

# **DIGITALIZATION OF SMES IN INDONESIA FOR POST COVID-19 ECONOMIC RECOVERY**

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## **ABSTRACT**

***Digitalization of SMEs in Indonesia for Post Covid-19 Economic Recovery.*** The Covid-19 pandemic which has infected almost all parts of the world and has an impact on all dimensions, be it social, political or economic. The impact is felt especially for SME actors. SMEs have a great influence on economic growth in Indonesia, therefore there needs to be a special strategy for SMEs in economic recovery. This study aims to look at the state of the Indonesian economy due to the pandemic, and the digitization of SMEs for economic recovery in the SME sector. The method used is descriptive qualitative by using a content analysis technique approach and literature study. Based on the results of this study, Indonesia's economic recovery strategy in the SME sector is to provide assistance to business actors, provide tax incentives, relax and restructure credit, expand working capital financing, product support, and e-learning training. The digitization of SMEs has a positive impact on SME actors and most SME actors find it helpful to use digitization, for example websites, blogs, social media, SEO, SEM, Email Marketing, Content Marketing, branding and so on.

*Keywords: Economic Recovery, Pandemic, Digital SMEs*

## **FOREWORD**

At the end of 2019, a disease outbreak hit many victims simultaneously and migrated to various countries around the world, including to Indonesia. In February 2020 the World Health Organization (WHO) officially named the disease caused by this corona virus as Covid-19. Covid stands for Corona Virus Disease, while the number 19 is a marker for the year the disease was identified, namely in 2019.

Based on the findings published by the WHO, Covid-19 can be transmitted through droplets when a person performs activities related to exhaling air from the nose and mouth. In addition, the virus can be spread through surfaces that are contaminated with the virus from someone who coughs or sneezes and then transfers to the mouth, nose, or eyes that are touched after touching the contaminated surface. Thus prevention efforts require all people not to interact in close proximity, especially in crowded places, narrow places or confined and closed spaces.

By knowing the characteristics of the Corona virus and how it spreads, regulations are determined to prevent its spread, namely by conducting a regional quarantine or lockdown, in which the Indonesian Government enforces Large-Scale Social Restrictions (PSBB). This condition has a broad and major impact on all areas of human life. Community activities are limited at home, and as a result, most of the economic activities cannot be carried out normally and are almost paralyzed.

The economic impact is clearly exposed because it is inevitable that there will be layoffs (Termination of Employment) in the real sector (Nurhayati, 2020). Several institutions even

predict a weakening of the world economy, including the International Monetary Fund (IMF) which projects the global economy to grow at minus 3 percent. The impact of the Covid-19 outbreak on the economies of countries in the world is also very powerful. In the first quarter of 2020, economic growth in a number of Indonesia's trading partner countries grew negatively: Singapore -2.2, Hong Kong -8.9, the European Union -2.7 and China decreased to minus 6.8. Some countries still grew positively but decreased when compared to the previous quarter. The United States fell from 2.3 to 0.3, South Korea from 2.3 to 1.3 and Vietnam from 6.8 to 3.8.

This fairly deep contraction in the first quarter in Indonesia was beyond expectations considering that the physical distancing and PSBB arrangements came into effect in early April 2020, where in the first quarter (Q1) 2020 it only reached 2.97 percent. The value landed far from the first quarter target which is expected to reach the range of 4.5 - 4.6 percent. The Organization for Economic Cooperation and Development (OECD) in its report stated that this pandemic has implications for the threat of a major economic crisis marked by the cessation of production activities in many countries (OECD 2020).

Looking at the economic conditions in Indonesia, which are mostly dominated by the Micro, Small and Medium Enterprises (UMKM) industrial sector, of course this will also affect the existence of SMEs in Indonesia. Based on a report from the Ministry of Cooperatives, SMEs, which are referred to as the backbone of the national economy, show that as many as 64,194,057 registered SMEs are able to absorb 116,978,631 workers or about 97 percent of the total Indonesian workforce (KEMENKOP, 2018). Based on year-on-year growth, the largest source of Indonesia's economic growth in the first quarter of 2020 was in the information and communication sector at 0.53 percent. This is reasonable considering that with the recommendation not to leave the house, many people access work, entertainment and education through information technology. Along with this, the volume of PLN electricity sales to households has also increased (Thaha, 2020).

Efforts to build entrepreneurship in the midst of the digitalization era (digital economy) face challenges in order to give serious attention to human welfare as the central point of economic activity. In simple terms, entrepreneurship, hereinafter referred to as entrepreneurship, is defined as an effort to create value through the ability to capture and/or create opportunities, mobilize the required resources, and manage risk and uncertainty. Entrepreneurial activities assume that there are opportunities that are captured and/or created by business actors. The two theories, with different emphases, state that opportunities are always there, but only certain individuals can find opportunities or even create these opportunities, accompanied by the ability to bear risks and uncertainties (Caseiro and Coelho, 2018; Kiyabo and Isaga, 2020).

Digital technology which practically manifests in the growth of the function and role of information and communication technology is a driver of business growth and allows the development of startup businesses. The growth of the digital economy basically depends on the use of digital technology by individuals, companies and governments. For hardware, software and connectivity to play a role in value creation and increased productivity, digital technologies must be utilized effectively (Rouse, 2106; Bukht and Hiks, 2017).

The Covid-19 pandemic is an opportunity for SMEs to change the orientation of their business management and marketing from conventional to digital. The convenience of conventional marketing in normal times turns out to be bad when a crisis arises. Apart from changing the marketing orientation, a strong foundation of managerial aspects in the fields of production, human resources, and finance is inevitable. The main priority that needs to be done is to move all managerial aspects to enter the digital world. The pandemic has made small entrepreneurs adapt to new consumption patterns, fear of leaving the house, to fear of using cash. This condition requires SMEs to promote more aggressively online, sell their

products quickly through the goods delivery system, and prioritize Health protocols. Online sales are able to turn losses due to store closures into profits. The digital ecosystem is also used to increase promotions, sales distribution, and payments. The advantage of utilizing the digital ecosystem is that sales are still positive because there is digital connectivity that has been built previously (Kompas, 22 July 2020).

As stated by Mindarto (2020) that one of the strategies to be able to accelerate the recovery of development after the Covid pandemic is through the use of industry 4.0 which can be optimized to empower the potential of superior and competitive human resources, as the basic capital to encourage regional development in a more real and sustainable manner. However, digital transformation does not always go well as expected because not all SME actors in Indonesia are ready to run their businesses digitally. The digitization of SMEs after the Covid-19 pandemic is greatly influenced by perceptions of optimism and competence in using the internet. In addition, the level of comfort and security is also not too high. Therefore, there are strategies that must be taken to increase the digitization of SMEs in Indonesia after the Covid-19 pandemic.

This article analyzes the Digitization of SMEs in Indonesia for Post-Covid-19 Economic Recovery. There are two important things that become the central point of the analysis of this article, namely: first, the arguments for the concept of entrepreneurship that are relevant to the digitization of SMEs during the COVID-19 pandemic. The second point relates to the linkage of the digitization of SMEs to economic recovery in Indonesia.

## LITERATURE REVIEW

### Characteristics of Entrepreneurship

The occurrence of a gap between the availability of employment and labor is one of the factors that triggers a person to carry out business activities independently by managing their resources in producing a product that can be in the form of goods or services. These independent entrepreneurs are known as entrepreneurs. Entrepreneurs are people who are smart or talented in recognizing new products, determining production methods, arranging operations to procure new products, managing operating capital and marketing them (KBBI). Meanwhile, the activity of an entrepreneur is called entrepreneurship. John Jo (in Basrowi, 2014:1) provides a definition of entrepreneurship as an effort to create value through the introduction of business opportunities, appropriate risk-taking management, and through communication and management skills to mobilize people, money, and raw materials or other resources. needed to make the project successful. In line with John Jo's thoughts, Alma (2014:10) describes the entrepreneurial process according to Bygrave as follows:

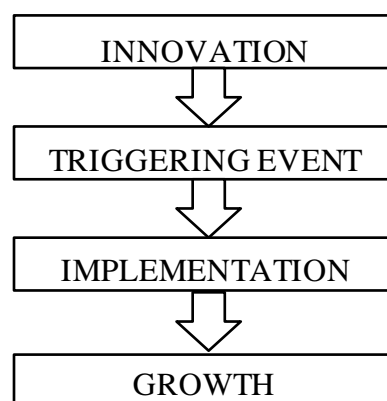


Figure 1. Entrepreneurial Process Model. Source: (Alma, 2014:10)

- 1) Innovation Process. There are several factors from the individual that can lead to innovation such as: willingness to have achievement, curiosity, dare to take and take risks, as well as education and experience. When the individual driving factors go well, innovation will emerge and become a stimulus to start a business. In addition to individual factors, the external environmental factors that drive innovation are opportunity, experience, and creativity.
  
- 2) Trigger Process. The trigger for an individual to engage in business activities can be caused by several circumstances such as:
  - a. Feeling dissatisfied with work or current conditions.
  - b. Workers who have to be laid off or there are no other job opportunities
  - c. age factor,
  - d. Dare to bear or accept risk,
  - e. Have a genuine interest and commitment to business activities
 In addition, environmental factors that can be a driving force to engage in business activities are:
  - a. Competition,
  - b. Availability of resources that can be utilized,
  - c. Have the opportunity to take part in a training or business incubator,
  - d. Government policies such as ease of business permits, business locations, capital loan facilities or guidance in entrepreneurship.
 Conditions that trigger business implementation can also be caused by sociological factors, for example:
  - a. have a relationship,
  - b. Have a team to work with,
  - c. Having parental support
  - d. Get family help
  - e. Already have experience in the business world.
  
- 3) Implementation Process The implementation of business activities can be influenced or driven by individual factors such as:
  - a. Readiness and mental maturity of an entrepreneur.
  - b. Having an executive manager who can help with business activities
  - c. Have a high commitment.
  - d. Have a foresight (vision) to achieve business goals
  
- 4) Growth Process Organizational factors can be factors that influence the growth process. Those factors are:
  - a. A solid work team in managing their business productively,
  - b. Having the right strategy generated by the cohesiveness of the team.
  - c. Strong organizational structure and culture.
  - d. Have a superior product, or privilege.
 In addition to organizational factors, environmental factors also affect business growth. These factors include:
  - a. Competition,
  - b. Sustainable consumers and suppliers of goods,
  - c. Funding from investors or the banking world in providing financial needs,
  - d. Resource,
  - e. Government policies that can stimulate and support business activities.

The ability to create value requires competencies possessed by entrepreneurial actors or entrepreneurs, so that the entrepreneurial spirit and attitude can be transformed into entrepreneurial behavior. Meredith et.al (in Basrowi 2014: 27-29) stated that the essential and important values of entrepreneurship are:

- 1) Confidence  
Self-confidence is defined as a combination of attitudes and beliefs of an individual to carry out his work or duties. Self-confidence is internal, dynamic and strongly influenced by the individual's ability to initiate, carry out an activity. It can be interpreted that ideas, initiative, initiative, creativity, courage, perseverance, enthusiasm for work, and enthusiasm for work are influenced by self-confidence.
- 2) Task and Results Oriented  
Achievement motives and having a profit orientation, being diligent and willing to work hard will direct someone to prioritize tasks and be results oriented.
- 3) Courage to Take Risks  
An entrepreneur is someone who likes challenges in achieving success and does not avoid risk. There are factors that can make a person dare to take risks such as: Confidence in one's own abilities, Utilizing that self-ability to find and get business expansion so that they get profits, and Being able to realistically assess risk situations.
- 4) Leadership  
The nature of leadership, pioneering, and exemplary are the characteristics that must be owned by an entrepreneur. The leadership character will determine the ability to manage resources for business activities, have the ability to come up with new products that are different from the existing ones.
- 5) Oriented to the Future  
Vision or future perspective will make an entrepreneur have thoughts for the future, so the ability to come up with something different from the previous one is the key to being a visionary person.
- 6) Originality : Creativity and Innovation  
An entrepreneur who has an innovative nature will have characteristics such as:
  - a. Feeling dissatisfied with the ways that are done so look for new ways.
  - b. Turning ideas into reality.
  - c. Want to point out the differences and take advantage of those differences.

The key to entrepreneurial success is also conveyed by Buchari Alma (2003) is willing to work hard, cooperate, good appearance, confident, good at making decisions, willing to increase knowledge, ambition to move forward, and good at communicating. The determinants of pioneering business or business activities as presented by some of these experts indicate that entrepreneurship can be conditioned by internal and external factors. These characters are owned by entrepreneurs who run their businesses to success. Business activities that have just been initiated are now more popularly known as start-ups. Start-up is an English word that is understood as a start-up business. Since internet technology has developed rapidly, these start-ups have succeeded in developing their business based on digital technology. They have a very significant role in the economy.

### **SME Classification**

Based on its development, currently Micro, Small and Medium Enterprises (SMEs) are a group of business entities that have the largest number compared to other business groups. On the other hand, the SME group has also proven to be strong and still able to withstand various shocks from the economic crisis faced in Indonesia. For this reason, it is imperative to strengthen the Micro, Small and Medium Enterprises group that involves several groups so that it becomes stronger. The following is the classification of Micro, Small and Medium Enterprises (Resalawati, 2011):

- 1) Livelihood Activities, are Micro, Small and Medium Enterprises (SMEs) that are used as job opportunities to earn a living, which is more commonly known as the informal sector. For example, street vendors.
- 2) Micro Enterprise, is a Micro, Small and Medium Enterprise (SME) that has the nature of craftsmen but does not yet have entrepreneurial characteristics.
- 3) Small Dynamic Enterprise, is a Micro, Small and Medium Enterprise (SME) that already has an entrepreneurial spirit and is able to accept subcontract and export work.
- 4) Fast Moving Enterprise, is a Micro, Small and Medium Enterprise (UMKM) that already has an entrepreneurial spirit and will transform into a big business (UB).

Micro, Small and Medium Enterprises (SMEs) have been recognized as having an important role in the development process and economic growth. This is not only evident in developing countries (NSB) such as Indonesia, but also in developed countries (NM). As in developing countries, SMEs also have a very important role for developed countries. This is because the SME group is considered capable of absorbing the most labor when compared to large businesses (UB) so as to reduce the impact of unemployment. On the other hand, the contribution of SMEs to the formation or growth of gross domestic product (GDP) is the largest when compared to the contribution of large businesses (Tambunan, 2008).

## Technology

The development of knowledge and science has arrived at technology that can facilitate human life and comfort in various fields with the availability of objects resulting from technology-based creativity. Technology is defined as a means to provide goods needed for the survival and comfort of human life (Big Indonesian Dictionary). Historically, technological developments are suspected to have started in the 18th century with the discovery of agricultural technology, manufacturing, mining and so on. Transportation technology began in the late 19th and early 20th centuries; then the 21st century is the rapid development of information technology with the invention of the internet. Straubhaar and LaRose (1997:6) explain that the internet has become synonymous with the concept of super-fast information paths.

The internet is a network of worldwide networks that connect computers that can exchange messages with each other and have access to computer data archives. When the personal computer was invented and changed very rapidly in the 1980s, one of the most important technologies was considered to be the internet. Quoted from William/Sawyer (2007:50) The international network or internet began in 1969 under the name ARPANET (Advanced Research Project Agency of the US Department of Defense) which was a connection of four computers at different defense contractors and universities, then the network expanded. In the early 1990s, the era of the World Wide Web (www) began, when the internet could contain multimedia, and the first browser or web page search engine was introduced. The internet has enabled people and organizations or companies to communicate with each other effectively and inexpensively. In Williams / Sawyer (2007: 51) it is stated that the world of the Internet provides facilities with several facilities such as:

- 1) Email (electronic mail) and discussion groups that allow people to stay connected to the world at large through electronic mail and online chat rooms,
- 2) Research and Information about anything by using browsers and search tools,
- 3) Latest news in various fields,
- 4) Entertainment with games, music and internet videos,
- 5) Download Files to obtain software, music and documents such as e-books,
- 6) Electronic shopping: buy or order anything,
- 7) Financial affairs: making investments, banking activities, and paying bills online,
- 8) Auctions: selling old items and getting new items with online auctions,
- 9) Telephone and conference: cheap calls and online meetings/meetings,
- 10) Career advancement: search for job listings, send cover letters, and interview online.

- 11) Distance learning: online lectures, discussions, research papers, and earning degrees,
- 12) Electronic business: liaising with colleagues, buying supplies, servicing customers, and arranging negotiations.

The very rapid development of the internet can be seen from the emergence of internet-based products which of course have an impact on the fantastic benefits obtained by the developers of these products. Digital products are said to be products that are actually produced by advances in computer technology and the internet. Some digital products that continue to emerge are:

- 1) Software Programs and Games
- 2) Consulting Services
- 3) Video, audio and music
- 4) E-book & Information Production
- 5) Transportation and accommodation
- 6) Course
- 7) Site Services
- 8) Affiliate Products (cooperation between online sellers and agents for services directing buyers to buy the seller's products).
- 9) Domain Business
- 10) Webhosting Business
- 11) Web-based application
- 12) E-commerce
- 13) Marketplace

People still often equate the internet with cyberspace. But basically the virtual world is not just the internet. The virtual world is not limited to the online world and the internet in particular, but can also be the world of wired and wireless communication in general as a non-physical field created by computer and communication systems. Web, chat rooms, online diaries (blogs), and membership services, voice conferences (teleconferences) and ATMs (automated teller machines) are virtual media. The virtual world is the place where a person is when he surfs online on a computer or smart phone.

The discovery and development of new technologies for producing has created new forms of media such as computer-based multimedia. New technologies can completely change media. These developments transformed existing industries and led to the integration of initially separate industries (Straubhaar and LaRose, 1997). Communication media with internet technology are components whose importance is increasingly inevitable in human life. Straubhaar and LaRose (1997:4) reveal that the transition of community-based information is moving rapidly through the convergence of communication and information technology and the capacity of networks that make digital communication. The convergence of computers and communications is reflected in both institutions and society. Telephones, computers, cable television and corporations are joining forces to discover and control future communications. Meanwhile, large businesses and public institutions take advantage of these new ways of communication in their business activities with the convergence of technology.

Digital convergence occurs because of the digital media revolution, namely the integration of audio, video and narrative information (text) into data networks for all purposes. Conventional analog mass media such as radio, television, print media, and films in the digital media world together with new hybrid media merge into computer memory on a medium or large scale which is connected to a very fast data network. The convergence of computer systems, telecommunications and mass media brought about a fundamental change in the way mass communication functions. This convergence is a digital technology that is different from analog technology. Straubhaar and LaRose (1997:23) provide an example of how media changes from analog to digital.

Mass media such as radio and television changed into new forms, namely videotex, high definition television (HDTV) and the world wide web. Digital technology also makes it possible to combine text, audio, computer graphics and video into an integrated multimedia network of computers to produce an entire display of media. These media innovations are utilized by business activities. Entrepreneurs or start-ups are keen to use digital economy technology in the process of marketing their products.

## **Types of E-Commerce**

But now e-commerce has experienced various kinds of developments, ranging from functions to various types of e-commerce. There are at least seven basic types of e-commerce or forms of e-commerce business with different characteristics:

1. **Business-to-Business (B2B).**  
B2B e-commerce includes all electronic transactions of goods or services carried out between companies. Traditional manufacturers and traders usually use this type of e-commerce. Generally, this type of e-commerce is carried out using EDI (Electronic Data Interchange) and email in the process of purchasing goods and services, information and consulting, or sending and requesting business proposals. EDI (Electronic Data Interchange) is a structured data transfer process, in an approved standard format, from one computer system to another, in electronic form. Examples of B2B e-commerce websites are Bizzy and Ralali. Bizzy is the first e-commerce that has a B2B or Business to Business concept in Indonesia. Bizzy provides solutions for companies that have problems in terms of procuring supplies and services for business needs. Products provided by Bizzy include Office Supplies (ATK), Electronics, Pantry and others.
2. **Business-to-Consumer (B2C).**  
B2C is a type of e-commerce between a company and the end consumer. This corresponds to the retail part of e-commerce which is usually operated by traditional retail trade. This type can be easier and more dynamic, but also spread more unevenly or can even stop. This type of e-commerce is growing very quickly because of the support for the emergence of websites and the many virtual shops and even malls on the internet that sell various community needs. Meanwhile, in developed countries such as America, there have been many successful e-commerce success stories in the online retail sector. When compared to traditional retail transactions, consumers usually have more information and cheaper prices and ensure a fast buying and selling process. Several websites in Indonesia that implement this type of e-commerce are Bhinneka, Berrybenka and Tiket.com. This type of e-commerce is commonly used by sellers or manufacturers who are serious about running a business and allocating resources to manage their own site.
3. **Consumer-to-Consumer (C2C).**  
C2C is a type of e-commerce that includes all electronic transactions of goods or services between consumers. Generally, these transactions are carried out through third parties who provide an online platform to carry out these transactions. Some examples of the application of C2C on websites in Indonesia are Tokopedia, Bukalapak, and Lamido. There sellers are allowed to directly sell goods through an existing website. However, there are also websites that apply the C2C type and require the seller to first complete the verification process, such as Shopping and Elevenia.
4. **Consumer-to-Business (C2B).**  
C2B is a type of e-commerce with a complete reversal of the traditional exchange or buying and selling of goods. This type of e-commerce is very common in projects on a multi-resource basis. A large group of individuals provide their services or products to companies seeking those services or products. An example is a website where the website designer provides several choices of logos which will only be chosen by the one that is considered



the most effective. Other platforms that commonly use this type of e-commerce are marketplaces that sell royalty-free photos, images, media and design elements such as [www.istockphoto.com](http://www.istockphoto.com).

5. Business-to-Administration (B2A).

B2A is a type of e-commerce that includes all transactions made online between companies and public administrations. This type of e-commerce involves many services, particularly in areas such as fiscal, social security, employment, legal documents and registers, among others. This type of e-commerce has increased in recent years with investments made through e-government or government agencies. Some examples of public administration websites that implement B2A are [www.pajak.go.id](http://www.pajak.go.id), [www.allianz.com](http://www.allianz.com) and [www.bpjs-online.com](http://www.bpjs-online.com). There, companies can process transactions for the services they get directly to the public administration. Companies are required to fill a number of requirements first before getting services and then proceed with the transaction process.

6. Consumer-to-Administration (C2A).

The C2A type includes all electronic transactions made between individuals and public administrations. Examples of areas that use this type of e-commerce are: a. Education-dissemination of information, distance learning process, and others. b. Jamsostek-information dissemination, payments, etc. c. Taxes – filing taxes, paying taxes, and more. d. Health – appointments, information about illness, payment for health services, and more. The example of implementing C2A is the same as B2A, only the difference is on the individual side - public administration and company - public administration. The B2A and C2A models are both related to the idea of efficiency and ease of use of services provided to the public by the government, also with the support of information and communication technology.

7. Online-to-Offline (O2O).

O2O is a type of e-commerce that attracts customers from online channels to physical stores. O2O identifies customers in online areas such as email and internet advertising, then uses a variety of tools and approaches to entice customers to leave the online sphere. While many traditional retail activities have been replaced by e-commerce, there are elements in digitally replicated physical shopping. However there is potential for integration between e-commerce and physical retail shopping which is at the core of this type of O2O. Just because a particular business doesn't have a product to order online doesn't mean the internet can't play its part in almost all businesses. For example, a fitness center will not be able to be set up in the living room of your house, but by using O2O services provided by companies such as Groupon Inc, the fitness center can channel its offline business into online. Several large, fast-growing companies such as Uber and Airbnb also run their business on an O2O type. Several websites in Indonesia that implement this type of O2O are Kudo and Matahari Mall.

## **Start Digitizing SMEs**

Starting a digital business must know the opportunities for doing business. Business development in the digital era that utilizes the sophistication of internet technology, software, electronics, and everything is packaged in digital form from building a business in manufacturing and services to marketing. All types of manufacturing and service businesses that utilize online marketing, whether using websites or computer technology applications, are categorized as digital businesses. The biggest opportunities in the digital business world are transportation, digital services, finance, accommodation and e-commerce. Where the 5 opportunities are business opportunities that have the potential to be very heavy in competition.

Building a digital business is not easy, many digital businesses go out of business or are acquired by other digital businesses. Building a business in the digital era has challenges that require its own foresight and abilities. Digital business is started right, the next process will be easier and will achieve the best results. Digital businesses that take advantage of advances in digital technology to create business opportunities and solutions. Here are some effective steps before starting a digital business, including:

1. Idea Validity

Digital business ideas are the starting point for starting a digital business. Creative, innovative, unique, different business ideas and ideas can be processed to be realized in the form of a business plan. However, before realizing the idea it is necessary to analyze the problem, find the impact on the user or the environment, and communicate the solution. Existing business ideas are offered to the target as a form of solving existing problems. Then the idea will be feasible or not. This is an important consideration for starting a digital business.

2. Business Optimization Plan

After getting the idea, now is the time to outline the goals in a business plan that consists of several stages and is worked on for some time to come. Try to work on a list of plans within the allotted time, all that is needed in making a business plan is just a simple concept and try to think of what things are needed. A simple strategy carried out with the right target market will do much more to create a successful digital business.

3. Research Update

The third step is to do market or product research. The results of the research become the basis for making decisions about the form or digital business model that will be realized. At least do simple market research to determine target consumers, potential business users to be realized, and decide to use the right digital media.

4. Insight of Internet Technology

The fourth step, to start a digital business, entrepreneurship thinks and acts to be oriented towards technology and information systems. Even beginners and digital businessmen who are already strong must have broad insight into technology.

5. Originality

The fifth step is to make digital business grow rapidly. Where will definitely have a very tight level of competition, so it requires the authenticity of the product or business. To be able to compete and survive, digital businesses must have original products. The originality of ideas, products and services is a special point to survive in digital business. Originalization can be from thinking that is unique and more useful for consumers.

6. Consistency

The key to digital business success is consistency. Consistency in digital business processes is very much needed, starting with the preparation of a well-structured plan that will have consistency in its realization. Consistency will make digital businesses more creative and have the right strategies to introduce and maintain digital businesses to consumers.

7. Digital Business Development

The consistent realization of digital business ideas will show results within one semester. The progress of the digital business within 6 months shows an increase, then the business can be developed. Preferably, the digital business expansion is carried out step by step to stabilize the business and minimize the occurrence of business losses or financial and non-financial business risks. In starting a digital business, there are several important points to support business growth in the digital era, including optimizing the use of social

networks, conducting online promotions and creating an e-commerce website that attracts consumers.

The development of digital business has an impact on the number of digital businesses that dominate the market. The digitization of Indonesian SMEs as a potential market in digital business encourages the diversification of digital business products. Here are some digital business trends in Indonesia.

- 1. Digital Business as a Vlogger**  
In Indonesia, Vlogging or vloggers in the context of a person's digital media industry, business team or social media users who regularly upload various video content containing personal stories and comments, socio-political analysis, culture, to personal life stories. Becoming a vlogger has the opportunity to have great benefits and become a high-income person.
- 2. Digital Business as a Youtuber**  
Managing a YouTube account with a variety of unique content is proven to be able to manage a YouTube account with a variety of unique content that can prove to be a promising digital business.
- 3. Digital Business as a Digital Start Up**  
The potential for startup businesses in Indonesia is growing rapidly. Opportunities to start a startup business are wide open for the people of Indonesia. The definition of a digital startup business is the process of starting a business that utilizes digital technology through online media commonly called e-commerce. The digital startup business method is inseparable from technological trend innovation, the acceleration of the growth of Information and Communication Technology (ICT). Digital startup businesses in Indonesia are grouped into game creators, social games, educational applications, and e-commerce trading using social media (Rama Mamuaya, 2020). One of the advantages of a startup is a business that really matches the skills and contributions of the company, not based on experience, qualifications or achievements. Therefore, working at a startup can change the assessment of the world of work, especially in large companies, which are more concerned with the experience or age of a person.
- 4. Building E-Shopping**  
A digital business that is no less important today is building an online store. Online shop is creating a website or platform as a means for online product purchase transactions. The potential for a large e-commerce business in Indonesia, selling online is one of the best digital business ideas. Online stores have the flexibility to make different designs, products, brands and services that are sold. The online shop is fully managed directly by the owner. Develop and run an online business as planned. Creating your own online store is easy. Establishing an online store can use a content management platform using WordPress hosting which makes it easy to create a website. Online shop is a process, and a place where a transaction of selling goods or services occurs via the internet. The online shop doesn't have to be on the website.
- 5. Build a Dropshipping business**  
Dropshipping is a digital business that allows selling a product without thinking about warehouses and shipping. By relying on the ability to sell the most distinguishes between dropship and resellers. Dropshipping business profits come from the difference between the money received from the buyer and the amount paid to the producer of the goods. One of the most unique things about dropshipping is that it is the producers who are in charge of sending goods to consumers. The dropshipper's job is to act as a liaison between the seller and the buyer of the goods. The reason dropshipping can be an

attractive digital business is to start a business without capital and decide for yourself what product you want.

6. **Become a Blogger**  
Take advantage of a blog that has been created for a digital business. Blogs with interesting content that can bring in visitors and buyers. Make the blog a source of income.
7. **Become an Influencer**  
For Instagram users with a large number of followers, becoming an influencer can be a promising opportunity.
8. **Cryptocurrency Business**  
The next option for digital businesses that are still growing is to join in investing through cryptocurrencies.
9. **Stock Trading Business**  
One of the most popular digital businesses is online stock trading. This business is indeed not a new business but is still a contemporary business and is in great demand by young people. The reason is because the income from the digital stock investment business is very large. But that does not mean this business does not have risk at all. In every business there must be risks that follow and what you need to do is you only need to learn so that you can avoid the risk of big losses by accepting small risks of loss and how to get big profits too. This stock trading business can indeed be regarded as a business with a large enough capital. However, in this day and age, by saving little by little in a stock account, you can have a large amount of capital. This is what makes the stock business, especially for its digital business, in great demand.

## **RESEARCH METHODS**

This study uses a descriptive qualitative approach as an effort to understand the various concepts found in the research process, using content analysis techniques and library research. Several steps will be taken in the article that puts forward the literature study model, namely: First, the researcher observes and analyzes based on the phenomena that occur related to the research topic. Second, determine the research focus based on the information that has been obtained and obtained from the literature review. Third, the source of the data collected is in the form of information or empirical data sourced from books, journals, research reports and other literature that can provide a new scope of research. That way researchers will be able to help identify various variables related to the research topic. Fourth, reviewing various literature sources in order to obtain maximum results so that they will find new ideas related to the research topic. Finally, analyzing research notes from various literatures to then get a conclusion that is compiled in the form of a research report with the applicable writing systematics.

## **DISCUSSION RESULT**

### **World Economic Conditions Due to Covid-19**

Corona Virus or Coronavirus Diseases which was discovered at the end of 2019, Corona Virus has spread rapidly in 213 countries. Data published on April 19, 2020, the Corona outbreak on the world community that was confirmed to be affected was 2,245,872 people, with a death toll of 152,707 people. Due to the phenomenon of the very fast spread of the virus, 20 countries have implemented lockdowns (isolation). China has preceded the lockdown

since January 23, 2020. During the lockdown period, people are required to isolate themselves at home (Nurhayati, 2020).

The International Labor Organization (ILO) estimates that there will be 25 million people worldwide who will lose their jobs or the equivalent of USD 3.4 trillion. For the year that Covid is running, every country is asked to protect millions of health workers, some of whom are women. You could say, if there is an economic crisis then women will feel the impact the most. However, this does not mean ignoring the economic impact on men (Nurhayati & Aji, 2020). The ILO statement has become a serious critique in encouraging efforts to protect workers. Even before the COVID-19 pandemic occurred, at the beginning of 2020 there were 190 million people in the world without a job. There are four sectors most affected by the pandemic and make up 37.5% of jobs globally. The first sector is food and accommodation with 144 million workers, retail and wholesale 482 million, services and administration with 157 million, and manufacturing with 463 million. The informal sector has always felt the most impact, both from the economic crisis and the pandemic. Plus their large number of as many as 2 billion people. This is equivalent to 61% of the total number of workers worldwide (Nurhayati, 2020).

### **Economic Recovery Strategy in the SME Sector**

In the view of Wibowo & Handika (2017), Indonesia has taken several steps to reduce the effects of the Covid-19 pandemic, including reducing the BI 7-Day Reverse Repo Rate by 25 bps to 4.75 percent, the Deposit Facility interest rate by 25 bps to 4.00 percent and the Lending Facility interest rate of 25 bps to 5.50 percent. This measure was implemented to stimulate domestic economic growth amidst the delayed prospects of global economic recovery due to the Covid-19 pandemic. In addition, to keep inflation and external stability under control and to strengthen the momentum of economic growth, Bank Indonesia must be able to observe global and domestic economic developments (Nasution et al., 2020). There are five schemes in the recovery of cooperatives and SMEs in the midst of the Covid-19 pandemic, namely:

1. Providing social assistance to poor and vulnerable SMEs in the SME sector. Included in this social assistance scheme is a 50 percent reduction in electricity tariffs for electricity customers with a capacity of 450 watts for more than three months as written by Arifin, (2020), which generally can be SME workers or business actors. The obstacle in providing social assistance is that there are still many recipients who have not been recorded in detail.
2. Tax incentives for SMEs. The provision of tax incentives for SMEs is given to SMEs with a turnover of less than Rp. 4.8 billion per year (Kemenkop-UKM, 2020). The stimulus for PPh is the imposition of a zero percent PPh rate for six months, from April to September 2020. However, according to D. Setiawan (2020), this facility is still largely untapped by SME actors. As of May 29, 2020, the number of applications for tax incentives has reached 375,913 applicants. Of the number of applicants, 345,640 or around 91.9 percent of applications were granted (Sugiri, 2020).
3. Loan relaxation and restructuring for SMEs. This policy is a policy issued on March 13, 2020 as a non-fiscal response in the form of easing or restructuring of bank loans to SMEs along with simplifying the certification process for exporters and facilitating the import of OECD raw materials (2020). The government will provide credit relief under Rp10 billion, especially for informal workers (online motorcycle taxis, taxi drivers, SME players, fishermen, residents with daily incomes) which will be effective in April 2020 as stated by Maftuchan (2020). The SME loan restructuring stimulus package for several provincial governments, especially Central Java, was complemented by additional interventions. In line with this policy, on March 19, 2020, Bank Indonesia announced a reduction in the

reserve requirement ratio by 50 basis points (bps) for banks involved in SME financing, following a 50 basis point (bps) cut in the previous month. to support trading activities. Financial assistance to SME actors is also carried out by encouraging the banking sector to provide soft loans to SME actors with a strict mechanism as stated by Pakpahan (2020) quoted (Sugiri, 2020).

4. Expansion of working capital financing for SMEs; placing ministries, SOEs and local governments as buffers for SME products is carried out by encouraging banks to be able to provide soft loans to SMEs. Thus, SMEs have sufficient working capital to be able to run their business. This policy is necessary to maintain SME liquidity. This program is targeted at 23 million SMEs that have never received financing from banks and financial institutions. Setiawan (2020), stated that this financing expansion program was provided for both “bankable” and non-bankable SMEs.
5. Provision of Product Support The products of cooperatives and SMEs in agriculture, fishery, culinary and household industries need to receive buffer support. Thus, there is certainty that SME products will be absorbed, so that cooperatives and SMEs will be able to have a better inventory turnover. This policy will be more beneficial if it is followed by efforts to increase safe distribution flows, for example by providing reliable e-commerce facilities or services in buffer zones.
6. SME Labor Market Intervention through Training with the E-learning Method Indonesia intervened in the labor market by conducting training intended to reactivate the labor market through the Pre-Employment Card which was launched in April 2020. Gentilini et al. (2020) mentions that this program provides subsidized training that is skilling and re-skilling for 5.6 million affected workers, especially in the small and micro business sector. Participants of the pre-employment card program can be SME sector workers who have been laid off and new workers who haven't got a job yet. This policy according to the OECD (2020) is in line with the entrepreneurship growth policies carried out by several OECD countries such as the United States, the Netherlands, Britain, South Korea, Australia and Italy (Sugiri, 2020).
7. Implementation of the Health Protocol in the Business World The Ministry of Health (2020) on May 20, 2020 issued provisions regarding the COVID-19 prevention protocol in public areas, especially for the service and trade sector. These provisions apply to administrators or managers of workplaces/business actors, workers, and consumers/customers. This step was recommended by the Ministry of Cooperatives and SMEs, including the use of masks by both SME sector actors and the community as users of SME products or services.

## **Development of Digital Economy in Indonesia**

The Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM) reports that 3.79 million micro, small and medium enterprises (SMEs) have used online platforms to market their products. This number is around 8 percent of the total SME actors in Indonesia, which is 59.2 million. To grow the number of SME players surfing the virtual world, the Ministry of Cooperatives and SMEs and the Ministry of Communication and Information (Kemkominfo) together with e-commerce players initiated a program titled 8 Million SMEs Go Online.

Sales of micro, small and medium enterprises ( SMEs ) in e-commerce during the Covid-19 pandemic were considered to have experienced a significant increase. The Indonesian E-Commerce Association (idEa) noted from data from the Ministry of

Communication and Information (Kemenkominfo) that there have been 14.5 million SMEs that have entered the e-commerce platform.

The development of e-commerce in Indonesia can be said to be very fast. When compared to other countries around. In general, there are several types of e-commerce that are developing in the country.

- 1) Business to Business. This type of e-commerce has the largest scale. Because the transactions made are between companies. In business to business, transaction activities are applied physically and electronically. And the consumer is a group that also runs the business. Examples are distributors, resellers, and so on.
- 2) Business to Consumers. This is the most popular type of e-commerce, especially in Indonesia. Where the producer or company (the seller), markets the product directly. With customers (users) as market prey. So, it is like an online-based retail store. Where buyers can buy products in retail, without a certain minimum amount.
- 3) Consumers to Business. In the type of consumer to business, sales transactions are carried out by the consumer. While the company is the target market. So, individuals make offers about a product in the form of goods or services. To companies that really need it. For example, graphic designers who offer their skills.
- 4) Consumers to Consumers. This type of e-commerce is carried out from consumer to consumer. The classification consists of 2 models, namely classified and marketplace. If in classified, buyers and sellers make transactions directly. Whereas in the marketplace, consumers (sellers) need a platform to make transactions. Examples of marketplaces are Shopee, Tokopedia.
- 5) Business to Administration. In this type of e-commerce, business people sell goods or services by making government institutions a market. The transaction is also in the form of a tender.
- 6) Online to Offline. In today's modern era, this type of e-commerce is very popular. Where the seller carries out promotional activities, looks for buyers, and provides products by utilizing online networks as media. However, buyers have the option to shop directly at offline stores.

Apart from having several different models or types. The presence of e-commerce also provides benefits to society in general. Not only for the seller, but for the buyer. In general, there are several advantages to using the customer. Below are the benefits of e-commerce for the business owner or seller.

- 1) Broad market reach. With the presence of e-commerce, sellers have a wider market reach. Because it is based on a global online system. Not only can reach the domestic market, but also abroad. Because currently there are many e-commerce platforms that can help sellers to sell their products in various countries.
- 2) Reduce infrastructure. By using e-commerce as a basis for selling. A company no longer has to open branches in various regions. Because with just one online store, you can reach all parts of a country.
- 3) The outgoing budget is reduced. Excessive use of the budget can be reduced by utilizing e-commerce, which is based on an online system. So, the seller does not need to waste money to open a real shop, recruit too many employees, and so on. Because with e-commerce it is possible to narrow the system, with optimal results.
- 4) Prices are more affordable. If accumulated, all the customer benefits that exist in the previous points. The seller can reduce the price of the product so that it is cheaper and affordable. That way, customers will also feel more interested in buying goods from online stores at customer friendly prices.

Some of the digital media used by those who have business activities both as owners and as resellers to market products during the pandemic are:

- 1) Facebook or popularly known by its abbreviation FB is a social media application that facilitates its users to interact with other people in various parts of the world. This

application provides facilities for users to convey any information about themselves, also upload photos and videos. This medium allows users to give each other comments.

- 2) Instagram is a social media application that has features for uploading photos and videos, comments and likes, explore (a tab that displays popular photos, photos taken at nearby locations, and searches), instagram stories (users can take photos and videos). , adding effects and layers and adding them to their Instagram story flash) and IGTV (for uploading vertical videos of 10 minutes or 60 minutes for those who already have authorization).
- 3) Whatsapp is an application that is used to send messages instantly using internet data via smart phones. In addition to sending text messages, this application can send photos, videos, documents, make calls, send voice messages, share location using the Global Position System (GPS), share contact numbers, have emojis and stickers, and can set owner profiles.
- 4) Marketplace is an application that facilitates buyers and sellers to transact. In a marketplace, many sellers join to market their products so that potential buyers or buyers have many choices. During this pandemic, almost all marketplaces, especially those with a wide market, are used by entrepreneurs who want to market their products, such as Shopee, Bukalapak, Tokopedia, and Lazada. Gofood and Grabfood are the applications chosen by sellers to join in marketing their products to buyers.
- 5) E-commerce is different from the marketplace. E-commerce is owned by one seller or one store, namely the website. Web ownership will show the credibility of the seller in the eyes of the buyer.

The products offered through the online media application are:

- 1) Food (both prepared food/cooked food and processed food)
- 2) Beverages (ground coffee, processed drinks),
- 3) Fashion (clothes, hijab, masks, bags, shoes, mukena),
- 4) herbal medicines,
- 5) Cosmetics,
- 6) Animals (birds, ornamental fish),
- 7) furniture,
- 8) Kitchen utensils and utensils,
- 9) toiletries and toiletries,
- 10) Digital products (tutorials),
- 11) And almost all products that become other human needs.

While the form of information conveyed is in the social media status column in the form of narration, photos, and videos. In media where entrepreneurs become tenants, namely joining the marketplace, the products offered are even more.

### **Change of Business Model from Conventional to Digitalization**

Digital developments in globalization are very influential on the economy, including the retail market. The retail market that some time previously tried to displace the existence of traditional markets, but in fact the existence of the modern retail market is influenced by globalization, it can be seen that some retail markets are starting to fall like autumn. One by one, modern retail markets, large, micro, and small began to decline one by one. This is due to the lack of consumer interest in conventional shopping even though the physical facilities are very comfortable and there are almost no gaps. But by presenting the convenience of shopping, in fact in the digital era people are still reluctant and prefer to do online shopping activities or use media applications. Here are some reasons people are reluctant to do conventional shopping activities:

- 1) Minimize Cost. Cost and time efficiency are the main factors in conducting online transactions. Besides being more efficient in terms of costs, including transportation costs, parking fees, and accommodation costs, which are one package with the transaction



process. Not to mention in terms of time efficiency, you need to have to spend special time doing shopping activities, especially spending a lot of time choosing and looking for goods, so you need strong physical energy.

- 2) **Reduce Fatigue.** In online market transactions, you don't have to bother visiting shops, malls or places to eat. So that we don't have to be tired and spend extra energy not to mention having to drive a vehicle, traffic jams, and various problems that arise on the road. If the transaction is online, we can shop while doing other activities at home, or at work, so it is considered very practical.
- 3) **Power Efficiency.** Shopping activities through digital are also energy efficient. Shoppers no longer need to spend time queuing in front of the cashier, queuing and scrambling to choose the best items, not to mention having to wait to be served by shopkeepers when the shop is busy and there are many visitors. Of course, it is very different from shopping via online, which only requires one activity to open a smartphone, all shopping activities from choosing a store, choosing goods to processing transactions and payments are done with just one click. Of course this is a convenience in itself in the era of millennial society.
- 4) **Avoid the Problem of Hassle.** If you shop online when the shopper wants to shop a lot, there is no need to bother bringing or looking for porters to bring the vehicle or to our house, because all ordered items are sent directly to the house in a safe condition. Certainly different from conventional shopping where we are made to bother to pack, bring, and even send it home, because not all stores provide delivery services for goods purchased by consumers.
- 5) **Not Hungry Eyes.** One of the weakness factors of a human being in shopping activities is the desire to spend more when in shopping places. There are many cases when you only want to buy one item but when you arrive at the store you can be attracted to other items that were not your original intention to buy it. When shopping online, of course, this can be minimized because we will be able to focus on finding the items we need.
- 6) **Competitive price.** Conventional shopping activities will require many factors to take the time to compare prices with nearby stores, and it also takes time and effort, in contrast to online shopping, when you want to switch to another store with just one click without us having to physically move. The price difference is also not much different from our conventional shopping, because the difference is relatively small. When compared with the various advantages, it is certainly not a problem to choose online shopping.
- 7) **Attractive Discounts/Special Prices.** The online shopping system is like a savings system, so the more you shop online, the seller will give you vouchers, gifts, points, or certain rewards as proof of gratitude for your trust. In contrast to conventional stores that only give certain discounts to those who have members only or at certain times.
- 8) **Time Efficiency.** Online shopping activities will also not waste our time, because it makes it easier for us not to have to go out, get stuck on the road, with various dangers on the way. And online shopping activities only take a few minutes, so our time can be used for other activities.
- 9) **Convenience Factor.** The convenience factor is certainly no doubt, if we shop online we don't need to dress up, go out for shopping, even with a relaxed position we can do shopping activities, even shopping can also be in the middle of the night and during holidays.

## Advantages of Digital Marketing vs. Conventional

There is no striking difference between segmentation and targeting in marketing both through digital marketing and conventional marketing, which aims to achieve sales targets and deliver products or services to consumers. Digital marketing activities are very useful as seen by many companies during this covid-19 pandemic. Many of them use the internet and social media in marketing their products or services. There are two main points of digital marketing benefits described by Hermawan (2012), namely:

- 1) The cost is relatively cheap. Marketing using digital marketing is relatively less expensive and cheaper than conventional advertising, such as placing advertisements in newspapers, radio or television. The reach of potential consumers also becomes wider and faster and consumers also benefit because they can provide and compare the products they want more conveniently and practically.
- 2) Large information content The use of digital marketing certainly provides various advantages such as the provision of large and large amounts of information compared to the space given and of course low cost and much cheaper than conventional media.

Digital marketing is also able to present, process and store company or customer data in an accurate and guaranteed database. Digital marketing helps market penetration and expansion through media that are used to build and strengthen the brand image of a product and at the same time strengthen the company. The use of digital marketing is a way to make it easier to understand the purpose of communication regarding digital marketing, Morissan (2010) divides it into:

- 1) Information Dissemination One of the goals of digital marketing is the provision of complete and in-depth information about a company's product. Companies that use digital marketing have a greater chance of getting buyers. And briefly, the use of digital marketing by the company is the most appropriate medium in disseminating information to a large audience.
- 2) Creating Awareness For small companies that have a limited budget for promotion, digital marketing is an alternative media, digital marketing creates awareness that is more effective than conventional media, so the use of digital marketing is very useful as a medium that creates awareness of organizations and companies as well as services or products generated by the company or organization.
- 3) Research Objectives Digital marketing is not only used as a marketing tool for a company, digital marketing is also used as a tool to research the market and collect information from competitors and also target consumers.
- 4) Building Perception The company uses digital marketing as a medium designed to build a perception of the company's image to a large audience.
- 5) Product Trial The company uses digital marketing to experiment with their products, the company also issues a kind of campaign that offers electronic coupons to target consumers or consumers to encourage them to be willing to try their products.
- 6) Improving Services Many companies have benefited from the use of digital marketing in using this media, digital marketing in addition to providing complete information, digital marketing also answers questions and complaints from customers. This role can also ultimately improve the services provided to customers and consumers.
- 7) Improving Distribution Digital marketing is a medium that has many tools in doing marketing carried out by companies, which with existing tools companies can work together to promote and display their products, one of these tools is a website, where the website in the form of cooperation is called affiliate, This affiliation is a cooperative relationship between a number of websites and websites, so that companies can increase their distribution by cooperating between websites and other websites.

Not only that, digital marketing has a number of features that enable effective applications in terms of interactively disseminating information, creating awareness of the company and its

products, gathering information and market research, creating the desired image, and stimulating experimentation (especially through stimulation and free trials). Viewed from the user's point of view, digital marketing is a vehicle for gathering information, entertainment, social interaction, communication, purchasing products/services, sharing ideas and building communities. The specific advantages of using digital marketing include:

- 1) Target marketing, which can target very clear target consumers and groups.
- 2) Message tailoring, namely the message to be conveyed in accordance with the wishes and in accordance with the target consumer who is the target.
- 3) Interactive capabilities, which can enable a high level of customer engagement. On certain sites that are visited a lot are customers who are interested in a product.
- 4) Information access, which means that site visitors get clear information from a product.
- 5) Sales potential, which can affect high sales where the internet is a direct response medium.
- 6) Creativity, meaning that an attractive website display makes target consumers or customers interested so that repeat visits occur, and also banners and websites can be changed according to the wishes and the time specified.

In addition to the things above, there are also various advantages that digital marketing has compared to conventional marketing:

- 1) Broad and global reach of consumers Digital marketing users such as SEO (Search Engine Optimization) techniques on the Google search engine, advertisements in online media, to advertisements on social media will certainly be able to reach quite broad consumers, anyone who accesses the array will reach advertisements or advertisements. information about the services or services you provide. Not only from within the country itself, it can even reach abroad, even to the whole world.
- 2) The combination of resources can maximize results. Talking about this basic concept of digital marketing, you can freely maximize any resources that can support business activities in digital marketing. For example, by using official accounts on social media to make it look more elegant, professional, and reliable. Then added with campaigns through YouTube media stories like some digital businesses that are trending right now.
- 3) Estimating the number and specifications of the reach of potential customers A very profitable advantage for business people is being able to predict the reach of consumers. You can target potential buyers or consumers based on age, demand, education level, gender, to the daily behavior that is monitored on social media.
- 4) The achievement time is relatively faster, easier, and cheaper. Digital campaigns to jump-start a business certainly have an impact or result that is much faster and cheaper than conventional methods. Faster hit on potential customers because of the wide reach at the same time. While it is cheap in certain techniques, because the concept of digital marketing can also be expensive because the strategies implemented require a lot of resources.

## **CONCLUSION**

Indonesia's economic recovery strategy in the SME sector after the COVID-19 pandemic is to provide assistance to business actors, provide tax incentives, relax and restructure credit, expand working capital financing, product support, and e-learning training. Entrepreneurship is still very important in driving SMEs. The challenge, of course, is not easy. Although adapting to the digital world, actualizing entrepreneurial values is still very important. After the Covid-19 pandemic, the digitization of SMEs has a positive impact on SME actors because they can sell SME products without having to meet the buyers directly. The large-scale social restrictions (PSBB) imposed during the pandemic are seen as an opportunity to trade online. Moreover, most SME actors find it helpful to use digitization, for example; websites, blogs and also social media (Facebook, Instagram, Whatsapp, and others), SEO, SEM, Email Marketing,

Content Marketing, branding and so on. However, the opportunity for SME actors to transform into a digital ecosystem is indeed not all who are able to take advantage of technology to survive in the midst of the current crisis. But the majority have switched, even able to combine online and offline marketing. This is something that must be boosted by SME actors by participating in trainings provided by the Government related to digitalization so that the economy continues to run well.

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