

UDC 332

**STRATEGIES IN MAINTAINING MSME INCOME DURING THE COVID-19 PANDEMIC:  
A PHENOMENOLOGY STUDY ON YOUTH MSME ENTREPRENEURS  
IN DENPASAR CITY**

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**ABSTRACT**

The urgency of this research is to find out that there are still many MSMEs that have not risen from the impact of the covid pandemic, especially those that focus on offline stores not online, so that many MSMEs that have small shops have started to close their shops because their income cannot support them to pay for store rental fees and salary costs. employee. Using transcendental phenomenology, this study aims to analyze more deeply the experiences experienced by young MSME entrepreneurs in the city of Denpasar in facing the covid-19 pandemic. The informants in this study were five (5) young MSME entrepreneurs in the fashion retail sector that focused on offline stores. The results of the analysis according to the experiences expressed by the informant provide evidence that the impact of the covid pandemic is very significant from the side of fashion outfit retailers. This is because the fashion outfit business is not a business that sells basic necessities. The sudden stipulation of regulations led to a significant reduction in revenue, so much so that retailers were forced to temporarily close their shops to avoid inefficient costs such as renting buildings. The experience of the informants revealed that the survival strategy they used was digital marketing. Digital marketing itself is not enough to see a very tight online business competition. It takes commitment and strong intention to get into digital marketing. In addition, ability to see target market and to innovate are also needed. The application of a trend strategy must also be applied, finding its own characteristics and attractiveness, carrying out various promotions such as sale promotions and looking for promotional media/platforms at low prices to streamline promotional expenses, up-to-date with the current application platform as a means of promotion.

**KEY WORDS**

COVID-19 Pandemic, MSME income, entrepreneurs, digital marketing, survival strategy.

The phenomenon of the COVID-19 pandemic that attacked the world's health sector also attacked the global economic sector. MSMEs have also been affected by this pandemic. A total of 163,713 MSME actors stated that they experienced a significant decline in sales. Even 51% of MSMEs said they were not sure if their business would last for the next one to three months. The OECD states that MSMEs are very vulnerable to being affected if there is a business disruption because MSMEs are often directly connected to other business sectors such as transportation, tourism, and various other industries, such as handicrafts, raw materials, and culinary. (OECD, 2020). The Ministry of Finance pointed out that the Covid-19 pandemic has also caused a decline in people's consumption and purchasing power, decreased company performance, threats to the banking and financial sector, and the existence of MSMEs. This also puts pressure on producers and sellers.

The existence of MSMEs will decline in terms of performance from the demand side (consumption and purchasing power of the people) which ultimately has an impact on the supply side, namely termination of employment and the threat of non-performing credit payments (Pakpahan, 2020). In addition, the Government Regulation Number 21 regarding large-scale social restrictions that require people to work and stay at home also limits the operational activities of MSMEs and the decline in consumers who are accustomed to shopping directly, causing many MSMEs to close their businesses due to lack of visitors and do not earn income compared to day-to-day usually.

Ubaidillah's research (2020) on maintaining the sustainability of MSMEs during the COVID-19 outbreak using Structural Equation Modeling (SEM) analysis techniques. There are two variables analyzed, namely governance, Human Resources (HR) on the sustainability of MSMEs. Research results No. The results show that governance affects the sustainability of MSMEs, where to maintain the sustainability of MSMEs it is necessary to improve state governance in accordance with the current national economy. Human Resources also affect the sustainability of MSMEs, human resources themselves also need to be considered, competent human resources will also assist in dealing with problems that occur when this pandemic occurs.

The MSME survival strategy that is widely discussed is to use digitalization such as several studies that have been carried out by previous researchers such as the research conducted by Hardilawati (2020) regarding the MSME survival strategy in the midst of the COVID-19 pandemic with qualitative techniques reviewing literature, stating that, the COVID-19 pandemic impact on instability in the economy No. especially in SMEs. MSMEs directly felt the decline in revenue turnover caused by the government's policy to implement PSBB. MSMEs in this case must still have a strategy in order to survive in this pandemic situation.

The application of digital marketing is not completely helpful as the results of research by Chaerani et.al (2020) which use social media as an analytical tool in an effort to increase income and mapping MSMEs during the pandemic. The method used is qualitative with data collection instruments using online questionnaires distributed to the public through social media such as Instagram, WhatsApp, and Facebook. The results of this study, 39.5% of research subjects MSMEs experienced a decrease in product sales, 34.9% experienced an increase in sales, and the remaining 25.6% did not experience a change in sales. This is due to the intense competition in their business area, which was approved by 74.4% of respondents. Social media analysis is needed to increase revenue in terms of increasing the use of social media for promotional media and also transactions that are directed at using mathematical modeling in its implementation. So that during this pandemic, MSMEs can try to keep increasing their income.

Based on previous research, the state of the art of this research is that so far, no previous research has used transcendental phenomenology techniques. The urgency of this research is to see that there are still many MSMEs that have not risen from the impact of the covid pandemic, especially those that focus on offline stores not online, so that many MSMEs that have small shops have started to close their shops because their income cannot support them to pay for store rental fees and salary costs. employee. Besides that, look at the online shop too, where all MSMEs can compete in the online shop. Competition in the online shop is not easy. Moreover, offline SMEs are just starting to go online by opening an online shop. Of course it has many competitors. Therefore, this research must continue to be carried out in order to find out how the experience of SMEs in dealing with the Covid-19 pandemic is. Using transcendental phenomenology, researchers will be able to analyze more deeply the experiences experienced by young MSME entrepreneurs in the city of Denpasar in facing the COVID-19 pandemic which cannot always be measured using quantitative data or Likert-scale questionnaires. This research is expected to be an input for MSME entrepreneurs in rebuilding and surviving the current Covid-19 pandemic situation.

## **METHODS OF RESEARCH**

This study uses a transcendental phenomenological study with an interpretive paradigm. The informants in this study were five (5) young MSME entrepreneurs in the fashion retail sector who focused on offline stores and had businesses in accordance with the MSME requirements of Law Number 2008 concerning MSMEs, chapter IV article 6 with the criteria of having assets of at most Rp. 50 million excluding land and buildings for business premises with annual sales of a maximum of Rp. 300 million. The selection of informants is because young MSME actors are considered to be more responsive in dealing with problems related to the digital era. The selection of informants was carried out using the snowball sampling method but by looking for MSMEs in different sectors.

Table 1 – Research Informants

Owner (Shop name)	Location
G.A Intan (Yalota)	Jl. Tukad Batanghari No.49 Denpasar
A.A. Ayu Mutiara (Kisanika Store)	3 toko (Jl. Teuku Umar, Tukad Batanghari, WR. Supratman Di Denpasar)
Tini (Bali Etnik)	Jl. Bedugul Denpasar
LDDSHOP	Jl. Pattimura Denpasar
Givanda (GIVANDA BOUTIQUE)	Jl. Tukad Batanghari Denpasar

Source: Data Processed, 2021.

The data collection method uses in-depth interview techniques but still uses health protocols because it is still in the pandemic period. Researchers do 'epoche' during the research. 'epoche' is the confinement of knowledge and perceptions possessed by researchers in order to obtain pure meaning from the informant. The data that has been collected will be processed using transcendental phenomenology analysis techniques. The data analysis stage consists of a phenomenological reduction process, namely: horizontalization, and textural description, imaginative variation (structural description) and combining meaning and essence (Noviriani, 2015).

## RESULT AND DISCUSSION

### The Impact of the Covid-19 Pandemic on Retail Outfit Entrepreneurs

The impact of the COVID-19 pandemic is enormous for the global economy. SMEs are also affected. MSMEs have several types of sectors, especially in the fashion outfit retail sector which incidentally is not the main need of the community. As stated by the informant, Gek Intan, the owner of the YALOTA Boutique. The researcher began to explore the experiences of informants by asking the first question, 'Is this pandemic having an impact on your business?'

Table 2 – Table of Phenomenological Analysis of Diamond Informants (Owner Yalota Boutique)

<u>Statement</u>
<i>"It's very impactful because people's purchasing power has decreased due to the COVID-19 pandemic, moreover, the business I'm doing is not selling basic products, so it's very effective. This Covid has greatly reduced my business income."</i>
<u>Textural Description Analysis</u>
'not selling basic products' and 'so it greatly reduces my operating income than usual'
<u>Structural Description Analysis</u>
<i>(Researchers ask more about what non-basic products are and how much income is reduced?)</i>
<i>'Fashion product is included in secondary or tertiary needs, right? So the number of buyers are dropped. Usually we restock within 1-2 months, but now even after 4 months 5 months the clothes are not sold yet. Usually we make a net profit of up to 5 to 10 million for every 50 clothes, free of rental and shipping costs. So yes, you can imagine how impactful it is for us'</i>

Source: Data Processed, 2021.

The researcher drew the synthesis of meaning from the statement put forward by Intan's informant, Intan revealed that the covid -19 pandemic had a huge impact on her boutique business. This is due to the effort made by Diamond Informants is not a basic product business but secondary and tertiary needs so that during a pandemic, customers who buy their outfits are not as many as before the pandemic The income generated was also reduced, as initially the profit obtained from 50 outfits for two months was 5 million to 10 million, but the pandemic caused the stock of goods to be sold for 5 months to not run out, causing the capital to be stuck and not getting profit as usual.

Informant Gung Tya, the owner of Kisanika Store, also experienced the same thing and had to close his shops, as stated by Informant Gung Tya below:

Table 3 –Table of Phenomenological Analysis of Informants Gung Tya (Owner Kisanika Store)

<u>Statement</u>
<i>"The impact is not direct, but rather slow. We are aware that people's main consumption is not clothes, so it's really impactful from the start of starting a business, I think it's really falling, until I slowly close my shops too..."</i>
<u>Textural Description Analysis</u>
<i>'The beginning of starting a business is really falling, I think right now, until I slowly close my shops too'</i>
<u>Structural Description Analysis</u>
<i>(researcher asked more about how many store branches were closed and why?)</i>
<i>"I have several branches, in Teuku Umar, in Batanghari, in WR. supratman but I'm closing everything now, because I can't afford to pay the rent, especially if there's a PSBB regulation. So I like it or not, we have to follow the rules too..."</i>

Source: Data Processed, 2021.

The researcher drew the synthesis of meaning from the statement put forward by the informant Gung Tya. Gradually, the impact of the covid pandemic experienced by Kisanika Store caused Kisanika Store to close its store branches. Informant Gung Tya thought that in this pandemic, the community also saw the most important needs as stated by informant Gek Intan. Clothes are not the main need, so people will rarely buy things or goods that are not their basic needs. Changes in consumer mindset during the covid period caused business actors to experience losses like what Informant Gung Tya experienced. The reduced income causes difficulties in paying the rent for the building/shop. So the decision that can be taken to reduce costs is to close the shop. In addition, informant Gung Tya also mentioned the implementation of PSBB such as the following informant Givanda (Owner Givanda Store):

Table 4 – Givanda Informant Phenomenological Analysis Table (Owner Givanda Boutique)

<u>Statement</u>
<i>"At the beginning of Covid, the impact was immediately affected, especially when there was a PSBB in effect, so shops must be closed while people prioritize on food consumption"</i>
<u>Textural Description Analysis</u>
<i>'PSBB applies' and 'so shops must close'</i>
<u>Structural Description Analysis</u>
<i>(researcher asked more about PSBB and closed the shop)</i>
<i>"Yes, the PSBB ruled so suddenly. People are prohibited from going out, restricted to outside activities, most of them have to stay at home. Because of that rule, people can't go out and shops are also limited in operating hours, our stores even close."</i>

Source: Data Processed, 2021.

Informant Dian as the owner of the following LDDSHOP also revealed about the problem of rules:

Table 5 – Table of Phenomenological Analysis of Informant Dian (Owner LDDSHOP)

<u>Statement</u>
<i>"It's very impactful. I previously opened a shop with friends. This covid prevention measures has a lot of rules, which we have to follow and it have a big impact on our income"</i>
<u>Textural Description Analysis</u>
<i>'lots of rules' and 'impact on our income too'</i>
<u>Structural Description Analysis</u>
<i>(researcher asks more about the rules and impact on turnover)</i>
<i>"The rules are like, you can't go out of the house, you can't meet face to face, the shop must close according to the rules, so leads to less visitors. And if you are asked about the income before and after that.. before that month it was 10 million since covid from March 2020, the worst in February, it reached 1.5 million a month. So I can't pay the employees..."</i>

Source: Data Processed, 2021.

The researcher draws the synthesis of meaning from the statements put forward by informants Givanda and informants Dian. The determination of the PSBB in question is an official regulation implemented by the government to tackle and reduce the spread of

COVID-19 regulated in PP No. 21 of 2020. As the informant Givanda explained that the enactment of the PSBB rules caused the community to be restricted from doing activities outside the home to avoid the spread of COVID-19. However, this also caused losses to Givanda Store and LDDSHOP which were also regulated for store operating hours, the absence of community activities causing store closures.

**How are Efforts to Survive the Impact of the Pandemic?**

Even though they have been significantly affected by the COVID-19 pandemic, entrepreneurs will certainly take steps to survive the current pandemic. As stated by the informant, Tini, the owner of Bali Ethnic. The researcher began to explore the experiences of the informants by asking the second question, 'is there any effort to survive in the midst of this condition?'

Table 6 – Table of Phenomenological Analysis of Tini Informants (Ethnic Balinese Owner)

<b>Statement</b>
"When asked about my defensive strategy, I did many promotional strategies even though many said everything would be resolved if we used online marketing in the midst of this pandemic. but I don't think it will be enough..."
<b>Textural Description</b>
<i>'doing many promotional strategies' and 'online marketing in the midst of this pandemic but I don't think it will be enough'</i>
<b>Structural Description Analysis</b>
<i>(Researchers ask more about what promotional strategies are and why online marketing is not enough?)</i>
<i>"first of all we have to look at the trend. In the fashion business we have to see the trend of clothes at this time around August-Septembe. Sales was increased quite a bit, after dropping 50% by implementing a trend-seeing strategy, but I also saw the target market. To be honest, during this pandemic the target market has changed drastically, you have to innovate and be smart about the market When it comes to online marketing, this is indeed easy to implement, but if you don't use a special strategy that is different from other online shops, you lose, where our focus was only on the offline store. For example, the Shopee marketplace, there are also many competitors in shopee, bro, but yes, we try to stay in the marketplace. Because if we don't, shops will be empty of visitors"</i>

Source: Data Processed, 2021.

The researcher drew a synthesis of meaning from the statement put forward by Tini's informant, in surviving this pandemic, Bali Ethnic carried out a promotional strategy where business actors had to look at trends. This is due to changes in the target market during the pandemic. As an entrepreneur, you must be good at innovating to see market conditions. In addition, Bali Ethnik has also started using digital marketing as a way to promote its business. However, digital marketing also has many competitors. As stated by the following informant Gung Tya:

Table 7 – Table of Phenomenological Analysis of Informants Gung Tya (Owner Kisanika Boutique)

<b>Statement</b>
"I'm confused on how to make sales during the pandemic, but now everything is online, right? but the online shop is not as easy as people think, because of the strict competition, there are lots of competitors which can also be direct from Bangkok, so it's difficult but you have to be committed and if you really have the commitment and intention and keep selling, just keep looking for ideas so that our business will have its own value"
<b>Textural Description Analysis</b>
<i>'looking for ideas so that our business will have its own value'</i>
<b>Structural description Analysis</b>
<i>(researchers ask more about the value)</i>
<i>"I made a content to attract customers, make it as attractive as possible so that our products have their own charm, you know, and maybe we could... make something different from other online shops, so that the loyal customers will come back again."</i>

Source: Data Processed, 2021.

The researcher drew the synthesis of meaning from the statement put forward by the informant Gung Tya, digital marketing has been widely used by the public to survive the

pandemic. However, the large number of sellers selling the same product makes competition in the online shop difficult. It takes commitment and intention as well as trying to innovate to find ideas so that the products sold have their own characteristic appeal. A similar experience was also expressed by Intan's informant:

Table 8 – Table of Phenomenological Analysis of Diamond Informants (Owner YALOTA Boutique)

<u>Statement</u>
<i>"Many people persist in using online marketing, but there are many online competitors. We who focus on offline, has several difficulties to enter and to make our customers interested,, especially if I think "why buying fashion clothes, it's still in the pandemic so it can't be used". I have to intensively promote the same sometimes, for the sake of getting my capital back, I just make a sale and selling via online</i>
<u>Textural Description Analysis</u>
<i>'I have to intensify the promo' and 'for the sake of getting my capital back, I just sale it and sell it via online'</i>
<u>Structural description Analysis</u>
<i>(researchers ask more about what promos are being intensified and what kind of sales are done online?)</i>
<i>"Our current promotional methods is looking at the paid promotion from the student platform that is currently promoting because usually the cost is not too big, and the students who organize it also have quite a lot of followers, so that our products are kept up on social media. Besides that, there is now a Tiktok application, which is more popular, so you can also use the application for promotions and also giveaways. So if there is a giveaway, the customer can also promote our goods, so let's count on a small promotion. But yes, we still give sales because we are competitive, right? What we usually do is increase the price from 50% now to 25%, basically so that it can be cheaper than other olshops, sometimes for the sake of running out of stock yesterday we only get 0% profit so let's get back on capital and The stock of goods also runs out not long, the development of fashion is spinning fast"</i>

Data source: Processed (2021).

The researcher draws the synthesis of meaning from the statement put forward by Intan's informant, although competition in digital marketing is quite tight, YALOTA tries to stay afloat by providing price discount promos. Even though you don't get a profit like the previous one, the initial capital issued can be turned back and YALOTA's business can compete by providing low price promos (discounts). Promotions carried out by YALOTA are using booming applications such as Tiktok, giveaways which are like sweepstakes, paid promote provided by the open promote program on student platforms, in order to promote at a fairly efficient cost. Informant Dian also provided promotion services, as expressed by his experience:

Table 9 – Table of Phenomenological Analysis of Informant Dian (Owner LDDSHOP)

<u>Statement</u>
<i>"Would you like it, I'm still trying to sell, especially when there's still a lot of stock... So I usually do it selling online So, I use online digital marketing services."</i>
<u>Textural Description Analysis</u>
<i>'online digital marketing services'</i>
<u>Structural Description Analysis</u>
<i>(Researchers ask more about online digital marketing services)</i>
<i>"If I use the promotion service on Instagram, so there is something like an advertising sponsorship service.. you pay 100 thousand once an ad but it's pretty good. I still can't afford to use celebrity endorsement services like other entrepreneurs. Because if you use celebrity endorsement services, it's also quite expensive... Then I also use the online media Facebook too. Later, it is usually discussed for shipping issues and others.."</i>

Data source: Processed (2021).

The researcher draws the synthesis of meaning from the statement put forward by Informant Dian, LDDSHOP tries to promote its products by providing discounts/rebates just like Informant Intan did. LDDSHOP uses Instagram platform promotion services. The Instagram platform provides sponsorship services to advertise a product at a rate of Rp. 100,000. In addition, LDDSHOP also uses the Facebook platform to promote its products.

## CONCLUSION

Based on the experiences expressed by these informants, it provides evidence that the impact of the covid pandemic is very significant from the perspective of fashion outfit retailers. This is because the retail business is not a business that sells basic needs. Other entrepreneurs whose business is not in basic needs will also feel the same way. In addition, the sudden determination of the rules also resulted in a significant reduction in the income of retail entrepreneurs, worse until retail entrepreneurs were forced to temporarily close their shops to avoid inefficient costs in the midst of a pandemic such as renting buildings/shops. However, an entrepreneur will not just give up. Through the experiences expressed by the informants, we can see the forms of strategies to survive in the midst of the covid pandemic. The experience of the informants revealed that the survival strategy they used was digital marketing / online marketing. Even though the profit generated is much different from their offline store, it is quite helpful at least for the return of business capital. Using digital marketing / online marketing requires more effort than offline stores. The number of competitors is one of the problems. Especially if you are just trying to open an online store in the middle of a pandemic situation. It takes commitment and strong intention if you want to get into digital marketing. In addition, you must be smart in seeing the target market. The application of a trend strategy must also be applied to see what kind of outfit trends are 'booming' in the midst of this pandemic condition. Entrepreneurs must also be good at innovating, such as looking for ideas to be different from other entrepreneurs, in order to have their own characteristics and charms to attract consumer interest. In addition, in price competition, efforts are also needed to reduce prices or provide promotional discounts. Don't forget to always look for loopholes in promotions. For example, looking for promotional media/platforms at low prices to streamline promotional expenses, promotions in the form of giveaways that can advertise business products at the same time, and must also be alert in seeing technological developments among millennials such as the currently booming application Tiktok. and others.

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