
PRODUCT DEVELOPMENT ON MSMEs IN LALADAN VILLAGE LAMONGAN REGENCY THROUGH DIGITAL LITERACY DURING THE COVID-19 PANDEMIC

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Abstract: The clustered community in Laladan Village, Lamongan District has a characteristic in making unsangrebon shrimp paste. During the pandemic, business actors experienced many problems, especially in the field of product marketing. Traditionally, the community and partners do not understand the true meaning and function of digital literacy. The method used consists of three stages, namely the preparation stage, implementation stage and mentoring. The results of the service activities that have been carried out by MSME Partners are that MSME actors are very enthusiastic about the digital literacy program.

Keywords: Product Development, Digital Literacy, MSME

INTRODUCTION

The majority of the population in Laladan Village have a livelihood as farmers with the main product of rebon shrimp as the superiority of their harvest. Products that are produced from the potential results that exist in the village, the people in the village make shrimp paste products from rebon shrimp. The difference between this product and the others is that it is brownish in color and does not use a lot of dye. The taste is very distinctive because the original rebon shrimp does not contain any other ingredients other than salt according to the measure and the product is very smooth because it is pounded 2-3 times.

During the COVID-19 pandemic, MSME actors experienced a decrease in income along with the PSBB, PPKM and emergency PPKM launched by the government. Traders experience restrictions on some regulations that are difficult to implement but for the common good and to maintain the health of the community together. One of the regulations applied is restrictions on the opening hours of shopping centers or street vendors centers in trading the goods they sell. During the COVID-19 pandemic, the role of digital technology can change the order of social mobility involved in social change. according to (Akeel & Gubhaju, 2020) shows the decline of the classical industrial order into a society characterized by uncertainty and risk, where nothing is predictable and the long term is meaningless. Heavy industry, the nation state, and institutionalized religion, the three pillars of a “modern” order, dissolve, robbing individuals of the certainty they once provided: work, order, and faith. In the era of modernity, individuals fall

back on short-term gratification, temporary goals, and the acquisition of objects or consumption of services. The causes of this direction of social change are many, and like all social change, technology is its tool, its medium, and its mirror. Digital technology has enabled the globalization of business processes and the results of commercial culture, about individuals who themselves become commodities (Bartsch et al., 2020). Digital is involved in the origins and maintenance of this postmodern society, but it is the main factors in society that have driven it, directing research and investment in new technologies to reap financial or political benefits. (Taiminen & Karjaluoto, 2015).

Product development consists of a broad spectrum of activities, which must be correlated and combined to achieve a satisfactory process (Sarkum et al., nd). It encompasses the entire gamut of marketing, design, management, and other activities performed between determining market opportunities and starting production. The purpose of the product development process is to create a model framework for producing a product (Sathya, 2015). The model must conform to the requirements that come from the customer or the needs of the market. This includes the product, the manufacturing process; and its supply, distribution and support systems. (Abbas, 2017) defines it as a series of activities that begin with the perception of a market opportunity and end with the production, sale, and delivery of a product. In addition to activities, there are many elements, such as design engineers or other practitioners, management and destination systems, work tools, equipment and supplies, information systems and environment, identified that affect the product development process. (Smith, 2011). However, the work of product development is even more complex, because there are also external aspects to consider i.e. aspects that are not inherent in the organization, such as the market in which users can be included, laws and society that also affect the product. development process (Aurand et al., 2005).

LITERATURE REVIEW

Digital Literacy

Media literacy is not only the simple development of interpretive skills, but also involves a set of digital production skills which include the ability to create, be critical and contribute and contain digital content. (Wibowo, 2021) In addition, new media literacy or digital media is a social and cultural skill developed in a network and founded on traditional literacy (reading & writing), research skills, as well as critical media analysis skills (Jenkins, Clinton, Purushotma, Robison, & Weigel, 2009, p. 28e29).

Society requires a well-developed configuration of communication and problem-solving skills that includes these: five digital media competencies (Nugraheni & Rahmatullah, 2021): (1) Access: find and use media tools and technology skillfully and share relevant information with others; (2) Analysis and Evaluation: understanding the message and using critical thinking to analyze the message's quality, veracity, credibility, and point of view, while considering the potential effects or consequences of the message; (3) Create: compose or produce content using

creativity and confidence in self-expression, with an awareness of purpose, audience, and technique; (4) Reflect and others: applying social responsibility and ethical principles to one's identity and life experiences, communication behavior, and behavior; and (5) Action: working individually and collaboratively to share knowledge and solve problems in the family, workplace, and community,(Bulger et al., 2014).

Digital literacy programs must go beyond training or understanding basic ICT skills on how to use technology and include the context in which and when to apply skills, knowledge and information. Therefore, participants need confidence to operate safely in the digital environment, especially in the trading sector(Zhang et al., 2020) and also ICT training leads to higher self-confidence and to improve women's lives (Hargittai, 2005).

Product Development

The literature on product innovation has extensively tried to distill the key ingredients to corporate success. Many internal and external factors are involved in product development - and the interface between them has been the subject of research. Especially the interface between R&D on the one hand and marketing and customers on the other has been investigated(Panwar et al., 2019). Compared to this collection of literature, the role of suppliers in contributing to the company's success through product development is only discussed in a limited way(Smith, 2011). Also the specific management role of the purchasing function regarding supplier involvement from the customer side has attracted relatively little attention. Attention to this topic, however, has increased(Sathya, 2015). Involving suppliers in product development is said to contribute to reduced development time, reduced development and product costs, and improved product quality. However, the results of supplier engagement appear to be mixed(Isabel Jiménez-Zarco et al., 2006). Some authors conclude that, apparently, the way supplier involvement is managed in the product development process is important in explaining the success of this supplier engagement(Panwar et al., 2019). In both the product innovation and supplier engagement literature, more and more ideas are being adopted from contingency theory to address the topic(Pangrazio, 2016).

ACTIVITY IMPLEMENTATION METHOD

The implementation of community service activities programs through several processes that have been prepared and organized, among others, can be explained as follows:

1. Preparation phase

The initial stage carried out by the Service Team was to conduct a survey to locations in Laladan Village, Lamongan Regency. At the initial meeting the Team granted permission to the Village apparatus for a well-conceived program. From the results of the survey in the discussions that have been carried out, for digital literacy training activities, only small shrimp paste shrimp owners are allowed to invite their employees because they are still in the covid 19 pandemic.

2. Implementation Phase/Activity Implementation

In the lecture session delivered by the Service Team as resource persons, they discussed digital literacy as a medium in product development to be more innovative and in accordance with consumer tastes.

During the discussion, MSME owners were given time to share about the problems they had faced so far and the service team provided solutions to problems as an effort to improve the economy of today's society.

3. Accompaniment

After the training, the next step is to evaluate. In the process of evaluating the effectiveness of the role of digital literacy in product development and application in business management.

RESULTS AND DISCUSSION

New ideas are essential to respond to pressures exerted by competitors as well as to adequately respond to changing consumer needs. In fact, product development is not a new phenomenon but has existed and changed lives for decades associated with the role of technologies such as the internet. There are several benefits of new product development and the contribution made by product development can be measured in terms of the profits and sales generated by the new product.

New product development significantly reduces production process time and overall production costs and at the same time results in increased production efficiency and return on investment. The core reason for investing in new product development is well supported in the literature is that new products have a significant impact on company profits as well as sales. Successful new product development creates customer value, generates growth for the company and creates new markets. In addition, successful implementation of new product development processes improves existing processes and products and services, leading to increased employment and profits, lower costs, and higher productivity.

It has been observed that continuously aiming to introduce new products gain a larger share in the global market, reflecting higher profitability and higher growth rates and market valuations. The phenomenon of new product development also increases the choice for customers for better products. Development of new products that successfully create customer value, generate growth for the company and create new markets. In addition, successful implementation of new product development processes improves existing processes and products and services, leading to increased employment and profits, lower costs, and higher productivity.

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Program was very happy because of the training and product development program for trading with the many prohibitions from covid 19.

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