Combination Of Character Change And Utilization Of Social Media As A New Strategy To Maintain SMEs Resilience During The Covid-19 Pandemic

Saiful Aminudin Alkusuma Putra 1*, Heri Pratikto 2, Agung Winarno 3

1,2,3 Department of Management, Faculty of Economics and Business, Universitas Negeri Malang, Indonesia

ARTICLE INFO

ISSN: 2723-1097

Keywords: COVID-19 Pandemic, Crisis, Strategy, Resilience, Character, Social Media, SMEs

ABSTRACT

This research was motivated by the emergence of the COVID-19 pandemic which spread throughout the world and resulted in a crisis until SMEs went bankrupt. This study aims to investigate how SMEs can face crises and the strategies they have devised to keep their businesses afloat, to prepare SMEs for future crises. The population was SMEs who are members of the Institute for Modern Creative Industries. The sampling technique used a purposive sampling technique with 6 sources. This research is a type of qualitative research with a case study approach. The type of case study used is a collective or multiple case study. This study uses primary data. Data collection techniques used in this study were interviews and observation. The data analysis technique used is a spiral model technique and is assisted by using Nvivo Software 12 for the result of this study, so that SMEs can survive, an entrepreneur must have adaptive and optimistic character because optimism is an inherent trait of all business actors. The strategies used for the survival and resilience of SMEs in times of crisis are advertising and promotion through social media, doing word of mouth, giving attractive discounts, diversifying products, efficiencies such as reducing employee work time, reducing product variety and reducing inventory.

Introduction

On December 31, 2019, China, informed the World Health Organization (WHO) regarding pneumonia that occurred, China announced that it had isolated a new virus from the seafood market in Wuhan city, namely COVID-19. The first case of infectious disease that occurred in Wuhan, Hubei Province quickly spread throughout China which was the fifth pandemic after the 1918 flu pandemic (Liu et al., 2020). This virus spreads from China, America, Vietnam, Thailand, Japan, Australia, France, Canada, Germany, United Arab Emirates, Italy, Spain, Belgium, Egypt and countries around the world have been infected with the COVID-19 virus (Kumar, 2020). The World Health Organization (WHO) categorizes COVID-19 as a pandemic, following 1918...
Spanish flu (H1N1), 1957 Asian flu (H2N2), 1968 Hong Kong flu (H3N2), and 2009 Pandemic flu (H1N1) (Beck & Tobin, 2020).

So that the President of the Republic of Indonesia makes regulations regarding large-scale social restrictions (PSBB) in the context of handling COVID-19, including holidays from schools and workplaces, limiting religious activities, limiting activities in public places or facilities (Minister of Health, 2020). The impact of COVID-19 has made the country experience an economic crisis and even a recession due to minus economic growth (Bps.go.id, 2020). According to the OECD (Organization for Economic Cooperation and Development), many countries will fall into a recession in the face of the economic impact of the COVID-19 pandemic (Açıkgöz & Günay, 2020). The government must make policies to avoid economic damage (Mahendra & Sengupta, 2020). In addition, changing consumer patterns which were originally Over the Counter (OTC) to online purchases made SMEs go bankrupt. However, SMEs must be able to survive and continue to survive in the face of the economic crisis due to the COVID-19 pandemic. Depending on assistance from the government, a study conducted by Huu et al., (2021) in Vietnam shows the results that, companies prioritize cost-cutting or efficiency strategies. Another study conducted Alves et al., (2020) in Macau the results of the study, the strategy of SMEs in Macau is to shorten business hours, increase promotion and advertising as well as offer attractive discounts, reduce inventory and create new products (diversify) products, according to (Burhan et al., 2021) research, hospitality and restaurant SMEs in Pakistan are experienced a crisis due to the COVID-19 pandemic. they create resilience SMEs use social media to regularly and communicate their promotions and offers to customers via video on social media with highly profitable results, Meanwhile, according to research Patma et al., (2020) external pressures experienced by SMEs such as the crisis due to COVID-19 can positively and significantly influence SMEs to adopt internet and e-business technology (IEBT) to do marketing using social media, this event is supported by a study Patma et al., (2021) which highlights how the perceived ease of use of internet and e-business technology (IEBT) to encourage marketing on SME social media, shows that social media marketing can be beneficial and easy to use. While Sriyono et al., (2021) research found that the Covid-19 pandemic has hit Irish SMEs, decreased purchasing power, decreased income, therefore education is needed for SMEs to change the sales system using digital marketing, Meanwhile, from Odoom et al., (2017) social media is a major consideration for SMEs because it offers low cost and profitable marketing for SMEs.

It is important to investigate how SMEs can cope with the crisis and what they are doing to keep their business afloat. Therefore, this paper aims to examine and analyze SME strategies in increasing resilience to the impact of COVID-19 to prepare businesses to face future crises.

Literature Review

Entrepreneurship
Entrepreneurship is one of a person's activities in creating job opportunities for people who need or are looking for a job (Kasmir, 2007). According to other sources entrepreneurship is the pursuit of opportunities beyond controllable resources (Anderson & Starnawska, 2008). Therefore, the entrepreneur must be brave in taking every risk that exists to open and develop a business and various opportunities (Cabeza-Ramírez et al., 2018). Entrepreneurship opportunities are widely used by those who are observant in capturing business opportunities that end in the development of entrepreneurial careers that can support the improvement of community welfare (Wibowo, Wahyu, Harini Dwi, 2020). Meanwhile, according to Kokotsaki et al., (2014) entrepreneurship is the courage to take steps and do various things in fulfilling their life needs. Efforts are made based on ability and being able to take advantage of all the potential that exists within him, in order to produce something that is beneficial both for himself and for others, the sign of an entrepreneur is self-confidence, has a leadership spirit, has a plan, is able to make decisions and do it, Have a great devotion to his business, who said that entrepreneurship skills are skills that can be learned and are not genetic. Factors that influence entrepreneurship are divided into two, namely external and internal factors (Cassar, 2006).

Small and Medium Enterprises (SMEs)

Kamal & Flanagan, (2012) SMEs are businesses that are conducted by individuals, Mitchell et al., (2012) to distinguish business scales between micro, small, and medium enterprises can be seen from the number of employees and business turnover. Meanwhile, according to BPS, micro-enterprises have 4 employees, small businesses from 5 to 20 employees and medium-sized businesses from 20 to 99 people. Department of Cooperatives and SMEs of East Java Province, 2014 according to Purwanto, (2020) SMEs have a maximum asset of 50 million Rupiahs.

Resilience

This resilience theory was first introduced by Block & Funder, (1989) as the ability to adapt when faced with internal and external pressures. Other sources say that resilience is a dynamic process of individuals showing an adaptive attitude in the face of pressure (Klohnen, 1996). In addition, resilience is a person's ability to rise from adversity (Desmita, 2015), and according to Vries & Shields, (2006) Resilience is thought to consist of sustained behaviour rather than specific characteristics. Seven aspects that make up the character of resilience according to Wolin, S. L, & Wolin, (1994) emotional regulation (calm under pressure, can control emotions), impulse control (adaptation in sadness), optimism, causal analysis (ability to identify problems), empathy, efficacy, and achievement (dare to take risks)

Method
The approach used in this research is qualitative (Moleong, 2011), qualitative research is a research procedure that produces verbal descriptive data and written words from the object of observation of the observed phenomena and behaviour, while according to Moen & Middelthon, (2015) qualitative research is an exploration experience and phenomena in the socio-cultural world.

This type of research uses a case study design, is a type of qualitative approach that examines a case that occurs in real life, the researcher chooses the Collective case study type or multiple case studies in this method the researcher focuses on one issue but the researcher examines various types of cases to illustrate the issue or the problem (John W. Creswell, n.d.).

This study uses primary data, data collection procedures using semi-structured interview techniques. The population used in this study are SMES in the city of Jombang which are collected in the Modern Creative Industry which totals 40 SMES. The sampling technique used the purposive sampling technique, with criteria for SMES that have a resilience strategy in maintaining business during the crisis due to COVID-19. The sample in this study amounted to 6 sources. The data obtained were then processed using the Spiral Model analysis technique popularized by John Creswell. To simplify the analysis, researchers also use Nvivo 12 Software, in coding and cases.

Result and Discussion

The Character of Resilience in SMEs in Jombang City

The impact of the COVID-19 pandemic has had a huge impact on SMEs in Jombang City, decreased sales turnover, reduced business operating hours, reduced staff and capital losses were felt by SMEs in Jombang. Those are in the form of emotion regulation, impulse control, optimism, empathy, efficacy, and achievement. According to the results of research that has been carried out, this resilient character can only be obtained by increasing spiritual values, getting encouragement and motivation from family and big family, an entrepreneur is accustomed to uncertainty (problems), always thinks positively, and an entrepreneur gets inspiration from a character. According to Desmita, (2015) What forms resilience is social support such as support from the family environment. Then personal strengths such as feelings, behaviour and self-confidence. Researchers classify two types of resilient characters listed in Table 1

<table>
<thead>
<tr>
<th>Resilient Character Classification</th>
<th>Factors to increase Resilience Character</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Moderate Survive</td>
<td>Maximum Survive</td>
</tr>
<tr>
<td>02 Calm even under pressure</td>
<td>The informants stay around no matter how much they are in a depressed condition and can control their emotions</td>
</tr>
</tbody>
</table>

Table 1. Classification of Resilience Characters
The advantage of the maximum resilience model from other models is that an entrepreneur survives maximally because they can adapt to rapidly changing circumstances, this phenomenon is supported by the habit of an entrepreneur in a state of uncertainty (accustomed to problems) experienced by an entrepreneur other than an entrepreneur. Entrepreneurs who are accustomed to uncertainty will have a higher level of creativity because they can think of various strategic options, supported by research conducted Winarno & Sari, (2019) experience has been able to increase self-confidence, motivation for entrepreneurship and a better understanding of business management. So that it can create strategies and create resilient SMEs during the crisis due to COVID-19. The results of research conducted Kurschus et al., (2015) shows that management skills help to identify possible corporate crises before they start and to prepare solutions to avoid bankruptcy in line with the research conducted Branicki et al., (2018) concluded that to survive an entrepreneur must have innovation and creativity, be accustomed to something uncertain and accustomed to failure and have an optimistic nature, after having these characteristics, business actors will easily adapt to the situation (crisis) so that business actors can survive.

Tough SMEs that can survive and be sustainable in times of crisis due to the COVID-19 pandemic must have strategies and adaptability obtained from the resilient character that an entrepreneur must possess.

To survive, a business actor must have the character of resilience what has been written by Reivich, K. & Shatté, (2002) in addition to that the results of research conducted by Wilujeng et al., (2021). Optimism determine the success of an entrepreneur which will have an impact on the success of their business, Some interesting resilient characters are optimistic, because all interviewees have this Character, and it can be ascertained without this character that businesses will not be able to survive the crisis due to the pandemic because optimism is an inherent trait of all business actors.
Figure 2. Resilient and Sustainable SMEs Model

SMEs Survival and Resilience Strategy in Crisis Times

Based on the interpretation of the data found in the field, several points were found related to the Strategy for Survival and Resilience of SMEs during the crisis due to the Covid-19 Pandemic. The strategies used are Advertising and Promotion, Word of mouth, discounts, Product diversification, New Market Exploration, Redecoration, Collaboration and knowledge investment, these results are supported by research conducted by Alves et al., (2020) in China presenting the strategies used by SMEs in Macau is to shorten business operating hours, increase promotions, offer attractive discounts, reduce inventory and create new products and open new markets, efficiency and take advantage of debt at low-interest rates from the government.

Advertising and promotions are used to increase sales by utilizing and maximizing technological advances with social media such as Facebook, WhatsApp, Marketplace, this is supported by research conducted by Fabeil et al., (2020) conducted in Saba Malaysia. The SME strategy in Saba Malaysia focuses more on product delivery and product marketing in addition to research Sholikan et al., (2021) showing that there is an increase in product strengthening, labelling and packaging, marketing when advertising and promotions are carried out digitally. Besides advertising and word of mouth promotions are also conducted by entrepreneurs thorough providing maximum satisfaction to consumers, so that consumers will recommend products to friends or relatives, this is also supported by the results of research conducted by Rosid et al., (2020) Word of mouth has a direct positive and significant effect on the intention to revisit. Besides that, word of mouth also has a direct positive and significant effect on perceived value. The next strategy is a discount that purpose is to increase sales and reduce the stock of goods, then a product diversification strategy or product modification for product diversification, to suit consumer tastes and needs, in addition to New Market Exploration, Redecoration, Collaboration, and Knowledge investment that conducted by SMEs supported by Winarno et al., (2020) mentions that training
can improve entrepreneurial knowledge and skills to increase motivation at work, and
to avoid losses and even bankruptcy, SMEs make efficiency by reducing employee
working time, reduce product variety, reduce inventory. This strategy is supported by
research conducted by Huu et al., (2021) the results of the study say that companies in
Vietnam prioritize cost-cutting strategies, while the results of a study conducted by
Berisha Qehaja, (2021) point out the response of SMEs to the first crisis is savings or
efficiency and innovation. Whereas according to Hofer, (1980) There are strategies to
deal with the crisis, the first is, product and market refocus, efficiency and asset
reduction, while the results of the study conducted by Caballero-Morales, (2021) In the
recovery of SMEs during and after COVID-19 is to utilize digital resources such as the
Internet and communication platforms (WhatsApp, ZOOM, Skype) besides that
innovation can be the main source for survival and optimization, This result is also
supported by research conducted Winarsih et al., (2021) which shows that digital
transformation in the form of marketing through social media can encourage SMEs to
develop during the COVID-19 pandemic, the support provided by Hernández-
Espallardo & Delgado-Ballester, (2009) The findings show that SMEs should use
product innovation according to the situation, this is also supported by Legg et al.,
(2015) and research Dias et all, (2021) conducted in Portugal the results showed that
during the crisis SMEs were more objective and effective in the use of their resources
and capabilities, as well as knowledge and partners, impacting the ability to develop
new products

| Survival Strategy and Resilience of SMEs During COVID-19 Pandemic |
|-----------------------|----------------------|------------------------|
| Efficiency | Collaboration | Word Of Mo... |
| Product Modification | New Market Exp... | Knowledge Inve... |
| Advertising and Promotion | Discount | Re... |
| Product Diversification | | |

Figure 2. Survival Strategy and MSME Resilience in Crisis Times
Source: Data processed by researchers using Nvivo 12 software

Article's contents are provided on a Attribution-Non Commercial 4.0 Creative
commons license. To see the complete license contents, please visit
http://creativecommons.org/licenses/by-nc/4.0/
Figure 2 is an image generated by data using Nvivo 12 software which shows the most used strategy is advertising and promotion strategy using social media, followed by efficiency and product modification. In addition, the promotion strategy using social media has been proven to contribute to increasing sales volume for business actors in the city of Jombang when compared do not promote using social media, social media that are most used by informants are FB (Facebook) and WA (WhatsApp).

![Figure 2: Strategy Diagram](image)

**Figure 4: the relationship between variables and research respondents**
Source: Data processed by researchers using Nvivo 12 software

While the results of data processing using the Nvivo 12 software using the Cases method, which serves to see the relationship between the variables and respondents being studied, it can generate data.

**Conclusion**

An interested resilience character is an optimistic character without this character, SMEs will not be able to survive the crisis due to the pandemic, optimism is an inherent trait of all business actors, Meanwhile, to get a strategy for survival and sustainable resilience in times of crisis due to the COVID-19 pandemic, an entrepreneur must have the character of adaptation, while for the survival and resilience of SMEs in times of crisis. SMEs can do (advertising and promotion) through...
social media, do word of mouth marketing, provide attractive discounts, diversify products, efficiencies such as reducing employee working time, reducing product variety, reducing inventory.

References


