

BUSINESS STRATEGY OF MUSLIM FAMILY BUSINESSES DURING PANDEMIC COVID-19

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Abstract

The pandemic covid-19 engulfed the entire world and influenced all business especially in Micro, Small and Medium Enterprise. This clarification leaves a business strategy issue that needs to be a question whether any changes or standstill. This study aims to analyze business strategy of a family business that sells typical food in a region namely sate Ayam Setono village Ponorogo. The using method is qualitative with case study exploratory approach by observation, interview and documentation. This study found that the business strategy has not changed much in this food family business during pandemic covid-19. The fear and anxiety that most people feel about sophistication of the government's pandemic policy has an effect on the overall operation of the company, just digitization does not match seller's capabilities while simultaneously attempting to preserve the qualities of this business. Attempts to change this strategy digitally have previously been made, but little has changed, so not every business impacted by covid-19 will adapt its business strategy online, because the Setono Ponorogo chicken satay company is one way of maintaining its features directly in society knowledge.

Keywords: Business Strategy, Family Business, Sate Ayam Setono, Covid-19

INTRODUCTION

Business development in the community began to be in demand and has been cultivated because some of them are interested in trying to make a fortune from business. According to Beik et al., (2016) there are several factors that influence economic growth, one of which is the presence of human resources and also entrepreneurship that is part of the formation of the entrepreneurial spirit. In addition, business contributions to economic stability and growth, employment and job creation are potentials and opportunities for the community (Hyder et al., 2015).

This plays a role in the economic revival of the people that leads to growth in the field of entrepreneurship as an important part of the realm of Islamic development that has the potential to generate jobs, develop the economy and aim to achieve social welfare (Aliyu et al., 2018). Along with the development of the business, human resources become one of the most important factors and instruments in the field of economics. Even in Indonesia itself, it becomes

one of the countries with increasing human resource potential and dominated by a population of young people who become a demographic bonus as well as an agent of change in the future.

Ponorogo city becomes one of the cities in East Java that has a characteristic in its culinary business. Data sourced from the department of Industry, Trade, Cooperatives and Small Business Ponorogo regency states that from 3,503 units of non-formal industrial businesses, divided into 52 types of industries and non-formal folk crafts. One of them is in the chicken satay industry as a food industry recorded in 2017 registered with a total of 49 business units and there are about 226 workers with a production value of 18,933,200 million rupiah. These hints and indicates that the chicken satay industry has a high economic value for the people of Ponorogo as a source of livelihood and daily family income, especially in the culinary business typical of the region.

The chicken satay industry, which was previously part of the family business model in Ponorogo City, can still survive to this day. Typical culinary of a region is a regional cultural identity that becomes part of the characteristics that must be developed in the community. This special culinary has the potential to develop because the local community and some families become chicken satay entrepreneurs to support their families until they are hereditary, one of them is in Ayam Setono satay village located in Setono Village, Jenangan District, Ponorogo Regency.

Nowadays, exposure to previous explanations is associated with the reality of business in general and family businesses, especially businesses that still rarely last for a long time. The family business becomes a part that involves family members in its activities. This unique thing happens in the entrepreneurial world where the transition from one generation to the next is used as a business and marketing strategy within the scope of a family's responsibility to maintain its business. However, not all family businesses can survive and thrive over a long period of time. Treatment of family and non-family members in the operation of a business needs a clear emphasis therefore that there is no conflict of ownership rights and stuff belonging between them. In Indonesia, indications of family business are quite common (Bosma et al., 2019:33). Given that there are still many family businesses that are sustainable and persist until now.

Unfortunately, in 2019 has been a sad year because of pandemic Covid 19. The pandemic covid-19 engulfed the countries entire the world in a matter of week, thoroughly, people feel

concerned about the health and lives of worldwide. Indeed, businesses and tourism are being an interesting question to answer, according to Baum & Hai (2020) the rights to travel and to enjoy the services and tourism hospitality curtailed by the health center policies. These policies raise questions about what these means about the future of hospitality and also tourism but there are many countries take tentative steps to re-open their economics movements for social and business activity. This affects all sectors of economy including business, financial, agriculture, and so on. Likewise, in chicken satay Setono village, the business also got worse as well as pandemic. According to this, the sellers and entrepreneurs are finding the business strategy to survive and keep in touch with the business because along with the outbreak of adjusting health protocols as same as avoiding the crowds. Therefore, the business strategy easily changes with uncontrolled condition.

The purpose of the sustainability of the family business in behaving as a process of business succession that becomes the foundation in forming a family business that refers to the consideration of Islamic sharia values. This entrepreneurial education is considered important considering that from a variety of jobs, the opportunity to open a business becomes a difficult preference to implement so that this research tries to analyze the scope of the family business in the chicken satay village Setono Ponorogo in the marketing strategy of the family business considering that the strategy is the initial process in taking action in running its business.

Based on current facts, pandemic Covid-19 continues to affect the MSMEs businesses and decrease profits especially in food and beverage businesses because it includes in daily needs that always needed by all people (Amri, 2020). Adjustments to current pandemic Covid-19 have also changed in the businesses strategies that are used by most traders. Therefore, a business model will switch from conventional into digitalization but not all businesses can be digitized and business people can quickly learn and replace business strategies that have long been maintained by family businesses.

The urgency in this research is to know and to analyze business strategies in a family business especially in case of chicken satay village of Setono, Ponorogo. The journey and sustainability of the 'visible' business is stable, inseparable from the strategy that is always held closely by every chicken satay trader who has undergone the process of transferring knowledge, skills and also culture to their business and family. Therefore, this research needs to

provide a well-structured review and overview in looking at the steps taken to shape business and business strategies born from the process of activity in the Setono chicken satay business. This explanation is related to chicken satay traders or small and medium enterprises are expected to follow up the business run to be developed by the next generation as one of the success and sustainability factors of its business as a relay of struggle in the future.

Therefore, this research will explain and analyze business strategies on Setono chicken satay business as a family business that is proven sustainable. Furthermore, the description of the results of the analysis of chicken satay traders is also seen from considering the principles and values of Islam in their business activities that are used as conformity and also the implications of research as a family business media in Islam.

LITERATURE REVIEW

The Brief Story of Sate Ayam Setono Village

The demographic situation of the population in the village of Krajan, sub-district of Setono, stems from human capital with low level of education and low family economic conditions. The revival of the family business that has taken place in this village has entered the fifth generation, where some of the third generations are still actively selling and the number of the fourth generation is dominant in the Setono chicken satay village. Setono's chicken satay company began in Ponorogo in 1878 (interview, 4 February 2021).

According to the main informant, the chicken satay trader in the village of Setono was the first village to open this satay company in 1878 as mentioned before. Initially, this company was a domestic industry that did not have any laws that apply to fellow chicken satay traders, although the number of traders increased every year. Then the family business in this small area is supported by the legality of the Setono chicken satay village and the association with many active members so that they can better promote the existence of the chicken satay village and help to improve the economy of the local community.

Regarding the strategy of the previous ancestors, cultural and culinary activities called 'kirab' is one of the histories of the journey of the chicken satay in Setono Ponorogo. The core concept of the kirab explores the past of the journey from first version fo Ponorogo's chicken satay to the Setono chicken satay that exist today by using bamboo basket as *rinjing*, tools and carts paraded from a village to another.

On behalf of the Setono chicken satay business, the sustainability of the Setono chicken business is shown through the number of stands in 5 urban centers; Ponorogo, Madiun, Magetan, Pacitan and Kediri. There are the number of chicken satay vendors as follows:

Table 1. Total Members of the Setono Ponorogo Satay Seller Association

Gender	Count
Male	36
Female	14
Total	50

Source: Observation (2021)

Based on the data above, demonstrates how the economic environment within the wider community, particularly in MSEMs, is quite representative because the number of people who are still surviving and continuing the satay business is not small.

Family Business

Morris et al., (1996) argued that a family business is a business governed by the policies of business owners and community members who have emotional links. While the family business according to P. Woodfield et al., (2016) is a social structure that is rooted in the mixture of family and business structures. Where the integration of social systems is aimed at the sustainability of business and social responsibility as a means of community care for family businesses. If the family business culture is preserved, it will be more cohesive from one member to another, and it will be more difficult to break the family business.

The survival of the family business is the option of the founder in the transition from business to the next generation. According to Seaman (2004), family business is a continuum of family business life that is handed down to the next generation on the basis of determination. Meanwhile, according to Bigliardi et al., (2009) a family business is a corporation or business managed by a single family member whose ownership and policy is emotionally governed by that family member and has experienced a generational change at least once. Emotional is a reaction given to feelings directed at someone for an incident. This reaction is also reflected in those who have near and close relationships, such as family relationships. In the meantime, this

generation change is referred to as the transition to leadership. The key priority of the family business is not seen in terms of profitability, but rather in the happiness of family members or non-family members of the business being operated.

According to Krasniqi et al., (2013) the first-time business owner's experience is a person who plays an important role in decision making to enter a business career.

Business Strategy

Businesses are currently experiencing the impact of intense competition including on micro, small and medium enterprises (UMKM) or even on start-up businesses. Therefore, to run a business need to look at the type of business or company so that there needs to be a proper business strategy and also efficient to run the business smoothly in accordance with the original purpose of the establishment of the business (Faruq & Usman, 2014).

Determination of business strategy cannot be separated from the context to be researched in the business. One of the important things to understand is the marketing strategy in which to formulate what actions are taken to carry out its production because marketing itself is a determination in the target market and also the market position (Afif & Arifa, 2018).

Business strategy also cannot be separated from help also involves others to be able to meet the needs and even the demands of life as well as the continuity of its business. Lessons and business experience of the Prophet cannot be separated from *four tips of success*, namely *shiddiq* (true), *amanah* (trustworthy), *fathonah* (smart) and *tabligh* (ability to convey) these four things become part of the Islamic business character, not only applied by the prophet Muhammad SAW but can be used as a reference for other business people (Zainal, Alamsyah, Sugiharto, & Antonio, 2017). However, four previous related things cannot be separated from the role of human resources itself, it is said that the source of power and manifestation of a business comes from who runs.

Businesses during Pandemic Covid-19

The facts about pandemic attacked several of business proved real. The decline in income was not only felt by the tourism business, but the fashion business is the business type that experienced the largest decrease in income and sales (Milzam, Mahardika, & Amalia, 2020). This is because the biggest expenditure of the community is spent on foods and basic needs,

while there have been many appeals for social distancing and also working from home therefore the need for clothes is not so desirable.

According to Rosita (2020) the industries remain surviving their products and also business during pandemic covid-19, this is carried out from online news and research paper related to this pandemic that MSMEs are still adapting their business to innovative products, taking advantage of sales through digital marketing. Meanwhile, this is also relating to the types of goods that continuously will be sought and needed by the society are such electricity, clean water, pharmacy, technology information and food in terms of agriculture, livestock, fisheries, automotive and also bank.

In research's point of Pratiwi (2020) explaining the role of government during covid-19 nowadays, this explanation tends to look at the stimulus provided by the government. This is maintaining people's purchasing power to ease and facilitate economic activities in reducing electricity rates and reducing fuel oil. However, the MSMEs which dominates receiving efforts and roles from the government is from the tourism sector, while there are still many micro and small businesses that need to be concerned because of the high face-to-face influence in their business due to limitations in several ways.

Unlike the research's result of Ihza (2020) and Hardilawati (2020) that the effort of MSMEs entrepreneurs to sustain and increase their businesses during this pandemic by studying more details about technology such as digital marketing or e-commerce, paying attention to the quality of goods and featured products and also optimizing market relationship with partners.

According to Taufik & Ayuningtyas (2020), the impact of the Covid 19 pandemic on business activities is clustered into three conditions, namely businesses that are surviving or stable, businesses that are declining, and the three businesses that are growing, in research Taufik & Ayuningtyas (2020) that explains in detail about online platforms in doing business. Businesses that use online platforms as a transitional business strategy often continue to exist, particularly in educational applications and in the delivery of food, beverages, and other necessities. However, according to various business or MSMEs research that have already been cited, online innovation can assist consumers more effectively and easily.

RESEARCH METHODS

This study uses primary data sources obtained through case studies with an exploratory approach where they explore research objects and conduct interviews with key, primary and supporting informants. Informants who are qualified to be key informants, main and supporters are practitioners as Setono chicken satay traders who have worked for more than 20 years as the main informant. As for the key informants, it was obtained from the field that there is a caretaker as well as the chairman of the chicken satay merchant association who is responsible in the archives and ancestral relics related to the Setono chicken satay village. As for supporting informants taken from the information and recommendations of key informants and primary informants that can be used as additional information on the matters to be examined. There are several stages to arrive at observing, interviewing and documenting the results of what has been explored and explored before.

RESULTS AND DISCUSSION

The business and marketing strategy is based on the initiative of sellers where there are no provisions or regulations explaining that the marketing of its products must be centralized or managed by the group that houses all Setono chicken satay traders. Then, in terms of sales quotas, explain that the amount or number of sales depends on each individual who dabbles in it because the context in the beginning is that each family makes its own production of chicken satay.

From the documentation of interview is defined that business strategy on chicken satay Setono Ponorogo has an independent system even in a community environment because of the nature of such advantages and disadvantages go to the individual itself. Independently is defined as the movement of each family to run its chicken satay business because not all families have the same achievements so that in the business it runs it needs expertise, crafts, and time management that is balanced with other tasks.

When viewed from the perspective of the Islamic economy that individuality does not prevent the sellers of chicken satay to share. They assume that there is still a close relationship between one member of the group and another member of the group. The habit that keeps them in harmony and working together is sharing. Dues with the context of "Sincere" every day can

help ease the burden of citizens who are experiencing disasters or who are in need of assistance such as who were sick and passed away.

Culture and faith do not split the unity between one participant and the other because culture shapes practice that can support them. This culture was born from the sale of chicken satay as part of their ancestral heritage. As has already been said, there is a near integration of religion and culture in society, especially in the economic sphere of the Setono region itself. At the beginning, the traditional business strategy of the Setono chicken satay village was business change from one generation to the next, combined with child's obligation to sustain the family business. However, the majority of children in each generation are not forced to continue or seek other jobs. This means that there is freedom of choice between continuing a family business of pursuing another job. Identification of business strategies is important in order to bring creativity to the general social and economic world.

Setono's chicken satay was one of the affected components of the strategic business that happened during the covid-19 during the covid pandemic because they need to get used to surviving in tough times, one of which is changing the strategy. Regarding this pandemic, all activities, particularly businesses, are allocated through the online (internet) of all activities, whether in terms of ordering food or distribution of good delivery. Setono's chicken satay business is unaware of this because, according to Zainal Mustofa, the main informant, he continues to sell directly and face to face with consumers despite government policies regarding health and social distancing protocols that must be followed during the lockdown period. Despite previous attempts, not many locals are able to use online ordering and food delivery service. The informant went on to say that not all food businesses can adapt to this entirely online environment because human resources and the level of education in a business also influence the course of a business's survival. The main hope of the MSME business is that the government will pay more attention to MSME business and provide social assistance funding to those who are attempting to maintain a region's traditional food.

CONCLUSION

The study concluded that the company strategy did not change a great deal during covid-19 in this food family business. Digitalization alone does not match the capacities of the sellers. While simultaneously trying to preserve the characteristics of this enterprise and the

sophistication of the government's pandemic policy. Although efforts have been made to digitally transform this strategy, little has changed. Not every single business that affects covid-19 can adjust its online business strategy, as one way of keeping its properties directly within the Setono Ponorogo chicken satay business is well known.

This research needs to be expanded and reviewed in relation to other studies, whether social, cultural, or tourism-related. This research is limited to one object that discusses strategy during the covid-19 pandemic, which still requires a lot of additional research that can be discussed by linking the same object with different reviews and analyses.

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