

# Effect of Training on Knowledge of Small Business Actors in Increasing Income of Dairy Cows Agroindustry in Padang Panjang City

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## ABSTRACT

The COVID-19 outbreak has had an impact on the economy both on a macro and micro scale. One of the affected business actors is a small dairy agro-industry business in Padang Panjang City. The purpose of this training is to increase knowledge about strategies to increase income due to covid 19 for dairy farmers agro-industry business actors of the Valley Makmur Dairy Cattle Farmer Group in Padang Panjang City. The method used is training conducted by resource persons. There were 12 participants in this training. Data were collected using a questionnaire. The income increase strategy variable was measured using a Likert scale ranging from strongly agree on a scale of 5 to strongly disagree (scale 1). The data were processed using descriptive statistics, namely the average and total respondents' achievements. The results of the training show that; 1). The average value and TCR of Knowledge about Production (product variety, innovation, quality) is 4.30 and TCR is 85.93 (good category). 2). The average value and TCR of knowledge about business management is 4.44 and TCR is 88.87 (good category). 3). Marketing strategies during the Covid 19 Pandemic were 3.80 and 76.82 (enough). Thus, it can be concluded that the knowledge of the dairy cow's milk agro-industry business actors is in the high and medium categories with the TCR being in the good and sufficient category.

**Keywords:** Training, Income Increase Strategy, Agroindustry, Small Business

## 1. INTRODUCTION

Padang Panjang City is one of the areas in West Sumatra that functions as a dairy farming area. The population of dairy cattle in Padang Panjang City is 341 heads and lactating dairy cows are 124 heads with milk production of 1,399 liters per day [13]. During peak production, 1,800 liters of milk can be produced per day. Dairy products are processed in the form of a household-scale business, namely into several products; whole milk, pasteurized, yogurt, ice cream, caramel, milk sticks, milk candy, mozzarella/balado cheese and other processed products.

Marketing conditions for dairy cow's milk products prior to the COVID-19 pandemic. The marketing of pure cow's milk in Padang Panjang City is done through the sale of dairy cow's milk at kiosks, cafes, schools or also to existing customers, where this marketing is carried out. individual or farmer households. Marketing outside the Padang Panjang area is to Pekanbaru, Jambi, Dumai, and Medan. The milk is frozen before being sent [11]. The marketing strategy used to increase the income of the members of the farmer-breeder group is to develop livestock areas and marketing areas as educational tourism destinations. The educational tours are packaged in a package that can be enjoyed by students and

students, as well as the general public. The number of tour participants for 1 package is a minimum of 20 people. The participants will be charged a tour fee of Rp. 20,000 which includes one bottle of fresh cow's milk. With educational tours, participants can get to know farms and interact directly with dairy cows [1]. Another strategy is the formation of a cooperative, which is named the Merapi Singgalang Dairy Cattle Farmer Cooperative (KPSP Mersi). Products that are marketed have been branded. The farmers who are members of the dairy farmer group also cooperate with the local government, namely to increase product sales through additional food programs for kindergarten and elementary school children. The total income from the dairy product business per household is an average of Rp 1,000. 000 per day.

The income from the dairy product business during the COVID-19 pandemic decreased by an average of 50%, namely to Rp. 500,000 per day. This decrease in revenue was caused by several things; 1) marketing outside the area such as Medan, Palembang, Pekanbaru, Jambi has stopped a lot because there is no demand from retail there. 2). Marketing through tourism education is almost non-existent because it is rare for students, university students or the general public to visit dairy farming areas. 3). Marketing of pure cow's milk through

kiosks, cafes and schools, is still there but sales have dropped drastically (Source: Observation data, 2021). The 2020 Covid-19 pandemic caused major problems for industrial marketers, who were suddenly faced with market and future shortages [3].

In connection with the above problems, it is necessary to find a strategy in order to increase household income for small business actors who are processed dairy products that are relevant to the COVID-19 conditions. In microeconomic theory, income in a business is determined by the number of products produced or  $R = R(Q)$  which means the higher the production, the higher the income, assuming *ceteris paribus*. Profit is the difference between revenue and costs. Profit is also determined by production, the higher the amount of production, the greater the profit obtained by producers assuming *ceteris paribus* [2]. Large incomes and profits will be obtained by producers, if the commodities produced are purchased by consumers or customers.

The choices and preferences of a consumer will be influenced by many factors, which are related to the socio-economic, cultural, and health dimensions as well as marketing strategies [9]. This shows that a consumer's decision will be influenced by various factors including health factors and marketing strategies. The COVID-19 pandemic demands a change in consumer preferences which are more influenced by health factors. Meanwhile, producers must implement product marketing strategies that are relevant to the COVID-19 conditions [3]; [14].

Health protocols for the protection of Individual health; 1). Using personal protective equipment in the form of masks, 2). Clean hands regularly by washing hands with soap and running water or using an alcohol-based hand sanitiser. 3). Maintain a minimum distance of 1 meter from other people [10].

During the COVID-19 Pandemic, decision makers will develop a 'good enough' solution, and change company practices to maintain company resilience. Requires great attention to risk management and scenario planning, against emerging challenges [3]. [7]. Further argue that companies can implement organizational change in terms of four interrelated social variables (human and structure) and technical (ie, tasks and technology) where changes in one variable can cause changes in other variables[7]. A product must be functional and emotional to meet customer needs, offer value according to customer needs and must include specific elements such as providing customer service[7].

Based on the opinion above, it can be seen that the products and services provided by manufacturers refer to

the Covid 19 health protocol. In this regard, in handling new products, new places, new promotions, new physical environments, new processes and people. that has just been done in an integral way, managing and implementing the elements of the marketing mix[5].

The Community Partnership Program (PKM) has an important role for productive economic community groups in helping to solve problems, comprehensively, meaningfully, thoroughly, and sustainably (Directorate of Research and Community Service. 2020). This means that the problems faced by small, micro and medium businesses in the COVID-19 pandemic situation can be solved, among others, through the Community Partnership Program. One method that can be used is through training.

Schultz [6]. one way of forming human capital is through training. According to [6] the growth of developing countries is hampered due to lack of skills and knowledge which will hamper the capacity of the economy. It argued that Investment in human capital has a positive effect on income[12].

Based on the opinions above, it can be seen that in the face of the COVID-19 pandemic, it is necessary to implement business and the economy in accordance with health protocols. Therefore, business actors, both micro, small and medium scale must make changes both in terms of production, business management and marketing strategies of the products produced.

## **2. METHOD**

In the Padang Panjang City area, dairy farmers are grouped into 9 groups of farmer farmers, namely; 1) Yuza group, 2) New Shoots, 3) Mother's Jewels, 4) New Hope, 5) Prosperity Batu Batirai I, 6) Serambi Karya Mandiri, 7) Lembah Makmur, 8) Lembu Alam Serambi, and 9). Parmato Mudo Nagari. For the Community Activity Program (PKM), one group was chosen at random, the chosen one was the Lembah Makmur group.

The method used is training conducted by resource persons. There were 12 participants in this training. Data were collected using a questionnaire. The income increase strategy variable was measured using a Likert scale ranging from strongly agree to a scale of 5 to strongly disagree (scale 1). The data was processed using descriptive statistics, namely the average and total respondents' achievements.

### 3. RESULTS AND DISCUSSION

This section presents the average value of knowledge about production, business management and marketing strategies from training participants to increase income during the Covid 19 Pandemic, Micro, Small and Medium Enterprises (MSMEs) business groups of dairy cows in Padang Panjang City.

#### 3.1. Production (Product Variation, Innovation, and Quality)

The evaluation results achieved in materials related to production knowledge (covering product, innovation, and quality variables) are presented in Table 1

**Table 1.** Average Score and Total Achievement of Respondents (TCR) Knowledge of Production (Product variety, innovation, quality)

No	Statement	Average	TCR
1.	You as business actors for cow's milk processed food products, need to make product variations according to the conditions of Covid 19	4.25	85,00
2.	You can process pasteurized milk with various flavors according to consumer tastes	4.25	85,00
3.	You can sell packages of processed products such as yogurt, mozzarella cheese	4.17	83,40
4.	In order to survive the Covid 19 pandemic, you can innovate in product variations.	4.38	87,60
5.	You can innovate in milk packaging,	4.35	87,00
6.	You can innovate in milk marketing	4.54	90,80
7.	You can innovate dairy products by producing milk candy, caramel candy.	4.18	83,60
8.	You can produce milk crackers	4.17	83,40
9.	You can also make milk soap products that are efficacious for smoothing the skin	4.08	81,60
10.	You can diversify your fresh milk products, including kefir (fermented milk).	4.25	85,00
11.	Kefir products have various benefits, such as strengthening respiratory function, preventing infection, improving bone health, normalizing digestion, and is believed to prevent cancer.	4.64	92,80
Average		4,30	85,93

Source: Primary Data (2021)

Based on the data in Table 1, it can be seen that the average value of knowledge from the training participants, namely the dairy milk processing business actors in the City of Padang Panjang is 4.30 with a total respondent achievement (TCR) of 85.93 or is in the good category. This shows that the training carried out

can provide information to SMEs processing dairy cows in the city of Padang Panjang.

#### 3.2. Business Management

The results of the evaluation of business management knowledge are presented in Table 2 below:

**Table 2.** Average Score and TCR Knowledge of Business Management

No	Statement	Average	Total Respondents' Achievements
1.	During the Covid 19 pandemic, you need to increase the cohesiveness of fellow group members as dairy farmers	4.75	95,00
2.	During this Covid 19 pandemic, you need to increase the cohesiveness of fellow members of the dairy product business group.	3.8	76,00
3.	you must be able to adapt to the new behavioral conditions of people who apply work from home	3.8	76,00
4.	you must be able to adapt to the situation of keeping a distance	3.8	76,00
5.	You need to manage cash (cash). namely keeping cash to always be positive.	4.90	98,00
6.	You can prioritize budgets, especially those that have the most impact on	4.12	80,24

No	Statement	Average	Total Respondents' Achievements
	your business		
7.	you must maintain product quality	5,00	100,00
8	you must always pay attention to product safety for consumer health	4,73	94,60
9	You need to apply health protocols during production and marketing	4,73	94,60
10	you need to always be optimistic in trying processed cow's milk during the Covid-19 pandemic	4.83	96,60
11	You need to do bookkeeping or business records	4.42	88,40
	Average	4,44	88,87

Source: Primary Data (2021)

From the data in Table 2, it can be seen that the average value of the knowledge of training participants in the Community Activity Program (PKM), namely the Micro, Small and Medium Enterprises (MSMEs) group of processed dairy cows in Padang Panjang City is 4.44 with a total value of Respondents' Achievements. is 88.87 which is in the good category. The results of this training show that the training carried out by the resource persons provides knowledge about business

management that needs to be carried out during the Covid 19 period.

### 3.3. Marketing Strategy During the Covid 19 Pandemic

The results of the evaluation of participants' knowledge in marketing strategies during the Covid 19 Pandemic are presented in Table 3

**Table 3.** Marketing Strategy During the Covid 19 Pandemic

No	Statement	Average	TCR (%)
1.	You can do marketing through online content features, including through social media Facebook and Instagram	4.4	88,80
2.	You can also do online marketing via the internet	4.6	92,60
3.	You can do marketing through the use of the delivery order service system	4.5	90,00
5.	You can do promotions	4.8	96,00
6	You can do Partnership with (supermarkets or supermarkets in West Sumatra)	4.2	84,00
7.	You can do Partnership with processed food shops and cake shops	3.9	78,00
8	You can do partnerships with online motorcycle taxis	4.1	82,00
9	You can also carry out marketing strategies by reducing prices if needed	4.1	82,00
10	You can do a marketing strategy by giving a discount	3.7	74,00
11	You can provide incentives to customers in the form of promos such as free shipping, free products	3.7	74,00
12	Providing incentives to customers in the form of promos such as implementing a bundling strategy by offering packages that combine several food products	4.09	81,80
	Average	3,80	76,82

Source: Primary Data (2021)

In Table 3, information can be obtained that the average value of knowledge of marketing strategy training participants in increasing income during the Covid 19 pandemic that can be carried out by Micro, Small and Medium Enterprises (MSMEs) processed dairy cow milk products in Padang Panjang City is 3, 80 with a total respondent's achievement of 76.82 which is in the sufficient category. This data shows that for the topic of marketing strategy where the average value of

participants' knowledge is lower than the topic of production and business management. This is because the marketing strategy presented by the resource person is related to online marketing, making it difficult for participants to understand and apply. Therefore, to increase participants' knowledge in the use of digital technology requires further training in a longer hour duration.

With the knowledge of Micro, Small and Medium Enterprises (MSMEs) of processed dairy cow's milk products in the City of Padang Panjang regarding the products needed during the Covid period, business management that is suitable for the Covid conditions and the digital marketing strategies above are capital to survive and develop. in the conditions of the Covid-19 pandemic, as well as efforts to increase income. The same thing was also stated by Lestari, R, A. (2020) and Widyasari and Soesanto (2021)

#### 4. CONCLUSION

In order to survive and develop during the Covid-19 pandemic, the perpetrators of Micro, Small and Medium Enterprises (MSMEs) with processed dairy cows in the City of Padang Panjang must make changes in business implementation, including: changes in production, business management and strategy. marketing of the product. Product changes can include product type, innovation, and quality. Changes in management are in the form of: maintaining cohesiveness among business actors, adapting to work from home behavior, social distancing), maintaining product safety in accordance with health protocols, and doing bookkeeping. In terms of marketing strategy through online content features, among others, through social media Facebook and Instagram

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