"Not A Lot Of Benefits, But You Can Survive"
The Role Of Technology In Micro Business Resilience During The Covid-19 Pandemic

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ABSTRACT

The existence of the Indonesian MSME group is recognized as the backbone of national economic development. However, the limited resources of MSME actors are a challenge for MSME actors in adjusting to environmental changes and adapting to the digital technology used. Therefore, this study aims to see and explore the acceptance model of digital technology in the resilience of micro-enterprises in the city of Padang. This research is a non-positivism research with a phenomenological design. The object of this research is micro-enterprises in the city of Padang, selected purposively with snowball sampling. Data was collected by means of in-depth interviews and naturalistic observations. The results of this study found that digital technology helps micro-enterprises to survive during the COVID-19 pandemic. In addition, the cost of implementing the technology tends to be more economical. The use of technology is able to create a wider target market. This research provides an understanding of the role of digital technology in maintaining the resilience of micro-enterprises during the COVID-19 pandemic.

Keywords:
Micro and small business enterprise, Business resilience, Technology Acceptance Model (TAM), Covid-19 Pandemic.

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1. Introduction

The existence of micro and small medium enterprise (MSME) in Indonesia is recognized as the backbone of national economic development. The significant role of the MSME group in economic development in Indonesia is undeniable. The stretching of the MSME group in Indonesia is able to absorb 97 percent of the total workforce, and can collect up to 60.4% of the total investment (Pramono et al., 2021; Tsai et al., 2022). In addition, based on data from the Ministry of Cooperatives and SMEs, the number of MSMEs currently reaches 64.2 million and is able to contribute to Gross Domestic Product of 61.7% (equivalent to 8,573.89 trillion rupiah) (Tan et al., 2021).

In March 2020, the Indonesian Government officially announced that the COVID-19 virus had entered and spread in Indonesia. Steps taken by the government to prevent the spread of the virus include lockdown, isolation, travel ban and gathering ban, including closing schools and...
business activities (Gao, 2022). In addition, covid-19 has had an impact on work termination, and an increase in the number of unemployed (Wahyono et al., 2021) (Hadi Putra & Santoso, 2020). The closure of business activities occurred in all regions of Indonesia, including the city of Padang, which had an impact on the national economy. Therefore, efforts are needed to overcome the economic weakness caused by the COVID-19 pandemic.

Business resilience includes the ability to adapt to the most difficult conditions by maintaining the existence of the organization (Aldianto et al., 2021). Economic success requires consistency of business actors in adjusting to all changes that occur. Changes in the external environment during the COVID-19 pandemic are changes in communication patterns between producers and consumers (Fontanet-Pérez et al., 2022; Selamat & Windasari, 2021), changes in the pattern of selling goods and services from offline to online with an increase in internet traffic ranging from 15-20% (Pakpahan, 2020). So that the role of technology is needed for business resilience and continuity during the Covid-19 period. Technology became the spearhead of business processes at that time and until now (Parast & Safari, 2022), meaning that companies are encouraged to immediately adapt to these changes in order to improve economic performance in a sustainable manner. The ability of businesses to adapt quickly can increase competitive advantage, especially if they are able to adapt with two aspects that are very important nowadays, namely technological and social changes (Jaidi et al., 2022). Technological and social changes are external factors for business, but the contribution of technological and social changes to business development is very significant (Gherghina et al., 2020; Hamdana et al., 2022).

The application of technology has become a social norm as a solution to social restrictions during the COVID-19 pandemic (Alawi et al., 2022). These social changes occur at all levels of society, including a small number of MSME businesses that switch to using technology as a tool for their business processes (Karim et al., 2022; X. Zheng et al., 2022). Meanwhile, not all MSMEs can adopt and implement technology in business processes. This is due to the characteristics of the MSME group which has various limitations on technology. Based on the government’s vision in realizing MSMEs that go up in class in realizing a sovereign developed Indonesia, the research is on the technology acceptance model in the resilience of micro, small and medium enterprises during the covid-19 pandemic. The limited resources of MSME actors are a challenge for MSME actors in adjusting to environmental changes and technological adaptations that occur (Zarghami, 2021). This happened in the city of Padang where the skills and individual skills were weak as a result of weak mastery of Science and Technology (IPTEK) in a general sense and mastery of technology related products and services in a special sense (Candra et al., 2020).

The COVID-19 pandemic is the initial bridge for business actors to accept technological developments for the continuity of their businesses so that they can survive. This is driven by the perceived usefulness and perceived ease of use in the technology acceptance model which forms the mindset and behavior of business actors to accept the existence of technology. In addition, research that examines the adoption and implementation of technology in the MSME group is still very limited (Westman et al., 2020). Therefore, this study aims to see and explore the acceptance model of digital technology in the resilience of micro-enterprises in the city of Padang.

2. Methods

This research is a non-positivism research or also called a subjective qualitative research. This study uses a phenomenological research design that explores the experience of the object of research in adopting, accepting and implementing digital technology in the activities and business continuity undertaken. The object of this research is Padang City micro business actors who were selected by purposive sampling with snowball sampling. The research object is five people from the selection of informants who are carried out with the following criteria: (1) micro business actors who are young or young; (2) micro/business actors who use payment systems with e-wallet in the form of shopeepay, gopay, ovo, funds, and Qris; (3) micro business actors/employees who are classified as currently in or involved in the activities under study; (4) micro business actors/employees who are willing and have sufficient time to be asked for information. Data was collected by means of in-depth interviews and naturalistic observations. Data analysis is done by organizing the data, breaking it down into units, synthesizing it, arranging it into a pattern, choosing what is important and what will be studied and drawing conclusions. Using data triangulation to test the validity of the data.

3. Results
a. Digital Technology Support and Business Resilience during the Covid-19 Pandemic

Digital technology makes it very easy for MSME actors to maintain supply chain continuity. Like the MSME “Raun Case” which is located in the city of Padang and is far from the availability of supply of raw materials used for production. “Raun Case” MSME actors have been using marketplace applications in selecting quality raw materials for the purposes of their production process. This is very different when they have not used the marketplace application to select production raw materials. Like the interview excerpt below:

...Now for the custom material, we order it in Tangerang, through the Shopee Marketplace platform, for the casing material, we order it in the city of Padang, if there is one, if not, we will also order it on the Shopee Marketplace (Informant 1)

Casing is raw materials needed by the “Raun Case” business and those are very difficult to find in the city of Padang but can be found in big cities such as the island of Java. Raw materials obtained on the island of Java are sold in various and interesting variants, and at very low prices. To get these raw materials, digital technology such as smartphones is needed as an alternative to communicate in buying raw materials. Informants from “Raun Case” admitted that they were greatly helped by the existence of a marketplace application on their smartphone, especially in choosing the raw materials needed for their business. This is expressed in the interview excerpt below:

Now regarding the use of the marketplace... Shopee... Very helpful in terms of purchasing materials for Diah’s production (Informant 1)

In addition, the existence of a marketplace application helps SMEs "Raun Case" in designing attractive marketing strategies. Business actors admit that they do not have a good marketing education background. So they are confused in providing attractive offers for buyers. Since using the marketplace application, they have been greatly helped by the marketing strategy provided by the marketplace application. For example, the marketplace application provides free shipping promos for purchases with special conditions. Where, this was previously unthinkable by business actors, so they found it difficult to provide attractive offers to buyers. Marketplace applications can help MSME players design attractive sales strategies, to increase their sales. This is expressed by the informant in the quote below:

...technology is very helpful and useful, what's more for us who have produced and sold on Shopee, there are many benefits such as discounts that are held for us, because we are here, what more for people who are less technology literate [marketing strategies] / so we provide a kind of service[...] for us, for example, we are sellers, if many make purchases on our account, then Shopee will provide free shipping, so we will process the system to the buyer later with marketing language so that many of them are interested and ask for our help too, for example by saying we give discounts or free shipping or discounts like that. (Informant 1)

The “Divi Beauty Store” business actor also feels the same way, the use of digital technology is very helpful and easy. The use of digital technology that is easily accessible and easy to use can help SMEs to take advantage of current technology. As quoted by the following informant:

Brother accepts current technological developments, because this technology helps and makes it easier and doesn’t make you dizzy, even though it takes more effort to understand the technology, and indeed you have to use technology, according to you. (Informant 2).

The use of digital technology helps SMEs, especially during the COVID-19 pandemic. The COVID-19 pandemic situation that does not allow activities outside the home has forced MSMEs to design strategies to survive during the COVID-19 pandemic. Therefore, the strategy used by MSME actors during the COVID-19 pandemic is to utilize digital technology. Digital technology is a solution to the business crisis that occurred during the COVID-19 pandemic. This was revealed by the MSME players "Karupuak Baguak Chip", where their business continues to run during the COVID-19 pandemic assisted by technology. The use of digital technology for the "Karupuak Baguak Chip" business, helps them in everything such as promotion on social media. Business promotion on social media can increase the selling value of "Karupuak Baguak Chip" itself, so that it can reach a wider range of buyers not only in Padang City, but also outside Padang City and be able to make their business known to the wider community. Like the interview excerpt below:
...if for us to apply technology in our business this is very helpful, now especially during the covid-19 pandemic which yesterday had paralyzed our business, now this technology can be very helpful, both in terms of promotion on social media, with the existence of business branding on social media, yes, even though during the pandemic there was not too much profit, at least our business could still survive at that time and until now, with the help of this technology, our business also survives (Informant 3)

b. The cost of implementing digital technology is more economical

The cost of implementing digital technology is not expensive. This was revealed by the informants that the costs incurred were one time for permanent use. Business actors consider the benefits of using digital technology more than the costs, because it can facilitate the work of MSME actors. Therefore, the "Divi Beauty Store" business actors prefer to spend money on the costs of implementing digital technology to support the continuity of their business. The cost of implementing digital technology is not seen as a major barrier to technology adoption. However, it depends on the individual's perception of the cost of the technology itself in relation to the benefits and risks of using the technology. This is because the use of digital technology has been proven to make the work of the "Divi Beauty Store" business more efficient and can use time for other activities. As revealed in the interview excerpt below:

If it's calculated as expensive, it's actually not a deal, it's only bought once for good, except for applications that have time, but it's not expensive either. Because you think it's to make your work easier and make your business efficient, just like that (Informant 2)

The same thing was also expressed by the "Karupuak Baguak Chip" business actor, the costs incurred for the use of digital technology in business continuity are considered as investment costs. The intended investment is the use of fees for purchasing internet quota in the use of social media such as: Instagram, Facebook and marketplaces such as: Shopee, Tokopedia on smartphones. As revealed in the interview excerpt below:

... on Instagram, we are trying to get a lot of followers so that many see our posts every day and some are interested in buying them [...] provide a solution in the form of video reviews from people who eat the "Karupuak Baguak Chip" itself and the product review itself what kind of people have bought it (Informant 3)

Another thing was also revealed that the use of technology is an inventory for the "Karupuak Baguak Chip" business actor. Inventory is a list of equipment that supports business activities in the form of supplies of materials and digital technology for business continuity. The inventory meant by the "Karupuak Baguak Chip" business actor is digital technology such as smartphones, laptops that are used to support business activities. This is expressed in the interview excerpt below:

As for the actual costs for technology, it doesn’t really affect it too much, because it’s like the words the costs incurred to implement the technology are an investment to make business easier, as well as inventory of the business that is being carried out. (Informant 3)

c. Digital technology and a wider target market

Use of social media and Marketplace applications can form a good business plan. This was revealed by the business actor “Raun Case”, the existence of social media and marketplace applications formed a clearer business target market. The use of social media is currently used by all Indonesian people, including being used as a promotional and sales event by business actors. As revealed in the interview excerpt below:

...the difference is much, because in our Marketplace the target market is clear. Just like on Facebook, right, on Facebook, there are groups that fit the community, such as football club fans, such as Persija, Persebaya, etc. So, for our promotion, we are more targeted so that sales will definitely increase later. (Informant 1)

The "Karupuak Baguak Chip" business actor also feels the same way, the existence of technology, especially digitalization, can reach a wider target market, not only in the city of Padang
but also outside the city of Padang. It is proven that the use of digital technology can reach a wide range of consumers. As revealed in the interview excerpt below:

"...But fortunately with this digitalization our market reach is wider, not only in the areas of Padang or West Sumatra, but also outside the cities of consumers who buy our products [...] Yes, if we apply technology together in our business this is very helpful, now especially during the covid-19 pandemic which yesterday paralyzed our business, so this technology can be very helpful, both in terms of promotion on social media, with business branding on social media, yes even in the future. the pandemic is not too much profit, at least our business can still survive at that time and until now, with the help of technology this is what makes our business also survive (Informant 3).

In addition, “Waitue High Collagen” Business Employees also admit that by using technology in their business they can reach a wider target market, such as the following interview excerpt:

"...because this business is online, so the reseller is not only in the Padang area, bro, although related to this business, Dr. Heny is the distributor in Padang, but the reseller covers all over Indonesia, such as from Java, Kalimantan, Sulawesi, Aceh. Yes a... in Padang there are about 56 members, both agents and ambassadors as far as I know (Informant 5)."

4. Discussion

a. Digital Technology Support and Business Resilience during the Covid-19 Pandemic

Digital technology makes it easier for MSME actors to maintain supply chain continuity. Currently, MSME actors use marketplace applications to buy quality raw materials for the purposes of the production process. This is very different when MSME actors have not used the marketplace application to buy raw materials for production. This change in business behavior patterns is due to the Covid-19 pandemic, which has emerged from various government policies for MSME actors. This policy includes short-term policies and long-term policies. A short policy for MSME actors is the introduction of digital technology and training for MSME actors and workers. The long policy for MSME actors is adapting to the use of technology for the production process, using digital technology media to promote MSME products, and finding potential markets for the products they produce. In the short term, there is the use of marketplace applications or e-commerce media (online shopping) to supply raw materials and sell business products (Pakpahan, 2020).

In addition, business continuity depends on current technological advances that can create efficiencies with a wide area coverage without being hindered by national boundaries. One of the technologies used is the use of marketplace applications or e-commerce media. At first the purchase or sale of goods was done conventionally (offline), ie between the seller and the buyer met directly to conduct buying and selling transactions. Along with technological advances, business actors can buy raw materials and sell business products online which can help the buying and selling process. (Amaliah & Riani, 2018). In addition, there is a tendency for MSME actors who do not want to be tied to only one supplier and desire to obtain various sources of raw materials, which can be adapted to existing financial conditions, thus making MSME actors more inclined to take advantage of marketplace applications (Bismala, 2016).

Marketplace applications help SMEs in designing marketing strategies. The features offered by the marketplace application can attract the attention of buyers, such as the promos offered. Therefore, buyers prefer to buy or sell products online rather than offline because of the attributes attached to the marketplace application itself. Factors that influence buyers in buying or selling products in marketplace applications are prices that tend to be cheaper, promotions, product diversity, trust, service quality, and payment systems. The number of discount programs, cashback, flashsale supported by an easy payment system is an important part that determines the tendency of buyers/sellers in using marketplace applications to make online (Akbar et al., 2020).

The use of digital technology such as marketplace applications on smartphones can be easily accessed and easy to use. The perceived ease of access buyers/sellers in using technology are more likely to find the technology useful for their business and easy to use (J. Zheng & Li, 2020). In terms of using digital technology, knowledge and understanding are needed related to digital technology used by MSME actors. Knowledge related to the use of digital technology can be learned by self-taught and by participating in existing trainings, both in person and online. Training can increase knowledge and the presence of relevant knowledge can form prominent cognitive beliefs about
attitudes in accepting digital technology. Online training and training with experienced professionals can be used as an alternative to gaining knowledge (Mullins & Cronan, 2021).

The use of technology helps SMEs, especially during the COVID-19 pandemic. The COVID-19 pandemic situation that does not allow activities outside the home has forced MSMEs to design strategies to survive during the COVID-19 pandemic. Strategy design aims to reduce business crises. The strategy of trying and working remotely is one of the best ways to stay afloat, be safe and reduce the risk of a business crisis (Shafi et al., 2020). Therefore, the strategy used by MSME actors during the COVID-19 pandemic is to utilize digital technology. Digital technology is a solution to the business crisis that occurred during the COVID-19 pandemic.

The use of technology changes the lifestyle of buyers/sellers towards the use of internet technology which affects the lives of buyers/sellers, especially in Indonesia. Internet technology introduces various information ranging from social networks, news, videos, photos to shopping. These changes bring lifestyle changes. One of them is consumer behavior in shopping, where people decide to make purchases online because they are efficient and easy to make diverse choices that consumers see through promotions on social media (Amaliah & Riani, 2018).

b. The cost of implementing technology is more economical

The cost of implementing digital technology is not expensive. This is because MSME actors consider the benefits of using digital technology more than the costs incurred, because digital technology makes the work of MSME actors easier. The cost of implementing digital technology is not seen as a major barrier to technology adoption. However, it depends on the individual's perception of the costs of digital technology itself, taking into account the benefits and risks of using digital technology. The costs incurred for technology have a direct effect on an individual's intention to adopt the technology. Regardless of the individual's perception of technology acceptance, the greater the efficiency and productivity of this technology, the easier it is for users to control costs in technology implementation (Katebi et al., 2022).

Technology implementation costs refer to items such as investment costs, transportation costs, and costs associated with using the technology itself for business continuity (Katebi et al., 2022). The investment intended by MSME actors is the use of fees for purchasing internet quotas in the use of social media such as: Instagram, Facebook and Marketplaces such as: Shopee, Tokopedia which are used by MSME actors. There are many types of social media in information technology. Some are forum-based, some are chat-based and some are timeline-based. Based on the number of people who are active in social media, the top three ranks in the use of social media. The three social media are Facebook, Twitter and Instagram (Dian et al., 2019).

c. Technology and a Wider Target Market

The use of social media and marketplace applications can form a good business plan. The use of social media is currently used by all Indonesian people, including being used as a promotional and sales event by business actors. Therefore, every day, sellers have a strategy to promote their products through social media so that the sales target is clear. The use of digital technology such as social media can be utilized optimally. In optimizing social media, the seller must have a strategy in winning market share on social media (Riana, 2020). The use of marketplace applications has now become a habit by sellers/buyers in online shopping. The marketplace application is a website that provides an online place for business actors to sell their products on the website, business actors only need to provide product information. The use of marketplace applications is very beneficial for business actors, especially small and medium enterprises. The marketplace application makes it easier for these small and medium business actors to carry out operations. With the virtual market, business actors only need to provide complete information about the products they sell in marketplace applications such as product information, prices, shipping and others because the reach of marketplace applications reaches all of Indonesia (Yustiani et al., 2017). In addition, the benefits of using technology in business continuity do not require renting a shop to sell but can produce and sell at home. Therefore, MSME actors can reduce operational costs in business continuity. Digital technology provides benefits to users in the form of wider market access, extensive partnerships, administrative flexibility, communication, convenience, sources of information, better customer service, and up-to-date information (Widiyastuti et al., 2018). Therefore, an attitude of acceptance of digital technology in business continuity is one of the strategies carried out by MSME actors.

5. Conclusion
Micro business actors feel the important role of technology in business resilience where the perceived usefulness perspective of the use of technology and the perceived ease of use perspective shape attitudes and intentions towards the acceptance of business actors towards the technology. This is evident from the results of research that shows that technology is very helpful for business actors in surviving the Covid-19 period. Where the technology commonly used by business actors during the covid-19 pandemic is social media such as Instagram, Facebook, Tiktok Shop. In addition, there is the use of Marketplace applications such as Shopee, Tokopedia to make online sales as well as the Microsoft Excel application and the Cashier Application for recording and bookkeeping by micro-entrepreneurs. Besides, the cost of implementing the technology is more economical. In the use of technology, business actors do not spend a lot of money on technology implementation so that they can reduce business operational costs, for example, the cost of renting a shop. In addition, the use of technology allows business actors to plan a clear target market. This is supported by business planning and promotion through social media so that the target market is clearly visible.

6. References


