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Business Strategies and Innovation for Survival During the COVID-19 Pandemic: Evidence from Micro, Small, and Medium Enterprises (MSME) in Indonesia

Ratna EKASARI¹, Abdul GHOFUR², Donny ARIF³

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Abstract

MSMEs encountered several issues during the COVID-19 pandemic, including decreased sales and capital, difficulties in distribution, trouble obtaining raw materials, decreased production, and employee layoffs. These issues posed a threat to the national economy. The final effect was the company's bankruptcy as a result of its failure to survive a pandemic, which led to the company's downfall. This research aims to find out and analyze MSMEs' business strategy and innovation to maintain their business during the COVID-19 pandemic in Indonesia. This research is qualitative. Researchers got data using interviews, observation, and documentation. The analysis of this research is descriptive. To draw customers during the COVID-19 pandemic, MSMEs use social media or digital marketing, followed by the delivery of orders, promotions, or discounts and the creation of freebies. MSMEs develop new products as part of their ongoing efforts to expand their businesses while upholding standards for quality, value, and customer service. They also adapt to changing consumer tastes and popular food trends while showcasing some of their most intriguing products.

Keywords: Business Sustainability, Business Strategy, COVID-19 Pandemic

JEL Classification Code: M2, M21, Q56

1. Introduction

Indonesia has many micro, small, and medium enterprises (MSMEs) that play an important role in economic growth (Septiani & Wuryani, 2020). The important role of MSMEs is to create jobs to reduce unemployment. Based on data from the Ministry of Cooperatives, Small and Medium Enterprises, the number

of micro-enterprises in Indonesia is 62,106,900 businesses; small businesses, 757,090 businesses, medium businesses, 58,627 businesses, large businesses, as many as 5,460 businesses. So far, MSMEs can support 80% of domestic consumption, contribute 60.3% of Indonesia's total Gross Domestic Product (GDP), absorb 97% of the workforce, and provide 90% of employment opportunities in Indonesia (Suci et al., 2017). According to the World Bank, MSMEs can be grouped into three types based on the number of workers: 1. Micro-enterprises have ten employees; 2. Small Business has 30 employees), and Medium Enterprises have up to 300 employees. In the current environment of globalization and intense competition, MSMEs must also be given the best possible chance to succeed. To do this, product and service innovation should be increased, human resources and technology should be developed, and the marketing sector should be expanded (Ratnawati, 2020).

During the COVID-19 pandemic, MSMEs experienced various problems, such as decreased sales and capital, hampered distribution, difficulty in raw materials, decreased production, and layoffs of workers; these became a threat to the national economy. The last impact was the company's

¹First Author. Assistant Professor, Faculty of Economics and Business, Universitas Maarif Hasyim Latif, Indonesia. Email: ratna_ekasari@dosen.umaha.ac.id

²Corresponding Author. Associate Professor, Department of Management, Faculty of Economics and Business, Universitas Islam Lamongan, Indonesia. [Postal Address: Jl Veteran 53A, Jetis, Lamongan, Jawa Timur, 62211, Indonesia] Email: abdulghofur@unisla.ac.id

³Assistant Professor, Faculty of Economics and Business, Universitas Maarif Hasyim Latif, Indonesia. Email: doni_arif@dosen.umaha.ac.id

collapse due to bankruptcy caused by the company's inability to survive during a pandemic. The COVID-19 pandemic causes this problem. The current phenomenon is the number of MSME zones that are maintaining their business and producing creative innovations so that their business does not suffer losses or bankruptcy. The business strategy and innovation that can be done is to start selling online by carrying out promotions on social media accounts such as Whatsapp and Facebook (Magno & Cassia, 2021; Malesev & Cherry, 2021; Tourani, 2022). The phenomenon of the Covid-19 pandemic has changed consumer behavior. At the beginning of the Covid-19 pandemic, due to social restrictions, many consumers used online media to meet their needs, so MSME actors began to market their products using an online marketing system (Amankwah-Amoah et al., 2021). The government's policy to stay at home (stay home), avoid crowds, or keep a distance (social distancing) and work from home (work from home) has also changed people's behavior. People now prefer to shop online or online, especially through e-commerce (Leeraphong & Mardjo, 2013). This has increased online shopping by 400%, and this percentage is predicted to continue in the current normal era.

To revive this condition, mitigation and recovery solutions are also needed (Akinbowale et al., 2020). Short-term priority mitigation measures are to create stimulus on the demand side and encourage digital (online) platforms to expand partnerships (Chatfield & Reddick, 2019). Other efforts are through cooperation in the use of innovation and technology that can improve product quality and competitiveness, product processing, packaging and marketing systems, and others (Kaipainen & Aarikka-Stenroos, 2022; Khan et al., 2021). Amid the current Covid-19 pandemic, only around 301,115 MSMEs have used the digital e-commerce platform. This number is still relatively small compared to the number of MSMEs in Indonesia and the large potential of the online market in Indonesia. The lack of understanding of MSME actors towards the application of e-marketing in Indonesia is one of the factors causing many MSMEs to fail to adapt during the current Covid-19 pandemic crisis. Therefore, considering the current conditions, it is necessary to accelerate the adaptation of e-marketing for MSMEs in Indonesia so that the Indonesian economy will rise again because MSMEs have a very large role in the Indonesian economy (Hidayat et al., 2021; Nguyen & Johnson, 2020; Wynn & Olayinka, 2021). The use of the Internet by MSMEs is capable of facilitating the exchange of information instantly, stimulating efficiency, and helping to solve problems early on (Stoycheff et al., 2020). Social media use is considered to positively impact a business; in particular, it can reduce considerable marketing costs and improve good relationships with customers (Malesev & Cherry, 2021; Tourani, 2022; Wijaya et al., 2020).

Furthermore, the role of marketing in the digital era also allows companies and every individual within the company to network with other companies around the world (Saura, 2021; Thaichon et al., 2021; Wohllebe et al., 2021).

This study was conducted to describe and analyze business strategies and innovations by MSME actors affected by Covid-19 in Indonesia. Most researchers still focus on marketing and promotion strategies to survive the pandemic in general and theoretically (Dwivedi et al., 2021; Hidayat et al., 2021; Ruiz-Real et al., 2021; Saura, 2021; Thaichon et al., 2021; Wohllebe et al., 2021) and very little research has been done on reality and theory, particularly product innovation. Innovations that match the needs and desires of the segment and match changes in consumer behavior with the effect of restrictions on mobility outside the home due to the influence of the COVID-19 pandemic. This article aims to find a solution to revive MSMEs after the pandemic. Academics and business practitioners have done a lot of empowering MSMEs by holding seminars, and most of the solutions offered are only to maximize online sales; the problem is that many sellers have marketed their products online but have not provided solutions, so other supporting aspects are needed.

2. Literature Review

2.1. MSME Business Strategy During the COVID-19 Pandemic

The first MSME business strategy is namely Situation analysis. According to Iriani et al. (2021), situation analysis is the first step in preparing e-marketing development plans. The purpose of the situation analysis is to understand the company's current and future environment. Situation analysis can be done using the Strengths, Opportunities, Weaknesses, and Threats (SWOT) approaches. (Hendriani, 2018; Rachmiarti Kusumah, 2020). The company's internal strengths/weaknesses combined with external opportunities/threats with a clear mission statement form the basis for setting goals and strategies (Basset et al., 2018). Goals and strategies are set with the intention of exploiting internal strengths and overcoming weaknesses (Figure 1).

In dealing with the problems above, a model should restore the presence of business players in the MSME sector after the Covid-19 pandemic (Nugroho et al., 2020). The model uses the concept of a 5P strategy (Plan, Ploy, Pattern, Position, and Perspective). The idea of strategy as a plan or a plan as a strategy plan before it is adopted and followed through implementation is also explained by Hsiao et al. (2018). In addition, using the strategy as a ploy is a unique action that separates competitors' company strategies from those of business players who attempt to surpass rivals. Company operations that may be explained by patterns

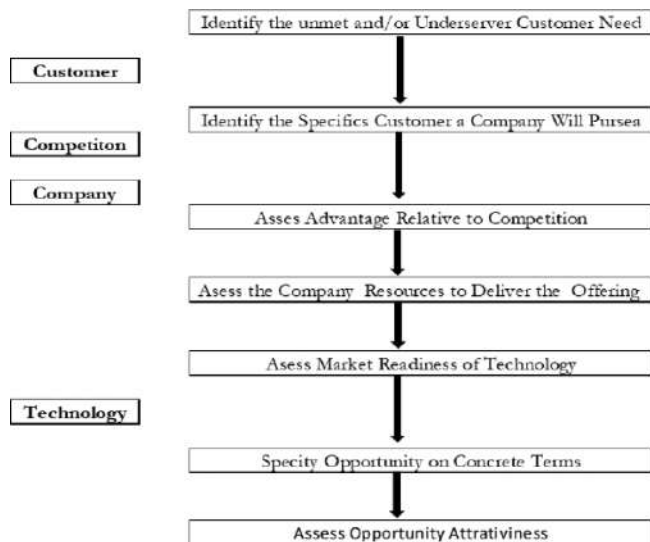


Figure 1: MSME Market Opportunity Framework

that emerge from previously planned and implemented activities are provided by strategy as a pattern. Business actors can leverage their current resources, both material and intellectual, to create unique products, establish market niches, and surpass rivals by using the strategy as a position (Arif et al., 2020).

The importance of business management for business players in the MSME sector can be seen in several management areas, including marketing, finance, and operations, as well as innovation (i) increasing knowledge, insight, and abilities in the area of boosting human resource management will enable employees to run their businesses more methodically and efficiently (ii) strengthening in the area of financial management, specifically the control and management of funds in relation to capital entry and bookkeeping/financial administration, effectively and efficiently (iii) strengthening in the area of operational management, which involves raising standards for quality, cutting costs, and setting appropriate distribution goals (iv) strengthening in the field of operational management which includes improving quality, cost efficiency, and proper distribution targets (Martín-de Castro et al., 2011; Wynn & Olayinka, 2021).

2.2. Product Innovation During the COVID-19 Pandemic

The innovation process is a series of activities carried out by individuals or organizations, starting from being aware of or knowing the existence of innovations to implementing (implementing) innovations. Innovation is described as a cyclical and continuous process, including the phases of awareness, reward, adoption, diffusion, and implementation (Den Hertog et al., 2010). The innovation process includes

several stages, such as *Idea Generation, Idea Screening, Business Analytical, Product Development, Market testing, Commercialization, and Monitoring and Evaluating* (Huang et al., 2010; Gursida & Indrayono, 2019; Onufrey & Bergek, 2021).

Through innovation, one can add value from products, services, work processes, marketing, and delivery systems not only for the company but also for shareholders and society. Ability to apply creativity in solving problems and opportunities to improve life. Various literature studies separate innovation into three dimensions, namely product innovation, process innovation, and business model or management innovation (Bărbulescu et al., 2021; Khan et al., 2021; Türkeş et al., 2021; Yuan et al., 2020). All these forms of innovation contribute significantly to organizational success (Wynn & Olayinka, 2021). Researchers have found that product and process innovation are the most important form of innovation to secure a competitive advantage for SMEs (Carnahan et al., 2010; Porter, 1994). Product innovation is very important for the growth and sustainability of SMEs. Creative innovation activities are expected to increase the company's competitive advantage, which will have an impact on company performance (Bărbulescu et al., 2021; Hargadon & Sutton, 1997).

For several reasons, including the rapid pace of technological change, the impact of environmental changes on product life cycles shortening, consumers' increased sophistication and demand for need fulfillment, rising expectations for need fulfillment in terms of quality, updates, and prices, and ideas that are becoming easier to copy, innovation is crucial. Innovation can also result in faster growth, expanded market segments, and improved corporate positions in the future (Bărbulescu et al., 2021; Khan et al., 2021; Onufrey & Bergek, 2021). This is because the needs, desires, and demands of customers are always changing according to the current situation and conditions. During the COVID-19 pandemic, many customers began to change their product consumption patterns. Therefore, innovation is needed to attract the attention of customers and ensure that the business is able to continue.

3. Research Method

This type of research is qualitative (Figure 2). Action research techniques (action research) are used in this study's methodology to help make task implementation more effective and efficient (Jaya, 2020). New activities are tested, developed, discovered, and created using this research methodology so that, when they are implemented, the process will be simpler, and quicker, and the results will be better and of higher quality (Jaya, 2020). Action research is practical research (or action determination) based on research. So, the chosen action has been proven through research. The results of action research are not like in traditional research, which



Figure 2: Action Research Model

only produces knowledge. Action research is a continuous cycle, namely: 1) planning, 2) taking action, 3) evaluating actions, and so on until effective and efficient actions can be found (Jaya, 2020). The second dimension of action research is that the researcher collaborates with the subject being studied, and the subject actively participates in the research cycle (Sugiyono, 2018).

The technique of collecting data is carried out in analyzing this research by using techniques in the form of interviews, observation, and documentation with several respondents of MSME actors during the COVID-19 pandemic through zoom meetings so that the facts disclosed and the results of this study can provide an objective picture of the situation that has been reported. In addition, the findings of this study are also useful in providing new interpretations of the resilience and sustainability of MSME businesses in the future of Indonesia. In summary, the steps in action research consist of identifying the research question, gathering the information to answer the question, analyzing and interpreting the information, and sharing the results with participants.

The researcher must define the issue and make it a concern for the subjects—MSME actors in this study—during the first stage, which is defining the research topic. It is crucial for academics to make sure that stakeholders value the topics they are studying and that they are not just of interest to them. With the attention of researchers or MSME actors, participants can formulate joint financial management problems so that each joint finance can understand the importance of solving these problems.

The participants start seeking information on the problems that have been identified in the second stage, which is the stage of obtaining the knowledge needed to respond to the question. The information in question may take the shape of financial data gleaned from interviews with the parties in question or, in the case of this study, owners or employees of MSMEs. Any data that investigators gather may be used to address issues or find solutions to issues that have been noted.

The third stage is analyzing and interpreting the information. Based on the information that has been obtained, then data processing is carried out. The purpose of this stage is to assess the intent of the results of data analysis and provide an explanation of the results that have been obtained. For data processing, this study requires the creation of a system, namely an accounting information system that adapts the characteristics of existing data and

the needs of information users, namely MSME actors. With a system made, data can be analyzed and then interpreted before finally making a decision.

The last stage is sharing the results with the participants. In this study, researchers must inform the results of their analysis to MSME actors both formally and informally. Researchers can provide reports from data analysis and provide direct explanations regarding these results. From these results, both researchers and SMEs can make a decision based on the available information. The purpose of this stage is to measure whether the results obtained are appropriate and can make changes according to what the participants expect.

4. Results

The implementation of research activities is divided into several stages. The following is an explanation of each stage that has been carried out.

4.1. Identification of Problems Related to the Implementation of Digital Marketing in MSMEs

There are still many MSME players in Indonesia who have not shifted their business strategies as a result of the COVID-19 pandemic, particularly when it comes to marketing using digital technology. This is because, before the COVID-19 pandemic, the learning process for digital marketing had not been implemented. As a result, when a pandemic event occurs, many MSME actors begin learning marketing using digital technology or digital marketing. Digital marketing facilitates sales promotion, such as the use of social media, which is widely used by marketers. Marketing through digital marketing will have a wider reach and lower costs. The availability of social media provides customers with a channel via which they can share information in the form of text, photographs, audio, and video with numerous parties, including both consumers and businesses (Kotler & Keller, 2011). Rapid technical advancements can help a business grow. One of them is attempting to dominate the industry by marketing its products through digital marketing (Hidayat et al., 2021; Thaichon et al., 2021). Basically, the concept of digital marketing is to utilize a wide area such as television, radio, and even the Internet where the media will provide infographics about the products marketed by the company. Digital marketing can reach all people anytime, in any way, anywhere (Dwivedi et al., 2021; Saura, 2021; Wohllebe et al., 2021). Of course, it is far superior to conventional marketing, which is limited in time, location, and user reach because it only promotes its products directly in stores (Kotler & Setiawan, 2017). From the results of interviews conducted on MSME Roti, found the results regarding the marketing business strategy are as follows.

“I need to be taught how to do digital marketing for this product, ma’am; I can’t. My background is only catering, and I also use my cell phone only for calls, so I don’t know how to sell products online properly. There was often counseling and assistance related to selling products online before the pandemic, but at that time, I didn’t care because I felt that selling products didn’t have to be online, but after this pandemic incident, I was confused about how to sell products without having to meet my customers face to face ma’am” (Rosah).

“I’m very aware that during this pandemic, if you don’t rely on IT technology, it’s difficult, I really want to learn, but what if I’m afraid if it’s complicated, I learn how to do it or not, sis, because if I have to click, click in front of my cellphone, oh my eyes, you’re old, you’re not too patient.” (Rosah)

“If you ask me if I want it to be easy to use IT facilities, miss, so what if I’m not a young person anymore and I’m not very tech-savvy, I want to use an easy application like that, that won’t be complicated if I have to use it later. (Rosah)

According to Rosah, there have actually been several events about how to learn to sell products online, but there hasn’t been any continuity up until now. This is known because business owners find it challenging to learn how to sell online, necessitating retraining to provide knowledge and teach them how to sell their products online and boost sales.

For MSME actors, Covid 19 offers a lot of homework (PR), not just for those who are eager to make money but also for those who are trying to survive in the face of the recession wave. One efficient method is to employ a digital marketing plan, which MSMEs still hardly ever employ. Twitter, Facebook, Instagram, YouTube, and other social media are frequently used. Additionally, markets like Gojek, Grab, or Shopee can be used in digital marketing. The aforesaid digital marketing media will continue to advance, necessitating that MSME actors understand it. According to the research, digital marketing significantly improves the sales performance of MSMEs and has a positive effect. Digital marketing will be the primary marketing strategy going forward, according to 70% of MSME firms who have employed it, with conventional retail outlets acting as a supplementary measure. This is due to how simple and effective digital marketing is in reaching more people. This assertion is also consistent with research that suggests MSME actors need to develop courage when trying new things, like digital marketing. This is imperative to continue to grow their businesses by setting up social media accounts and regularly promoting or collaborating with marketplaces so that they will be confident and improve their product

marketing inventiveness. An effort is made to sustain or boost sales turnover by making use of digital marketing to sell MSME products (Ruiz-Real et al., 2021).

When using social media as the foundation for digital marketing, care must be taken to adhere to marketing rules to get the best outcomes in attracting customers and facilitating transactions. The first step in beating the competition is to put in place a marketing plan that is ideal in terms of the quality, value, and competitiveness of the products it makes (Thaichon et al., 2021).

The following are some digital marketing strategies that Roti SMEs can use in using social media:

1. Interesting and interactive content Publication of product photos and videos on social media accounts intensively. Since the social media algorithm favors accounts with high traffic, publishing product videos and images frequently will help connect MSME actors with their target customers on social media. The use of social media is modified according to the product category held.
2. Using social media platforms that MSME actors may easily access, such as Facebook, Instagram, YouTube, Twitter, and Google AdSense. Even while using adverts (advertising) on social media takes some upfront money, the rewards are comparable to and sometimes exceed the cost of the advertising. This is so that customers may be more specifically reached through the usage of advertisements using the parameters that we have already established, starting with age, city of origin, occupation, gender, and even whose accounts are frequently visited by target consumers.
3. Create and release marketing product videos and then broadcast them through social media accounts or carry out live promotions of products sold so that they can be seen by consumers who follow the social media of MSME actors. This strategy, if done correctly and consistently, will have a positive effect on the business being run.
4. Include customers in the decision-making process when choosing the products to sell (type, color, model), and carry out effective social media outreach and education about the quality of the company’s products. Additionally, buyers will find things more easily if they employ imaginative language, hypnotic writing (hypnowriting/copywriting), and the proper hashtag (#). As a result, brand recognition will grow and may affect consumers’ decisions to purchase the goods they want.
5. Because of the rapid rise of e-commerce in Indonesia, people’s purchasing habits are shifting

toward electronic or online shopping, which creates new problems. As a result, a few years ago, a large number of retail stores in Indonesia ceased operations (Madahi & Sukati, 2016; Pan & Zinkhan, 2006). Content marketing must be the main focus of MSME actors considering the importance of content in social media, search engines, or marketplaces. Many MSME actors still do not understand the importance of content marketing that underlies digital marketing. Content is the basis of the strategy and is very important to create brand awareness and increase social media traffic.

6. The use of smartphones and mobile marketing is increasing constantly. As a result, MSME actors must generate marketing content for mobile applications after they have a significant number of loyal clients. Consumers' desired product features, information about promotions, or products themselves make up the marketing material of the mobile application. SMEs should therefore gradually construct websites and blogs.
7. Search results heavily depend on the integration of social media, digital marketing, and the content being presented. To capture social signals across digital media, Google built Google + with a variety of goals and advantages (Huynh, 2020). To ensure that marketing content is disseminated as effectively as possible, MSME actors must make sure that every digital marketing campaign reaches consumers across a range of integrated social media. The content of one social media with another social media has a relationship or uploads the same content, especially on Instagram, Facebook, and Twitter in a format that is adapted to the social media users. Electronic WOM and advertising through social media help market and attract consumers at lower prices and faster (Yamamoto et al., 2015).
8. Sustainable marketing, the use of digital marketing can create sustainable marketing. This is what MSME actors expect. The reality is that everything found online through social media, and searching through Google requires consistent SEO (search engine optimization), creating content and marketing so that everything is integrated into sustainable marketing that will continue to deliver results for MSMEs.
9. The usefulness of traditional media like newspapers and television, as well as targeted marketing, is diminished by the oversaturation of media consumers. When someone visits an online store once and then visits again, the website will know who the visitor is because there is a previous track record. This is possible with customized advertising on social media, e-commerce websites, emails, and websites that change to fit the ads, segments, and users for the benefit of consumers. Subsequent emails have been personalized and associated with the products consumers have visited when shopping online. The web will track user behavior by reading information from their browser histories and providing pertinent content. Big data technology, which is directly tied to digital marketing tactics, is driving this trend to improve the marketing efficiency of MSME businesses. MSME actors should research this so they may better position themselves throughout the pandemic period.
10. The advantages of using digital marketing for MSME actors The digital marketing strategy is considered a solution for MSME actors in facing competition in the pandemic era, this is because digital marketing has several advantages, namely:
 1. Able to connect producers and consumers through cyberspace. Digital marketing can connect without the need to meet face to face, even without the need to know who the consumer is. It is the digital track record that will store consumer data for further management by MSME actors.
 2. Generate a higher level of sales because the use of digital marketing further minimizes distance and time constraints. There is no need for consumers to spend time visiting the store; only with their fingers product purchases can be made right away.
 3. Compared to print, television, or radio advertising, digital marketing costs are far more cost-effective. Digital marketing can provide more benefits than employing advertising in traditional media due to more cost-effective methods.
 4. Real-time customer service is possible for vendors thanks to digital marketing (utilizing mobile technology to connect MSME actors with customers wherever they are). To service consumers, SMEs are not required to remain in one area or remain within the store.
 5. Produce a small profit over and above the expenses required for promotion. This is one of the main things that SMEs get from using digital marketing. Utilizing advertisements at low costs can result in many profits.
 6. Assisting MSME actors in stabilizing a brand's perception among consumers who perceive rival brands or others like them as competitors. This is important since the more people who utilize the Internet to buy a product, the more well-known the brand will be.

7. Enabling MSME actors to compete with big businesses without needing much money or space.
8. Giving MSME performers more options to market their items so they are known more widely and gain their niche in people's hearts

MSME actors who use digital marketing are expected to always learn and think openly about technology that continues to develop. Digital marketing users must consider the appropriate media and the right way of communicating the selected market segmentation so that digital marketing will be more effective and not misdirected. In addition to digital marketing, MSME actors must also pay attention to the quality of their products. The form of product quality improvement that can be done is quality control or QA (Quality Control), which is more detailed and ensures product cleanliness and safety. In addition, MSME players must adjust product resilience and packaging because the more sales there are, the more robustness and product packaging must be improved.

4.2. Formulation of Social Media-Based Business Strategy Model for MSMEs (AIDA MODEL)

Social media can be used to implement digital marketing tactics in the manner described above. Although small businesses frequently use social media, they are not always able to do so in a truly profitable way. However, small businesses are beginning to recognize the value of social media and other virtual channels in achieving business objectives and are gradually learning how to benefit from technology. Social media is mostly used only in their personal lives. Thus, social media cannot change the competitive position of small businesses and add value to customers. The use of social media is largely underestimated, it is not involved in a comprehensive strategic plan that includes management and marketing strategies. Given how little social media currently contributes to business growth and raising competitive capabilities, small firms actually demonstrate a very limited capacity to fully use its potential. The primary factor undoubtedly has to do with small firms' low technological expertise and knowledge of social media's potential. Due to the current circumstances, it is impossible to recruit individuals with the necessary technical expertise needed to manage social media and alter company practices to fully utilize social media. In addition, some small firms are adept at utilizing interactive media and social media, allowing them to fully benefit from social media adoption. This study provides important information about the relationship between social media in marketing strategies based on the perspective of marketers (micro, small and medium enterprises). The current situation shows that there

is an important relationship between the use of social media from a small business perspective, in relation to the services offered by social media for different marketing strategies (Chen, 2011; Christensen, 2018; Clavio & Kian, 2016; Tourani, 2022; Wirtz et al., 2021).

In this era of the covid pandemic, the industrial revolution 4.0 has entered, so marketers (micro, small and medium enterprises) see social media as one of the main tools for campaigning for their brand, identifying potential customers, and building relationships with loyal customers. Any business, including micro, small and medium enterprises, should consider social media as part of their marketing strategy because of the many advantages. This research will produce the characteristics and standard framework of marketing management that adopts social media marketing that can be utilized by micro, small and medium enterprises (MSMEs), which will be used as an ideal marketing reference for MSMEs. These guidelines for the use of social media will assist entrepreneurs or small businesses in using them appropriately for their business purposes which takes into account Indonesian cultural considerations in particular. In developing a social media marketing strategy, the AIDA model is used to show buyer behavior and build marketing actions that meet consumer desires. This model can be applied in several marketing fields. AIDA model is a formula intended in advertising and marketing to attract and influence potential customers to buy products / or services. AIDA is a marketing communication process used by marketers to build their target customers to make purchases or take desired actions. It begins with sending a communication message (usually through advertising) and ends with the purchase of the desired product or action. However, when considering the impact of social networks on contemporary marketing, it is necessary to add additional elements to the AIDA model to create a version of marketing that can be adopted in social media marketing, namely Attention, Interest, Desire, Action, and Tell (AIDAT), where the additional 'T' indicates that customers should be encouraged to 'tell someone about their product and experience'. AIDAT can be used by small businesses to build customer relationships in creating communities around them, to create close and sustainable relationships with their communities, keep in mind that without a good message, consumers will not be involved,

Marketing (marketing) is managing customer relationships to attract new customers by promising excellence and continuously improving customer satisfaction. When used in a broad sense, marketing is the social and managerial process by which people and organizations get what they need and want by creating and exchanging value with others. However, when used in a more specific sense, marketing refers to the process of developing lucrative, value-laden exchange relationships with clients. Marketing is described as the procedure used by small firms to provide customers with

value and develop lasting relationships with them to obtain value from them in return. The main purpose of marketing is to attract or get someone to buy goods or services.

Discussing the AIDA concept in Figure 3 and its relationship to the promotion mix, these components of the promotion mix have varying degrees of influence at each stage of the AIDA model. This model proposes that consumers respond to marketing messages in a cognitive (thinking), affective (feeling), and conative (doing) manner. The AIDA concept does not explain how all stages of promotion affect purchasing decisions. This model shows that promotion effectiveness can be measured in terms of consumer progress from one stage to the next. However, the order of stages in the model, as well as whether the consumer goes through all the steps, is much debated. Regardless of the sequence of stages or the development of consumers through each stage, the AIDA concept helps marketers by suggesting promotional strategies that plan to use the promotional mix, in the development of the AIDA concept marketing strategy. The model can be applied in several marketing fields and can also be applied to marketing strategies on social media. AIDA model is a formula intended in advertising and marketing to attract and influence potential customers to buy products / or services, AIDA is a marketing communication process used by marketers to build their target customers to make a purchase or take the desired action, starting with sending a communication message (usually through advertising) and ends with the purchase of the desired product or action.

The AIDA concept model is used in almost every commercial advertisement. The basic principles of this model were designed by Elias St. Elmo Lewis in the late 1800s. AIDA model stands for attention, interest, desire, and action

- a. **Attention:** The prospect's attention must be drawn before they make a buying decision. This decision can be built based on color, typography, sound, image, or the use of advertising stars (celebrities). Text can be used as well, and a good Slogan successfully attracts the attention of potential customers.



Figure 3: AIDA Model

- b. **Interest:** Building awareness of a brand that leads to sales; when a prospect's attention has been drawn to the product/service, the customer's interest will be piqued.
- c. **Desire:** Giving confidence to potential customers about the product or service being offered.
- d. **Action:** Some potential target market customers may have been convinced to buy the product or service but have not made the actual purchase. To motivate them to take action, marketers can provide additional stimulus, such as a special offer that will slightly entice customers to buy the product.

5. Conclusion

Based on research findings and the previously described debate, the conclusions drawn show that MSMEs' business strategy for coping with the COVID-19 pandemic is to engage in social media- or digital marketing, then innovate to appeal to consumers and meet the needs during the pandemic. This was done to maintain MSME businesses during the COVID-19 pandemic. Several recommendations were given based on the researchers' observations of MSME company strategies and innovations during the COVID-19 pandemic, including the necessity for an update to those strategies as a result of lifestyle changes that have an impact on consumers' purchasing power. Additionally, MSME product innovation during the COVID-19 pandemic can boost creativity.

The researcher realizes that there are still many shortcomings in writing, so it is hoped that further researchers can continue this research by testing product innovation experiments and business strategies on the performance of MSMEs after the COVID-19 pandemic.

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