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## Business Strategy of Layer Chicken Business in the New Normal Era in The Bali Province

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### Abstract

*This study aims to provide a business strategy for laying hens in the New Normal era in the Province of Bali. This research is expected to produce recommendations for the right strategy to be applied to laying hens in the Province of Bali to help farmers face the New Normal era and able to increase breeders' income. This research was conducted in 3 central districts of laying hens in Bali Province using a survey method. The research location was determined by purposive sampling technique. The results of the IFAS-EFAS analysis showed an internal factor value of 3.65 and an external factor value of 3.31 indicating the position of the laying hen business in Bali Province is in quadrant I, namely growth and build strategy. . Alternative strategies that need to be increased more intensively are: 1) Expansion of market share outside Bali (West Region to Jakarta and Eastern Region to East Nusa Tenggara), 2) Expansion of business scale by increasing capital, 3) Selecting less productive laying hens.*

**Keywords:** *business strategy; eggs; laying hens; new normal era; swot*

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### 1. Introduction

The whole world is currently being hit by a very dangerous virus disaster, namely the Corona Virus or what is known as the Corona Virus Disease 2019. The Covid-19 pandemic has affected many sectors of human life. The conditions and consequences caused by this pandemic also directly affect other business sectors such as the livestock sector, one of which is the laying hen business. With the pandemic, the laying hen business in Bali will enter very difficult times. The purebred chicken sector, both eggs, and meat has been badly affected by the pandemic because the tourism sector has declined, hotels and restaurants have closed, so the absorption of livestock products such as eggs and meat has decreased. The New Normal Era is a government scenario term to accelerate the handling of Covid-19 in health and socio-economic aspects. The implementation of the New Normal in Indonesia is regulated in the Decree of the Minister of Health Number HK.01.07/MENKES/328/2020 concerning Guidelines for the Prevention and Control of Covid-19 in Office and Industrial Workplaces to Support Sustainability in the current Pandemic Situation. The New Normal Era requires us to be able to live side by side with the Covid-19 Virus. Laying hen breeders in the Province of Bali are required to always move flexibly because in the New Normal era there are very fast changes in life habits, including in the world of animal husbandry. These changes include market changes and changes in consumer behavior. Consumer behavior is a dynamic interaction between behavior and the environment, where humans carry out exchange activities in their lives [1].

The livestock business is an integration between production management and financial management. The livestock business is also part of agribusiness which includes management of livestock production facilities, livestock cultivation, processing or handling during livestock rearing, post-harvest, and marketing [2]. Maintenance of laying hens requires special handling that is relatively more complicated. The success of raising laying hens at the production stage is influenced by the grower period. The weight of the chickens achieved during the grower period

will greatly affect the appearance when they start production, especially the weight of the eggs produced [3].

Eggs are a source of animal protein that must be consumed by humans [4]. These foods contain good nutrition for the development of the human body. Eggs are the most widely consumed livestock product by humans, besides being easy to obtain, the price is relatively cheap and affordable for all levels of society. Based on egg consumption data in Indonesia, consumption of purebred chicken eggs in 2020 was 2.187 Kg./capita/week, increasing to 2.280 kg./capita/week in 2021 or experiencing an increase of 0.040% [5]. This increase in consumption indicates that the absorption of purebred chicken eggs in the community is still going quite well. The position of purebred chicken eggs when viewed from the structure of egg consumption and the nature of demand, the more important the role of purebred chicken eggs in people's lives, the purebred chicken eggs will have an income elastic demand characteristic. If income increases, egg consumption will also increase [6].

Laying hens business is one type of business that still has great potential to be developed. To be able to survive or develop, the livestock business requires certain strategies to achieve success. To find out the business development strategy can be determined by a combination of internal factors and external factors. Both of these factors can be considered in a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats). SWOT analysis compares external factors of opportunities and threats with internal factors of strengths and weaknesses [7]. Based on this background, a study is needed on the laying hen business strategy in the New Normal era in the Province of Bali. The results of this study can later provide information to farmers in Bali regarding business strategies to increase the income of laying hen breeders in Bali Province in the New Normal era.

## **2. Materials and Methods**

This research was conducted in the Province of Bali using a survey method by selecting three regencies in the Province of Bali, namely: Tabanan, Bangli, and Karangasem as the object of the research location. The considerations for determining the location of this study were because: 1) the three regencies are business centers for laying hens in Bali, 2) have the largest population of laying hens compared to other districts in Bali Province, 3) strategic and easy-to-reach location areas.

In each district, 10 respondents were taken using a purposive sampling technique. Purposive Sampling is a sampling technique by making certain considerations [8]. Respondents consist of 3 small farmers with a population of 0-10,000 laying hens, 4 medium farmers with a population of 10,000-50,000 laying hens, and 3 large farmers with 50,000 -150,000 laying hens

This research uses a combination method (mixed model research) which in this study uses quantitative and qualitative research in one process [9]. The methods are the IFAS Matrix (Internal Factor Analysis Summary) and the EFAS Matrix (External Factors Analysis Summary), I-E Matrix (Internal External), and then SWOT analysis to find out the position of farmers so that they can determine the alternative strategies needed.

## **3. Results and Discussion**

### **3.1. Results**

The results of this study indicate that the age of laying hen breeders in Bali Province is in the productive age range of 30-64 years. The older the age of a worker, the higher his commitment to the organization or business, because the opportunities for individuals at that age to get other jobs are limited due to increasing age [10]. The productive age of farmers is also supported by the average level of formal education of farmers. In terms of technology adoption, younger workers will be more influenced by attitudes toward technology use. Conversely, older workers are more influenced by subjective norms and behavioral controls [11].

The level of formal education of farmers is included in the medium category because most of them have completed high school (SMA), which is 50 percent. Education is something that is used to prepare people to solve life's problems in the present and the future. [12] Formal education is a potential resource, high formal education breeders are easy to accept innovation and business

development. A person's level of education is an indicator that reflects a person's ability to be able to complete a type of work or responsibility [13].

The results showed that the productive age of breeders with moderate educational levels was also supported by experience in laying hens, namely 11-40 years, which was 66.7 percent. So that it can be said that the experience possessed by breeders is long enough in managing their business, this is proven by the ability of breeders to run their businesses. Experience is something that has been experienced, lived, or felt, both past and ongoing. The experience that is owned can be given to anyone as a guide and human learning [14].

Based on the results of the study, it was shown that the marketing of purebred chicken eggs in the Province of Bali carried out a simple marketing pattern, namely by relying on existing customers, where consumers would come directly to the breeders to buy purebred chicken eggs in the fields. Egg marketing is determined based on requests from customers, namely sales based on kilogram weight (kg) for the Java island market, and based on egg size for marketing to NTB and local consumers in the Bali Province. The sizes or grades in question are Super Eggs (TS), Large Eggs (TB), Responsible Eggs (TT), and Small Eggs (TK). Marketing is a whole system of business activities aimed at planning, pricing, promoting, and distributing goods and services that satisfy the needs of buyers and potential buyers [15].

Changes or fluctuations in the price of purebred chicken eggs in the Province of Bali are determined based on market prices which refer to the market prices of purebred chicken eggs on Java Island. Stating that price fluctuations are changes in the ups and downs of a price variable that occur as a result of market mechanisms which in the future will affect the marketing of a product [16].

The results of the study show that in the New Normal era in the Province of Bali it is very potential and productive for the development of laying hen farms even though several obstacles need to be overcome for business success. This can be seen from the farmer's internal factors, namely strengths and weaknesses, as well as external factors, namely opportunities and threats. The potential in the form of strengths and opportunities are: using quality seeds, good maintenance management, having a strategic cage location, having a good business administration recording system, having an efficient SOP and workforce, having its market, and not giving up easily in the face of business problems. As well that there are still few who are working on laying hen farms, the market outside Bali Island is still open, eggs from Balinese farmers are still in demand both inside and outside the island, and the retail price of eggs is still high, adequate road infrastructure at the location of the farm, agricultural products that are easy to reach, and a market for rejected chickens and droppings are still prospective.

While the obstacles faced are weaknesses and threats, namely: high mortality rates at nursery age, lack of discipline in managing business finances, limited business capital, only depending on the price of eggs on the island of Java, and only selling eggs to collectors. As well as fluctuating egg prices, big businessmen releasing eggs in large quantities to the local market thereby dropping prices, erratic weather that affects the mortality rate of both chicks and broodstock, factory feed prices continuing to rise, high bank interest, unable to control market prices (still based on prices in Java).

The IFAS matrix analysis shows that the data obtained from the respondents gave a subtotal value of strengths of 3.02, a subtotal value of weaknesses of 0.63, and a total value of internal factors of 3.65. This total value indicates that maintenance and market have a very good strength factor. Based on the internal factors owned by breeders in the Province of Bali, it can be seen that the egg production of purebred chickens in the Province of Bali is in a safe position and can meet the number of existing offers. The quantity supplied of a good is the amount of good that sellers are willing and able to sell [17].

The IFAS matrix analysis shows that the data obtained from the respondents give a subtotal power value. in the New Normal era, it is still open despite the threat of rising factory feed prices and fluctuations in market prices.

### 3.2 Discussion

The Internal-External (IE) Matrix puts the business position into a nine-cell view and shows what strategy to take based on that position. The purpose of using the IE matrix is to get a more detailed business strategy of a business [18]. The total score of the IFAS matrix is 3.65 while the total score of the EFAS matrix is 3.31. Based on the total IFAS matrix and EFAS matrix, laying hen farms in the New Normal era in Bali Province are in quadrant I, namely (Growth and Build) growth and development. Common strategies used in this position are Market Penetration, Market Development, and Product Development.

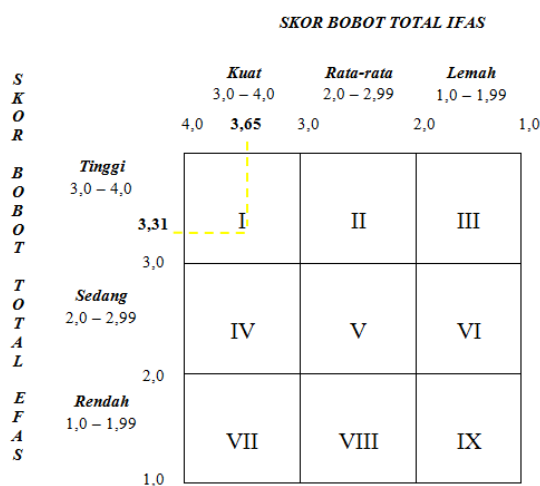


Figure 1. Internal-External (IE) Matrix

Market penetration is an effort to increase the market share of existing products/services in the market through greater marketing efforts [19]. Market penetration is also an effort to increase market share for products or services that are already on the market through vigorous marketing efforts. Product development to increase product sales is carried out by improving existing products/services or developing new products/services.

Based on the total IFAS matrix and EFAS matrix, the laying hen business in the New Normal era in the Bali Province is placed in the quadrant I SWOT diagram which illustrates that the livestock business in the Bali Province has opportunities and strengths so that it can take advantage of the opportunities and strengths it has in carrying out its business strategy. The suggested strategy is to support an aggressive growth policy (Growth Oriented Strategy).

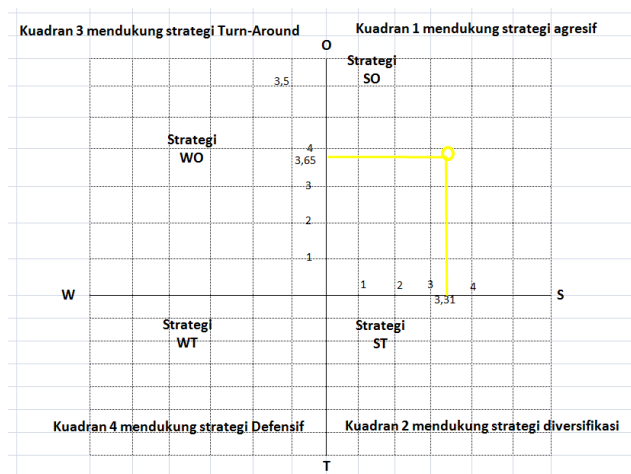


Figure 2. SWOT Diagram

The matching process between the elements of strengths, weaknesses, opportunities, and threats is carried out after the analysis of the IFAS and EFAS matrices, using the SWOT matrix. Strengths–Weaknesses–Opportunities–Threats (SWOT) analysis is an evaluation of a company's strengths, weaknesses, opportunities, and threats. SWOT analysis serves to observe the internal and external marketing environment [20]. Based on the SWOT analysis, policy determination is carried out using 8 strategies, namely: 1) Expansion of market share outside Bali (West Region to Jakarta and Eastern Region to East Nusa Tenggara), 2) Expansion of business scale by increasing capital 3) Selecting laying hens that are less productive 4) Improving maintenance management from Seed (DOC) to Adult (5) Expanding business scale by increasing capital, 6) Regulating harvest time, 7) Implementing good financial management and business accounting systems to optimize revenue, 8) Increasing market share expansion.

#### 4. Conclusion

Based on the results of the study, it can be concluded that the main potential of laying hens in the New Normal era in the Province of Bali shows that maintenance and the market have very good strength factors, and egg production in the Province of Bali is in a safe position. and can meet the number of existing bids. While the main obstacle is the fluctuating price of eggs. Strategic priorities are selected based on quadrant I, namely (Growth and Build) to grow and develop. With alternative strategies, namely: (1) Expansion of market share outside Bali (West Region to Jakarta and Eastern Region to East Nusa Tenggara) (2) Expansion of business scale by increasing capital, and (3) Choosing laying hens with fewer eggs. Productive.

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