

Service Quality and Facilities on Satisfaction Through Individual Emotional for Bpjs Participants in Sinjai District

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Abstract

This research aims to analyze product innovation and marketing strategies implemented by Bundang's Sweet and Sour Candy MSMEs to increase competitiveness in the market. The research method used is descriptive qualitative with data collection through interviews, observation and documentation studies. The research results show that product innovation, such as the development of more attractive flavor variants and packaging, contributes significantly to increasing consumer interest. On the other hand, digital-based marketing strategies through social media and marketplaces have also succeeded in expanding market reach. With a combination of product innovation and effective marketing, these MSMEs are able to compete with similar products and increase market share. This research recommends strengthening the synergy between product innovation and marketing as the key to success in facing increasingly fierce competition.

Keywords : product innovation, marketing strategy, competitiveness

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INTRODUCTION

Entrepreneurship is an activity that can reduce unemployment and expand employment opportunities. Entrepreneurial activities in Indonesia can take different forms depending on the needs of the environment. One form of entrepreneurship that is currently being promoted by the government is MSME activities. Micro, Small, and Medium Enterprises (MSMEs) are the backbone of the Indonesian economy, especially in areas such as Lamongan Regency. (Anggraeni, 2022) The contribution of MSMEs to job creation, poverty reduction, and improving community welfare is very significant. However, MSMEs in Lamongan face various challenges in efforts to increase competitiveness, especially in terms of product innovation and marketing. The progress of the MSME segment has a positive impact on the region. In other words, empowering financial development and reducing poverty levels in this country. Therefore, the

growth of MSMEs can be an indicator of the success of economic growth in countries with high economic growth.

For MSMEs, implementing various trade methodologies can be a challenge in itself, because the main focus is not on how to carry out trade activities, but rather on what is most appropriate in managing trade. It seems that the marketing method that can increase sales is a technology-based or e-commerce marketing strategy. (Suyanto & Purwanti, 2020) In line with the marketing methodology, this may be a way to form a viable competitive advantage for companies that produce goods and services. The promotion procedure can be considered as one of the qualities of a company or organization in competing with its competitors. Promoting a methodology that supports the company's competitiveness is realized by implementing a combination of 4Ps. The difference in displaying the methodology related to each trade is seen that each trade has a different methodology and is different from each other. Therefore, it can be said that no company has exactly the same procedure. All techniques for displaying a company must be based on the desires and natural conditions in which the company is located. As in many areas in Indonesia, MSMEs play an important role in financial development and job creation in the region.

However, along with the progress of globalization, increasingly tight market competition, and changes in consumer behavior, MSMEs in Lamongan face various challenges in maintaining and strengthening their competitiveness. (Magister et al., 2016) But innovation is one of the key variables that make MSMEs able to increase their competitiveness. However, it is still important to distinguish and analyze the most interesting and significant promotional procedures against the characteristics and advertising needs in the environment around Lamongan Regulation. Therefore, the challenges in marketing MSME products in this segment may be different from other divisions.

In the current era of globalization and digitalization, business competition is getting tighter. MSMEs are required to not only survive, but also innovate in various aspects of their business in order to compete in a wider market. (Arasy, 2015) Product innovation is a key factor that can help MSMEs create added value and meet dynamic market needs. Meanwhile, effective marketing strategies, especially those utilizing digital technology, are crucial to expanding market reach and increasing sales.

This research was chosen based on several strategic reasons which include relevance to current market trends as well as market challenges, benefits and focus of the research itself.

THEORETICAL BASIS

Product innovation

Product Innovation is the process of product development and improvement carried out by a company or business with the aim of creating added value, increasing attractiveness, and meeting the needs or desires of consumers that continue to grow. (Israwati et al., 2023) Product innovation can

involve changes or developments in aspects of design, function, raw materials, technology, and how the product is used. In a business context, product innovation is very important because it allows companies to remain competitive in a dynamic market.

There are several forms of product innovation that are often encountered:

1. **Incremental Innovation**
This innovation focuses on improving existing products. It usually involves small changes, such as improving quality or efficiency, without changing the basic form of the product.
2. **Radical Innovation**
Innovation that involves major changes or the creation of new products that are completely different from those already in the market. Examples include the development of products with new technology or completely new product concepts.
3. **Product Diversification**
This innovation involves adding new variants to existing product lines, such as variations in flavor, color, or additional functions to appeal to different market segments.
4. **Use of New Technologies**
The application of new technologies, such as the use of more environmentally friendly materials, digital technology, or automation in production processes, is also included in product innovation.
5. **Adaptation to Consumer Needs**
This innovation emphasizes understanding changes in consumer preferences and adapting products to be more relevant to market needs. For example, products that are more personalized, custom-made, or that offer a better user experience.

Marketing

Marketing can be a series of activities carried out by business actors to promote, offer and deliver products and services to buyers . (Tarmizi, 2018) Marketing includes all forms of interaction with customers, from market research to understand consumer needs and wants, to promotional and distribution activities aimed at increasing sales and strengthening brand image. In modern business, marketing is not only about selling products, but also building long-term relationships with customers. The main components of marketing are:

- a) **Market Research**
Market research is the first step in marketing that aims to understand consumer needs, preferences, and behavior. This information helps businesses to develop the right products and effective marketing strategies.
- b) **Market Segmentation**
After market research, businesses need to segment consumers based on different characteristics, such as age, gender, income, geographic location, or lifestyle. With segmentation, businesses can target more specific groups of consumers with more relevant marketing messages.

- c) **Product Strategy**
Product is the core of marketing. Product strategy includes product development, determining quality, design, features, and product innovation that suits market needs.
- d) **Pricing**
Pricing is the process of determining the value that consumers must pay to obtain a product or service. Pricing strategies must take into account production costs, competitor prices, and consumer perceptions of value.
- e) **Promotion**
Promotion is any form of communication carried out to increase consumer awareness and interest in a product or service. Forms of promotion can be advertising, sales promotion, digital marketing, social media, PR (public relations), and others.
- f) **Distribution**
Distribution covers how products are channeled from the producer to the end consumer. Distribution channels can be through physical stores, e-commerce, or other retailers. Effective distribution choices are essential to ensure products reach consumers quickly and efficiently.
- g) **Customer Service**
Customer service involves all forms of interaction between a business and a consumer after the purchase of a product. Good service can increase customer satisfaction and build long-term loyalty.

Competitiveness

Competitiveness is related to the utilization of the capabilities of a company, city, region, area or country to maintain or increase its competitive advantage without stopping. To create an innovation that is a source of growth and competitiveness of a region, the way of exchanging information and utilizing technology is very important as a means for MSME business actors in the Lamongan area . (Arifen et al., 2019)

An important part of the progress of research and development in this region is to leverage innovation. Regional innovation is a combination of mechanical components, mechanical functions, mechanical environments, and innovative frameworks. Combining four main components (T, H, I, O): Technoware, Humanware, Infoware, Orgaware.

METHOD

This study uses a qualitative descriptive approach to analyze product innovation and marketing strategies in increasing the competitiveness of Bundang's Sweet and Sour Candy MSMEs. This method aims to describe the phenomenon in depth and understand the relationship between innovation, marketing, and competitiveness. (Darmalaksana, 2020)

Data sources can be collected through interviews using structured questions to MSME owners, employees and consumers and a literature review that

examines literature, data can be taken from books, magazines and the internet that are related to this article.

RESULTS AND DISCUSSION

Product Innovation as a Driving Factor for Competitiveness

Product Innovation as a Competitiveness Driving Factor is an important aspect in business strategy that allows companies, especially MSMEs, to be able to develop and follow existing trends . (Ompusunggu & Triani, 2023) Product innovation includes the development, improvement, or creation of new products that offer added value to consumers. This innovation not only makes the product more attractive, but is also able to improve the company's competitive position in facing competitors.

1) Creating Product Differentiation

Bundang's Sweet and Sour Candy has a combination of sweet and sour flavors made from sour fruit where this candy has a soft texture and when eaten will melt in the mouth. The packaging used for this sweet and sour candy is very safe and tightly closed with a logo and writing that adds to the beauty of the packaging made. For its branding, this candy is known as "nostalgic candy" which will remind consumers of childhood memories.

2) Responding to Changing Market Needs

This sweet and sour candy budang's answers the product innovation needed or trending from consumers who take advantage of new opportunities to meet unmet demand. To increase its added value, this sweet and sour candy can be enjoyed by all groups, both children and adults.

3) Increasing Consumer Satisfaction and Loyalty

With the innovation created from this sour candy product, it will be able to increase the satisfaction of consumers who have bought or tasted this sweet and sour candy product. When consumers are satisfied with this product, they will tend to be loyal and will recommend this product to others. This consumer satisfaction will directly contribute to increasing business competitiveness.

4) Expanding Market Share

To expand the market share or retain customers of this sour candy is done according to the needs or preferences of consumer groups that can open up new opportunities. This sweet and sour candy is not only sold in one area but is sold in several areas that can be seen and reached by people who will taste the taste of this sweet and sour candy.

Product innovation is a key factor in increasing competitiveness, especially for MSMEs that must compete in a crowded and ever-changing market. By innovating, MSMEs can create unique and relevant products, which not only attract consumers but also help maintain their loyalty. However,

innovation must be balanced with an effective marketing strategy to ensure that innovative products can reach the market and be well received by consumers.

Effective Marketing Strategies to Increase Market Reach

The marketing strategy carried out by the Bundang Sour Candy UMKM to market this sweet sour candy is by carrying out a marketing mix, consisting of 4 elements, namely product, price, place and promotion. (Parengkuan et al., 2023) This strategy is used well by UMKM Permen Asem Bundang so that consumer satisfaction and business sustainability can be realized. The following is a description of the marketing strategy of UMKM Permen Asem Manis Bundang, a candy product produced using quality ingredients, delicious taste and attractive packaging.

a. Product

Sweet Sour Candy Products contain more than 10 types of sour candy in small jars that are sold offline and online and have a sweet and sour taste.

b. Price

For the price of As a m Manis Bundang's Candy namely by calculating the cost of raw materials plus the Cost of Goods Sold (HPP) then adding the percentage of profit. The price of the product is affordable for the lower middle class and the upper middle class. The price of Bundang's As a m Manis Candy is around 15k per jar. Bundang's Asem Candy also provides discount prices based on the number of purchases.

c. Distribution

UMKM As a m Manis Bundang's Candy distributes products directly and indirectly. Direct channels (offline) are entrusted to the nearest shops around the house. As a m Manis Bundang's Candy also uses indirect channels (online) through Instagram, WhatsApp and also Facebook as online media for sales.

d. Promotion

UMKM Permen Asem Bundang 's uses online and offline promotions. Online promotion of Permen Asem Bundang's uses social media as an intermediary to provide an explanation of tamarind candy. As for offline promotion, Permen Asem Bundang 's places it in souvenir centers, nearby shops and word of mouth promotions.

Competitiveness of Bundang's Sweet and Sour Candy

The competitiveness of Bundang's sweet and sour candy can be improved through a combination of interesting product innovation, effective marketing, and the right distribution strategy. By highlighting quality, unique taste, and utilizing digital media to introduce the product, Bundang's can differentiate itself from competitors and build consumer loyalty. Sustainability and social responsibility are also increasingly important in building a strong brand image in the market.

Judging from the uniqueness of the product, for the taste of this candy has a unique sour mais taste, made from natural ingredients of sour fruit plus sugar for sweetener and its soft texture which is unique to this product. For product quality can be seen from the consistency of the candy taste. Stable taste in every production can increase consumer confidence in the product brand. The product innovation in this sweet and sour candy product bundang's has a packaging design that is packaged there are cute character pictures and also words made by the owner for consumers.

The product branding of the name "Bundang's" itself reflects an identity that can be an added value to improve the product of this sweet and sour candy. With the marketing strategy carried out by this product, namely by marketing or promoting products through social media such as Instagram, Facebook and WhatsApp to increase brand awareness and to attract the attention of existing consumers.

CONCLUSION

Product development is a key component of competitiveness, especially for MSMEs that must compete in an ever-changing and highly competitive environment. Through progress, MSMEs can create attractive and important products that not only attract consumers but also help maintain credibility. Product innovation and marketing strategies play a significant role in increasing the competitiveness of Bundang's Sweet and Sour Candy MSMEs. Product innovation, such as the development of more attractive flavor variants and packaging designs, is able to meet diverse consumer preferences, increase customer satisfaction, and create added value for the product.

The implementation of digital-based marketing strategies, such as the use of social media and e-commerce platforms, has succeeded in expanding market reach and increasing brand visibility. The combination of product innovation and effective marketing not only increases sales but also strengthens the position of these MSMEs in increasingly tight market competition. Thus, the synergy between product innovation and marketing is a key factor in driving business growth and sustainability. To remain competitive, MSMEs are advised to continue to innovate and utilize digital technology optimally in their marketing strategies.

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