

Micro, Small and Medium Enterprises (MSMEs) Strategy in Maintaining Business Amidst the COVID-19 Pandemic (Case Study in Gampong Pasar, Tapaktuan District, South Aceh Regency)

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Article Info	ABSTRACT
Keywords: Strategy, MSMEs, Impact of the Covid-19 Pandemic.	This research is motivated by the impact of the Covid-19 pandemic which has spread widely on the development of Micro, Small and Medium Enterprises (MSMEs). MSME income has decreased and some have been forced to close their businesses due to the Covid-19 Pandemic. In this case, MSMEs must find the right strategy to survive. The strategies that can be carried out during the pandemic are Product Strategy, Price Strategy, Promotion Strategy, Place/Distribution Strategy, Online Marketing Strategy (e-marketing). This study aims to determine what types of businesses are affected by the Covid-19 pandemic and determine the right strategy to maintain their businesses for MSMEs. This study uses a qualitative method through case studies, which produces descriptive data. The data sources in this study use Primary and secondary data using the Purposive Sampling technique. In this study, researchers visited several MSMEs located in Gampong Pasar, Tapaktuan District, South Aceh to conduct interviews and direct observations with informants.
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INTRODUCTION

The COVID-19 pandemic, which spread globally, not only threatened public health but also caused the collapse and paralysis of economic systems. The pandemic, which intensified in March 2020, was a disaster for every individual, including micro, small, and medium enterprises (MSMEs), which are considered the backbone of the national economy (Hamida, et al., 2020).

MSMEs in Indonesia play a crucial role in prioritizing the improvement and movement of the national economy. The MSME sector is seen as a cornerstone of the people's economy system, not only aimed at reducing social inequality but also contributing to poverty alleviation and national labor absorption (Noviano, et al., 2019). As a result of the pandemic, the government imposed social

distancing policies. The restrictions on movement and public activities severely impacted the economy. MSMEs, in particular, were one of the sectors most affected by the pandemic, experiencing a decrease in revenue, and some were forced to halt production due to distribution issues (Boge, 2020).

The spread of COVID-19 in Aceh had a significant impact on the community, especially MSME actors, who saw a decline in income. The pandemic not only posed a threat to human lives but also severely affected the business activities of MSMEs, which nearly came to a standstill (Zulkarnaini, 2020). Despite various relaxations and restrictions during the pandemic, the government imposed the Emergency Public Activity Restrictions (PPKM) from July 12 to July 20, 2021, to curb the increasing spread of COVID-19. This policy received mixed reactions from the public. MSME actors, in particular, were the hardest hit, with many suffering from significant losses, plummeting revenue, and even forced to close their businesses (Fairuz, 2021).

Based on the researcher's observations, particularly in one of the villages in South Aceh, namely Gampong Pasar, Tapaktuan Subdistrict, the same impacts were observed on MSME actors due to the COVID-19 pandemic. People's purchasing power weakened, and sales volume decreased. Many stores were empty, with no daily sales. This situation was alarming for MSME actors, as they relied on daily earnings to meet their needs. In addition, they had to pay loans, installments, employee wages, and rent. The weakening of MSMEs led to halted production, declining income, and eventually reduced employment. This situation must be addressed through various strategies to ensure the survival of MSMEs so they do not collapse (Fairuz, 2021). Therefore, strategy is essential for the continuity of any MSME, enabling them to achieve their goals effectively and efficiently. Each MSME actor must prepare and have a strategy to maintain the sustainability of their business (Tika, 2021).

METHOD

This study uses a qualitative approach. According to Sugiyono, qualitative research is a research method based on postpositivist philosophy, used to study natural conditions of objects, with the researcher as the key instrument. The data sources in this research include primary and secondary data, using Purposive Sampling technique, which is a sampling technique based on certain considerations (Sugiyono, 2015). Based on its specification, this study is descriptive-analytic. In its implementation, this method is not limited to data collection techniques, but also includes interpretation and in-depth analysis of the meaning of the data itself (Soejono, 2003).

In this study, there are two categories of data sources: primary and secondary data. Primary data is obtained directly from the first party, i.e., MSME actors. Secondary data refers to data obtained through existing sources, which are gathered from various other literatures such as books, magazines, theses, dissertations, journals, and other articles, whether they are published or not. The secondary

data needed for this study includes results from previous research and theories that are relevant to the objectives of this research (Sarwono, 2006).

RESULTS AND DISCUSSION

The Impact of COVID-19 on Businesses in Gampong Pasar

Every business has been affected by the COVID-19 pandemic, from small-scale to large-scale enterprises. The pandemic caused many MSME (Micro, Small, and Medium Enterprises) owners in Gampong Pasar to express their concerns about the repercussions of the outbreak. Some of the impacts experienced by MSME owners in Gampong Pasar include the following:

One of the primary effects was the decrease in income for MSME owners during the pandemic. There was a noticeable difference in income before and after the pandemic. Prior to the outbreak, MSMEs were able to generate stable profits. However, with the arrival of COVID-19, the income of many MSMEs decreased by as much as 5% to 90% (Personal Interview, 2020).

Another significant impact was the decline in the purchasing power of the community. The pandemic caused many workers to lose their jobs or experience a reduction in income, which in turn affected their ability to consume goods. This was especially evident among those in informal work or daily wage jobs. Many people became more cautious in managing their finances due to the uncertainty about when the pandemic would end. This cautious spending led to a drop in demand for consumer goods, which negatively impacted producers and sellers (Pakpahan, 2020).

Market competition also intensified during the pandemic. The market is characterized by many buyers and sellers, and during the pandemic, every business faced increased competition. Some business owners felt threatened by new competitors, especially as some offered superior products or lower prices (Ni'matul, 2020).

Strategies for MSMEs During the COVID-19 Pandemic

In order to survive and adapt to the challenges of the pandemic, MSME owners had to employ various strategies. One of these was product innovation. MSME owners needed to improve, enhance, and even create new products that would meet the changing demands of the market. This product development strategy allowed them to continue operating and remain relevant to consumer needs during the pandemic.

Pricing strategies also played a critical role. Setting the right price could help optimize marketing efforts. During the pandemic, many MSME owners in Gampong Pasar adopted pricing strategies that included offering discounts or price reductions to attract consumers and maintain business continuity.

Promotion was another vital aspect for MSMEs to survive the pandemic. Without promotion, consumers would not be aware of the products or services being offered. Therefore, effective promotional strategies were essential to attracting and retaining customers during the pandemic. Some of the promotional activities undertaken by MSME owners included advertising and direct marketing. Advertising, such as billboards, pamphlets, and banners, helped increase visibility and reach a broader audience. Direct marketing focused on building strong relationships with consumers, fostering emotional connections to create loyal customers.

Given the circumstances of the pandemic, direct marketing had to adapt to online platforms. By leveraging digital channels, MSME owners could continue marketing their products locally, nationally, or even globally while adhering to health protocols.

The location and distribution of goods were also important considerations. Businesses in Gampong Pasar were strategically located in areas that were easily accessible to consumers. However, due to the pandemic, MSME owners began to explore alternative distribution methods, such as delivery systems, to avoid physical contact while maintaining business operations.

Finally, online marketing (e-marketing) played a significant role in enhancing the marketing efforts and increasing the revenue of MSMEs. Many MSME owners adopted e-marketing strategies by utilizing various online platforms to reach a broader customer base. The use of digital tools allowed MSMEs to continue their operations, despite the challenges posed by the pandemic. By selecting the right online platforms and communication methods, MSME owners could target the right market segment, ensuring that their e-marketing efforts were effective and efficient (Mohamad & Arisandi, 2018).

CONCLUSION

All business owners in Gampong Pasar, Tapaktuan District, South Aceh Regency, have experienced the impact of the COVID-19 pandemic. This is reflected in a decrease in income, a decline

in purchasing power, and increased market competition. The businesses most significantly affected by the pandemic include the food industry, grocery stores, and fashion-related businesses. On the other hand, businesses such as mobile phone counters, laundry services, shoe stores, baby supplies, electronics, second-hand goods, photocopy services, accessories, and tailoring have experienced less significant effects.

In order to survive and maintain their businesses during the COVID-19 pandemic, MSMEs in Gampong Pasar have implemented several strategies. These strategies include product innovation, pricing adjustments, promotional activities, distribution strategies, and the adoption of online marketing (e-marketing) techniques.

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