THE SUSTAINABILITY OF NEWLY OPEN SMALL CULINARY BUSINESS IN THE PANDEMIC COVID-19 IN MANADO

KEBERLANGSUNGAN DARI BISNIS KULINER BARU YANG BEROPERASI DI PADA SAAT PANDEMIC COVID-19 DI MANADO

By:
Hizkia Haryanto
Regina Saerang

1,2International Business Administration, Management Department
Faculty of Economics and Business
Sam Ratulangi University, Manado

E-mail: andrian.nuspey@gmail.com
regina.saerang@unsrat.ac.id

Abstract: This study aims to analyze the sustainability of new small culinary business that operating in the era of pandemic Covid-19 in Manado. This research is using qualitative research method that explore the theories from several journals, articles, books and previous research, the type of this research is descriptive research. Population in this research are all Elements that can be respondent about the sustainability of newly open small culinary business in the pandemic covid-19 in Manado. Which are all Business owner who open their business during pandemic covid-19. The data that gathered in this research are primary data and secondary data such as; Interview and documentation. The validity and reliability of data in this research are tested by using triangulation in credibility test and the result of this research that tested to 10 informant in-depth interview it is effective to open business during pandemic of covid-19 as long as keep doing a good marketing strategy while running the business. The result of this research which is from in-depth interview with 10 informants are open the business during the pandemic in 2020 and their business still survive until now.

Keywords: Covid-19, culinary business

INTRODUCTION

At the end of 2019 world were facing a really tough pandemic which is Covid-19 including Indonesia. Covid-19 is a new type of coronavirus (SARS-CoV-2) that spread and called a disease called Coronavirus disease 2019 (COVID-19). This virus was discovered in Wuhan, China for the first time and has infected 90,308 people as of March 2, 2020 (WHO Data, 2020). According to the Indonesian Ministry of health, In Indonesia the first confirmed Coronavirus disease 2019 (COVID-19). As time goes by, the number of new cases has increased significantly and because of that government take a serious action for that, government make the
limitation for people cannot go out from home. People cannot go out for working so they must work from home, students cannot go to school and etc. So every activity must be doing at home to reduce of spreading the virus. 

The ongoing global economy has a major impact on the business world. Almost all business across the country was shutting down amid the spreading coronavirus pandemic and these conditions make it difficult for some businesses to survive including Indonesia. Since covid-19 happened there are a lot of businesses that stop to operate. But talking about business there are not only business that already grown big or big scale of business, there are also small scale of business for an example small café, online store that sells clothing house essentials and many more and also there are culinary businesses. According to the data even during pandemic that are quite many small business that are open due this pandemic, mostly in culinary business. Owner of small business registered their business for NIB (Nomor Induk Berusaha), recorded 170.000 new small businesses that are registered, and it is supported by the government, they give Rp. 2,000,000 for the small business owner.

Culinary business is one of so many business that affected by this pandemic covid-19, food is people’s daily needs and its primary needs. But because of this pandemic people cannot go out for go to the restaurants or café or have some food. Indonesian culinary quite famous in worldwide, because of that one of the destination when tourist come to Indonesia is for culinary destination. But because of this pandemic covid-19 there are a lot of culinary businesses must be permanently closed because they cannot survive during this pandemic covid-19 in Indonesia, including Manado. When its pandemic Covid-19 came, tourist cannot enter Indonesia, including Manado. There are some business are closed for a while and also permanently closed. But in this pandemic, there are also quite many small businesses that running in culinary business that opened in Manado due this pandemic Covid-19. Even though this pandemic covid-19 is never ending, the small business owner still opens their business. So based on the description above researcher wants to know the sustainability of new small culinary business that operating in the era of pandemic Covid-19 in Manado.

Research Objective

Based on the research problem, the objective of this research is to know the sustainability of newly open small culinary business in the pandemic covid-19 in Manado

THEORETICAL FRAMEWORK

Marketing

In many companies today, marketing plays a role as an important factor for businesses and struggling to survive living in the world of competition. Marketing is an important factor as the company's strategy in the operations primarily related to the consumer. Kotler and Armstrong (2010) said that marketing is the social process by which individuals and organizations obtain what they need and want through creating and exchanging value with others. The definition is based upon a basic marketing exchange process, and recognizes the importance of value to the customer.

Marketing Communication

Kotler and Keller (2010) defined marketing communications as the means by which firms attempt to inform, persuade and remind their customers - directly and indirectly - of products and brands they sell. Marketing communications represent the voice of the company and its brands, they are the means by which the company can establish a dialog and build a relationship”.

Internet Marketing

Internet Marketing is one of marketing strategy that used by company to promote their business. Internet Marketing is marketing efforts done solely over the Internet. This type of marketing uses various online advertisements to drive traffic to an advertiser's website. Banner advertisements, pay per click (PPC), and targeted email lists are often methods used in Internet marketing to bring the most value to the advertiser. Internet marketing is a growing business mainly because more and more people use the internet every day. Popular search engines such as Google and Yahoo have been able to capitalize on this new wave of advertising (Business Dictionary, 2014).
Marketing Tools
1. Website. Internet Marketing is a form of business form of business form the company to market its products and services and build relationship with customers through the internet. Hill (2011) distinguished the following five key points to create a beautiful and user-friendly website: Bar.
2. Advertising on the internet. Advertising on the internet or online advertising is a place to buy products according to each other’s needs. According to Chan (2015) using internet and traditional advertising, both contribute to the company's brand promotion and awareness-raising.
3. Social Media. Marketing by using social media is one of the strategies via internet, especially with social media or social networking can increase sales widely and not requires expensive marketing costs and the internet can operates 24 hours.

Business Situation during Pandemic
According to the research results by Pham et al. (2020), Covid-19 plays a role in increasing consumer awareness of utility, which encourages shoppers to do online shopping. This is caused by the high level of caution and concern about the virus transmission, so that in these conditions, online selling and shopping are the solutions that can be done to keep earning even though you have to stay at home.

Entrepreneurial Motivation during Pandemic
Pandemic of covid-19 has become a global problem that affects to Indonesian economy and even has an impact on a business. Most actor’s central to shaping the economy would admit to the current pandemic being a metaphorical black swan event, that is, a surprising, unpredictable event of great significance and severe consequences that dramatically changes the political and economic environment (Winston, 2020).

Challenges of Startup Business during Pandemic
All entrepreneurs experience various obstacles and various challenges to running a business during pandemic. Therefore, increasing attention is being paid to how entrepreneurs respond to their creativity and innovation (Ratten, 2020).

Business Survival Strategy
Based on the unstable business conditions, entrepreneurs especially startups, must have a good strategy in order to survive or need to change strategy. Companies must strive to change in the aftermath of this pandemic and change in ways that have never happened before (Cortez and Johnston, 2020).

Previous Research
Išoraitė (2016) analyzed the opinions of different authors on raising brand awareness. The concept of internet marketing and its implementation. It also describes and analyzes the concept of internet marketing and its implementation. The analysis investigation of the most urgent and the most effective online marketing tools in developing brand awareness are provided in the article. The article analyses website, internet advertising, social networks and the search engine optimization.

Bija and Balas (2014) present the concept and characteristics of social media and how it can be used in order to increase brand awareness.

Odhiambo (2012) explored whether social media is more effective than the traditional media on a brand management perspective and find the implementation challenges that make it a two face phenomenon. The findings presented in this study conclude that even though social media is more effective than some of the traditional advertising channels, it cannot be implemented in isolation without augmenting it with other forms of traditional advertising channels.

Conceptual Framework

NEWLY OPEN BUSINESS

THE SUSTAINABILITY OF NEW SMALL CULINARY BUSINESS

Figure 1. Conceptual Framework
Source: Data Analysis Method (2022)
From this conceptual framework, this study aims to find out the sustainability of newly open small culinary business in the pandemic covid-19 in Manado

RESEARCH METHOD

Research Approach
This research is qualitative research methodology which is descriptive research to explore the sustainability of newly open small culinary business in the pandemic covid-19 in Manado. According to Punch (1998), Qualitative research is empirical research where the data are not in the form of numbers. Qualitative research usually does use some form of quantification, but statistical forms of analysis are not seen as central (Mason, 1996).

Population and Sample
Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate. Population is identifiable group of elements (e.g, people, products, organizations) of interest to the researcher and pertinent to the information. According to Spradley (1980), in qualitative research there is no population term but only social situation, which consists of three elements: place, actors and activity. The social situation of this research is all Elements that can be respondent about the sustainability of newly open small culinary business in the pandemic covid-19 in Manado. Sample is a subset of the population. It compares some members selected from it. Sample in qualitative research is not called as respondent instead as a sources, participant, informant, friend and teacher in research process (Sugiyono, 2007). Sample techniques that will be used is purposive sampling. In order to get the best result, researcher took all the 10respondents to be interviewed as a business owner. Researcher took all the respondent in this case is the small business owner itself in order to know about their perception about the effectiveness of new small startup business (culinary businesses) even though there are pandemic Covid-19 and the economics of Indonesia is not in a good condition.

Data Collection Method
The data used in this research are primary data and secondary data. Primary data are the result of conducting some type the data needed for this research were gathered through interview in the social situation. The secondary data collected for some purpose other than the problem at hand taken from company data, books, journals, articles, and relevant literature from library and internet.

Data Analysis Method
The process of data analysis was done before entering the social situation while analysis process was done during collecting the data and after finishing the collecting data in certain period of time.

Data Validity and Reliability
Validation in qualitative research to be an attempt to assess the “accuracy” of the findings, as best described by the researcher and the participants. Validation as a distinct strength of qualitative research in that the account made through extensive time spent in the field, the detailed thick description, and the closeness of the researcher to participants in the study all add to the value or accuracy of a study. In qualitative research, “reliability” often refers to the stability of responses to multiple coders of data sets.

RESULT AND DISCUSSION

Result
This result use qualitative research and use in-depth interview as the tool to gain information. The population of this research are 10 owners that can be respondent about the sustainability of newly open small culinary business in the pandemic covid-19 in Manado.
Informant 1 is the owner of Clind Food Palace Manado, this business is located in Kawasan Mega Mas Manado. This business is a food court business that opened during the pandemic covid-19 in March 2021. According to the owner actually he already planned this business before covid-19 but while he planning this, this pandemic happened. But he never give up he’s still planning this business until in the end of 2020 he build
the building. There are also the advantage, which is when I opened this people are looking for the aesthetic place, because of this pandemic they use their time in house, and also because of the pandemic all the materials were low price. But in March 2021, he success for open this business. The concept of his business is food court so he help all the small business, the new one and also the old business. In his opinion social media helps him a lot by using Instagram and Tiktok.

Informant 2 is the owner of cafe located in Malalayang, Manado. This café were opening in august 2021 which is in the middle of pandemic. In that day he cannot go to campus because of the pandemic Covid -19 so when he scrolling around his Instagram, there are a lot of business that open in pandemic covid-19, so many people are open their business especially in culinary business like culinary business becoming trend. So he decided to open this business, small café that sell coffee, snacks and some simple food and also when people come to his café they will put it into Instagram story so people mostly know it on Instagram. This pandemic also bring the disadvantage for me because I have to makes sure that my place must be safe for everyone that coming and it spend more cost but the advantage, the materials of food become lower than before. So according to him, he only open the business start from hobby and dream and now the café are running well and survive.

Informant 3 is the owner of Kios Blessing which is one of tenant that opened in Clind Food Palace Manado. Kios Blessing sell Minahasa foods for example bubur manado, gohu, etc, according to the business owner during pandemic she only open her business in her own house. When pandemic started, children doesn’t go to school, so she decided to open this business in the middle of pandemic. In the beginning she doesn’t think that people will like her food, and then her sister inform that Clind Food Palace Manado which is a food court in kawasan mega mas are open, and looking for food tenant that want to join them. Ms. Nantje thought this is the opportunity to expand her business, so she decided to open her business in Clinfood Palace Manado. Since Kios Blessing is the only one that sell Manado/Minahasa foods, especially Tinutuan. Tinutuan is a healthy food so this is a comfort food for Manado people and also it is good because in the middle of pandemic people need a healthy food. According to her the disadvantage of this pandemic were she must make sure her staff for check their health every 2 weeks so it cost more, and also when they are cooking. Now people always need food to survive and it is available in grab food.

Informant 4 is Gaby who got the information about the opening of Clind Food Palace Manado. Because she is closed with the owner of Clind Food Palace Manado, she was asking is she can join Clind Food Palace Manado as the only tenant that sell drinks, because there will be a lot of food tenant in there so this is a good opportunity for her to open this business. Since she just finished her study, and she want to start some business but it’s quite hard because of covid-19. Luckily she choose the right thing because she can running her business now, in the beginning of opening she even not get her food because there are a lot of people that visiting Clind Food Palace Manado start from morning until evening. The disadvantage of her business during the pandemic are the cost of protection of her staff, it becoming the disadvantage because if it’s not pandemic there will be no cost for that but the advantage of the pandemic, when she looking for staffs it easier because there are a lot of people were looking for job and also another advantage is people think more about the health so her healthy juice become the best seller.

Informant 5 is the owner of snack booth. According to the owner in the beginning of pandemic she doesn’t have any job and also when pandemic started she can’t apply any job in Manado either outside Manado. So she started to watch Tiktok and start to watch cooking video, so in September 2020 from hobby it was becoming a home business. That’s becoming the advantage for her because when pandemic start there are a lot of content creator make food content so she was inspired by that another advantage is most people must stay at home and of course they use their social media more often, so it become more easy to promote her business and because of that people use food to entertain their selves because they can’t going out back then but there are also the disadvantage for her when she must going to the market in the middle of the pandemic. She use her Instagram, Tiktok and Instagram to promote her business.

Informant 6 is a new Entrepreneurs who just opened her business in July 2021. She is graduated from International Business Administration in 2018. Before she opened her business, she had worked in Germany for approximately two years. The reason why she started this business is because she wants to develop herself by starting a business. The culinary business is easier to run compared to other businesses because with low capital can get big profits. The advantage of opening this business is more self-satisfied to be able to provide job opportunities for people who find a job in the midst of Covid-19, but of course behind the advantages there are certainly challenges, because this pandemic it is very difficult in terms of operational because PPKM. The marketing strategy by social media especially Instagram.
Informant 7 is the type of owner who started a business while studying for master's degree. The reason for opening this business is because the online college so she think about opening a business, even though in a pandemic. Because according to her the opportunity didn't come twice, so she still took the opportunity. She started his business in December 2020. The reason why she opened a culinary business is because she is food lovers and she feels she has a passion in culinary. The advantage is because this pandemic makes the unstable business environment and of course or decrease in income because PPKM. But also has the advantage is in the market opportunities. The strategy is through social media such as Instagram, Facebook and Grabfood.

Informant 8 said the reason why he dared to open business during a pandemic because of economic situations. Although according to him, opening a business during Covid-19 was having difficulties in marketing his business. He said the reason why he is interested in the culinary business is because he likes to cook or passion in cooking and many of his friends love his food. This business that started in January 2021 has a problem with extreme revenue declines in income. When the government implemented various policies such as PPKM, his business almost bankrupt. In terms of marketing, the strategy he took was to become a part of Clind Food Palace Manado, because indirectly his business was promoted by the place through their social media Instagram, grab food, go food and Facebook. According to him this pandemic has made him more motivated to survive and in addition to promotions on social media, he also makes a series of discount prices and food vouchers.

Informant 9 is the owner of Snackers who graduated from international business in 2018. The main reason why she opened a culinary business is because according to her it is one of the easiest businesses to run compared to other businesses for beginners in the business world. She said the reason she started his business during Covid-19 was because she had opportunity to start a business because after she resigned from her job in Jakarta she was really interested in doing business, especially her educational background that supports being an entrepreneur. Businesses that have just started in November 2021 the biggest challenges due this pandemic is there are some people still afraid to eat outside and PPKM. But there are advantage during the pandemic is great opportunity to start a business in the virtual world so low cost because most people are using social media and about the strategy according to her, she is promote or introduce her business through social media such as Instagram and Facebook.

According to informant 10, culinary businesses are businesses that everybody can do. But the biggest reason why he opened a culinary business is because cooking as a hobby. He opened his business in April 2021. Losing his job pushed him to set up a business. In difficult circumstances due to covid-19 it is hurt to find new customers so he must have a strategy that is by using Grabfood as one of his marketing. But there are challenges during the pandemic it is easy to find employees because many have lost their jobs. The perceived obstacle is one of the government regulations regarding PPKM which reduces business operating hours so decreased income.

Discussion

The pandemic which occurred in early 2020, is a problem that is not only felt in Indonesia but also all over the world. This pandemic also disrupts the Indonesian economy and also has an impact on the business world. This pandemic has made the Government Issue such as lockdown policy and also PPKM which has a major impact on business continuity. Many businesses going bankrupt and had to close due to COVID-19. But there are also many culinary businesses that have just opened during the Covid-19 pandemic. As in Manado, many startup business especially culinary businesses have started to emerge in the midst of a pandemic. Therefore, a question mark arises what is the motivation of business owners to dare to open this culinary business in the midst of a pandemic and what are the advantages and disadvantages or what obstacles do they face in running a business during the covid-19 pandemic. Because it is very difficult to market products during this pandemic so what marketing strategies they use and what strategies they do to keep their business can survive. Based on informants 1 - 10 in this case, want to prove the effectiveness of startup business in case culinary business during the Covid-19 pandemic.

Motivation to Open Business during Pandemic

According to Moekijat (2005), there are two sources motivation are:
1. Internal motivation is anything related to the motivation in suppose a person’s goal to do something of an individual’s will, considering the strengths that exist in the individual that is needs and desire.
2. External motivation is a motivation that comes from outside, for example: work situation and environment, policies and problems at work such as: rewards, promotion and responsibilities.
According to Baron (2007), motivation in entrepreneurship includes motivation that is directed towards achieving entrepreneurial goals involving the introduction and exploitation of business opportunities. From above result, informant1, 2, 3, 8 and 10 proving that a person's circumstances or problems at work such as losing a job because of pandemic and internal motivation economic situation that must be solved to meet individual needs and desire can also motivate someone to become an entrepreneur. But there are also other findings like informant 4, informant5, informant 6, informant 7, informant 9 proves that opportunities is the one of the motivations for starting a business. According to research, a pandemic opens up a great opportunity to start a business.

**Advantage Startup Business during Pandemic**

Downturns or challenging times can be seen as good times to start a business because there is less competition for resources and whatever the changes, positive or negative, bring up new customer needs where customer needs are at the core of any business (Menon, 2021). From the explanation above, it proves that in addition there is less competition for resources but also opening up new changes in market opportunities, creating job opportunities, starting business in virtual all of which aims to bring up new customer needs and customer needs are at the core of any business.

**Challenges of Startup Business during Pandemic**

There are some challenges in business and for startup business to survive in this pandemic, there are:

1. Financial Challenges. Financial issues existed like handling the decrease in daily orders, cash flow management, and lower budgets, which made everything harder for startups to survive
2. Human Resources Management Challenges. Some of them were cancelling their contracts, and others were firing their valuable human resources; which, according to the resource-based view, were the sources of inspiration and competitive advantage for them
3. Market and Marketing Challenges. Startups are still challenged by a lack of market and marketing research in this period more than ever before
4. Crisis Management Challenges. In fact, a lack of crisis management skills remained as another challenge for startup owners in facing this black swan
5. Further Challenges. They faced supply chain issues, as they required to deal with logistics for service or product provision

From above results, it can be concluded that the challenges faced by the owner such as financial challenges, human resources management challenges, market and marketing challenges, crisis management challenges and further challenges.

**Marketing Strategy**

Stephen and Galak (2012) demonstrated that certain kinds of social interactions that now happen on social media can positively affect important marketing outcomes such as new customer acquisition and sales. From explanation above, it proves from informants 1 – informant 10 that all of them using social media to promote the products such as on Instagram, Facebook, Grabfood, Tiktok, bringing very positive results

**Business Survival Strategy**

Other scholars were more concerned about the survival of businesses through inventions and innovation, for example, Cefis, and Marsili (2019) that new firms innovating within 2 years from their founding enjoy a long-term adaptive survival premium during and after the crisis. To survive in business there are two strategies: Inventions and innovation. Informant 1 – informant 10 proving that new inventions or ideas such as, creating new menus, making discount prices or vouchers to attract consumer and also having to innovate such as innovating in product packaging.

**CONCLUSION AND RECOMMENDATION**

**Conclusion**

Based on the result and discussion in the previous chapter, we can conclude some points here which are:
1. Opening culinary business during covid-19 it’s not that difficult but also it does not easy because business owner must have a good strategies to running their business. During the pandemic culinary business still survive because people still need food.

2. Social media really help all the business owner especially new business that promoting their business, because in the middle of pandemic smartphone becoming primary things in life, when people boring they open their social media for scrolling around and also when people come to their café or restaurant people will upload that in their social media and most of it becoming viral so it attracted people for come or order using Grabfood or Gofood.

**Recommendation**

This research has been conducted in order to explore generally to know the sustainability of new small culinary business that operating in the era of pandemic Covid-19 in Manado. Here are some recommendation proposed and found with this research for culinary business owner, people who wants to open business during this pandemic covid-19, universities, and the next researcher.

1. For people who want open culinary business during pandemic covid-19, don’t wait until this pandemic ends, because nowadays we are living in the new normal. Pandemic covid-19 doesn’t really affected the culinary business because people can’t live without food.

2. For universities, to give some knowledge for the students especially business students To know the sustainability of newly open small culinary business in the pandemic covid-19 in Manado, because when becoming economic and business students it is important to know about the marketing strategies, especially who wants to open a culinary business, with know the strategies, they can find the right strategies to start their new business.

**REFERENCES**


H. Haryanto., R. Saerang


