

## The Innovation Process of Transforming Liquid Param Manna into Cream Param Manna

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### Abstract

The purpose of this study is to determine business innovation process transforming Param Kocok Manna into Param Cream Manna to open new business opportunities. The data collection technique in this research was questionnaire. This research concluded that since the idea generation stage of the innovation process to open a new business was originally from its customers. The products of Param Cream Manna are the innovative products that are highly accepted by the market to create new market opportunities.

**Keywords:** commercialization, idea generation, market opportunity, product development

### INTRODUCTION

Innovation is an important thing that must be done by every organization in order to increase market share and maintain profit. Innovation plays important roles for a company to be able to compete with competitors through modifications and tendencies in an increasingly competitive business environment (Dhewanto, 2014). In carrying out an innovation, many stages ought to be done for an innovation can be accepted by the community.

In generating new products or services, it is important to have creative ideas that are part of an innovation process. An innovation process is part of an invention (a totally new discovery found by a person). Innovation itself is to promote the new product or service found in an invention. Innovation can be most effectively observed if a person has a creative mindset. Innovation relates very closely to creativity, and thus someone has to visualize his/her thoughts to produce an innovation.

This research focuses on innovation process of producing param shake products. Param shake is an external medicine applied on body to treat painful muscles and has been recognised for generations. BPOM (2014) defines param as a solid or liquid instruction of

traditional medicine, produced from simplisia powder and/or extract and used as medication the outside. Traditional medicine is an element or ingredient of plants, animals, minerals, or sarian (galenic) preparations or mixtures of those materials that has been used for generations for curing and is applied according to the prevailing norms inside the network.

Param shake Manna is a liquid shake param added with ginger extract produced by Manna. Param Beat Manna wanted to innovate the product to be a more modern one that is able to influence consumers' buying decisions. The transformation of param kocok Manna into param cream Manna came from suggestions of the consumers of param kocok Manna. The innovation was to make the liquid param shake products into param cream. According to BPOM (2014), ointments and creams are half-strong traditional medicinal arrangements crafted from extracts which might be soluble or dispersed homogeneously within the foundation of the right salve/cream and used as an external medication.

A pra-survey was conducted by the researcher to determine the level of network reaction of the shake param compared to the cream param. The researcher distributed questionnaire to 100 male and female respondents with a median age of 18-35 year. They were asked to choose between the use of shake param or cream param. There were 51 questionnaires returned. This research focuses on each process of innovation that is carried out in processing Manna cream shake ingredients. The innovation process in this study follows the theory of product development process presented by Holtzman (2011) in Dhewanto (2014). Based on this theory, the researcher conducted a study entitled "The Process of Innovation of Liquid Param Manna into Cream Param Manna". This study uses the principles in Luecke (2003) as a reference in the innovation process.

Based on the above background, the problem is formulated as what is business innovation process carried out by Param Manna in turning its products from liquid param into cream param to open up new business opportunities.

The purpose of this research is to find the business innovation process carried out to transform Param Kocok Manna into Param Cream Manna to open new business opportunities

## LITERATURE REVIEW

Innovation is an activity undertaken to create new products. This innovation is needed by companies to expand their market and maintain their current market share. Product innovation is the result of developing a new product by an existing and non-existing company or industry. An innovation is needed to replace the old product that has reached the saturation point in the market. The replacement of the product can be totally new or development of the existing one to become more modern and up to date one, so that it can continue to increase the desires of consumers to purchase the product, release innovative new products and increase customer loyalty (Razegi, 2008 in Dhewanto, et al, 2014).

The process of innovation in its application is a stage that must be passed in carrying out an innovation. Each stage is useful to ensure that the innovations are appropriate. In the process of innovation, Tidd (2001) divides innovation based on the time span of an innovation that comprises gradual, radical, and transformational. Kuratko (2007) divides innovation based on four basic types, namely discovery, expansion, imitation, and merging / combination. Each type has a different process.

Innovative ideas come from many sources that is often found from a pop-up inspiration. The source of an innovative idea comes from new knowledge, customers, key users, empathetic design, factory discovery, and open market ideas.

### a. New Knowledge

Radical innovation is a product of new knowledge. The example of radical innovation is a computer. Computer is a product of new knowledge in the fields of binary mathematics, symbolic logic, programming concepts, and various technical

breakthroughs, including electronic audion keys. This computer product innovation requires 50 year process of innovation to appear on the market. Although it takes a long time, this innovation has a huge impact.

b. Tapping the ideas of customers

Customers are an invaluable source of innovative ideas if salespeople, employees, and workers in the product development field listen and research further what customers say. Many companies value the importance of customers as a source of new ideas and place customers as a source of market research on a regular basis. When questioning customers, however, companies should focus on what the customer wants rather than on the specifics of product and service.

c. Be careful with the dominance of service to the market

Companies need to pay attention to listening to customers. Customers are able to divert a company from its innovation goals. Good business people take precedence in their beliefs to listen to customers and please their customers. However, sticking too close to current customers can hamper innovation and lock company into technology that has no future. This happens when (1) customers fail to understand the technical possibilities and (2) when they fear that innovation will make their own systems look old/unused.

d. Learn from the main users

Key users are another valuable source of innovative ideas. The main users are companies and individuals - customers and not customers - whose needs are far ahead of market trends. They are military pilots, professional athletes, or engineers who find ways to modify their own equipment to improve the effectiveness of performance in the field. Therefore, their needs motivate companies to produce an innovation that

matches their unique needs along with the company before thinking about the innovation.

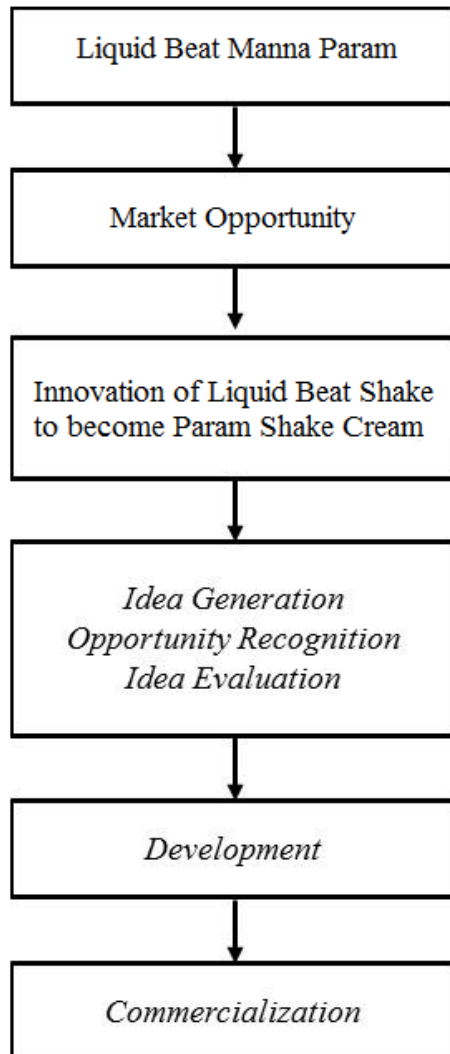
Opportunity recognition is a mental manner that resolves the question every innovator has to ask: Does the idea represent modern-day or potential customers? The capacity to answer those questions correctly is as critical as having innovative thoughts or growing clinical breakthroughs.

The manner to discover whether the product innovation that will be finished by an enterprise is treasured or not use the opportunity recognition approach. The approach is clearly not popular now but it may be finished to discover what is wanted, needed, utilized by consumers. The method used is Buyer Utility Map. This Buyer Utility Map has 6 utilities that companies can offer to particularly buyers. This map helps employer managers to identify the capability scope of utilities for a product or service.

Evaluation thoughts are determined based totally on the choice of an organization in which some ideas might be removed and the agency guesses with the thoughts generated and whether or not the ideas support through development and marketing. There are two stages in which the agency can decide whether or not the concept is acceptable, specifically the Funnel Idea and Stage Gate System.

**Research Framework**

The flow of this research can be seen as follows:



**METHODS**

**Approach to problem**

According to Nasution (2003), qualitative research is to observe people in the environment, interacting with them and interpreting their opinions about the world around, then Sukmadinata (2005) states that qualitative research (qualitative research) is a study aimed at describing and analyzing phenomena, events, social activities, attitudes, beliefs, perceptions, thoughts of people individually or in groups.

## **Data Type**

The data used is primary data. Primary data is data obtained directly from the source, observed and recorded for the first time (Asra, 2015). Primary data is generated from the results of the pre-survey analysis, the buyer utility map, and the preference test conducted by the researcher. Market tests are carried out by giving free samples and seeing firsthand the response of the public to the cream parameters produced. The results of this market survey are recapitulated to the level of public acceptance of Param Krim Manna.

## **Methods of Data Collection**

Data collection in this study was carried out in several ways, namely market survey using questionnaire and consumer preference test. In addition, data collection tools in the market survey are in the form of a panel of public acceptance and preferences regarding to the parameters of Manna cream produced.

## **Data Analysis Methods**

Data analysis methods in this study are buyer utility map and data analysis using SPSS also on preference test. The analysis is to determine the level of acceptance and community preferences on param needs.

## **RESULTS AND DISCUSSION**

### **Innovation Process**

The innovation process is the first steps to the end of creating a new product. The innovation process begins with the idea generation then opportunity recognition. The innovation process which then passes the evaluation idea stage is continued with the product development and ends with the last stage of commercialisation. In the process of innovation,

Tidd (2001) divides innovation based on the time span of innovation that is gradual, radical, and transformational.

### **Idea Generation**

Innovative ideas come from many sources, regularly found from spontaneous inspiration. The supply of an innovative idea comes from new knowledge, customers, key users, empathetic design, factory discovery, and open market ideas. Param Cream Manna was found by the owner and the researcher from the customers. The concept was conveyed verbally to the researcher who then conducted a pre-survey to find a good way in innovating the product from liquid shake to cream param.

The pre-survey carried out by the researcher on 51 respondents using closed questionnaire. Male and female respondents with an average age of 18-35 years were requested to make choices concerning the usage of param shake or param cream and the selection of product innovation for liquid param shake to be param cream. 80.39% of the respondents agreed that Param Liquid Beat is a traditional product that still can compete in the current era. Furthermore, 39.22% of the respondents stated agree and 49.02% stated strongly agree for the possibility of a product innovation from Param Shake Manna Liquid into Param Shake Manna Cream.

### **Opportunity Recognition**

Introduction opportunities are mental processes that answer the questions every innovator must ask: Do ideas represent current or potential customers? The ability to answer these questions is as important as having innovative ideas or developing scientific breakthroughs. Based on the pre-survey test, the researcher was convinced to enter into the advanced stages of the innovation process. The buyer utility map is a method for introducing



further opportunities for the researcher to dig deeper into the idea of innovation that can represent customers or prospective customers.

### Buyer Utility Map

The buyer utility map developed by Kim (2014) helps managers to think from a demand-side perspective (Demand Side Perspective) that contains a mapping of utilities to buyers as well as various experiences of buyers when consuming or enjoying a product or service. This mindset will help managers identify a variety of complete utility spaces that can be filled by a product or service that is divided into two dimensions: the Buyer Experience Cycle and the Utility Layer.

Table 1. Buyer Utility Map

		Six Steps of Buyer Experience Cycle					
		1	2	3	4	5	6
		Purchase	Delivery	Usage	Suplement	Maintenance	Disposal
Six Layer Utilities	Consumer Productivity	Buy or subscribe Can do delivery order With spreading product can be easily found in pharmacies or stores Can order online via wa, instagram, fb Compare with other cheaper products (ex. Koyo under 10 thousand rupiahs)	(not available)	Simple, easy Comfortable for self service There must be information about benefit, composition, instruction, etc	Suggestion for complementary product that is for mantain and not cure the body	Easy, but too small that mke it is easily lost	Can be disposed into a small bin
	Simplicity	It is practical for subscribers	On time delivery, the delivery is arranged by Cream Manna	Mini toothpaste tube concept that make it recognizable in usage	(not available)	It is too small for it is easily lost	Can be disposed in a small bin
	Comfortability	Tube package is identical with tootpaste. It is not eye cacthing yet	On time delivery and apply minimum number of order for long distance delivery The right choice of expedition	No need to shake when using it (unlike with liquid package)	(not availbale) because it is already warm with cream param	Tend to use the disposal one and no need to store it	Can be disposed in a small bin
	Risks	Physical change on liquid param (cream can minimize spill over)	On time delivery	Small package makes it finish quickly (less)	The paste can be warpped with a box	The lid is easily lost	(not available)
	Joy and Image	Product image is sample, practical, cheap, disposable	On time delivery	Product image is sample, practical, cheap, disposable Modify the package to be more eye catching	(Not available)	Product image is sample, practical, cheap, disposable	Product image is sample, practical, cheap, disposable
	Eco friendly	The package is not eco friendly	The package is not eco friendly	The package is not eco friendly	(Not available)	The package is not eco friendly	The package is not eco friendly, except it can be refillable because the package is made of plastic that is unrecyclable

### **Idea Evaluation**

An evaluation of an idea must be carried out by a company to be able to determine which ideas can be continued and which ideas cannot be continued to the next stage of the innovation process of product development stage. It is also used to determine the capacity of the company according to the desire of the subscription. Based on the results of the survey on the introduction of opportunities, the owner of Param Kocok Manna knows a number of things that can be accepted in order to continue innovating Param Cream Manna products

### **Product Development**

Param creams that have been circulating in the market are Param Ayu Cream Ayu and Param Cream Herbanika Barut which leads to the niche market of pregnant women. The researcher has made innovation of Param Kocok Manna into Param Cream Manna and market it to a niche market of young people in the productive age. Based on the survey results on the respondents' wants on param cream, the researcher creates the products.

### **Description of Respondents**

Discussion of the results of the study begins with description of the characteristics of the respondents. The results show that the respondents who have ever used param shake or massage cream products available in the market are aged of 18-35 years amounting of 10 people.

### **Commercialization Process**

The very last stage, commercialization, is the marketing phase of the innovation products of param cream Manna. In the current era, the world is confronted with a disruption phenomenon. Disruption may be interpreted as a fundamental change, specifically the entry

of technological evolution into the gap of human life. Digitalisation is the result of the evolution of technology (in terms of information) that changes almost all aspects of life, including business. Digital marketing is an indication of the disruption phenomenon in the business globally. A business can change from doing its activities in the actual world to now be carried out in cyberspace. The impact of digital advertising is very massive in people's lives now because people can purchase on line through on-line shops. People favor to shop effectively and efficiently. ([www.Kaba-banten.Com/generasi-era-disrupsi/](http://www.Kaba-banten.Com/generasi-era-disrupsi/)).

Facebook as a social media is still the selection of many people to establish conversation with colleagues and family. Their life is one of the reasons why Facebook is a social media this is widely used as a web promotional media aside from on commercial enterprise sites. The use of Facebook as a promotional medium is additionally identified to be relatively clean by online businesspeople and even some of business folks who already have a physical keep additionally use Facebook as a media product promotion. Not infrequently enterprise

### **Marketing Evaluation**

As can be seen from the Table 2, consumers' preferences on the affordability of param cream prices indicate that the respondents are more likely to perceive a relatively affordable price of Rp15.000, although many also think that cheaper price is preferred in which the price should be around 8 thousand. Other consumer preferences include matching student pockets; quite affordable but if the tube packaging like that and the price is around Rp10.000, but there are also those who think it is very affordable.

**Table 2. Affordability Preference for Param Cream Manna**

Perception	Frequency		
	Disagree	Agree	Strongly agree
It should be cheaper, around 8 thousand rupiahs	2	0	0
It is right for students' allowance	0	0	1
It is relatively affordable but it must be around 10 thousand rupiahs with such tube	0	1	0
The price is relatively affordable	0	3	0
It is very affordable	0	0	1
It is affordable with 15 thousand rupiahs can get 30 grams	0	1	1
Total Respondents	2	5	3

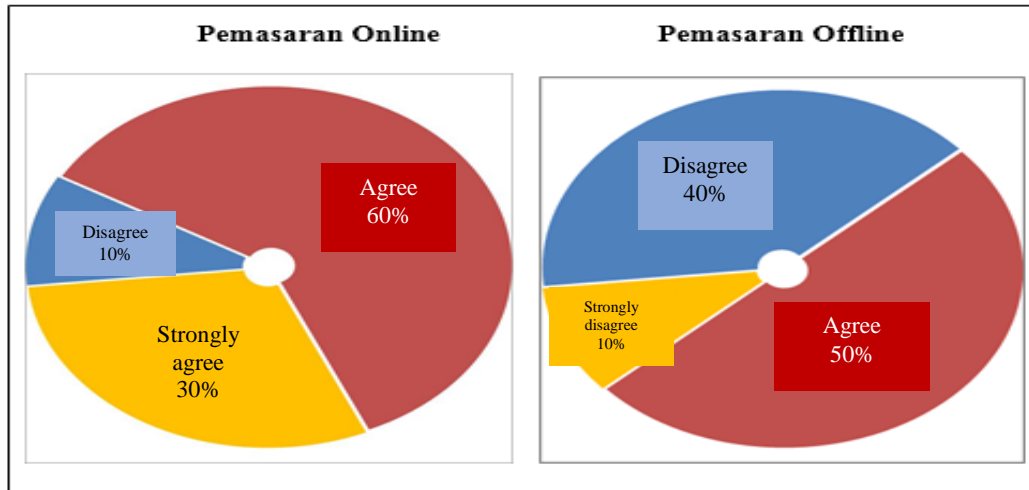
As can be seen from the table 3 about consumer preferences on price competitiveness of param cream Manna. The respondents are more likely to disagree with the price competitiveness because there are other several brands that are cheaper, are expected to be marketed at 8 thousand, and are considered to be standardized such as rubbing oil available on the market. However few other respondents perceive the price is competitive enough and not too expensive.

**Table 3. Competitive Preference for Price of Param Cream Manna**

Perception	Frequency	
	Disagree	Agree
There are several other brands that are cheaper	1	0
Quite competitive if can lower production cost and increase volume	1	0
Quite competitive if can lower price and increase production	0	1
Quite competitive since with economical price can get effective cream	0	1
Lower the price to 8 thousands	1	0
Less competitive in term of price because the others offer bigger volume and cheaper price	1	0
Less competitive because the others can offer lower price	1	0
Less competitive because the others are cheaper	1	0
Standardized as rubbing oil available in the market	1	0
It is not that expensive	0	1
Total Respondents	7	3

As seen in the picture 1 that relates to marketing param cream Manna, the respondents show preferences on online marketing and offline marketing. Online marketing needs to be done either through Instagram, the marketplace, Facebook, or the website. Whereas offline

marketing needs to be done mainly through minimarkets, grocery stores, pharmacies, and supermarkets.



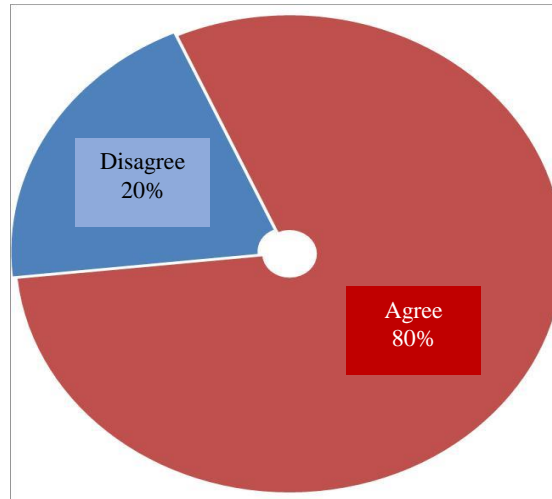
**Figure 1. Consumer Preference related to Marketing Media Param Cream Manna**

As shown in the table 4 indicating consumers’ preferences for param cream Manna as a whole. The respondents are more likely to perceive liking tube A than tube B, because tube A has the right aroma, texture, and heat, warmer and more standardized as well as the shake parameter in general.

**Table 4. Overall Cream Manna Param Preferences**

Perception	Frequency	
	Agree	Strongly Agree
Tube A	4	1
Tube A because the aroma, texture, and heat are right	1	0
Tube A because it is warmer	1	0
Tube A because it is more standardized	1	0
Tube B	1	0
Tube B because of its aroma dan warmth	0	1
<b>Total Respondents</b>	<b>8</b>	<b>2</b>

As seen in the picture 2 that relates to the naming of the cream param with the name of the cream param "Manna" 4 of 5 respondents agreed on the name. They think that it is legitimate to name it, because it is a hereditary name and thus may bring luck.



**Figure 5. Consumer Preferences of the name Param Cream Manna**

## CONCLUSION AND RECOMMENDATIONS

### Conclusion

Based on the research that has been done, the conclusions are as follows:

1. The idea generation stage in the process of innovation to open a new business starts with its customers. At this first stage, it starts from tapping the ideas of the customers (tapping the ideas of customers). Customers or consumers as a source of new ideas for innovating the param shake to become the param cream.
2. Opportunity recognition: using the Buyer Utility Map tool as the reference to determine consumer acceptance on the innovation idea of param shake Manna to become param cream Manna. The second stage is the introduction of an opportunity to find out buyers' utility. Based on the results of the study using six stages of the buyer's experience cycle in terms of purchasing, shipping, use, trapping, maintenance and disposal where param cream Manna products can be ordered online and in practical packaging, there is a product image that is simple, practical, inexpensive and disposable, with the shape of the tube, as well as packaging that is not environmentally friendly, on time delivery, so that the buffer can fulfill six layers of

utility namely consumer productivity, simplicity, comfort, risk, cheerfulness and image, as well as friendliness to the environment.

3. Idea evaluation: based on the results of the buyer utility map, the responses show that the respondents want a product that is practical, paste-shaped, convenient to use, easy to carry, not spilled out, and more economical so that the concept of param cream Manna is produced in small tube packs. The criteria is to use a design that is easy to carry, easy to use in eco packs.
4. Development: the concept of a small tube packaging with a size of 30 ml white which is very easy to carry with a length of 10 cm with diameter of 3 cm used plastic material and very easy opening lid with just one pull and closed with only one push or the only called a fliptop. This is also supported by the results of distributing questionnaires to consumers about consumer preferences in terms of product appearance, terms of packaging, color, thickness preferred.
5. Commercialization: consumers have preference to use online marketing and offline marketing to market param cream Manna. Online marketing should be either through Instagram, the marketplace, Facebook, or the website. Whereas offline marketing should be through minimarkets, grocery stores, pharmacies, and supermarkets. The selling price is set at Rp. 15,000. In addition, it also uses BPOM permission so that the community believes that the products sold are safe and in accordance with health standards.

### **Suggestions/Recommendations**

1. In future research, a business feasibility study should be conducted to find out the feasibility for param Manna business.

2. Evaluation which includes the legal permission such as BPOM is needed to create consumer safety and trust so the products can compete in the market.

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