

#### 2.2. Experimental variable and analytical procedures

The experimental variables used in this study include income, production, marketing, selling price, demand and conditions at the time of Covid 19. The analytical procedure used in this research is SWOT analysis.

### 2.3. Data Analysis

The data obtained in this research consists of primary and secondary data. Primary data were obtained through direct field interviews with sample UKM members using a list of questions prepared beforehand. Secondary data that complement the information in this study was obtained from agencies related to this research, namely the Palembang City Office of Cooperatives and UKM, as well as literature such as books, journals, articles and previous studies related to this research. The sampling method used in this study is sampling method saturation, namely the method of sampling if all sampling units in the population are sampled. So the total sample is 12 respondents. Calculate income using the formula

$$P = Q \times R.$$

Determine an accurate strategy for SMEs to survive during the Covid 19 pandemic by using a SWOT analysis as shown in table 1 below:

Table 1. SWOT analysis

F Internal	<b>Strenghts (S)</b>	<b>Weakness (W)</b>
F. External	Determine internal strength factors	Determining internal weakness factors
<b>Opportunity (O)</b>	<b>Strategy (SO)</b>	<b>Strategy (WO)</b>
Determine external threats	Create a strategy that uses strengths to take advantage of existing opportunities.	Create strategies that minimize weaknesses to take advantage of opportunities.
<b>Threats (T)</b>	<b>Strategy (ST)</b>	<b>Strategy (WT)</b>
Determine external threats	Create strategies that use strengths to overcome threats.	Create strategies that minimize weaknesses and avoid threats

### 3. Results and Discussion

The Covid 19 pandemic significantly impacted total production, which also declined, with an average monthly production of only 1,000 pcs. Production data can be seen in the graph below. The decreased production also contributed to a decrease in the income of Palembang Pempek SMEs. Besides that, the price of raw materials also increased, such as sago flour and the

price of snakehead fish. The average income for SMEs is IDR 2,250,000 per month.

Strategic decision-making is always related to developing business missions, objectives, strategies and policies. Thus, strategic planning must analyze the company's strategic factors (strengths, weaknesses, opportunities and threats) in the current conditions. The SWOT analysis of the strategy for SMEs of Pempek Snakehead Fish in Palembang City to survive during the Covid 19 period can be seen in Table 2 below.

Table 2. SWOT Analysis Results

F. Internal	<p><b>Strengths (S)</b> Determine internal strength factors</p> <ul style="list-style-type: none"> <li>- Pempek prices are affordable</li> <li>- The service provided is good, friendly and punctual</li> <li>- The taste is different from the others because it uses fresh snakehead fish which is grind by SMEs itself and does not use MSG</li> <li>- Frozen pempek is available so it can be ordered any time</li> </ul>	<p><b>Weakness (W)</b> Determine internal weakness factors</p> <ul style="list-style-type: none"> <li>- The SMEs does not have PIRT</li> <li>- Business management has not been systematically organized</li> </ul>
F. External	<p><b>Opportunity (O)</b> Determine external opportunities</p> <ul style="list-style-type: none"> <li>- The raw material for the snakehead fish pempek is easier to find in the waters of the Musi River</li> <li>- There is no competitor that uses shuji/pandanus leaves as a natural coloring agent for pempek and to remove the fishy smell</li> <li>- The high public interest in culinary pempek in Palembang has a positive impact on the income of pempek craftsmen.</li> <li>- Skills and management training by the Palembang City Office of Cooperatives and SMEs</li> <li>- The business licensing program accommodated by the Palembang City Office of Cooperatives and SMEs</li> </ul>	<p><b>Strategy (SO)</b> Create strategy who uses force to take advantage of existing opportunities.</p> <ul style="list-style-type: none"> <li>- Design packaging should be more attractive and easy to remember by consumers</li> <li>- Providing 24-hour admin service via Wa (chat/phone) so that it can be ordered at any time</li> <li>- Work closely with fast delivery services to maximize delivery services and keep pempek fresh in the hands of consumers</li> <li>- Opening opportunities to become agents/reseller both inside and outside the city with the title "Wong Kito shares fortune"</li> <li>- Creating new innovations by using shuji/pandanus leaves as a natural coloring agent for pempek and minimizing the fishy smell of fish.</li> </ul>
		<p><b>Strategy (WO)</b> Create strategy which minimizes weakness for take advantage of opportunities.</p> <ul style="list-style-type: none"> <li>- Attend business management training</li> <li>- Participated in the PIRT (Standar of household industry) program which was also accommodated by the Palembang City Office of Cooperatives and SMEs.</li> </ul>

Threats (T)	Strategy (ST)	Strategy (WT)
<p>Determine external threat</p> <ul style="list-style-type: none"> <li>- The possibility of similar businesses grow up</li> <li>- Seasonal fish raw material</li> <li>- The price of raw materials sometimes increases</li> </ul>	<p>Create strategy which use force to overcome threats.</p> <ul style="list-style-type: none"> <li>- Carry out periodic innovations and promotions to maintain product uniqueness</li> <li>- Creating an innovative pempek snakehead fish stuffed with chillies as a substitute for cuko which is intended for consumers who like spicy taste</li> <li>- Establish cooperation with snakehead fish breeders to anticipate price changes and stability of raw material availability</li> </ul>	<p>Create strategy Which minimize weaknesses and avoid threats</p> <ul style="list-style-type: none"> <li>- <i>The right man in the right place</i> so the management could be work properly</li> <li>- During the season, the number of snakehead fish is abundant, producer should be stock up on ground fish stored in the freezer immediately.</li> </ul>

Table 2 shows that the result SWOT analysis shows a decrease in the income of Pempek SMEs during the Covid 19 pandemic due to reducing consumer purchasing power. It is because of limited business activities due to restrictions imposed by the government. During the pandemic, many pempek SMEs closed their outlets and moved to their homes to sell their produce by implementing a made-to-order system. It was done to minimize losses because if it is produced for stock, it is feared that goods will settle and business capital will be restrained.

For this reason, it is necessary to carry out a strategy that is right on target so that Pempek SMEs can survive during the pandemic, including improving services by 24-hour admin service via Wa (chat/phone) so that you can order at any time, work with fast delivery services to maximize delivery services and keep pempek fresh in the hands of consumers, open opportunities to become agents/reseller both inside and outside the city with the title “Wong Kito shares fortune”, created an innovation by using shuji/pandanus leaves as a natural colouring agent for pempek and minimizing the fishy smell of fish.

In addition, the problem of the availability of raw materials is also a concern in this study. The raw material for snakehead fish is still seasonal, and the price fluctuates according to the availability of fish at that time. It also causes the selling price of the snakehead fish pempek to increase at certain times. To overcome this, an MoU should be made with snakehead fish farmers so that the availability of raw materials is guaranteed and the price of clothing materials is relatively more stable. In addition, the government, especially the fisheries service, can encourage the community to participate more actively in cultivating snakehead fish.

#### 4. Conclusion

Pempek Palembang SMEs, in order to survive

during the Covid 19 pandemic, must implement several strategies that are right on target, including improving services by 24-hour admin service via Wa (chat/phone) so that it can be ordered at any time, made-to-order order method, creating innovations by using shuji/pandanus leaves as natural colouring agents for pempek and minimizing fishy fish smell, conducting MoUs with snakehead fish farmers for availability raw materials are guaranteed and the price is relatively more stable. In addition, the government, especially the fisheries service, can encourage the community to participate more actively in cultivating snakehead fish.

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