

The Innovation of Tibo-Tibo)LVKHUZRPHQ¶V Business Development

by Arie Kawulur

Submission date: 06-Jul-2023 07:40PM (UTC+0700)

Submission ID: 2127235242

File name: Kawulur_KI_14_Prosiding_The_Innovation_of_Tibo-Tibo....pdf (109.66K)

Word count: 3052

Character count: 17979

The Innovation of *Tibo-Tibo* Fisherwomen's Business Development

Tinneke E.M. Sumual¹, Grace Jenny Soputan², Arie F. Kawulur³

Faculty of Economics, Universitas Negeri Manado^{1,2,3}

Jl. Raya Tondano, Koya, Tondano Sel., Kabupaten Minahasa, Sulawesi Utara 95618

Correspondence Email: tinnekesumual@unima.ac.id

1 ABSTRACT

This paper intends to description of conceptual model of business development innovation which will be applied to fisherwomen's *Tibo-Tibo* business in North Minahasa Regency. This study utilises descriptive-qualitative method. Data collections were used focus group discussions (FGD) and observation. Data were analysed qualitatively. The results of the study exhibit that the business development innovation model consist of three categories namely local potentials product innovation (fresh fish), digital marketing innovation and direct marketing, as well as organizational innovation into culinary businesses and frozen food.

Keywords: Innovation, Business Development, Fisherwomen's Tibo-Tibo

INTRODUCTION

Women are always connotated as marginalized although their contribution in development in terms of their role in increasing income is no doubt as the findings of Ida A. K. Marini and Nyoman S. K. Ningsih (2015), Hendra Wawansyah, et al, (2012) and Rohmiati Amini (2013) that women contribute to the increase of the income of fisherpersons' family.

One of the economic activities which is very influential for improving the community's economy and poverty alleviation is doing business in the informal sector. The contribution of women to work in this sector is moderately large and is even more dominant, especially in urban areas but also in rural areas. There are numerous reasons for women working in the informal sector, such as small capital, no tendency to demand high skills/expertise, very flexible working hours which they can manage, thus, doing business in informal sector does not interfere their role as women to take care of the household.

Fisherwomen's Tibo-tibo business is a sort of informal business which women do by selling fish while carrying baskets around their village and selling fish in the market in order to increase family's income. This activity has been held for a long period of time in the societies' lives on the coast of North Minahasa regency, nevertheless the community has not been able to leave poverty. The fish potential of the communities around the coast has not been able to secure a wealthy household's lives. The reason of this condition is that people's business behaviour is still limited to selling marine fish. This sort of business behaviour causes very low business profits, hence catching and selling fish is not the only option, but new business behaviour with updated knowledge, new ways of working and new targets is required. In this paper, the fisherwomen's Tibo-tibo

business will be developed into a business, driven by innovation which is the demands of the business environment.

New business behaviour in the knowledge-based economy is developed through innovations which drive business strategies and actions. Businesses must be innovative to survive and grow in an international and competitive business environment (Andreas Budihardjo, 2017). Innovation is a pre-condition for competitiveness (Zuhal, 2007) taking into consideration that competitiveness will not be formed without innovation. Research findings recommend that innovation will increase productivity (Hashi Iraj and Stojci Nebojsa, 2013). Other findings concluded that innovation has a significant effect on improving business performance, cost reduction and technology utilisation (Wijitgomen, 2015; Sánchez-Gutiérrez, Cabanelas, Lampón & González-Alvarado, 2019).

Kahn K.B (2018) insights on innovation are very broad. According to him there are 3 perspectives: 1) Innovation is an outcome, which emphasizes what is sought, including product innovation; process innovation, marketing innovation, business model innovation, supply chain innovation, and organizational innovation. 2) Innovation as a process, emphasizes innovation that is regulated with the intention of producing outcomes; including the whole process of innovation and new product development processes; 3) Innovation as a mindset, emphasizes on discussing the internalization of innovation by members in the organization, innovation is imparted together with the creation of an organizational culture which supports innovation to grow.

Innovation assessment will always be associated to knowledge management. Knowledge management is very essential for innovation regarding the utilisation and application of proper knowledge to add value to products and businesses which are the aim of innovation. Knowledge management is the foundation for producing innovation, increasing responsiveness to the needs of customers and stakeholders, improving employees' productivity and competence of employees who have been bestowed responsibility (Sangkala, 2007). Knowledge management is directed to create high quality products, services, systems which meet the wants and needs of its stakeholders with the intention of making the company sustainable, survive and even grow (Andreas Budihardjo, 2017). Researchers such as Nonaka (1994) argued that knowledge is a source of sustainable competitiveness for corporations. The results of the analysis by Cantner Uwe et al. (2011) revealed that corporations which implement knowledge management perform better, as exhibited in higher average turnover with their innovative products. Furthermore, Wahyono (2020) conducted a study on small and medium-sized entrepreneurs from typical Indonesian food products from Riau and Central Java, which consisted of 238 business units, reaching the conclusion that product innovation mediates the influence of knowledge management on competitive advantage. This means that knowledge management has a positive and significant effect on product innovation. In the other word, the better knowledge management by small and medium entrepreneurs of Riau's typical food products, the better product innovation.

Hitt, Ireland, and Hoskisson, (2012) explained that Superiority in Innovation is able to yield superior and economical products. Innovation will result in several innovative product differentiations. Dirisu J, et al (2013) classifies product differentiation in 4 ways: 1) Product Innovation; 2) Product Design; 3) Higher Product Quality; 4) Unique Product. Innovative products are carried out with 3 strategies: 1) quality improvement aims to improve product functional performance, durability, reliability, speed and taste; 2) feature improvement aims to add new features (such as size, weight, materials, additional

fittings, accessories) which develop product diversity, safety or comfort. 3) style improvement aims to increase the aesthetic appeal of a product, such as variations in colour, texture, and frequently altering packaging styles (Kotler Philips, 1987).

¹ Innovation is also associated to organizational transformation and market offerings and is even the key to winning the market, thus there must be an advantage in innovation through a competitive marketing strategy (Kanagal, 2015). Marketing innovation is the implementation of new marketing methods to improve organisations' results which require modifications in design or packaging, product placement, promotions, or prices (Renati, 2013; Medrano & Olarte-Pascual, 2016). Marketing innovation can be obtained from the utilisation of external information such as consumers, suppliers, and even competitors (Ramirez, Parra-Requena, Ruiz-Ortega & Garcia-Villaverde, 2018). It plays an essential role to win consumers when consumers select products from different companies' products (Medrano, Cornejo-Cañamares, & Olarte-Pascual, 2020). Furthermore, Quaye and Mensah (2019) found that marketing innovation in product design and packaging especially in food and beverage products are the major factors to be sustainable in marketplace. Marketing innovation is also viewed in the market orientation (Akimova, 1999) and it is also found that formal training can improve new product marketing and marketing innovation (Medase & Barasa, 2019).

RESEARCH METHOD

This paper uses descriptive-qualitative method with collecting data technique are observation, interview and Focus Group Discussion conducted jointly between researchers, a team of experts, fisherwomen's, business partner in order to provide solutions for more innovative business development of fisherwomen's Tibo-Tibo in North Minahasa Regency. Data were analyzed qualitatively with the Miles and Huberman models.

RESULTS AND DISCUSSION

In order to formulate a conceptual model of business development innovation in the Fisherwomens *Tibo-Tibo*, first will be describe the various strengths, weaknesses, opportunities and challenges of the business development that will be carried out.

Strengths, Weaknesses, Opportunities and Challenges of Business Development

1) Power resources

- (a) Rich in fish potential, including Cakalang, Malalugis fish, Tongkol fish, grouper fish, mackerel (local term "is called" Tude fish), Red Snapper, Baronang fish, Yellow Tail fish (local term is called ikan Lolosi "), Roa fish.
- (b) Having social capital that can strengthen cohesiveness in work such as mutual trust, strong communication, cooperation
- (c) Motivation for trying to improve the household economy is quite high
- (d) Husband's support for his wife to work is quite high

2) Weaknesses

- (a) Knowledge and skills of local potential-based product innovation are still low
- (b) Patterned in traditional business activities, namely buying and selling only raw fish
- (c) Work orientation is simply to meet the needs of daily life

- (d) Do not have a business plan
- (e) Marketing is not yet online based
- (f) Business relations are not strong yet

3) Opportunities

- (a) Demand tends to be high for processed fish products
- (b) Availability of information technology networks
- (c) The opening of the market along with the opening of the Special Economic Zone for Tourism
- (d) The government is very responsive in advancing MSMEs

4) Challenges

- (a) Air transportation costs reduce tourists' intention to purchase fish-based products
- (b) The Covid 19 pandemic has slowed down business development
- (c) The technology used in the production process is still manual so that the product to be made is feared not standardized in both shape and size
- (d) Excellent bureaucratic service for the processing of Home Industry Food issues (PIRT) is still low

This finding concludes that the fisherwomen's Tibo-tibo business has a great opportunity to be developed through various innovations so that the business to be managed will produce higher economic value.

Innovations of Business Development

Product Innovation Based on Local Potential

The demand for fish processing products is getting higher corresponding to the needs of individuals who begin to understand the importance of fish consumption for health. One of the prompt factors for the level of public understanding of the importance of fish consumption for humans is the exposé of information in this information technology era. "Tibo-Tibo" fisherwomen have only been selling fish. Hence, it is expected that work behaviour and new business behaviour will occur once product development in numerous product innovations are carried out. Fish product development will lead to fish product diversification and innovation.

Product innovation is implemented by utilising the potential of fish resources on the coast of North Minahasa regency. The availability of marine fish on the coast in North Minahasa regency is very high covering numerous types of fish including Cakalang fish, Malalugis fish, Tongkol fish, Kerapu Karang fish, Mackerel fish (called Tude fish in local language), Kakap Merah fish, Baronang fish, Ekor Kuning fish (called ikan Lolosi in local language), and Roa fish. The availability of this fish can be produced to numerous varieties of fish processing products (product diversification) which can provide economic value added. The diversification of marine fish products can be in the form of shredded fish, fish nuggets, fish crackers, fish balls, canned fish, smoked fish, fish sauce, fish sausages, salted fish, and fish chips. Developed products consider market demand / consumer tastes. Market survey and focus group discussion formulated several fish processing products which have market opportunities, such as fish sausages, fish nuggets, shredded fish, fish balls, fish crackers, salted small Baronang fish (called "Gorara fish in local language), Malalugis smoked fish, and Roa fish sauce.

Fresh fish with good quality as raw materials from local waters are used in the production of all sorts of fish processing products. Shredded products (especially from Cakalang fish) use traditional Manado spices which have a delicious taste and are hygienically processed without using preservatives or dyes. Shredded products have 2 flavours, namely original and spicy. Fish meatballs (Malalugis fish) are produced in 2 types of sizes, namely small and medium. Fish nuggets (Lolosi fish) are formed in 2 shapes, namely a fish shape and a square shape. Fish crackers (Malalugis) are created in 2 sizes, small and large. Fish sausage is made in large and small sizes. Salted fish are packed with a size of 250 gr, 500 gr and 1000 gr (1 kg).

Marketing Innovation

So far, the business of fisherwomen's Tibo-tibo has been marketing by selling fish in the market and carrying baskets while traveling around the village. When there is product innovation, it will be followed by product diversification so that the strategy and marketing network will be developed/expanded. Marketing strategies include the following: (1) (digital-based / on-line marketing (using the internet) such as online shops, Instagram, WhatsApp and Facebook; (2) Direct marketing to supermarkets, food stalls, tourism places. Products will be packaged in different shapes, packing and sizes.

Development of Business Institutions Towards Culinary Businesses

The fisherwomen's "Tibo-tibo" business will be industrialised into an innovative business based on local potential from an institutional aspect. Fisherwomen's Tibo-tibo businesses to date are in the form of informal businesses which do not have an institution. Nevertheless, with product innovation, then the business' institution is developed to become a culinary business and frozen food which has business certificate. In order to obtain business certificate, it begins with the formation of a business group which gets permission from the sub-district and then obtains permission of Home Industry Food (PIRT) from the One Roof Service Agency.

This legally formed business is designed with a structure led by an entrepreneur with a maximum of 10 employees and will be adjusted to future business developments. This business will be tied to organizational culture with strongly related to "Mapalus culture" as local social capital which is reflected through the values of mutual help, grow together and honesty.

Stages of Implementation

Business development in fisherwomen's Tibo-tibo is aimed to innovative businesses which will be implemented in the following stages:

- 1) Identification of development needs. The need for business development should be customized to the market needs, not only local markets, but also national and global markets. Besides that, it is required to keep technological developments updated to foster innovation more effectively. At this stage, a development needs survey is executed.
- 2) Determining the right individuals to implement innovative business development. At this stage, choose individuals who are willing and ready to become knowledgeable new entrepreneurs, ready to change their business behaviour which does not barely rely on selling fresh fish.
- 3) Establishment of business groups whose members know each other around residence with the purpose of making it easier for them to gather and coordinate. Each group has a maximum of 10 people and is managed by a group leader.
- 4) Model testing and model validation through a team of experts (

- 5) Business development of a pilot project. At this stage, the group was equipped with new knowledge and skills to support business development in form of product innovation, marketing innovation and organizational innovation
- 6) Evaluation of the business activities implementation is executed to determine the level of success, problems, and challenges in business development to discover solutions.
- 7) Assistance to business groups. Assistance is really needed in groups' businesses with the aim of patterning new habits in doing business development. Besides that, the aim is to guide them to become independent in doing business with the intention of making business sustainable.

CONCLUSIONS

¹ The results of this study conclude that business development innovation on Tibo-tibo fisherwomen in North Minahasa Regency can be carried out through local potential-based product development innovations (fresh fish), digital-based marketing innovations and direct marketing in tourism areas, supermarkets and culinary businesses, as well as business organization innovation into culinary and frozen food businesses.

REFERENCES

- Andreas, Budihardjo. 2017. Knowledge Management: Efektif Organisasi meraih sukses, Jakarta Selatan: Prasetya Mulya Publishing
- Akimova, Irina. 1999. Development of Market Orientation and Competitiveness of Ukrainian Firm. *European Journal of Marketing*, pp.1128-1146
- Dirisu, J. I., Iyiola, O., & Ibiidunni. O. S. 2013. Product Differentiation: A Tool of Competitive Advantage and Optimal Organizational Performance (A Study of Unilever Nigeria plc). *European Scientific Journal*, ESJ. 9(34).
- Ida A.K. Marini & Nyoman S.K.Ningsih, 2015. Ragam aktivitas ekonomi nelayan terhadap Peningkatan Pendapatan Rumah Tangga Nelayan di Kota Mataram. *GaneÇ Swara*, Vol. 9. No.1. hal 53-59
- Hashi, Iraj. Stojcic, Nebojsa. 2013. The impact of Innovation activities on Firm performance using a multi-stage model: Evidence from the Community Innovation Survey 4. *Research Policy*. Amsterdam, Vol.42 issue 2. pp.353
- Hendra Wawansyah. dkk. 2012. Kontribusi Ekonomi Produktif Wanita terhadap Pendapatan Keluarga. *Jurnal Perikanan dan Kelautan*, Volume 3 No. 3, hal 95-106
- Kahn Kenneth B, 2018. Understanding Innovation, Business Horizons, Vol.61. *Business Horizons*, Issue 3. Pp 453-460
- Kanagal, N.B. 2015. Innovation and product innovation in marketing strategy. *Journal of Management and Marketing Research*, Vol. 18 pp 1-25.
- Kotler, Philip. 1987. Dasar-Dasar Pemasaran. Edisi ketiga. Jilid 1. Alih Bahasa, Wilhelmus W. Bakowatun. Intermedika. Jakarta.
- Medase, K & Barasa, L. 2019. Absorptive capacity, marketing capabilities, and innovation commercialisation in Nigeria, *European Journal of Innovation Management*, Vol. 22 No. 5, pp. 790-820.
- Medrano, N. & Olarte-Pascual, C. 2016. The effects of the crisis on marketing innovation: an application for Spain, *Journal of Business & Industrial Marketing*, Vol. 31 No. 3, pp. 404-417.

- Medrano, N., Cornejo-Cañamares, M. & Olarte-Pascual, C. 2020. The impact of marketing innovation on companies' environmental orientation. *Journal of Business & Industrial Marketing*, Vol.35 issue 1, pp. 1-12.
- Nonaka I. 1991. The Knowledge-Creating Company. *Harvard Business Review of Knowledge Management*, Harvard Business Scholl Press.pp.21-45.
- Quaye, D & Mensah, I. 2019. Marketing Innovation and sustainable competitive advantage of manufacturing SMEs in Ghana, *Management Decision*, Vol. 57 No. 7, pp. 1535-1553.
- Ramirez, F.J., Parra-Requena, G., Ruiz-Ortega, M.J. & Garcia-Villaverde, P.M. 2018. From external information to marketing innovation: the mediating role of product and organizational innovation, *Journal of Business & Industrial Marketing*, Vol. 33 No. 5, pp. 693-705.
- Rohmiati Amini. 2013. Analisis Dampak Pemberdayaan Wanita Nelayan melalui Program Usaha Garam Rakyat terhadap Kondisi Ekonomi Keluarga Nelayan di Kabupaten Lombok Barat. *Jurnal GaneÇ Swara*, Vol.7. No.2.hal 18-24.
- Reniaty, 2013. Kreativitas Organisasi dan Inovasi Bisnis, Penerbit Alfabeta, Bandung.
- Sánchez-Gutiérrez, J., Cabanelas, P., Lampón, J.F. & González-Alvarado, T.E. 2019. The impact on competitiveness of customer value creation through relationship capabilities and marketing innovation, *Journal of Business & Industrial Marketing*, Vol. 34 No. 3, pp. 618 – 627.
- Sangkala. 2007. Knowledge Management. 2007. Jakarta. PT Raja Grafindo Persada.
- Wijitgomen, Bhorntiwa; Wongsansukjaroen, Jedsada, 2015. The impact of Knowledge Management (km) and Innovation on Business Performance: A Case study of Banking Industry in Thailand. *International Journal of Arts & Sciences*, Cumberland Vol. 8, Issue 1. pp.317-326.
- Wahyono. 2019. The mediating effects of product innovation in relation between knowledge management and competitive advantage. *Journal of Management Development*, Vol 39 issue 1, pp.18-30

The Innovation of Tibo-Tibo)LVKHUZRPHQ¶V Business Development

ORIGINALITY REPORT

10%

SIMILARITY INDEX

11%

INTERNET SOURCES

4%

PUBLICATIONS

2%

STUDENT PAPERS

PRIMARY SOURCES



www.researchgate.net

Internet Source

10%

Exclude quotes Off

Exclude matches < 2%

Exclude bibliography On