

DEVELOP A LOW-CALORIE PRODUCT BRAND IMAGE THROUGH PRODUCTION PROCESS INNOVATION FOR LEGIT CRACKERS MSMES

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ABSTRACT

Legit Crackers is an MSME that produces snacks in the form of high quality and low-calorie mackerel fish crackers. The growth of MSMEs also drives Indonesia's economic growth so it can be said that MSMEs have a large contribution. Fish crackers are a popular snack among Indonesian people, with various types and interesting flavors. However, like many other MSME businesses, the fish cracker business also faces a number of problems that need to be overcome. One solution is to develop product formulas and brand images. This is important because good product quality can influence the awareness, trust and confidence of potential buyers. For Legit Crackers, a low-calorie snack business that was founded in 2017, building a brand image is a challenge. To increase marketing potential, good and unique product development, packaging and promotions are carried out. Development of a comprehensive strategic plan to overcome production efficiency problems, improve business image, and open access to international markets. In this context, the Universitas Tarumanagara PKM team is committed to assisting Legit Crackers in improving its business brand image. PKM activities aim to help Legit Crackers partners innovate and develop market potential for low-calorie snack products. It is hoped that this will improve consumer brand image towards Legit Crackers, develop the low-calorie snack market potential and penetrate the global market.

Keywords: Fish crackers, Low calorie snacks, Brand image.

1. INTRODUCTION

The current condition of Micro, Small and Medium Enterprises (MSMEs) in Indonesia reflects great diversity in terms of scale, sector and challenges faced. MSMEs play a very important role in the Indonesian economy, contributing to the majority of employment and economic growth. MSMEs are the backbone of the Indonesian economy. According to data from the Indonesian Ministry of Cooperatives and SMEs, in 2021 there will be more than 64 million MSMEs operating throughout the country, providing employment for millions of people (Ministry of Finance, 2020). MSMEs also play a role in driving the local economy in various regions, encouraging more equal distribution of income, and supporting socio-economic inclusion. After Indonesia experienced an economic downturn in 2020 due to Covid-19, economic revival in 2023 can be seen from Indonesia's economic growth in the first quarter of 2023 which was recorded at 5.03% compared to the previous year. Meanwhile, in the same period Gross Domestic Product (GDP) based on current prices reached IDR 5,071.7 trillion (BPS, 2023).

This economic growth is supported by improved household consumption power, increased mobility, and a decrease in the inflation rate. Apart from that, with a number reaching 99% of all business units, MSMEs are also one of the improvements in the nation's economy with GDP reaching up to 60.5% in 2022. This increase has caused MSMEs to be called a critical engine for the economy by the Deputy for Economic Coordination. Digital, Employment and Micro, Small and Medium Enterprises and receive government support (ekon, 2022). Micro, Small

and Medium Enterprises (MSMEs) engaged in the production of fish crackers are one of the sectors that have great potential in Indonesia (Halim, 2020). The growth of MSMEs also drives Indonesia's economic growth so it can be said that MSMEs have a large contribution (Farisi, Fasa, & Suharto, 2022). Fish crackers are a popular snack in Indonesian society, with various types and interesting flavors (Ghozali, Fatmawati, & Cahyono, 2021). However, like many other MSME businesses, the fish cracker business also faces a number of problems that need to be overcome.

In this analysis, we will discuss various problems faced by MSMEs producing fish crackers, as well as the potential for business development in this sector. There are various initiatives, both from the government and the private sector, which aim to encourage the growth and development of MSMEs. The development of MSMEs in Indonesia is very positive. The number of MSMEs continues to grow, and they are increasingly diverse in sectors and types of business. This reflects the strong entrepreneurial spirit among Indonesian society. The lifestyle of the millennial and urban lifestyle generation is that many people like types of food or light snacks such as chips and crackers which people can consume in their free time, moreover, this type of food is easy to obtain so the demand for snack products will definitely always be there every year (Chotimah & Parantika, 2022). So, this is an opportunity for MSMEs operating in the food and beverage sector, especially fish cracker snacks, supported by production and marketing strategies that will attract consumer attention.

Product quality and taste are one of the company's strategies, especially for micro, small and medium enterprises, to be able to win competition in the business world. In this strategy element, MSME players are expected to improve the marketing production process. MSME players are not yet fully aware of the supporting factors in increasing sales of their products. An attractive product idea will increase consumers' desire to buy the product. One of the problems and limitations of cracker producing MSMEs in developing brands is that the production process is still manual and takes a long time. This process requires a lot of labor and takes quite a long time. This manual process not only increases production costs, but also limits their production capacity, making it difficult to meet higher demand. This is especially true for MSMEs that sell fish crackers, which require a careful processing process so that the resulting product is of high quality.

Then, small entrepreneurs who produce light snacks, especially fish crackers, often experience problems in building a strong business image. They may not have knowledge or experience in marketing and branding. This can hinder their ability to attract new customers and retain old ones. Lack of understanding of the importance of brand image and modern marketing strategies can be a major obstacle. Several aspects that influence brand image and customer perception of products are (1) product design and packaging; (2) marketing and promotion; (3) brand image management; (4) customer feedback; (5) lack of differentiation from competitors.

Not all MSME players are aware of the importance of product packaging in sales figures because they do not yet understand and have knowledge regarding the variety of attractive packaging forms that suit their function (Irma Christiana, 2021), such as packaging techniques and attractive packaging designs, instruments and information that need to be included. on packaging, and can be differentiated from other products (Mukhlis M, 2022). Most MSMEs only focus on product creation but pay little attention to the packaging used. Based on previous research (Agmeka, Wathoni, & Santoso, 2019), it is stated that a good brand image will influence people's decision intentions to buy a product (Jalilvand, Mohammad, & Samiei, 2012). Therefore, it is important for MSMEs to form a brand image and product awareness

among consumers. Due to limitations in access to international markets, MSMEs may not have knowledge of import and export requirements, as well as lack connections with international distributors (Muhsyi, Fauziyyah, Khusna, & Mirzania, 2021). This makes them lose opportunities to expand market share and increase income through exporting their products abroad (Mulyana, 2020). There are still many public perceptions that assume that the quality of imported products is better. This is supported by previous research (Ansari, Ansari, Ghor, & Kazi, 2019), which states that brand awareness has a significant positive influence in encouraging people to decide to buy a product.



Figure 1. Legit Crackers's Logo

These problems are being experienced by one of the Legit Crackers MSMEs, namely the mackerel fish crackers snack. Legit Crackers is a micro, small and medium enterprise that produces home-made cracker products that are fried and processed using fresh mackerel fish and various kinds of selected spices as the base seasoning. Legit Crackers has seven flavor variants that suit Indonesian tastes, namely original, salted egg, truffle, cheese, crispy skin, spicy hot, seaweed, sweer corn and is committed to providing a special taste experience in every bite. As a result of these problems, the growth and sustainability of the Legit Crackers MSME business has been hampered.

To address this issue, partners need to consider investing in production automation, strengthening marketing and branding efforts, and seeking opportunities to enter international markets through partnerships or increasing knowledge about exports. To increase marketing potential, good and unique product development, packaging and promotions are carried out. Development of a comprehensive strategic plan to overcome production efficiency problems, improve business image, and open access to international markets. Investment in modern production technology, training in branding and marketing, as well as collaboration with institutions that have experience in international expansion.



Figure 2. Fish Crackers product with a fried process

In an effort to form a good brand image, Legit Crackers needs to be consistent in creating content on social media and marketplaces for promotions so that it can be well received and easily recognized by target consumers, as well as packaged with an attractive and unique design so that it can provide added value for partners. Legit Crackers partners use social media as promotional media, one of which is Instagram @lejitcrackers and Shopee @lejitcrackersofficialshop.

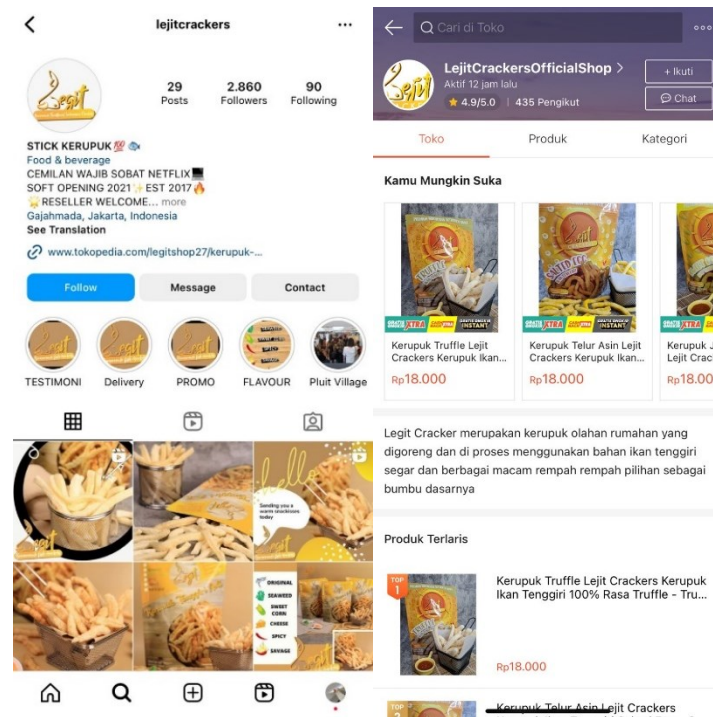


Figure 3. Account of Instagram @lejitcrackers and Shopee @lejitcrackersofficialshop

With that, partners need to increase efficiency, competitiveness and growth potential of the Legit Crackers business. It cannot be avoided that marketing is an important aspect in promoting products to consumers (Opan, 2020), and requires various developments that can help increase the selling value of processed fish cracker products and overcome the obstacles or challenges faced. MSME products are often less competitive with brands that are already well-known on the market. This is coupled with the large number of snack brands that have been around for a long time and are better known to the public, and the limited competence of partners in improving the business image is also a problem. Legit Crackers Partners has been committed to improving its brand image with consumers by developing product formulas, and has faced a series of challenges that demanded innovative and collaborative solutions. The Tarumanagara University PKM team will provide assistance and understanding to partners regarding the development of the brand image and product formula for mackerel crackers which is expected to be able to provide solutions and motivation for Legit Crackers partners in their efforts to improve the brand image of Legit Crackers consumers.

The aim of this PKM activity is to provide training and mentoring so that they can develop products and plan appropriate strategies to increase sales. Not only that, partners can also expand opportunities by establishing relationships with universities. With this, partners can face various existing obstacles so that they can improve the brand image of Legit Crackers consumers and increase the market potential for low-calorie snacks. The output of this PKM activity is in the form of assistance and product formula development for Legit Crackers partners. The results of PKM activities will also be discussed in lecture material taught by the

PKM team in the form of examples of production processes and brand image development for MSMEs.

The solutions offered to solve partner problems in the production process include the following: (1) solving partner problems to improve partner brand image is by providing knowledge and skills for Legit Crackers partners by assisting the production process by developing product formulas; (2) apart from providing assistance to partners, the PKM Team will also facilitate trials of processing mackerel fish crackers without frying in the form of providing assistance for product innovation and brand image development which is expected to have an impact on the market potential of the low-calorie snack product Legit Crackers. The target to be achieved from this activity is to provide assistance to partners on the importance of understanding digitalization and having the skills and ability to produce high quality processed low-calorie snack products and utilize digital promotions. It is hoped that the results of the mentoring will provide knowledge and understanding related to establishing a more effective and efficient production process.

2. RESEARCH METHOD

The Tarumanagara University PKM team will carry out solution steps, so that this activity is carried out well and the results can be maximized. In preparing the PKM activity proposal, the team conducted an interview with Mr. Andrew as the owner of Legit Crackers to identify partner problems. After knowing the problems faced by partners, the PKM team conducted a literature study to find the right solution to the problem so that it could meet the partners' needs. The implementation of PKM activities is by providing face-to-face assistance and socialization at Legit Crackers by implementing health procedures. Then a mentoring process was carried out to develop a process for processing crackers without frying. This activity is carried out for Legit Crackers partners. The aim of PKM activities is to provide assistance in developing product formulas through assistance from the PKM Team in order to improve the brand image of consumers. The new product formula will be distributed to consumers and sold widely using offline and online promotions and sales. After this activity is carried out, the PKM team will prepare a report and draft a publication related to this activity. The results of this activity will later be used as a basis for developing plans for further activities.

Based on the problems faced by partners, the Tarumanagara University PKM Team will provide assistance and development of production processes to Legit Crackers partners. Assistance is carried out to provide socialization and knowledge regarding improving brand image and developing cracker processing processes with the aim of gaining understanding and improving market potential for low-calorie snacks. Mentoring is believed to be able to find patterns of thought, knowledge, opinions, motivation and solutions to the problems being faced.

The first stage of implementing our PKM activities is preparation by conducting surveys and interviews with partners, namely Legit Crackers, to be able to obtain general information regarding the problems being faced by partners so that they require assistance in the form of activities that will be carried out for participants later. The interview in question is a question-and-answer activity between our team, the Tarumanagara University PKM Team as the interviewer and the partner as the person who answers the questions provided or the respondent. The second stage of implementing this activity is to prepare a plan for mentoring activities, starting from preparing material that will be discussed as a solution that can later be implemented by partners. Then, the final stage of implementing this activity is the PKM

activity which will consist of assistance and development of the product formula for mackerel fish crackers which initially could only be processed by frying to using a microwave. Continue with the preparation of activity reports. The activity report will contain all the details of the activities that have been carried out and documentation prepared in the form of a mandatory report.

3. RESULTS AND DISCUSSIONS

Based on the results of interviews and surveys conducted by the PKM team, so far the fish crackers produced by Legit Crackers have been processed by frying. After frying, drain the oil and dry using kitchen tissue until the crackers completely no longer contain oil. Apart from taking a long time because it is done manually, processing crackers by frying also increases cholesterol levels in the food, so if consumed excessively it can have health consequences.

The PKM team conducted trials on processing crackers using a microwave so that the crackers were lower in cholesterol because they did not contain added oil. In the first experiment, crackers were placed in a microwave plate with a time setting of 1 minute. The results of the first experiment were that the crackers expanded but were not completely cooked (there were parts that were still raw or also called 'bantet').

The second experiment was carried out by setting the processing time to 1.5 minutes in the microwave. By processing for 1.5 minutes, the crackers can expand perfectly and the results are the same as when processed by frying. Thus, from the results of this experiment it can be concluded that Legit Crackers can diversify its products by changing the method of processing crackers from frying to processing in the microwave for 1.5 minutes. These microwave-processed crackers can be branded as healthy, low-calorie crackers.



Figure 4. Fish crackers processed in the microwave

Figure 4 shows crackers processed using a microwave for 1.5 minutes. These crackers have the same texture and taste as crackers that are prepared by frying. Thus, apart from being offered as ready-to-eat crackers which are low in calories, Legit Crackers can also be sold as raw crackers which can be prepared easily, because they only need to be cooked using a microwave for 1.5 minutes. These raw crackers, which can be obtained using a microwave, are often found in foreign supermarkets, such as in Vietnam, Korea and Japan. This condition also opens up opportunities for Legit Crackers to enter the export market. This PKM activity also produces social media advertising designs that can be used by Legit Crackers to promote their new product in the form of low-calorie crackers. The output in the form of a social media advertising

design is registered to obtain an IPR certificate. Figure 5 shows the social media advertising design for Legit Crackers low-calorie crackers.



Figure 5. Healthy Fish Crackers Social Media Ad Design

4. CONCLUSIONS AND SUGGESTIONS

The MSME industry has an important role in increasing Indonesia's economic growth. However, this is accompanied by a number of challenges, as is also experienced by fish cracker MSMEs such as Legit Crackers, facing challenges namely manual production processes that limit production capacity, lack of understanding of marketing, and obstacles in entering international markets. Solutions to overcome these problems involve investing in production automation, improving marketing and branding strategies, and exploring export opportunities. Developing a comprehensive strategic plan can help MSMEs overcome these obstacles. The PKM team provides assistance and development of production processes, product diversification by processing crackers using microwaves, and understanding digital marketing are key steps to increase competitiveness and business efficiency. Through this effort, it is hoped that we can overcome challenges, strengthen our brand image and enter international markets to increase the growth potential of Legit Crackers partners.

Based on the conclusions that have been submitted, the team formulated suggestions for this service, for other or subsequent services, as follows: (1) in the future, increase input from FGD participants so that they have more thought patterns and ideas, according to their circumstances. So, you can see various perceptions and choose what kind of position you or your brand should be; (2) increasing literature studies regarding the situation in the target partner's marketing environment; (3) carry out deeper analysis regarding innovation in product packaging for various groups, so that it can reach more consumers or targets.

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