

Revolutionizing Resilience: MSMEs' Journey with Digital Strategies in Post-Pandemic Recovery

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Abstract

The Covid-19 pandemic that has occurred since 2020 has resulted in many business sectors experiencing a decline in performance, some have even been forced to go bankrupt. This study aims to determine the digital-based strategy implemented by Small, Micro, and Medium Enterprises (MSMEs) in Malang City to maintain their business amid economic uncertainty due to the health crisis. The method used in this research is descriptive qualitative with primary data sources. This research technique uses interview techniques with informants who are determined by purposive sampling based on certain criteria. The results of the study show that the digital strategy carried out by MSMEs during the economic recovery is digital marketing. By implementing this strategy, the business changes made by MSME actors are quite significant. This can be seen from the increase in income compared to during the pandemic. This study concludes that digital-based strategies are enough to help MSME players recover post-pandemic income through digital marketing.

Keywords: Digital-Based Strategy, Covid-19, MSMEs

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Introduction

Micro, small, and medium enterprises (MSMEs) are a strong sector in the dynamics of the Indonesian economy. Based on historical records, this sector was able to survive amidst economic shocks such as the 1998 monetary crisis in Asia and the 2008 subprime mortgage crisis in the United States. The two crises had a significant impact on the domestic economy. According to (Mahendra, 2016), the two crises resulted in the collapse of the world economic market. As a result of these two crises, Indonesia has a lot of debt to other countries with interest rates that continue to soar, but Indonesia's income does not increase so Indonesia is constrained in paying its debts. In addition, the crises that occurred in 1998 and 2008 caused the poverty rate in Indonesia to increase and there is a lot of unemployment. However, the MSME sector was able to demonstrate the best resilience in dealing with these crises. This sector is the strongest pillar of the economy because it can collaborate on an equal scale with corporations. Even when risks occur, the losses borne by MSMEs are smaller than the losses borne by corporations. According to Sudati, Hanung et al. (2019) MSMEs are considered economic heroes who can save the Indonesian economy. This is evidenced by the increase in the number of SMEs after the economic crisis every year. MSMEs can also absorb as much as 96.99% of the workforce to 97.22%. Thus it can prove that MSMEs are an economic sector that can survive amid the economic crisis in Indonesia.

Furthermore, in 2019 Indonesia was again hit by a health crisis caused by the COVID-19 virus. This pandemic has had various negative impacts on several sectors of life, which have been the cause of economic suffering and a downturn in the global economy (Bartik, Bertrand, Cullen, Glaeser, Luca, & Stanton, 2020). According to the Ministry of Finance of the Republic of Indonesia (KEMENKEU RI) in general, COVID-19 impacts the economic sector through three main factors: decreased production, disruption of supply chains and marketing, and decreased company performance. In addition, PP No. 21 of 2020 regarding the Large-Scale Social Approach (PSBB) limits the space for people to move, results in termination of employment and reduces the purchasing power of most people. As a result, business sectors experienced a decline in performance and income, ultimately forcing several business actors to close their businesses due to a lack of capital (Bahtiar & Saragih, 2020).

Central Statistics Agency (BPS) on November 5, 2020, the Indonesian economy contracted by -5.32 percent (year on year) in the second quarter of 2020, and in the third quarter of 2020, it grew by -3.49 percent (year-on-year). This puts Indonesia in a recession. National data shows that there has been a significant decline in MSME income and sales. A Bank Indonesia report in 2020 stated that 99.9% of MSMEs in Indonesia were affected by the pandemic, with 75.6% of them experiencing a decrease in income. This decrease was caused by a decrease in market demand, lack of access to capital, and difficulties in accessing raw materials. Not only that, data from the Ministry of Cooperatives and SMEs, in 2020, around 85% of the total MSMEs in Indonesia were affected by the COVID-19 pandemic. More than 70% of MSMEs have experienced a decrease in income of up to 50%, and around 30% have even lost all of their income. This happened due to mobility restrictions, business closures, and a decrease in people's purchasing power due to

difficult economic conditions.

MSMEs are widely recognized as one of the national economic recovery targets in many countries, including Indonesia. National data shows that the contribution of MSMEs to the economy is very significant. According to a survey conducted by BPS Indonesia in 2020, MSMEs contribute around 61.13% to Indonesia's gross domestic product (GDP). In addition, MSMEs also make an important contribution to job creation by absorbing around 97% of the total workforce in the private sector. This was also confirmed through the Press Release of the Coordinating Ministry for Economic Affairs of the Republic of Indonesia HM.4.6/553/SET.M.EKON.3/10/2022 which explained that the role of MSMEs is very large for Indonesia's economic growth, with the number reaching 99% of whole business unit. The contribution of MSMEs to GDP also reaches 60.5%, and to employment is 96.9% of the total national employment absorption. With a sharp slowdown in economic growth in 2020 of 5.32% which is the biggest decline since the Asian financial crisis in 1998. So the Indonesian state decided to focus on economic recovery during the pandemic. The Indonesian government is taking action through an economic stimulus program that focuses on recovering consumption, investment, and social protection. Some of the implemented policies include tax exemptions, direct cash assistance to affected communities, as well as credit support and subsidies for affected sectors.

Malang City is one of the cities in Indonesia that has been affected by the COVID-19 pandemic. Like other cities in Indonesia, Malang is also experiencing serious consequences from this pandemic. The rapid spread of the virus and the restrictive policies implemented by the government have changed people's daily lives and have hurt the economic, health, and social sectors. According to the Central Statistics Agency (BPS), Malang City's economic growth in 2020 will experience a contraction of 2.1 percent. This decrease was mainly due to social restrictions implemented to control the spread of the virus, such as travel restrictions, closing business places, and postponing or canceling major events.

However, over time economic conditions began to show improvement in line with the decrease in the number of COVID-19 patients. The government responded to this with an economic recovery policy. The Indonesian government is taking action through an economic stimulus program that focuses on recovering consumption, investment, and social protection. Some of the implemented policies include tax exemptions, direct cash assistance to affected communities, as well as credit support and subsidies for affected sectors. On the other side of the existence, the COVID-19 pandemic has caused changes in people's habits as indicated by changes in lifestyle and shifts in people's consumption patterns. Previously, public consumption activities were generally carried out offline or in-person sales, whereas, during a pandemic, consumption activities tended to be carried out online or online on an internet-based basis through e-commerce (Wijoyo Hadion & Widiyanti, 2020). Online or digital-based businesses are starting to experience a significant increase due to changes in consumption patterns. Purchases through e-commerce increased by 18.1%. Before the Covid-19 pandemic, e-commerce growth was projected at 54%, after the pandemic, e-commerce growth was estimated at 91% (Sirclo, 2020). Based on data from BPS Malang City, in 2019 fashion MSMEs had an online transaction presentation of 23.95%, while culinary was as much as 30.95%. In 2020 fashion SMEs have a percentage of online

transactions of 16.25% while food and beverage SMEs are 41.5%.

Digitalization itself is used as one of the strategies for economic recovery in Malang City. The Mayor of Malang said that the development of digital technology was one of the strategies that could boost the economy during a pandemic. With digitalization, it is hoped that the marketing reach will become wider and more equitable so that it can restore the economy which had declined during the Covid-19 pandemic. In addition, the government has also designed an MSME digitalization program, basic food shops, and food stalls to support the need for supply of merchandise in terms of price and availability of goods, another program has also been created by the government, namely "UMKM Go Digital" aimed at local MSME products typical of villages. Therefore, based on this background, this research takes the title Analysis of Economic Recovery Strategies for Income of MSMEs after the Covid-19 Pandemic in the Digitalization Era. The main focus of this research is to analyze the effectiveness of economic recovery strategies through e-commerce in increasing the income of MSME actors in the Culinary sector. This is based on the consideration that this field has experienced an increase in online business due to the ongoing COVID-19 pandemic.

This research refers to several previous studies. First, Rosmawati, Puspitasari, and Yani's research in 2023 regarding the strategy for economic recovery in Banana Sambo Village through innovation and digitalization is the strength of MSMEs. The results of this research are efforts that can be made by MSMEs in economic recovery in Pisang Sambo Village by providing training and assistance in developing digital media innovations. Second, Ula's research in 2022 regarding digital marketing as a post-pandemic economic stimulus for MSMEs. This research states that the recovery strategy implemented by MSMEs in the post-COVID-19 pandemic in Blitar Regency is through digital marketing. Third, Jatmiko's research in 2022 regarding ideal marketing strategies in the digital era to increase sales of MSMEs products. The results of this study are that increasing the knowledge of MSME players regarding digital marketing strategies will encourage increased sales which can restore MSME economic conditions. Fourth, Soimah, Messi, and Imelda's research in 2022 regarding the strategy of the North Kalimantan provincial government towards MSMEs during the post-COVID-19 economic recovery period. This research states that the strategy adopted by the government in recovering post-pandemic economic conditions is by developing the digital.

Based on previous research, the similarities and differences between this research and previous research can be mapped. The similarity lies in the issues raised regarding MSME's efforts to restore the economy through digitalization. As noted in previous research, the findings in this study indicate that MSMEs are increasingly actively implementing digital-based strategies, especially in the marketing aspect to revitalize their economic conditions. In addition, another similarity lies in the low ability of MSMEs to implement digital technology in their business operations. As for the difference, this research takes a step further than previous research by detailing the recovery strategies implemented by MSMEs in the culinary sector in a comprehensive manner. While previous research provided an overview of global recovery strategies, our focus is on a more specific context focusing on the culinary sector. In addition, the research location is also a differentiator from previous studies. Previous studies have tended to focus on rural areas, while our research focuses on urban areas. The reason behind this choice is

that the MSMEs in the culinary sector in urban areas are experiencing extraordinary growth and dynamics, especially in facing challenges arising from the global pandemic situation.

Seeing the extraordinary growth conditions of MSMEs in urban areas, this research needs to be carried out to find out the strategies carried out by MSMEs in Malang City in recovering their income after the pandemic in the digitalization era. By exploring the urban context, we hope to produce more relevant and useful findings that can provide solutions for MSMEs in recovering their economic conditions.

Methodology

This study uses a descriptive qualitative approach to explain in detail the findings in the field. A qualitative approach is a research approach that focuses on an in-depth understanding of a phenomenon through its context, by utilizing data collection techniques such as interviews, observation, and text analysis (Creswell, J. W, 2013). This approach is considered capable of explaining in detail, clearly, and specifically. The qualitative approach in this study explains the phenomenon of business changes in the culinary sector due to the COVID-19 pandemic that has occurred, especially in Malang City. As a result, it is studied descriptively so that it can explain the relationship between the many factors of each object under study. A descriptive method is a research approach used to describe the characteristics of the observed variables, measure the relationship between these variables, and present the results in a systematic form. (Sekaran, u., Bougie, R, 2016)).

Collecting data in this study using interview techniques using purposive sampling. According to (Patton, 2014) purposive sampling is a conscious and planned sample selection process, in which the researcher selects participants who have knowledge, experience, or characteristics that are important for understanding the phenomenon being studied. There are five Respondents or informants in this study who have been determined. The informants used are business actors in the culinary field who are domiciled in Malang City where their business has been running since before the Covid-19 pandemic occurred and has been able to survive until now. In addition, the informants also conduct their business using digital media. The interview was conducted using a probing skill system, this technique involves the use of additional questions designed to gain a deeper understanding of the Respondent's experiences, perceptions, or knowledge.

Data analysis was carried out in several stages. According to (Nurjannah, 2022) data analysis using search techniques also coordinates the data that has been obtained effectively and is also appropriate. Requests for data are processed using information that has been found from interviews with informants, separating into data units, organizing information, making goals, and combining. And the next data analysis is to conclude the information that has been obtained. These stages can be seen in the picture as follows.

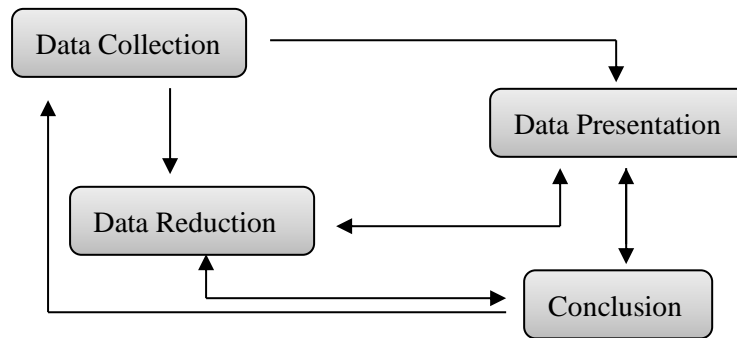


Figure 1. Data Analysis Stage (Nurjannah, 2022)

Based on Figure 1, each stage is explained as follows.

1. Data collection

In qualitative research, data collection is generally carried out through techniques such as interviews, observation, and document analysis (Creswell, J. W., 2013). Interviews are used to gain individual perspectives and experiences, while observation allows researchers to observe and record behavior and interactions in relevant contexts. Document analysis involves collecting and examining documents related to the research topic.

2. Data reduction

Data reduction is a stage in data analysis that involves processing, simplifying, and organizing data that has been collected (Miles, M. B., & Huberman, A. M, 2014) In qualitative research, data reduction involves removing irrelevant data, grouping data into emerging themes or categories, and identifying significant patterns or trends.

3. Presentation of data

Data presentation is an important stage in data analysis which aims to visualize the information contained in the data clearly and easily understood (Creswell, J. W., & Poth, C. N, 2017).

4. Withdrawal/conclusion

Concluding the data analysis stage in qualitative research is an important process for interpreting the findings resulting from qualitative data analysis (Creswell, J. W., & Poth, C. N, 2017). Concluding qualitative research involves data synthesis, interpretation, and interpretation of the research context.

Result and Discussion

The business sector in the culinary field is a sector that dominates the economy in Malang City. According to the Department of Cooperatives, Industry, and Trade (DISKOPINDAG) Malang City, culinary MSMEs have a major contribution to improving the economy in Malang City. This is because culinary MSMEs in Malang City have the largest number compared to other fields. The number of MSMEs in 2022 is 7,203 in the culinary sector, 454 in the fashion sector, 179 in the automotive sector, 26 in the education sector, and 58 in the agricultural sector.

Description of the characteristics of Respondents through interviews with small micro and medium enterprises (MSMEs) in the culinary field. There were five Respondents.

Table 1. Characteristics of Respondents

Name	Gender	Origin	Age	Business Name
Valen	M	Malang	21	Sushi Spicy Chicken
Krishna	F	Malang	40	Jamu Otie
Fitri	F	Malang	25	Kahomer cake
Atmaja	M	Malang	23	Kripcep
Nurul	F	Malang	21	Bola Pisang

Source: Owner culinary MSMEs in Malang City

Furthermore, the results of interviews with the MSME actors are presented as follows.

Table 2. Culinary MSME Interview Results Data

Question	Answer
What was the condition of the business being run during the pandemic? Has your business been affected by the pandemic?	<p>Respondent 1 <i>"During a pandemic, business will be affected, but the impact on my business is not too significant." (Valen, interview 03 July 2023).</i></p> <p>Respondent 2 <i>"In a pandemic, business has quite an impact, especially in the sales process, it must have had a huge impact" (Atmaja, interview, 5 July 2023).</i></p>

Respondent 3

"During the pandemic, herbal medicine was the most sought-after thing by the public, even the price of spices during a pandemic tended to be high, so I don't think the pandemic had a bad impact, it even tended to have a good impact on my business." (Krisna, interview 5 July 2023).

Respondent 4

"During a pandemic, my business was not affected because it was just starting to open." (Fitri, interview 4 July 2023).

Respondent 5

"During the pandemic, my business was affected, in the sales department. Before the pandemic, it was also offline, but because of the pandemic, it automatically moved to online." (Nurul, interview, 4 July 2023).

How was the income for your business during the pandemic?

Respondent 1

"My income must have decreased by about 20-25%. Before the pandemic it could be 500 thousand to 600 thousand a day, during the pandemic it was at most 400 to 450". (Valen, interview 03 July 2023).

Respondent 2

"Business income during the pandemic still tends to be low because it has just opened and during the pandemic social distancing and other things made it rather difficult to market." (Atmaja, interview, 5 July 2023).

Respondent 3

"My income during the pandemic increased by around 20-30% because many herbs were needed during the pandemic so many bought them, then my income increased." (Krishna, interview 5 July 2023).

Respondent 4

"Revenue has not decreased, it tends to increase by 20%". (Fitri, interview 4 July 2023).

	<p>Respondent 5 <i>"During a pandemic, it tends to decrease, sis." (Nurul, interview, 4 July 2023).</i></p>
<p>What strategy do you use to recover your business income?</p>	<p>Respondent 1 <i>"Of course, we decided to sell online, with a PO and delivery system. So I use IG, WA for promotion, so through social media, the promotion is for product marketing, I can save budget for promotion as well." (Valen, interview 03 July 2023).</i></p> <p>Respondent 2 <i>"At first I used social media like IG, FB, WA, Shopee. But today's online store doesn't work because human resources are having problems, in the end, until now, they have been entrusted to small shops because even though the lockdown is still in place, we can still interact with each other in my village." (Atmaja, interview 5 July 2023).</i></p> <p>Respondent 3 <i>"For me, I sell online, sis, via Facebook, WA, and IG. The problem is if it's a pandemic, it's a lockdown too. But for neighbors, they can come to the house usually, because neighbors can still be reached, right?" (Krisna, interview 5 July 2023).</i></p> <p>Respondent 4 <i>"What is certain is selling online, because I only promote via WhatsApp and Instagram." (Fitri, interview 4 July 2023).</i></p> <p>Respondent 5 <i>"My strategy is to expand marketing, promote more actively online with the help of friends too, I buy at my shop because I have a shop at home." (Nurul, interview, 4 July 2023).</i></p>
<p>How is your income after implementing this digital-based strategy?</p>	<p>Respondent 1 <i>"After I used that strategy, it increased by around 50%, and selling online is easier than offline." (Valen, interview 03 July 2023)</i></p>

Respondent 2

“Yes, it increased slightly, because during the pandemic, people were encouraged to stay at home so they consumed it at the nearest shop.” (Atmaja, interview 5 July 2023).

Respondent 3

“It tends to be stable, is because from the start I did sell online, even though there was an offline shop but now it's closed.” (Krishna, interview 5 July 2023).

Respondent 4

“Because from the start I used digital marketing so it was stable.” (Fitri, interview 4 July 2023).

Respondent 5

“It tends to increase because it is better known by the wider community.” (Nurul, interview, 4 July 2023).

If you feel that a digital-based business is more profitable, what steps will you take to achieve higher income through this?

Respondent 1

“Participating in digital training, especially about digital marketing, besides that I will start learning how to see consumer tastes through social media, both about taste and packaging design”. (Valen, interview 3 July 2023).

Respondent 2

“I will learn how to do business with social media because the world has changed and is digitally integrated. Therefore, if I want to increase sales, I must be open to digitalization”. (Atmaja, interview 5 July 2023).

Respondent 3

“Participate in various trainings and join various online communities. This will help me to gain new business knowledge, and expand the market reach of my business”. (Krisna, interview 5 July 2023).

Respondent 4

“Online courses to add variations to the cake menu according to market tastes”. (Fitri, interview 4 July 2023).

Respondent 5

“For sure, I will learn about online marketing strategies. besides that, I will use various social media to sell my products and also join online shopping platforms like grab food, shop food, or gofood”. (Nurul, interview tanggal 4 July 2023).

Source: Culinary MSMEs Interview Result

Business conditions during a pandemic

Based on the results of these interviews, Respondents 1, 2, and 5 stated that their business was affected by the COVID-19 pandemic. The main problem lies in the result of social distancing so that the operating hours for selling are limited. Meanwhile, Respondents 3 and 4 stated that the existence of a pandemic had no impact on their business, this was because the people who sold the products bought them for health reasons.

Business income during a pandemic

Based on the results of the interview above, Respondents 1, 2, and 5 revealed that the impact of the pandemic had significantly reduced their income. The number of sales has decreased dramatically compared to before the pandemic. The limited space for people to move due to social distancing and the decreased purchasing power of most people has resulted in a significant reduction in demand for culinary products. Meanwhile, Respondents 3 and 4 revealed that their income during the pandemic had increased by 20-30%. Respondent 3's business products were the most in-demand during the pandemic, apart from masks. This is in line with public awareness of the importance of a healthy lifestyle and maintaining immunity. Whereas for respondent 4, at the beginning of the pandemic, dessert products were the most booming, so demand from the public tended to be high. The people's appetite for cakes and desserts also did not subside until the pandemic passed.

The strategy carried out by small, micro, and medium enterprises (MSMEs) to recover their business income

Based on the results of the interviews above, almost all respondents said that strategic efforts were being made to recover their income through digital-based strategies in terms of operations and marketing. Respondent 1 revealed that the strategy carried out was by implementing a PO and delivery system, Besides that marketing activities also used social media such as Instagram, WhatsApp, Facebook, and so on. This was also done by Respondents 2,3,4 and 5 in recovering their income by utilizing social media.

Business income after implementing the strategy

Based on the results of the interviews above, almost all respondents revealed that their income tends to be stable and increase after implementing this strategy. This is due to the wider market reach through digital-based strategies in terms of operations and marketing.

Strategies that will be carried out to increase business revenue

Based on the interview results above, it can be concluded that all respondents agree that digital-based strategies are very important to help increase their business sales and income. In general, respondents agreed that the steps to be taken to improve their business were by participating in various digital trainings, joining digital communities, and trying platforms to sell online. Digital skills will help respondents to be able to compete in their market, besides that business expansion can be reached easily if done online.

The COVID-19 pandemic has had a significant impact on MSMEs in the culinary sector (John, 2020). Along with social restrictions, restaurant closures, and shifts in consumer preferences, many culinary MSMEs are facing big challenges in maintaining the continuity of their business. Many small business owners have experienced a drastic reduction in their income, and some have even been forced to close their businesses permanently. One of the main impacts of the pandemic on MSMEs in the culinary sector is the decrease in the number of customers. Travel restrictions and lockdowns that have been imposed have made people prefer to eat at home and avoid restaurants or places to eat. This results in reduced income for culinary MSMEs, because they rely on daily turnover to maintain their business. Even though the challenges faced by MSMEs in the culinary sector are enormous, the economic recovery carried out by MSMEs after the pandemic is very important. MSMEs have a significant role in the local economy, creating jobs and supporting economic growth in their region. With a strong economic recovery, MSMEs can regain consumer confidence which will affect their income (Johnson, 2022).

To create economic stability for MSMEs, especially in the income aspect, the right strategy is needed in the recovery process. A digital-based recovery strategy has proven to be the right and relevant step for MSMEs in facing the challenges of the ongoing pandemic to date. In a situation where social restrictions and changes in consumer behavior continue, the adoption of digital technology is a must for MSMEs to survive and even grow amidst less stable economic conditions. One of the main benefits of a digital-based recovery strategy is giving MSMEs access to expand their market share. Through the use of online platforms, MSMEs can sell their products or services to consumers in various locations, even outside the boundaries of their geographic area. This is in line with research (Sulhan, 2021) entitled *Digital Business Strategy for MSMEs in the Middle of the Covid-19 Pandemic*. The results of this study stated that by utilizing a digital business strategy, it was possible to expand market share amid the COVID-19 pandemic.

Thus, MSMEs have the opportunity to acquire a wider range of consumers and increase their income. A digital-based recovery strategy can also help MSMEs stay connected with their customers. Through social media, websites, or mobile applications, MSMEs can communicate directly with their customers, provide up-to-date information, respond to questions or input, and forge closer relationships. This is not only important in retaining existing customers but also in building new relationships and expanding business networks.

Respondents in this study revealed that they only used social media (social media) as a means to market their products, but they did not provide an explanation about online sales efforts through platforms such as Gojek GoFood and Shopee Food. They seek to reach a wider audience and increase brand awareness through creative posts, promotions, and contests. However, several respondents admitted that they did not understand or were hesitant to carry out online sales strategies through platforms such as Gojek GoFood and Shopee Food. Some of the factors that may affect their inability to carry out online sales through this platform are a lack of understanding of the platform's operational mechanisms, time and resource constraints, or distrust of the potential for sales through these services. Further understanding and training are needed regarding this online sales strategy so that respondents can maximize the potential for marketing and selling their products effectively.

To improve skills in digital business and maximize available social media and digital platforms, MSMEs can take several strategic steps. First, they need to attend training and courses related to digital marketing, e-commerce, and using social media. In this training, they will learn about online marketing strategies, content management, data analysis, and how to interact with potential customers effectively. This step is in line with the research of (Dimisyqiyani and Aprilliani, 2022) entitled *Improving the MSME Capability of the Madurese Community Through Mobile Series Applications and Digital Marketing Training*. In this study, it was explained that in overcoming the lack of ability to apply digital technology, it is necessary to conduct training for MSME actors as a form of innovation and adaptation in the digital era. Second, it is important for MSMEs to always keep abreast of the latest technological developments and trends in the digital world. In line with the research of (Priyono et al., 2020) entitled *Identifying Digital Transformation Paths in the Business Model of SMEs during the COVID-19 Pandemic*. The results of this study state that MSME actors need to adapt to digital technology trends to survive during the COVID-19 pandemic. By understanding consumer trends and changing buying behavior, they can adapt their marketing strategies according to market needs. Finally, collaboration with influencers or strategic partners can help expand the reach and increase customer trust in MSME brands. Influencers can help promote products in a more personalized and authentic way to relevant audiences. Some of these steps are in line with the research of Adinugraha and Fikry(2021).*Development of synergistic between digitalization*

MSMEs and digital society in Indonesia. Ho Chi Minh City Open University Journal of Science-Economics and Business Administration, 11(2), 18-30. This research discusses strategies with digitalization schemes and initiatives to develop digital capabilities for MSMEs as an alternative to saving business actors during the COVID-19 pandemic.

In the culinary business, there are strengths, weaknesses, challenges, and opportunities that need to be considered properly. One of the main advantages of the digital culinary business is potential access to a wider market. By using online platforms and social media, culinary businesses can reach customers from various regions, even countries, without having to have physical outlets. On the other hand, the digital culinary business also has several weaknesses. One of them is intense competition. The presence of many competitors in cyberspace makes culinary businesses have to fight hard to attract attention and retain customers. Apart from that, another challenge is the issue of logistics and delivery, especially for food businesses that rely on delivery services. Quality issues and product durability during the delivery process are also a concern. However, during these challenges, there are many interesting opportunities in the digital culinary business. One of them is through collaboration with e-commerce platforms and marketplaces which will provide opportunities for culinary businesses to increase product visibility and expand market reach.

Conclusion

The COVID-19 pandemic has had a significant impact on the performance of Micro, Small, and Medium Enterprises (MSMEs) in the culinary field in Malang City. Business actors experienced a significant decrease in revenue due to a decrease in sales. Some business actors are trying to adapt to the situation and change the direction of their business from offline to digital-based. By implementing a digital-based strategy, it has been proven to have a significant influence on the recovery of MSME income. However, not all business actors make maximum use of digital media. Some of them only use some of the features they understand, without an in-depth understanding of the potential that exists in social media, such as go-jek, go-food, and the like. Business people need to understand the right marketing strategy in digitalization so they can take advantage of these opportunities to increase their income. Especially in this era, business is increasingly integrated with digital media. Then flexibility in dealing with change will be the key to success in facing a challenging future. By maximizing the use of digital media, MSMEs in the culinary field can increase their competitiveness and face the uncertain economic situation due to this pandemic.

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