

## The Performance of Snack MSMEs in the Covid-19 Pandemic (A Review from the Income Side)

Helmi Azahari<sup>1</sup>, Endah Fantini<sup>2</sup>, Samsudin<sup>3</sup>, Noviandari Sari Utami<sup>4</sup>, Ade Suryana<sup>5</sup>

<sup>1</sup>Communication Faculty, Institut Bisnis Nusantara, Jakarta, Indonesia

<sup>2,3,4,5</sup>Institut Ilmu Sosial dan Manajemen STIAMI, Jakarta, Indonesia

helmi@ibn.ac.id

### Abstract

*This study aims to find out how the performance of micro, small and medium enterprises (MSMEs) snacks during the Covid-19 pandemic. Does the Covid-19 pandemic affect the continuity of the MSME Snack business? To see the performance of MSMEs is measured based on the Balance Score Card, however in this study, research is limited to only looking at the financial side (income). This study uses a qualitative method with two informants, namely dodol and snack MSMEs in Garut, West Java and kemplang (baked crackers) MSMEs in Palembang, South Sumatra. As a result, it turns out that the Covid-19 pandemic has not affected snack MSMEs. Turnover (gross income) of MSMEs snacks actually increased during the Covid-19 pandemic. Anticipating the limited human travel during the Covid-19 pandemic, MSME entrepreneurs also sell through online stores and market places. However, the sales turnover is not as big as direct sales in stores. There are still more buyers who come to buy snacks at the shop.*

### Keywords

MSME snack performance;  
Covid-19 pandemic; MSME  
snack strategy



## I. Introduction

Micro, small and medium enterprises (MSMEs) are the businesses that have been hardest hit by COVID-19. The Indonesian MSME Association, as reported by tempo.co (26/3/2021), noted that in 2020, around 30 million MSMEs were affected by the pandemic and went bankrupt. This leaves only around 34 million MSME units in 2020. In fact, according to data from the Ministry of Cooperatives and SMEs, the number of MSMEs in Indonesia in 2019 was 60.4 million units, with a contribution to Indonesia's GDP (Gross Domestic Income) of 60 percent.

The OECD report (31/7/2020) also noted that the Asian economy experienced an average negative growth of minus 2.9 percent in 2020 due to the Covid-19 pandemic. Even in ASEAN countries, growth weakened by an average of minus 2.8 percent.

The Indonesian Institute of Sciences (LIPI) survey, as reported by lipi.go.id (30/6/2020) showed that the Covid-19 pandemic caused MSME profits to decline significantly. A total of 47.13% of businesses were only able to survive until August 2020, 72.02% of businesses closed after November 2020, and 85.42% of businesses could survive for a maximum of one year since the pandemic started.

The Covid-19 pandemic has forced MSMEs to change their strategy in order to survive. The OECD advises on the importance of leveraging digitization. Every business needs to increase access to digital services so that they can continue to grow despite the Covid-19 pandemic.

The pandemic that has plagued almost all over the world has caused almost all countries to be overwhelmed in anticipating the rapid spread of the Covid virus (Haridison, 2021). Sinulingga (2021) state that Coronavirus or COVID-19 has a very large impact on the atmosphere of tourism globally, especially in 2020. The prolonged Covid19 pandemic has contributed to economic and climatic uncertainty in business (Wijaya, 2021).

The question is, has the Covid-19 pandemic closed all MSMEs? What about MSMEs snacks? It is interesting to study whether MSME snacks are also affected by the Covid-19 pandemic. The premise is that everyone needs to eat. During the pandemic, when more people stay at home, do they still eat snacks? This is what will be investigated in this research.

Snack MSMEs are MSMEs that produce snacks. Snack is a snack or regional food that is consumed in spare time on the sidelines of daily activities. Snacks that became the unit of research analysis this time were dodol Garut, snacks and kemplang Palembang.

Several previous studies have highlighted MSME strategies during the Covid-19 pandemic. The author notes that at least there are several studies in Indonesia that have conducted research by directly raising this topic, such as those conducted by (Avriyanti, 2021), (Frida, 2020), (Harahap, 2021), (Hardilawati, 2020), (Nugraheni et al., 2020), (Setiono, 2020), (Siagian & Cahyono, 2021), (Sugiri, 2020), (Sulistiyawan et al., 2021) and (Susanti et al., 2020). As a result, all of these researchers recommended MSME strategies in the midst of a pandemic by utilizing market places and social media as marketing tools.

The difference between this research and previous research is the unit of analysis. Previously, the unit of analysis was all MSMEs, but in this study only snack MSMEs. By using the Vos Viewer application, it is known that there has been no research highlighting the performance of MSME snacks during the Covid-19 pandemic. So that the novelty of this research is the performance of MSME snacks during the Covid-19 pandemic.

## **II. Review of Literature**

### **2.1 MSME Performance**

According to Law no. 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs) can be distinguished based on the number of assets and total sales turnover. The Micro Business category is a productive business owned by individuals and/or individual business entities, with less than 4 employees, assets of up to IDR 50 million, and an annual sales turnover of IDR 300 million. Small Business Category The characteristics of MSMEs that are included in the small business category are that they have employees ranging from 5-19 people, net worth in the range of IDR 50 million-IDR 500 million, and annual turnover ranging from IDR 300 million to IDR 2.5 billion. Meanwhile, the Medium Business category has 20-99 employees, assets between IDR 500 million and IDR 10 billion, and sales turnover between IDR 2.5 billion-50 billion (Suharyono, 2020, pp. 146–147).

Performance, according to Mulyadi (2001), is a term to indicate organizational actions during a period (in Hanuma, 2011). MSME performance can be measured using the Balance Score Card (BSC) method. Edward J. Blocker, Kung A Chen & Thomas W. Lin stated, the success of an organization's performance is measured based on the Balance Score Card, it can be seen through 4 factors, namely financial performance (income), customer satisfaction, internal business processes as well as innovation and learning (in Mariza, 2003).

In terms of financial performance, it can be seen whether profits increase (how much increase in income)? Meanwhile, in terms of customer satisfaction, it can be seen whether the percentage of on time delivery increases? When viewed from the side of internal business processes, can it be seen whether productivity has increased? And from a learning perspective, it can be seen how many patents are pending?

This research is only limited to the perspective of whether profits increase? The indicator profit increase is how much turnover (gross income) you get. From this side, it can be easily seen how well the performance of the MSME snack companies during the Covid-19 pandemic.

### III. Research Methods

This study used a qualitative methodology. Denzin and Lincoln define, qualitative research is research with a natural setting, in order to interpret a phenomenon and is carried out by involving several methods (Lexy, 2011, p. 5).

Sources and types of qualitative research data are words and actions (Lexy, 2011, p. 157). The words and data from the observed object are the main data sources.

Data collection was obtained from interviews (unstructured) to key informants, namely entrepreneurs of MSMEs *dodol* and snacks in Garut, West Java and MSMEs *kemplang* in Palembang, South Sumatra. The MSME entrepreneur of *dodol* Garut and snacks who became the informant was Deni M Arief, while the MSME entrepreneur of *kemplang* Palembang, South Sumatra was Nurseha. Interviews were conducted using a telephone and the results of the interviews were recorded.

Analysis of the validity of the data was carried out using triangulation. Kriyantono (2006) defines triangulation analysis to analyze the subject's answers by examining the truth with available empirical data. Subject answers were cross-checked with existing documents. According to Dwidjowinoto, there are several kinds of triangulation, namely source triangulation, time triangulation, theory triangulation, researchers triangulation and method triangulation (Rachmat, 2006, p. 72). In this study, researchers used source triangulation analysis, which is to compare information obtained from different sources.

### IV. Results and Discussion

The Covid-19 pandemic has hit MSMEs, but not for snack MSMEs. From the research conducted, it turns out that many people stay at home, making people consume more snacks, resulting in the turnover of the snack business not being affected by the Covid-19 pandemic.

1st informant, Deni M Arief, a *dodol* and snack MSME business actor in Garut, West Java, stated that the turnover of *dodol* and snack MSMEs actually increased during the Covid-19 pandemic.

“Our turnover during the Covid-19 pandemic increased by 20 percent. Initially, it had dropped for the first 6 days, turnover fell by 40 percent, but after that, turnover continued to increase to 20 percent from turnover before the pandemic,” said 1st informant (interview conducted July 16, 2021).

The same condition was acknowledged by 2nd informant, Nurseha, an MSME business actor for *kemplang* (baked crackers) in Palembang, South Sumatra. Selling during the Covid-19 pandemic, he said, had no effect, instead turnover increased.

“More people come to buy *kemplang* and crackers at the shop. This is typical Palembang food, so every day someone buys it. The increase in turnover during the

Covid-19 pandemic was around 20 percent," said 2nd informant (interview conducted July 16, 2021).

Even if there is something that makes turnover decline during the Covid-19 pandemic, it is the restriction of human movement or in Indonesia it is called the Enforcement of Restrictions on Community Activities or abbreviated PPKM. The decline in turnover occurred because many subscription shops were closed due to the implementation of the emergency PPKM and the difficulty of shipping goods due to the limited space for logistics companies. As a result, the sales turnover of the 1st informant lunkhead decreased by 80 percent.

"That's because a lot of shops that sell our *dodol* products are closed because they are blocked. Many orders have been cancelled. Our 15 employees have no work because the factory is closed. *Dodol* sales are only sold in our shop, not supplying it to other stores," said 1st informant (interview conducted July 16, 2021).

But sales in stores did not drop. *Dodol* and snacks are still sought after by people even during the emergency PPKM period.

"In store sales, even though it's PPKM, both lunkhead and snacks have increased. An increase of about 15 percent compared to before," said 1st informant (interview conducted July 16, 2021).

The decline in turnover during the emergency PPKM was also experienced by the 2nd informant. The decline in turnover occurred because many roads were closed.

"During PPKM there was a decrease in turnover of around 20 percent. That's because many roads are closed, so buyers can't come to the store," said 2nd informant (interview conducted July 16, 2021).

What about the marketing strategy, has the Covid-19 pandemic made snack MSME entrepreneurs change their marketing orientation from traditional to digital? 1st informant and 2nd informant admit that they have expanded their market to digital systems, although their turnover has not been able to beat direct sales in stores.

"Our shop already uses information technology. So we are already serving online sales. But online sales are still small. Because these snacks are different, usually buyers who come to the store can try the snacks offered first, it's different if you order online. They can choose which one is delicious, the quality is still good or not. So that the turnover from online sales is only about 10 percent of the daily store turnover. The online sales system is mostly done by using online stores through the Facebook and Instagram applications, not the market place. There are orders, but not many," said 1st informant (interview conducted on July 16, 2021).

A similar confession was made by the 2nd informant. Facing the Covid-19 pandemic, he also expanded his product marketing through online. But the turnover is not as big as sales in the store.

"Online sales are uncertain, sometimes there are, sometimes not. Turnover through online is only about 30 percent. I sell *kemplang* and crackers through a market place," said 2nd informant (interview conducted July 16, 2021).

From interviews with 2 informants, the following data was obtained:

**Table 1.** Increased turnover during the Covid-19 pandemic

Types of SMEs	Increased turnover of
<i>Dodol</i> Garut	20 percent
Snack	20 percent
<i>Kemplang</i> Palembang	20 percent

## V. Conclusion

From research conducted on dodol and snack MSMEs in Garut, West Java and kemplang (baked crackers) MSMEs in Palembang, South Sumatra, the following conclusions were obtained:

1. The performance of MSME snacks in terms of finance (income) is not affected by the Covid-19 pandemic. The turnover of MSME snacks has increased by 20 percent compared to before the Covid-19 pandemic.
2. MSME entrepreneurs are expanding their marketing from traditional to digital through online stores and market places, but the turnover they get is only around 10 to 30 percent compared to direct sales in stores.

## References

- Avriyanti, S. (2021). Strategi Bertahan Bisnis Di Tengah Pandemi Covid-19 Dengan Memanfaatkan Bisnis Digital (Studi Pada UMKM Yang Terdaftar Pada.... In Jurnal PubBis. [jurnal.stiatabalong.ac.id.  
http://jurnal.stiatabalong.ac.id/index.php/PubBis/article/view/380](http://jurnal.stiatabalong.ac.id/index.php/PubBis/article/view/380)
- Frida, N. (2020). ... Strategi Mempertahankan dan Mengembangkan Bisnis di Tengah Pandemi COVID-19 Serta Mengetahui Dampak Perkembangan dan Pertumbuhan COVID-19 di .... Jurnal Aktiva: Riset Akuntansi Dan Keuangan. <https://aktiva.nusaputra.ac.id/article/view/61>
- Hanuma, S. (2011). Analisis Balance Scorecard Sebagai Alat Pengukur Kinerja Perusahaan (Studi Kasus pada PT. Astra Honda Motor). H Social Sciences>HG Finance, 1–24.
- Harahap, D. A. (2021). PPKM Darurat: Onlinenisasi Pilihan UMKM Bertahan. 103.78.195.33. <http://103.78.195.33/handle/123456789/29942>
- Hardilawati, W. laura. (2020). Strategi Bertahan UMKM di Tengah Pandemi Covid-19. In Jurnal Akuntansi dan Ekonomika. [ejurnal.umri.ac.id.  
http://www.ejurnal.umri.ac.id/index.php/jae/article/view/1934](http://www.ejurnal.umri.ac.id/index.php/jae/article/view/1934)
- Haridison, A., et. al. (2021). Regional Election and Covid-19: Evidence in Central Kalimantan. Budapest International Research and Critics Institute-Journal (BIRCI-Journal) Vol 4 (2): 1597-1606.
- Lexy, M. (2011). Metode Penelitian Kualitatif. Remaja Rosda Karya.
- Mariza, I. (2003). Pengukuran Kinerja Dengan Balanced Scorecard. Journal The Winners.
- Nugraheni, A. P., Pramudyastuti, O. L., & ... (2020). Strategy of Smes in The Covid-19 Pandemic Period. Jurnal Akuntansi & .... <http://journal.stiejayakarta.ac.id/index.php/JAPJayakarta/article/view/45>
- Rachmat, K. (2006). Riset Komunikasi. Kencana.
- Setiono, B. A. (2020). Strategi Bertahan Bagi UKM Hadapi Krisis Akibat Covid-19. [dspace.hangtuah.ac.id. http://dspace.hangtuah.ac.id:8080/xmlui/handle/dx/1008](http://dspace.hangtuah.ac.id/http://dspace.hangtuah.ac.id:8080/xmlui/handle/dx/1008)
- Siagian, A. O., & Cahyono, Y. (2021). Strategi Pemulihan Pemasaran UMKM di Masa Pandemi Covid-19 Pada Sektor Ekonomi Kreatif. Jurnal Teknologi Dan Sistem Informasi .... <http://www.jurnal.unidha.ac.id/index.php/jteksis/article/view/212>
- Sinulingga, S. (2021). Tourism & Covid-19 (Coronavirus Impact Inventory to Tourism Stakeholders in North Sumatera). Budapest International Research and Critics Institute- Journal (BIRCI-Journal) Vol 4 (1): 170-179.

- Sugiri, D. (2020). Menyelamatkan usaha mikro, kecil dan menengah dari dampak pandemi Covid-19. In Fokus Bisnis: Media Pengkajian .... journal.stieputrabangsa.ac.id. <http://journal.stieputrabangsa.ac.id/index.php/fokbis/article/view/575>
- Suharyono. (2020). Pengukuran Kinerja Bisnis Untuk Usaha Mikro Kecil dan Menengah (UMKM). LPU-UNAS.
- Sulistiyawan, E., Fariana, R., & ... (2021). Sosial Media Sebagai Alternatif Pemasaran Selama Masa Pandemi Covid-19 Di Desa Slempit Kecamatan Kedamean Gresik Jawa Timur. Ekobis Abdimas: Jurnal .... <http://jurnal.unipasby.ac.id/index.php/ekobisabdimas/article/view/3912>
- Susanti, A., Istiyanto, B., & Jalari, M. (2020). Strategi UKM pada Masa Pandemi Covid-19. In KANGMAS: Karya Ilmiah .... journal.neolectura.com. <http://journal.neolectura.com/index.php/Kangmas/article/view/50>
- Wijaya, O.Y.A. (2021). Risk Management Mitigation in the New Normal Era. Budapest International Research and Critics Institute-Journal (BIRCI-Journal) Vol 4 (1): 1088-1097.