

## **Social Innovation In Generating Income Of Community Through Marketing The Traditional Cookies**

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### **ABSTRACT**

Thriving for economic sustainability in the current depressing economy is the key concern among middle and low income community, particularly those who are living in the area of Merbok, Kedah, Malaysia. Having skills particularly in producing homemade cookies should not be limited to personal consumption alone. With innovative and creative ideas, these skills should be nurtured and polished together with marketing skills to move ahead in the economic ladder. A study was conducted via a community project to garner social innovation ideas that can enhance the economic wellbeing of the Merbok community. A project was undertaken by a group of academicians with multiple academic backgrounds together with a community nearby the campus. The Merbok community was chosen as there are many low income families including the single mother community who reside in this area. The aim of the project was to assist the low income community to generate higher level income through the marketing of traditional cookies. The objective of this project was achieved through transferring of knowledge particularly in giving assistance by creating a competitive branding and labelling of the traditional cookies. Nevertheless, the application of information technology to social media marketing, as well as knowing how to keep the necessary

accounting records is a must to succeed in the current marketing competition. This project is based on in-depth teaching and learning process by first educating the community in terms of marketing the traditional cookies to generate income for the community. With the help of '*Jawatankuasa Kemajuan dan Keselamatan Kampung (JKKK)*' which acted as the social entrepreneur and moderator of the program, we managed to help the community by marketing the traditional cookies as well as transferring our knowledge and expertise to the community.

**Key Words:** traditional cookies, knowledge transfer, social innovation, social entrepreneur.

## INTRODUCTION

There is a growing interest on social innovation among various groups such as policymakers, researchers, foundations and academic institutions around the globe. Social innovation has also emerged as a response to growing social, environmental and demographic challenges that may sometimes be impossible to solve. According to Roome (2013), social innovation refers to innovation that has the potential to effect change in public or private sectors of the economy and society. In short, social innovation refers to the practice of using creativity to develop solutions that may improve the well-being of people and society. It may help to address the multifaceted level of challenges be it local, national or worldwide. The robust development of social innovation in the European countries has triggered countries in South East Asian to keep abreast with their other counterparts on social innovation. For example, South East Asian Social Innovation Network (SEASIN) has been established with the aim to effectively support and promote social innovation in the South East Asian region (<http://www.seasin-eu.org/about-seasin/>). A consortium was formed that included members from the public and private universities from Thailand, Myanmar, Cambodia and Malaysia. This effort may help to speed up the social innovation initiatives in the South East Asian region especially in Malaysia.

In pursuit of this, the rest of this paper is structured as follows: first, it highlights the background of research and followed by the description of methodology. The outcome is then presented and discussed. Lastly, it concludes with consideration of the implementations of the outcomes and suggestions for further project.

## BACKGROUND OF STUDY

This program of social innovation plans to transfer the relevant knowledge, expertise and procedures to Kampung Hilir Jawatankuasa Kemajuan dan Keselamatan Kampung (JKKK) and their communities in Merbok, Kedah with regards to enhancing their ability to market their product of traditional cookies to consumers in Malaysia. The community has sufficient knowledge and skills to produce the traditional cookies but they are lacking in terms of marketing the products. For example, the community only managed to sell their products during festive seasons and slowed down or had zero sales during normal days. As such, the objective of this project is to improve the marketing, packaging, branding, documenting accounting records and providing business knowledge regarding the traditional cookies produced by the villagers. This in turn may help to minimise poverty by commercializing the traditional cookies made from natural resources to a larger market particularly to local or international customers. In achieving this objective, a group of multi-disciplinary

academicians from Business Management, Accountancy, Art and Design, Computer Science, Academy of Language Studies and Hotel and Tourism of Universiti Teknologi MARA (UiTM) Kedah and Penang assists the community in terms of designing the branding, labelling, packaging, marketing and maintaining related accounting documentations. This is vital to create a niche for this village by promoting traditional cookies which are the signature of this village. The community in Merbok feels that there should be a vigorous force for change, in order to minimise poverty through education, to help environmental conservation efforts and to identify economic activities of benefit to the parents of children who are highly motivated toward learning so that they can pursue their higher education. This is in line with the government's Economic Transformation Program (ETP) as the upshot of this program should boost the society's intensity of earnings that is at par with the current product in the market thus allowing them to be competitive and to regenerate a better income for the community. The sharing of tourism profits and benefits with every part of the city and village is recognized as one of the National Key Economic Areas (NKEAs). This program is additionally incorporated as one of the Key Result Area (KRA) since the economic gains for commercializing the traditional cookies products can be generated through the sustainable development of a range of niche products like "putu kacang, putu beras, kuih bakar, bahu and karas" which we also hope can help to enhance the economic activities in Kampung Hilir, Merbok.

The rationale for focusing on marketing and documentation of business records are due to prior research that have identified several reasons for business failure, such as poor marketing and the lack of managerial skills-namely the inability to keep accurate and current financial records (Bergsman, 1992). As such, it is imperative for businesses to have an effective marketing and sufficient documentations to excel in business. Moreover, Hirokawa and Wu (2012) noted that marketing strategy needs to seek ways to connect technology to the culture. In particular, social media are the medium of distribution channel which have gained wide acceptance by consumers around the world and the trend is expected to continue in the future. In particular, more individual and companies are moving towards online marketing to reap the benefits it offers. Kaplan and Haenlein (2010) reported that as of January 2009 on-line social networking such as Facebook has recorded 179 million active users. The users are not only limited to teenagers, but growing in numbers for members of the Generation-X too. As such, it is reasonable to say that social media represent a revolutionary new trend in doing business and business should grab this opportunity to reach its potential customers. For example, there are several companies which have successfully used social networking sites to support the creation of brand communities (Muniz & O'Guinn, 2001) and Warner Brothers created a Facebook profile via which visitors could watch trailers, download graphics, and play games to promote the movie "Fred Claus," a 2007 Christmas comedy film. Thus, producing products using natural resources and to apply social media marketing are both timely and warranted. Also, the knowledge on marketing and keeping proper documentation will be an added value for business operators to be successful.

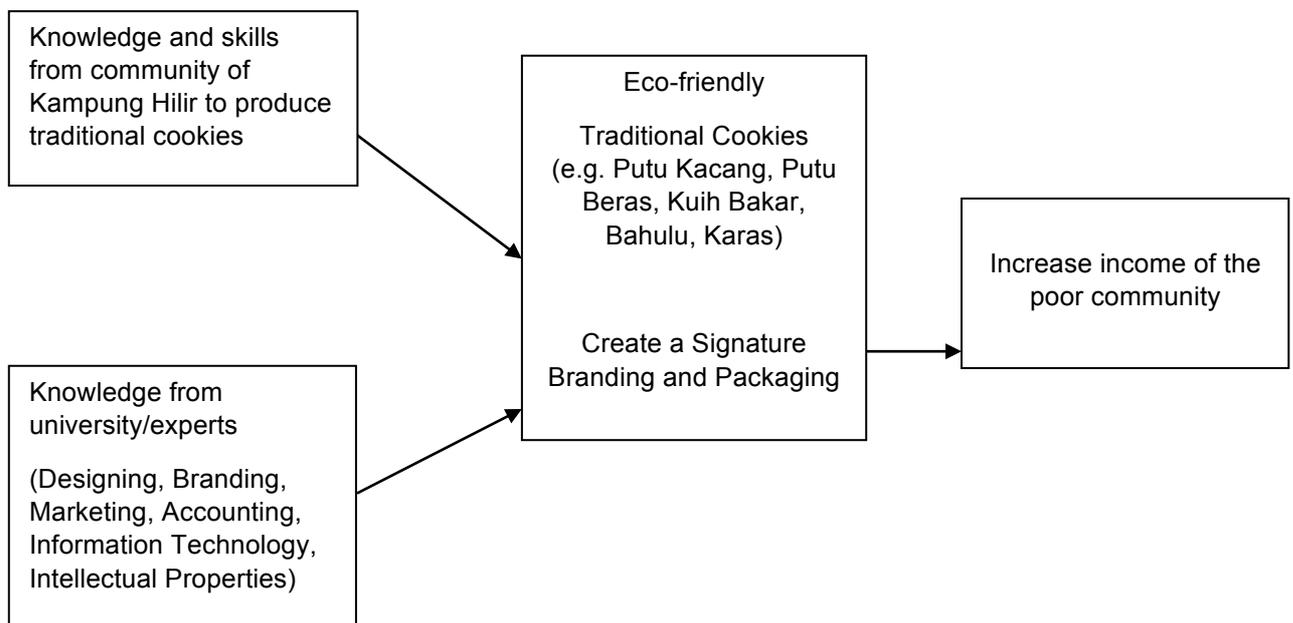
With this in mind, it would be a great help to apply this to the community around the area of Merbok, where UiTM Kedah, Merbok campus is situated. The community may benefit from its existence where academicians could share their expertise and knowledge to the community around who are so much in need of hands on information to uplift the current economic state. Thus, the research questions of this paper are how to apply social innovation initiative to increase income of poor community and what are the challenges faced to implement social innovation initiative?

**METHODOLOGY**

The partner of this social innovation research project is the JKKK of Kampung Hilir, Merbok, Kedah representing the residents of Kampung Hilir with a population of about 400 residents. The location of this village is about 10 kilometres away from the Universiti Teknologi MARA Kedah Branch, Merbok Campus. The direct participants of this project are the low income group of people including the single mothers' community in Kampung Hilir. Kampung Hilir has been selected as the partner for this project to benefit the community in tandem with the existence of a local university around their residency. The project has been initiated in July 2016 and completed in February 2018 with the support of a grant from the University Community Transformation Centre (UCTC), Malaysian Ministry of Higher Education. This project has focused on five (5) types of traditional cookies that are *putu kacang, putu beras, kuih bakar, bahulu and karas*.

Figure 1 depicts the social innovation economic transfer model developed as a conceptual framework for this study. In general, the model applied an integrated approach to increase the income of the poor community starting from the production process to marketing of the traditional cookies. The academicians offer their expertise in designing, branding, marketing, accounting and information technology, while the community used their knowledge and skills to produce the traditional cookies. The output is traditional cookies with eco-friendly element are produced and created a signature to the product in terms of branding and packaging. Consequently, this process encouraged the establishment of technopreneurs who help to increase the income of the poor community.

**Figure 1 Social Innovation Economic Transfer Model**



The process to implement the project is as follows. The first phase was to review the original packaging and propose the design for branding, labeling and packaging of the products as shown in Figure 2 and 3. In seeking the inspiration to design the branding, labeling and packaging of these cookies, we conducted an observation of Kampung Hilir's surrounding and a desk research on various motifs of traditional Malay designs. Based on the observation, there are plenty of bee hives at Kampung Hilir indicating that the environment is less polluted and the air is clean. Thus, we decided to choose the traditional motif of hanging

bee hive to represent the clean environment where the products are produced as the main element in the branding and labelling of this product. Also, one of the packaging includes an inspiration from *tengkolok*<sup>12</sup> or head gear normally worn by a Malay ruler who is the Sultan. Figure 4 depicts this bee nest motif on the *tengkolok*. This special motif and symbol are not only to highlight the branding, labelling and packaging but to inculcate the heritage values in the packaging that can create a niche and bring the marketing of the Kampung Hilir traditional cookies to the next level.

**Figure 2 Original Packaging of the Traditional Cookies by the Rural Community**



**Figure 3 Proposed Packaging and Branding of the Traditional Cookies by the Community of Kampung Hilir, Merbok, Kedah**



<sup>12</sup> **Tengkolok**, also known as *destar*, *setanjak/tanjak*, and *setangan kepala*, is a traditional Malay male headgear. It is made from long songket cloth folded and tied in particular style (*solek*). Nowadays, it is usually worn in ceremonious functions, such as royal ceremony by royalties, and wedding ceremony by grooms. (<https://en.wikipedia.org/wiki/Tengkolok>).

**Figure 4 Hanging Bee Nest Motif as the Main Element in Branding the Traditional Cookies and the Inspiration of Tengkolok for Packaging**



The second phase was to check the quality of the cookies in terms of its tastes and design. All cookies are found to be presentable and delicious except for *bahulu* and *kuih bakar*. The texture of both cookies is found to be hard and non-presentable. Thus, experts from the hotel and catering faculty provided the advice and guidance which helped the community to improve the quality of these two products. The fourth phase was to conduct product and market testing. Initially, 20 samples of each product were distributed at random to the public with different age group and background. Majority of the respondents reported that the products were delicious, presentable with an acceptable packaging. Some of the respondents provided suggestions to further improve the branding and packaging. The community of Kampung Hilir was also given an exposure to market their product to public at large during the Universiti Teknologi MARA Graduation Ceremony on 7-8 November 2016. The community of Kampung Hilir had also been guided closely on how to entertain the customers and sell their products as shown in Figure 5. They received positive response from the public and managed to sell their product well. They were also involved in selling the products during festive seasons.

**Figure 5 Community of Kampung Hilir Involved with Promotion, Product and Market Testing**



The fifth phase was to finalise the branding, labeling and packaging of the products based on feedback gathered during the product testing and marketing. The finalised branding, labeling and packaging for normal and exclusive market is shown in Figure 6 and 7. The sixth phase was to prepare the community of Kampung Hilir to market their products more extensively. For example, the community of Kampung Hilir was involved in the promotion and selling activities at Mydin Hypermarket Mall, Sungai Petani, Kedah, Malaysia on 4-6 November 2017 by setting up a booth at the hypermarket shown in Figure 8. Also, the community of Kampung Hilir has also managed to place their products at bakeries in Sungai Petani, the nearest town.

**Figure 6 Finalised Branding, Labeling and Packaging for Normal Market**



Figure 7 Hamper for Exclusive Market Where the Five Types of Cookies Packed in Hamper



Figure 8 Promotion and Selling Activities at Mydin Hypermarket Mall, Sungai Petani, Kedah, Malaysia on 4-6 November 2017



## OUTCOMES

Generally, this project has improved the packaging, branding and marketing of the traditional cookies. The community has been given the opportunity to get hands on experiences on how to conduct business and maintain the accounting records systematically. They also learnt some tips on how to market their products and gain confidence to sell their products to potential customers.

During the market testing of the product, they managed to get positive responses from the customers and potential customers. The traditional cookies have managed to attract the attention of the public and gain sales. In fact, the community of Kampung Hilir has received positive feedbacks from the customers and this practical experience has increased their self-confidence to sell the products in the future. Their self-confidence and skills to market their

product have also improved with the exposure given to sell the products during the festive seasons. In this case, they sold their product during Eidul Fitri and Eidul Adha and managed to do well with their sales. The opportunity to setup a booth and promote their product at Mydin Hypermarket Mall helped the community of Kampung Hilir to gain more practical experience to sell their products. Their communication skills and knowledge to conduct business has increased where they are now ready to supply their product to nearby public places and bakeries on a regular basis. Currently, the community of kampong Hilir has three suppliers near Sungai Petani who are willing to distribute or market their products on a regular basis.

Other initiatives undertaken to help the community of Kampung Hilir to market their product is by offering a few designs of the packaging and branding of the traditional cookies to capture the high-end market and low-end market. This initiative has been successfully developed. In addition, the JKKK of Kampung Hilir has signed a memorandum of agreement (MoA) with UiTM Social Innovation Support Unit (SISU) and South East Asia Social Innovation Network (SEASIN), funded by the European Union to help with the potential of networking or marketing the product as shown in Figure 9. A launching ceremony of the project which was officiated by Dato' Tajul Urus Mat Zain, State Councillor and Assemblyman of Tanjung Dawai helped to further strengthen the promotion and marketing initiatives at the local market as shown in Figure 10. Lastly, the products of Kampung Hilir's community were presented to the Sultan of Kedah, Sultan Sallehuddin Ibni Almarhum Sultan Badlishah during a royal visit by one of the group's members shown in Figure 11. The opportunity to present the traditional cookies of Kampung Hilir to the Sultan of Kedah by highlighting the significant elements in the branding, labelling and packaging of the product was a tremendous marketing achievement for this project. This may bring bigger opportunities in the future for the community of Kampung Hilir to collaborate with the Tourism Department of Kedah State to market their product.

**Figure 9 Signing of MoU and Participated in The Exhibition During the Launching Ceremony of UiTM SISU and SEASIN on 7 November 2017**



**MoU Exchange Between UiTM and Kampung Hilir Village Security and Development Committee(JKKK Kampung Hilir) on 7 November 2017 at UiTM Shah Alam.**



Participated in The Exhibition During the Launching Ceremony Of UiTM SISU and SEASIN and Selling of Products to Local and International Delegates.

**Figure 10 Launching of Project by Dato' Tajul Urus Mat Zain, State Councillor and Assemblyman of Tanjung Dawai**



**Figure 11 Kuih Tradisional Kampung Hilir Has Been Presented to The Sultan of Kedah on 22 February 2018**



## CONCLUSIONS AND SUGGESTIONS FOR FUTURE PROJECT

In general, the aims of this social innovation project have been achieved. The branding, labeling and packaging for different groups of consumers have been successfully developed. Transferring of knowledge on marketing and maintaining systematic accounting record have been delivered to the community of Kampung Hilir. In fact, this project has been completed in a short period of time that is within 20 months with low cost and has managed to expose the community of Kampung Hilir to a wider segment of marketing that is promoting the traditional cookies to the state level as well as international audiences.

Through this social innovation project, it has helped the residents of Kampung Hilir to create self-employment opportunities to increase the household income and minimise the level of poverty. Also, it helps to encourage a transfer of knowledge and a life-long learning experience between the academicians and the community. The community has an opportunity to learn new knowledge from the experts and the experts can share this valuable experience with the students at the university. In addition, the community is now able to give ideas on how to expand their business. For example the community has managed to introduce new products, understand the demand of the market and find ways to sell their products. They are more confident to face the customers and deal with related parties to market their product. Also, they have also started to maintain enough accounting records. This social innovation research project has further established a good rapport with the surrounding communities and has managed to enhance the positive image of the university.

However, in implementing this social innovation project there are few challenges faced. The team members need to face the challenge to transfer the academic knowledge to the community in simple, understandable language and in a leisurely manner. The project team members were required to have good communication skills and patience to transfer the knowledge to the community. For example, a simple process in the view of the academicians may not be a simple task to be achieved by the community. At times, the learning process is a little slow and requires repetition or further explanation by the team members.

Future potential social innovation projects may replicate a similar model for other rural communities in other states of Malaysia or other countries with a high chance of success rate. This structured method of engaging in business may assist the small or cottage industries to excel. Furthermore, it encourages technopreneur initiatives for the rural areas.

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