

ANALYZING LOCAL MICRO BUSINESSES SURVIVAL STRATEGIES DURING CORONA VIRUS PANDEMIC IN MANADO*ANALISIS STRATEGI BERTAHAN BISNIS MIKRO LOKAL SELAMA PANDEMI CORONA VIRUS DI MANADO*

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Abstract: The phenomenon of the Covid-19 pandemic that occurred in Indonesia not only had an impact on the health sector but also had an impact on the country's economy. Indonesia, which is dominated by micro-enterprises, needs to pay special attention to this sector because the contribution of micro-enterprises to the national economy is quite large. The study aims to find out micro businesses survival strategies and its implementation during the corona virus pandemic. To find out the strategies and the implementations, the researcher uses the perspective, position, and plan as indicators in this study. This study uses a qualitative method with purposive sampling through in-depth interviews. This study conducted interviews with 15 businesses that classified as micro business. The findings of this study indicate that most of the informants use social media by showing the products or services, show how is the packaging of the products, giving discount, giveaway promotion, and also cooperate with online delivery providers to deliver products in order to survive during the pandemic. Informants will also continue to rely on these strategies to bounce back from crisis situation. From the results of research, it is recommended for the Government, micro businesses in Manado and future research purposes.

Keywords: micro business, pandemic, corona virus, survival strategies, perspective, position, plan

Abstrak: Fenomena pandemi Covid-19 yang terjadi di Indonesia tidak hanya berdampak pada bidang kesehatan tetapi juga berdampak pada perekonomian negara. Indonesia yang didominasi oleh usaha mikro perlu mendapat perhatian khusus pada sektor ini karena kontribusi usaha mikro terhadap perekonomian nasional cukup besar. Penelitian ini bertujuan untuk mengetahui strategi kelangsungan hidup usaha mikro dan implementasinya di masa pandemi virus corona. Untuk mengetahui strategi dan implementasinya, peneliti menggunakan perspektif, posisi, dan rencana sebagai indikator dalam penelitian ini. Penelitian ini menggunakan metode kualitatif dengan purposive sampling melalui wawancara mendalam. Penelitian ini melakukan wawancara dengan 15 pelaku usaha yang tergolong usaha mikro. Temuan penelitian ini menunjukkan bahwa sebagian besar informan menggunakan media sosial dengan menunjukkan produk atau layanan, menunjukkan bagaimana kemasan produk, memberikan diskon, promosi giveaway, dan juga bekerja sama dengan penyedia pengiriman online untuk mengirimkan produk agar dapat bertahan selama pandemi. Informan juga akan terus mengandalkan strategi ini untuk bangkit kembali dari situasi krisis. Dari hasil penelitian, direkomendasikan untuk Pemerintah, pelaku usaha mikro di Manado dan penelitian selanjutnya.

Kata Kunci: usaha mikro, pandemi, virus corona, strategi survival, perspektif, posisi, rencana

INTRODUCTION

Research Background

With the spreading of COVID-19 (Corona virus Disease) the world is changing, this pandemic affects many sectors in the world of business and actually has more impact on businesses that have direct activities like the healthcare sector, airlines, culinary, and supermarkets. This situation makes every business struggle in a new situation, especially to the micro business that is still in a small scale of business but has to survive in this situation. The impact of the COVID-19 pandemic on the economy in Indonesia is also affected to micro businesses in Manado. Micro businesses are part of the criteria for MSME businesses. Even though micro- businesses are the smallest business in the MSME criteria, but there are many people who depend on these businesses. According to Kementerian Koperasi Usaha Kecil dan Menengah, there are 63,350,222 micro business units in Indonesia which are able to absorb at least 107,376,540 or around 89.04% of the workforce in 2018. It proves that micro-businesses are very influential on the Indonesian economy. Micro businesses must also find ways to continue operating during the pandemic. This research will use the Survival strategy in order to know the experience of micro business during the pandemic situation.

Howbeit, Sarasvathy (2001) described the survival strategies focusing on problem solving and emotion-focused approaches. In this case, the problem solving strategy ensures that the entrepreneur becomes actively responsible to allay the challenging situations while the emotion-focused survival strategy involves the effort to regulate emotional consequences of stressful or potentially stressful occurrences. Because of the pandemic of Corona virus some of the micro businesses now are struggling to survive their business through the economic crisis. According to the World Health Organization (WHO), on 31 December 2019, the World Health Organization (WHO) detected reports of a cluster of viral pneumonia cases of unknown cause in Wuhan, Hubei. On 30 January 2020, the WHO declared the outbreak a Public Health Emergency of International Concern (PHEIC)—7,818 cases confirmed globally, affecting 19 countries in five WHO regions (WHO, 2020). The Corona virus pandemic also forced the government to make some policies in order to avoid the outbreak to keep spreading. Some of the policies, like closing some workplaces, shopping centers, schools, and universities temporarily.

In this situation, there are many businesses struggle with this situation. And because of the lockdown treatment, some businesses that are used to running their business in physical stores have a bigger impact, because they can't run the business in this situation. In Manado, the pandemic is also affecting culinary business such as the 'Klappertaart' business which is known as one of the favorite local food gifts. The demand of this food is usually increase when there are many tourists visit Manado. But in this situation it does not run well. Now the owner turns to sell 'Nasi Kuning' or yellow rice because she thinks 'Nasi Kuning' is a kind of daily food that is being consumed by quite many people. The change of 'Klappertaart' to Nasi Kuning' is because the owner should not depend on the visitors. She applied a marketing strategy to introduce Nasi Kuning' not only at the store but also through the social media promotion (Kompas, 2020).

Research Objective

The objective that is going to be accomplished by this research is to analyze micro businesses survival strategies and its implementation during Corona virus pandemic in Manado.

THEORETICAL FRAMEWORK

Marketing

Marketing is defined by the American Marketing Association (AMA, 2017) as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Entrepreneurship

Morrison (2006) defined entrepreneurship as forming and growing something valuable from virtually nothing; the process starts from creating or grasping an opportunity, and then pursuing it.

Survival Strategy

Henzik (2020) stated that survival is a necessity of human life, in the form of patterns of human effort in order to fulfill the minimum requirements needed and to solve the problems they face in their daily life, both individually and in groups.

Micro Business

Data from the Ministry of Cooperatives and Small and Medium Enterprises are shown that in 2018 there were 64,194,057 MSMEs in Indonesia and employed 116,978,631 workers. Indonesia is dominated by MSMEs, which are the backbone of the national economy and have been seriously affected not only in terms of production and their income, but also on the number of workers that must be reduced due to this pandemic (Pakpahan, 2020).

Previous Research

Harnida W. Adda, Pricylia Chintya Dewi Buntuang, and Armawati Sondeng (2020) provided understanding and knowledge to MSMEs in maintaining their business. The targets of the activity are MSMEs affected by COVID-19 in Bungku Tengah District, Morowali Regency. The method used in this service is interactive socialization by explaining strategies to maintain MSMEs and conducting questions and answers. The planning strategy that will be socialized consists of position, plan, perspective, projects, and preparedness.

Wan lura Hardilawati (2020) aimed to find survival strategy needed for MSMEs to be able to continue to maintain their business in the midst of this pandemic. The research method used in this study is qualitative analysis with exploratory steps with participatory observation techniques. The results of this study recommend survival strategies for SMEs in the form of e-commerce trading, doing digital marketing, improving product quality and adding services as well as establishing and optimizing customer marketing relationships.

Hasan El Syarif Henzik (2020) aimed to find out how the P2KL group in Banyumas Square can sustain the lives of its members and fulfill their daily needs. This study uses a qualitative method, where by collecting data that is processed descriptively, namely to find out and describe a reality from the events studied. In the process of data analysis, it is carried out continuously by starting to examine available data from various sources such as from interviews, researcher observations that have been written in field notes, documents or documentation and up to drawing conclusions. The subjects in this study were the P2KL group in Banyumas Square by maintaining their lives with the narrowness of the work area and the middle to lower economy. By referring to the theory of Didik and Hamid, et al, namely the theory of survival strategies, an analysis can be obtained of how P2KL groups can meet their needs, there are four ways of survival strategies, namely 1) Consolidating into groups with mechanical solidarity. 2) Utilization of every corner of the city that has economic value. 3) Establish good communication, establish harmony and establish friendship between traders. 4) Initiation in the policies of government officials.

Conceptual Framework

This discussion has shown the conceptual framework from the variables



Figure 1. Conceptual Framework

Source: Literature Review (2021)

RESEARCH METHOD**Research Approach**

This research uses qualitative methodology to analyzing local micro businesses survival strategies during the Corona virus pandemic in Manado.

Population, Sample and Sampling Technique

The target population and sample are explained below, including the sampling technique and sampling size, in order to describe the respondents or informants criteria before doing the research.

1. Population.

The researcher's target of this research is the local micro businesses in Manado.

2. Sample.

In this research, the researcher is going to take 15 representative informants to interview and the criteria of the micro business will follow based on Law No. 20 2008 about micro businesses, the informants are the owner of a business that own micro business in Manado that know the situation of the business during the pandemic, and the position of the businesses the business that classified micro business in Manado.

3. Sampling.

The purposive sampling in this research is considerations from researcher to use some criteria to take sample of businesses, the criteria of businesses that will become the sample are micro business with criteria determined by the Indonesia government based on Law No. 20 2008, the criteria of micro businesses are the business that has a net asset less than fifty million rupiah excluding land and buildings for business premises and annual sales revenue less than three hundred million rupiah (OJK, 2017). The researcher will choose businesses that have been running before the pandemic that are classified as micro businesses by asking the owner of the business about the assets and annual income of the business based on law No. 20 2008 about criteria of micro business and the business owner will be the informant.

Data Collection Method

Data collection method is important by providing useful information to understand the process before gaining the result. Data collection method divided into primary and secondary.

Primary Data

For the purposes of this research, in depth interviews were used. In depth interviews are personal and Semi-structure Interview, whose aim is to identify participant's emotions, feelings, and opinions regarding a particular research subject. Accordingly, in depth interview is a qualitative research technique which is used to conduct intensive individual interviews where numbers of respondents are less and research is focused on a specific product, technique, situation or objective.

Data Analysis Method

According to Miles and Huberman in Sekaran and Bougie (2010), there are generally steps in qualitative data analysis:

1. Data Collection, is the process where the researcher found information or data from any kind of source such as books, internet websites and gathered deeper information from the informant. In this stage, the researcher got the information by the interview with Micro businesses in Manado.
2. Data Reduction, involves selecting, simplifying and transforming the data to make it more manageable and understandable. After the interview, the researcher reduced the data that was irrelevant with the research and simplifying with coding and categorizing the data.
3. Data Display, helps qualitative researches to organize information and view it in a way that enables them to identify linkages and develop explanations that relate their findings to existing theories. After the reduction, the researcher showed the coding and categorizing in a table to organize the data.
4. Drawing and Verifying Conclusion, drawing conclusion involves deciding what the identified themes and patterns and how they help to answer the research question. Verification involves checking and re-checking the data to ensure the initial conclusions are realistic, supportable and valid. In this last step of data analysis, the researcher explained the data based on observation from many resources and reviewing different literature from various researchers.

Reliability and Validity

In this research, method triangulation, theory triangulation and data triangulation were used. The data were gathered from interviews from different informant, observation from many resources, comparing result with the previous research and also reviewing different literature from various researchers.

RESULT AND DISCUSSION

Description of Research Respondents

The specific object of this research represents the micro businesses which are the businesses that existed before the pandemic, the businesses that are still operating until now, and the businesses in Manado. Selected informants from this study are some representatives of the business owner of micro business in Manado.

Discussion

This study was conducted to find out micro-business survival strategies during the pandemic. Survival strategies are very much needed for business owners who are trying to maintain their businesses in unprofitable conditions. By researching survival strategies can also benefit researchers and readers to see business opportunities, and it can help business owners know how the other businesses do the survival strategies to maintain their business during the pandemic. The impact of this pandemic is very unprofitable for most businesses, with the pandemic, business owners must find out how to treat their business in such kind of situation. Those informants who were interviewed have experienced the impact of the pandemic. Based on the survey conducted, this can be viewed from the interview results which are based on the aspects of perspective, position, and plan. According to Pedersen and Ritter (2020), Perspective means the way an organization sees the world and itself. Most of the informants (93%) have the perspective that this pandemic condition influenced the number of their sales that is decreasing significantly while running their business. They have this perspective because of the impact on consumer purchasing power and the spread of the virus makes their sales decreasing. Only an informant said that his business sale is increasing during the pandemic. It is because of the policy from the government that forced people to do activities from home which gives an opportunity for his business where people's demand for water refill is increasing.

This is almost the same as the results of research from Adda, Buntuang, and Sondeng (2020) with the dominant impact of the decrease in sales experienced by micro businesses during the pandemic. Based on position, most informants (60%) had tried to adjust the product or goods price with the customer purchasing power, with the adjustment, the customer would have still attracted to deal with it. Price adjustments were also carried out in research (Susilo, 2009), but the results of this study were more likely to increase due to increased raw materials and production costs. According to Pedersen and Ritter (2020), a plan is a course of action pointing the way to the position you hope to attain. Most of Informants (67%) said social media helped them to promote the products or services by showing services or products they provide, showing cleanliness in packaging, giving discount, and giveaway promotion in social media and also with minimal cost. It is because the internet has become people's need right now and the business owners just taking advantages of it. The use of social media is also the same as the results of research (Hardilawati, 2020) which uses social media to be able to reach more consumers during the pandemic. The business owners need a bouncing back plan to recover from a crisis during the pandemic that has yet to be known when it will end (Pedersen and Ritter, 2020). In the current context, the question is what you must do to get through the crisis and go back to business when it ends. Based on the result, most of informants (47%) would optimize with the social media promotion, these informants said, they are going to keep optimizing or focusing the social media innovation because they experienced how the social media help the business in attracting customers and also with minimal cost during the pandemic.

CONCLUSION AND RECOMMENDATION

Conclusion

1. This study analyzes how local micro businesses look for ways to maintain their business during the pandemic. With this problem, the business owners need to know the impact caused by the pandemic, and do everything they can to maintain their business. Based on the results of interviews and discussions from the previous section, most informants have the perspective that the thing which influences more to the business is the

significant decrease in sales and also in operating the business that must use the health protocol. By that influence, most of the informants try to adjust the price according to the customer's purchasing power. Even more, almost all of the informants said that the products or services are in low demand which made the business owner difficult to run the business. Those matters also influence the business owner's income.

2. From the interview results, most of the informants are focusing on business finance towards business capital, so that the business can keep operating. To keep survive along with the pandemic, most of the informants have similarities on the innovation that is using social media by showing the products or services, show how is the packaging of the products, giving discount, giveaway promotion. And also the rest of informants cooperate with online delivery provider to deliver the products, using own delivery system by using a vehicle to deliver the products, free shipping that determined by business owners, provide request system by following customers or clients request, and mouth to mouth promotion by telling to the relatives, neighbors, and friends about the products which is helpful in term of keeping the business running. By the impact of the pandemic crisis which is not known when it will end, the business owners need a plan that is not only to maintain the business but also to get out of the crisis situation.
3. Based on the interview results, most of the informants will optimize the use of social media promotion, and the rest of informants will optimize the use of their own delivery system, online delivery system, and focus on the new service as the bouncing back plan. Various kinds of innovations and adjustments made by the informants were basically intended to keep their business operating and to try to get out of the crisis condition.

Recommendation

As the result was gained, these were some recommendations for:

1. The author suggests the government to keep giving attention to the micro businesses, because micro businesses are really playing an important role in the economy of Indonesia. By the impact of pandemic, the micro businesses were struggling to maintain their business. The government should educate the micro businesses to get more strategies or opportunities to run the business along the pandemic. Besides, it is needed to keep funding them and make sure the assistance will reach to the real target.
2. Based on the research, most of the informants tend to use the internet to help their survival strategies during pandemic. Based on the interview, the informants used applications from Smartphone such as Grab, Gojek, Facebook, Instagram and Tiktok to promote and to cooperate with their online delivery. Because of those experiences, the researcher recommends the business owner to keep adapting the internet development. And take others opportunities to make the business more efficient such as; cooperation with the virtual payment such as OVO or Dana and E-commerce such as Tokopedia, Bukalapak, and Shopee to expand the business.
3. For the future researcher that would like to make a similar research, the researcher recommends him to do it in a larger population area, and not only micro but also the small and medium businesses scales as well. This is in order to get various survival strategies and their implementations during the Corona virus pandemic.

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