Application of the Concept of Diffusion of Innovations in Tourism Support Business Sustainability (Study at Loempia Lanny Semarang)

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ABSTRACT

The instrument of diffusion innovation concept has been widely used in creating a sustainable business. Growing business and competitive competition are forcing business actors to think hard. The idea of innovation is made as one of the efforts that can be made. Existing instruments, such as innovation, time, communication channels, and social system, can guide business actors in implementing business management. This study aims to analyze the application of innovation diffusion at Loempia Lanny Semarang. This study uses a qualitative study design combined with a case study approach. They are collecting data in this study using interview techniques combined with the concept of diffusion innovation. Sources of information were obtained through the narrative of predetermined informants: business managers, employees, and consumers who are enjoying Loempia Lanny products. Data validation and processing used triangulation techniques and the Miles Huberman method through interview transcription, reduction, coding, categorization, and concluding. Based on the research results, it is known that Loempia Lanny's business follows the concept of innovation diffusion. The business manager has implemented all the instruments used. The research confirms that the idea of innovation has been implemented. However, business actors need to reinvent innovation to manage a sustainable business so that it is maintained.

Keywords: culinary business, innovation diffusion, sustainability marketing

INTRODUCTION

Tourism is crucial to the country's economic growth (Aman et al., 2021; Nematpour & Faraji, 2019). The emergence of tourism-supporting industries is one of the implementations of the ongoing development (Androutsou & Metaxas, 2019). This situation indicates that various aspects need to be well prepared. Several studies affirm that tourism can shape an individual's behavior (Santos et al., 2021; Um and Crompton, 1990), becoming part of their lifestyle (Sulistyo 2021c; Sulistyö et al., et al., 2022), empowering the local economy (Della Corte et al., 2019;...
Sulistyo, 2021a), and developing regional potentials (Sugi Rahayu, 2016). The subsequent development leads to the implementation stage, reinforcing the tourism-supporting instruments.

MSMEs have a strategic position as tourism-supporting industries. Visitors enjoy the tourist attractions and have other needs to fulfill (Fuchs et al., 2014). Accommodation (Yin et al., 2020), culinary experiences (Levyda et al., 2021), souvenirs (Salindri et al., 2022), and transportation (Sulistyo & Salindri, 2019) are some clear evidence that it is necessary to provide complementary activities for tourists. As an interrelated environment, it is necessary to pay attention to the existence of MSMEs in creating sustainable tourism. Various stakeholders need to collaborate to achieve the predetermined goals. Therefore, the policies taken by different parties should mutually support each other.

One region in Indonesia with tourism potential supported by the presence of MSMEs is the city of Semarang. The development of tourism in Semarang plays a significant role in boosting the regional economy. This condition occurs from its contribution to Gross Domestic Product (GDP) and employment (Mardhiyani, 2020). Furthermore, the presence of MSMEs is believed to increase visitor numbers and fulfill their needs. According to the latest data released by the Semarang City Government, there are 17,573 MSMEs (Admin, 2023), with 15% of them focusing on culinary products. Many MSMEs are capitalizing on creating sustainable tourism to enhance the regional economy.

The abundance of MSMEs focusing on lumpia culinary products will directly result in intense competition. Business owners need to understand consumers’ changing needs and behaviors (Arora & Chakraborty, 2020). Furthermore, they must think innovatively and implement alternative strategies to achieve the predetermined business targets (Aburumman, 2020; Inigo et al., 2017). Business owners can no longer rely on old methods but must develop and utilize different strategic choices. Marketing strategies continue to evolve in line with the changing consumer demands (Aleksushin et al., 2020; Ul et al., 2020). Through marketing innovation, business owners can offer new propositions to consumers through their products.

This research will contribute to the existing studies on business innovation among MSME owners. Several studies emphasize the need for attractive marketing strategies (Sulistyo, 2021b; Sulistyo et al. et al., 2022; Sulistyo & Arwandi, 2020), the use of digital technology (Sulistyo et al., 2022; Sulistyo et al., 2022), and the preparation of human resources (Aftab et al., 2022; Joensuu-Salo et al., 2023) in business management. The high number of businesses in Semarang City forces them to compete in providing the best products for consumers. The law of the market will apply to products that are no...
longer preferred by consumers (Beard & Ragheb, 1983).

One culinary business specializing in lumpia in Semarang City is Loempia Lanny. Loempia Lanny is an MSME in the culinary sector that brings innovation to its products. The implementation of innovative strategies also characterizes business management. Various new offerings are developed and presented to consumers through conventional and modern approaches. The specifications of the offered products contribute to the business's growth. Another supporting factor is the identity of Semarang's unique lumpia product. Visitors to the city can enjoy the culinary products offered and bring them as souvenirs.

As the business progresses, it faces challenges such as the emergence of new competitors, demand for product variations, and technological developments. Marketing activities should focus on the product and consider consumer needs. These instruments should be noticed. Business owners must be innovative in creating a positive perception of the offered products. Innovation diffusion emphasizes the continuous presence of innovation in achieving organizational goals (E. et al., 1983). This concept highlights the process of creating and implementing innovation over time. The idea has been widely applied in various fields, such as communication (Mardhiyah et al., 2020), culture (Hong et al., 2016; Gracheva & Sheludkov, 2021), public health (Ngongo et al., 2019), law (Sun et al., 2021), and marketing (Clarke et al., 2016).

One of its main focuses is finding innovative strategies which all levels of the organization can implement. Innovation is only sometimes about radical changes, but even slight changes in organizational strategy management fulfill the requirements of this concept. Innovation emphasizes the attention of organizational managers on several aspects, including carrying out the innovation, the communication channels used, the required time frame, and the social system that legitimizes its implementation through the manager's role and recipient responses (Dearing & Singhal, 2020; E. et al., 1983). Business innovation in recent times has become closely linked with technological advancements. Therefore, businesses also need to adapt to this presence. Business management needs to utilize information technology in their operations. Research conducted by (Aamir & Atsan, 2020; Florićić, 2020; Hamid et al., 2020; Liu et al., 2021; Natocheeva et al., 2020; Sergeev et al., 2020; Tremblay & Ben Hassen, 2019) emphasizes the use of digital platforms in the culinary, transportation, and accommodation industries. Can maximize the dissemination of information about offers through digital portals such as websites, social media, and other digital platforms.

Based on the phenomenon mentioned above, it is necessary to carry out an analysis starting
from the mushrooming of business actors to the competitive situation between them. Business actors need to improve and prepare themselves as best as possible. One concept that can use to create business sustainability is innovation diffusion. This concept was introduced by Gabriel Tarde in 1903 and further developed by (E. Rogers, 1983). This concept attempts to guide the relationship between communication and the agreements that legitimize the presence of innovation. The subsequent development of this concept illustrates the journey popularized by (E. Rogers, 1983). The key instruments of this concept include innovation, time, communication channels, and social systems. Diffusion is understood as a process that is presented and communicated over time. This research explores the business innovations implemented by Loempia Lanny, a culinary business. The concept of innovation diffusion is used to explore the activities carried out by business managers through innovative instruments such as innovation, time, marketing communication channels, and social systems.

METHOD

The researchers utilize a qualitative research design combined with a case study approach in this study. The study aims to explore various information regarding the implementation of innovation in the lumpia food business. The researchers use a case study approach to delve deeper into a single sample (Yin, 2003). They comprehensively understand innovation implementation (Creswell & David, 2019). This research design involves conducting activities to discover more information through data collection (Sulistyo & Arwandi, 2020; Zarezadeh et al., 2018).

The object of study in this research is Loempia Lanny. Loempia Lanny has been operating since 1988 at Jalan Kampung Plampitan No. 81, Kembangsari, Semarang Tengah District. The business offers various variants of lumpia products, such as bamboo shoots and meat—tourists who want to buy lumpia products as typical Semarang souvenirs are recommended to visit this business. Customers recognize the business’s products for their quality, especially the crispy lumpia skin. Additional information indicates high demand for delivery services beyond the city.

In this study, we conduct interviews (Sharma et al., 2020) with the concept of innovation diffusion for data collection. We select informants consisting of business managers, employees, and consumers. We pose various questions to obtain information and uncover emerging phenomena. We conducted semi-structured interviews based on agreed-upon topics. We organize the questions according to the relevance of the innovation diffusion instruments. The duration of each interview with the informants lasts for 30-45 minutes. We recorded the
interviews using a mobile phone, with prior permission obtained from the informants.

The obtained interview results are carefully listened to and then analyzed using the Miles Huberman method (Miles & Huberman, 1994). The first stage of this analysis is to transcribe the interview results. The second stage of this analysis is to perform data reduction. The interview results are then selected based on meaningful words. The reduced data is analyzed to identify basic concepts aligned with innovation diffusion. The next stage is categorization through identifying consistently appearing words. The final step of this method is concluding. All the obtained data is analyzed and combined with the innovation diffusion instrument. The data literacy process is completed when the emerging information becomes saturated. Through qualitative research, the Miles Huberman method combines triangulation techniques (Priatmoko et al., 2021; Singh et al., 2012), including data observation, informant member checking, and database compilation. The sequence of data processing activities is critical in conducting the research.

RESULT AND DISCUSSION

Based on the analysis of the implementation of the innovation diffusion concept in the Loempia Lanny business in Semarang, a comprehensive overview is obtained. These results are supported by the stages used, such as interviews, transcription, reduction, categorization, and conclusion drawing. The research findings can be depicted in the following table:

Table 1. Application of the Innovation Diffusion Concept by the Loempia Lanny Semarang Business

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not Yet Implemented</td>
</tr>
<tr>
<td>Innovation</td>
<td>-</td>
</tr>
<tr>
<td>Time</td>
<td>-</td>
</tr>
<tr>
<td>Communication Channel</td>
<td>-</td>
</tr>
<tr>
<td>Social System</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Primary data processed in 2023

The above table provides information that Loempia Lanny Semarang has comprehensively implemented the innovation diffusion concept. This can be seen from the fulfilled instruments, including:

Innovation

Innovation is an idea or object considered new by individuals or other adopting units (E. Rogers, 1983). This definition is also consistent with the research conducted by (Zwarteveen et al., 2021), which states that innovation is an object containing novelty elements. An innovation
that adopters can directly enjoy will have a greater adoption (Druzhynina et al., 2020; Ertimur & Chen, 2020).

Based on interviews conducted with the informants, the innovations implemented by the managers have been successful because consumers are aware of the innovations. The innovations the managers implement also differ from other Semarang lumpia businesses. The managers provide variations of spicy and low-sugar lumpia, allowing consumers from outside Central Java and Yogyakarta to appreciate the taste of lumpia.

The changing consumer preferences and increasing competition have prompted Loempia Lanny Semarang to innovate continuously. Various flavor variants of lumpia are being introduced. This condition is done to accommodate the preferences of teenage consumers with different tastes.

**Time**

The concept of diffusion emphasizes the importance of understanding the time required to introduce innovation (Bolici et al., 2020; E. Rogers, 1983). Business owners need to know when to present the innovation and the time required to evaluate its success. The effectiveness of innovation serves as a benchmark to determine whether the strategies implemented positively impact the business. This instrument also highlights the need for business owners to consider adopting or switching to another innovation (Gu et al., 2019).

Based on the interviews conducted with the informants, the business management implements the time instrument required to introduce innovation gradually. The business owners conduct research and gather consumer information regarding the upcoming innovation. Business management initiates innovation by introducing flavor variations and packaging. In 2018 and 2020, they introduced innovations such as payment methods, ordering, and delivery services. The consumers responded positively to the offered innovations, becoming loyal or repeat customers.

Business owners need to consider the impact of the innovations they produce. They need to
assess whether the innovations benefit the business, align with consumer needs, and can sustain in the long run. Introducing innovations incorrectly can have unfavorable effects on the journey of the offered products.

Communication Channel

Marketing activities require fast communication channels to deliver information. Businesses must convey and ensure that various parties, especially consumers, know the innovations they have generated (Chambel & De Jesus Pereira, 2015; Kim et al., 2019; E. Rogers, 1983). The rapid development of technology allows businesses to communicate their product innovations. Business owners need to consider the appropriate methods to convey their innovations. Digital platforms and publication content effectively attract consumer interest (Aleksushin et al., 2020; Cheong, 1995; Mathew & Soliman, 2021). This strategy complements previous marketing activities conducted through conventional methods such as newspapers, personal selling, brochures, and media advertisements. Several studies emphasize that organizations utilize communication channels to inform and persuade their target markets (Lahtinen et al., 2020; Manzur et al., 2013; Stoyanov, 2021).

The business successfully conveyed information and innovations based on interviews conducted with the informants. Consumers became aware of Loempia Lanny through social media platforms where attractive publication content was created. The management posted the generated innovations on social media, making it easy for consumers to discover Loempia Lanny. Additionally, the management collaborated with food product influencers to promote lumpia products and increase their recognition among the wider public. Consumers themselves directly disseminated information and innovations to their acquaintances and colleagues. They consciously created publication content, including videos and photos, uploaded to their social media accounts.

System Social

Creating loyal customers is the core of business activities, so businesses implement various strategies focusing on consumers (Kotler & Armstrong, 2018). Business owners need to provide space for consumers to express their opinions or for other parties to collaborate (Maccani et al., 2015; E. Rogers, 1983; Sulisty, 2021a; Sulisty et al. et al., 2022; Sulisty Arwandi, 2020). The policies adopted by business owners will influence consumers’ perceptions and interests. Intensifying competition forces
businesses to analyze the strategies they use. They need to pay attention to changes in consumer interests and behaviors when making purchasing decisions. They also need to consider the responses given by consumers to the various innovations they introduce (Branine & Pollard, 2010). Ultimately, businesses use these findings to determine future innovation strategies.

Based on interviews conducted with the informants, the informants expressed satisfaction with the innovations provided by the business owners. Consumers highly appreciate the innovations introduced by the management, ranging from product innovations such as flavor variations, packaging, and communication channels to payment methods. According to consumers, the diverse innovations stimulate their enjoyment of Loempia. The management also evaluates the innovations by examining consumer feedback and reviews on websites or Instagram. The consumer response to the innovations of Loempia Lanny is highly positive and well-received.

CONCLUSION

The research findings indicate that Loempia Lanny's business management has fulfilled the instruments of innovation diffusion, such as innovation, time, communication channels, and social systems. This concept emphasizes the ability of business owners to generate innovations that can be offered to consumers through effective marketing. The innovation instrument guides understanding the needs and desires of consumers in enjoying desired products. Furthermore, the time instrument emphasizes the need for business owners to consider the duration required to generate or attract the offered innovations. The communication channel instrument emphasizes that business owners must utilize appropriate channels to inform consumers about the various innovations offered. Lastly, the social system (response) instrument highlights the importance of business owners understanding the feedback from external stakeholders (consumers, etc.) regarding the
offered innovations. It helps determine whether the innovations align with consumer preferences or require alternative innovations due to failure.

This research contributes to sustainable business management through the concept of innovation diffusion. Business owners (MSMEs), as supporters of sustainable tourism, need to reconsider the innovative strategies they employ. By utilizing the instruments of innovation diffusion, business owners will have guidance in determining the innovations to be generated. Research on innovation diffusion in the culinary MSME sector is still limited. Thus, this study fills a gap in previous research. Continuously introducing innovations is essential to ensure a business has opportunities for sustainability in the future.

REFERENCES


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