

Local Business in Mid of Covid-19 Pandemic: A Prominent Case Study in Bandung, Indonesia

Velicia Ferren Widjaja

Entrepreneurship Department, BINUS Business School Undergraduate Program
Bina Nusantara University,
Jakarta, Indonesia 11480
velicia.widjaja@binus.ac.id

Rionaldi Budianto

Entrepreneurship Department, BINUS Business School Undergraduate Program
Bina Nusantara University,
Jakarta, Indonesia 11480
rionaldi.budianto@binus.ac.id

Doni Purnama Alamsyah

Entrepreneurship Department, BINUS Business School Undergraduate Program
Bina Nusantara University,
Jakarta, Indonesia 11480
doni.syah@binus.ac.id

Abstract

The Covid-19 pandemic that occurred in the world had an impact on various economic and social aspects. There are many ways and methods used by entrepreneurs to restore their business conditions. Considering the research phenomenon, this study examines the impact of the Covid-19 pandemic on society and businesses in Bandung. The research was conducted qualitatively with respondents who were controlled based on the adequacy of time and answers. Based on the study results, some information is identified, namely the negative and positive impacts of the Covid-19 pandemic on society and industries in Bandung, Indonesia. The community is more concerned with more beneficial social relationships and tries to discover alternative opportunities in managing the family economy. From the business side, there are alternative approaches from entrepreneurs that have been implemented so that business strategies are emerging based on the community's conditions.

Keywords

Business, Covid-19, Entrepreneur.

1. Introduction

Changes in human life have occurred during the last few months with the emergence of the Covid-19 virus (Toharudin et al., 2020). This virus attacks the respiratory tract light to moderate and has a massive impact on the whole world (Telaumbanua, 2020). Indonesia is one of the countries that is very shaken by the spread of the Covid-19 virus (Setyawan & Lestari, 2020). The beginning of this virus's spread was marked by two Depok City residents who tested positive for corona. Since then, the spread has become very fast and spread to many victims throughout Indonesia. This has led the Indonesian government to issue several policies that are considered useful in reducing its spread—starting with a regulation to close all schools and universities, workplaces, religious activities, and other activities involving public facilities. Then proceed with the imposition of Large-Scale Social Restrictions or what is commonly referred to as “PSBB”. This step is carried out in the hope that the public can realize how dangerous this virus is and can stop their activities outside the home for a while until the spread rate begins to decline until it returns to normal (Pujilestari, 2020). However, this strategy cannot be carried out for an extended period because most people have to

do their work outside the home and make ends meet (Abdullah, 2020). One example of a job that has been heavily impacted is the online motorcycle taxi business, where they do not get any wages because they must stay at home. As many as 1.5 million employees have to be laid off due to decreased income received by the company; they have to lay off or even fire some of their employees (Yanti et al., 2020). The bad impact made the achievements that have been achieved in 2019 regarding the poverty rate of 6.69%, which is categorized as a small number which must increase by 2.51% to 9.2%.

In 2020, many people experienced a sudden economic decline. Not only that, Indonesia's Human Development Index (HDI) has improved dramatically in 2018-2019 until it is in the 70s, which means that Indonesia's socio-economic achievements have begun to improve (Telaumbanua, 2020). But as is well known, the Covid-19 virus has increased the unemployment rate and decreased incomes of all types, so it is not surprising that Indonesia's HDI decreased to 45.3% in March 2020. Even though the government has begun to loosen the PSBB policy, the business sector has not yet fully recovered. People are still reluctant to travel outside the city or even abroad because this virus's spread is still not at a safe point (Abdullah, 2020). Businesses in the tourism sector, such as hotels, planes, tourist attractions, trains, travel, and other types of tourism businesses have felt the impact to date. Discussing the pandemic's impact on the Indonesian economy is also evident from inflation in March 2020 of 2.96%, marked by a quite drastic increase in food prices (Telaumbanua, 2020). In addition to the economic field, human behavior has experienced many changes; people have begun to minimize contact with other people, prefer to provide fresh and instant food at home. Many people buy health products on a large scale for home use, so they do not often leave the house (Setyawan & Lestari, 2020). This has a massive impact on the economy due to the changing behavior or patterns of human life during the pandemic. People often buy primary and secondary necessities online (Toharudin et al., 2020). Purchasing online has a considerable influence on the food and beverage business so that those who do not need to close their business (Alamsyah, Othman, & Mohammed, 2020; Hikmawati & Alamsyah, 2018; Setiadi et al., 2018).

The Covid-19 phenomenon provides lessons for all people to be able to adapt quickly to existing changes. Some business owners in the food and beverage sector, then delivery services, and several other business fields that can turn into online businesses, can survive (Setyawan & Lestari, 2020). The habits of the people concerned about health and hygiene provide opportunities for several business people and make it a business field (Toharudin et al., 2020). However, it is also unfortunate for some business sectors that cannot continue their business, such as wedding organizers, makeup artists, and factories, which have experienced a drastic decline and even closed their businesses. With all the above conditions, the impact of Covid-19 has had a profound impact on the economic sector in Indonesia, which has caused much paralysis in most business fields.

2. Literature Review

2.1. Entrepreneurship Development

Studying the development of the world economy today, many people have thoughts of opening their own business or business instead of working (Wright et al., 2002). This is due to the urge to create something and get a higher income (Benhabib et al., 2015). The business itself has a definition, namely the business of selling goods or services carried out by individuals, groups of people, or organizations to consumers with the primary objective of seeking profit (Alamsyah et al., 2019; Hikmawati & Alamsyah, 2018; Rezaei et al., 2014). Everyone can choose the type of business they want to run, be it an individual business, a partnership, a company, a cooperative, and many other types. Entrepreneurs take the roles also vary from manufacturing, services, retailers or distributors, agriculture and mining businesses, utilities, and transportation businesses (Zainol Ayadurai, S., 2011). After determining the things mentioned above, the first thing that must be done is to start a business with the current resources, considering that doing business can be done by all those interested in doing it (Rocha et al., 2016). The development of entrepreneurship in Indonesia continues to be encouraged by the government to support its economy (Sidiqqoh & Alamsyah, 2017).

2.2. Government Support on Entrepreneurship

With support and motivation from the government and the needs' demands, so many people have set up startups (Sidiqqoh & Alamsyah, 2017). It is alleged that Indonesia has seen a growth in the number of startups (Angraini et al., 2016). From 2014-2019 Indonesia created as many as 1307 startups; until now, Indonesia ranks number five globally with the highest number of startups, namely 2193 in 2019. This triggers economic growth in Indonesia and is proof that Indonesia can cope with global economic competition (Alamsyah, Othman, Bakri, et al., 2020; Fauziah et al., 2020; Setiadi et al., 2018). The Indonesian government highly appreciated this economic development until the 1000 startup movement launch to support the growth of new local startups. With this growth, many people are motivated and have begun to follow other startups that have achieved success (Alamsyah, Aryanto, Utama, et al.,

2020; Novari, 2020). However, this year's unexpected thing, namely the Covid-19 Pandemic, made business actors, both startups and startups, have to experience setbacks (Che Omar et al., 2020).

2.3. The Impact of the Covid-19 Pandemic in Indonesia

Covid-19 is part of a virus that causes disease in animals and humans (Kanu, 2020). In humans, it usually causes respiratory infections ranging from the common cold to severe diseases such as middle east respiratory syndrome and severe acute respiratory syndrome (Che Omar et al., 2020). This disease can paralyze many businesses, even large companies; this is due to the policy implemented by the government not to travel abroad and outside the city if it is not too important, avoiding contact with many people, stopping school, campus, and office activities as well as restriction policies Large-Scale Social (Setyawan & Lestari, 2020). To stop the spread of this virus, the government must implement these rules, but it worsens Indonesia's economic conditions.

The economic downturn's impact can also be seen with employment termination (PHK) carried out by the company (Pujilestari, 2020). Some of the business sectors that are badly affected are transportation and aviation, hotels, and tourism, which could experience a decline (Nugraheni et al., 2020). The decline in aviation on a global scale in 2020 experienced a decrease of 252 billion US dollars. Furthermore, as many as 217 tourist destinations implemented policies to prohibit mobility, including Indonesia (Listiani, 2020). Then for star hotels in Indonesia throughout March 2020, it reached an average of 32.24% or decreased by 16.98% compared to the previous months (Engkus et al., 2019). Therefore, the government began to allow people to move out of the house when needed. As usual, with activities that have begun to be carried out, the economic sector has improved. Business players' complaints have begun to decrease; however, they have not fully recovered; at least the business has started to experience growth.

3. Methods

In this quantitative study, several respondents used data collection techniques tailored to their needs (snowball). The research method used was a survey to entrepreneur (SMEs) in Bandung City, Indonesia. The samples that have been taken online with a total of 32 respondents randomly.

4. Results and Discussion

5.1 Respondent Profiles

After distributing questionnaires online to the respondents needed by the researcher, the following results were obtained.

Table 1. Respondent Profiles

Information		Percentage
Sex	Male	37.5%
	Female	62.5%
Position	Supervisor	0%
	Manager	0%
	Director	3.1%
	CEO	46.9%
	Others	50%
Criteria of Business	Fashion	31.3%
	Manufacture	3.1%
	F&B	50%
	Services	15.6%
Length of Business	1-3 Years	90.6%
	4-10 Years	3.1%
	11-20 Years	6.3%
	21-50 Years	0%

From the data in Table 1, most of our respondents are female. Many choose positions outside of supervisor, manager, director, and CEO from the many available position choices. The entrepreneurs who filled out this questionnaire were mostly engaged in the F&B business, with a percentage of 50%. Most respondents have established a business for 1-3 years from the data above, with a percentage of 90.6%.

5.2 The Impacts of Covid-19 on Business

Covid-19 is a virus that can be classified as deadly because it has claimed many lives in the world. This virus outbreak has spread throughout the world to be said to be a pandemic that has had an impact from the end of 2019 until now. The Covid-19 virus is invisible to the eye and has quite an alarming impact. These tiny living things that we cannot see have brought enormous losses to countries in the world (Abdullah, 2020). Many sectors are immediately paralyzed, such as the economy (Engkus et al., 2019). Covid-19 overwhelmed the medical world and made the business world experience a decline; many of them had to close their businesses due to lack of income, but some also experienced a drastic increase due to the Covid-19 pandemic.

Recognize the results of the distribution of the questionnaire above; it was found that as many as 81.3% of respondents felt that Covid-19 was disrupting their business, and 18.8% of respondents felt that their business was not disturbed by the presence of Covid-19. It can be concluded that most respondents were disturbed by Covid 19, and it hindered their business processes. After knowing the condition of respondents who were disturbed by the presence of Covid-19, the most affected element was financed with a percentage of 53.1%, the other element, namely human resources with a percentage of 28.1%, followed by marketing and production elements with the same percentage, namely 9.4%. Seeing the results in the first question that some respondents felt that Covid-19 did not interfere with their business, we asked the question, "Did the Covid-19 pandemic have a positive impact on your business?". The results showed that as many as 56.3% of respondents felt that there was no positive impact that Covid-19 had on their business, and as many as 43.8% of respondents felt that Covid-19 had a positive impact on their business. Respondents who felt that the existence of Covid-19 had a positive impact on their business answered the positive elements generated.

Tabel 1. Positive Impacts of Pandemic to Business

No.	Response of Respondent
1	Increase the product marketing sector online, which has never been done before
2	I can see that my business is still running and surviving the pandemic
3	With the onset of Covid 19, F&B businesses increased as more people bought food online
4	Fulfill market demand
5	The number of consumers increases
6	More people view and shop on online / e-commerce
7	Give a little free time to do product development
8	Increase the assets
9	People are more dependent on online food
10	More social media marketing upgrades
11	At the start of the pandemic, the level of demand jumped due to the increasingly consumptive behavior of the public in online shopping
12	More orders because home-based businesses are more
13	Lower marketing costs
14	F&B products sell better

From the answers above, it is known that as many as 14 respondents felt a positive impact from Covid-19 on their business. This positive impact was felt by most of the F&B businesses, which felt more crowded during the pandemic because more people were buying food and drinks online. Other respondents think that they can learn marketing techniques and strategies to improve their business while seeing their business's resilience in all situations. Not only that, but the respondents felt various things such as the increase in profitability that was felt by several business fields and the possibility that those who had food and beverage also felt the same way. Consumers in the business world are needed because they are the targets of our business, which is also very influential in Covid-19. Not only do they lose consumers, but some also feel an increase in consumers. Many businesspeople see gaps in the market, and they try to fill the existing market. Not only in the food and beverage sector, but apart from that, many home businesses have experienced an increase due to the more reliable hygiene provided by entrepreneurs. The most important thing is to provide time gaps for entrepreneurs to develop their products due to this pandemic. Online businesses in the current era are arguably quite developed. However, not many large companies in Indonesia are willing to go online, but after the Covid-19, many have entered the online world. There are many influences felt by respondents, such as online sales, increased dramatically. Many learn about online marketing and try to understand or even receive online marketing lessons to grow their business. This happens because many people shop online, so that inevitably entrepreneurs must understand online marketing and sales. Most entrepreneurs today feel that they do not need to pay large amounts of money in advancing their business because many costs are reduced. Even marketing or marketing

costs, which are usually always large, can be reduced so that there is no need to pay a large amount of money to raise the brand that is currently running. It can be said that online and pandemics have a massive impact in today's business world because it can be proven from respondents that online has a remarkable impact on running a business. We do not need to leave the house and do not need to have a building to start a business.

In some situations, Covid-19 can provide new business opportunities for some businesses. 37.5% of respondents chose "Yes," which indicates that there have been new business opportunities that have emerged since Covid-19. As many as 62.5% of respondents felt that no business opportunity emerged from the existence of Covid-19. A total of 12 respondents who answered "Yes" to the previous question answered that the most types of businesses that appeared during the Covid 19 period were F&B with a percentage of 16.7% then the other answers were like the F&B answer, namely food, consist of F&B, selling food, and frozen food. Then a different answer is selling masks with a percentage of 8.3%.

Regarding changes in habits and demands from the public for the current business, 53.1% of respondents make changes in business patterns related to business strategies. As many as 48.9% of respondents continue to use previous business strategies for their business. All respondents agreed that they were running businesses using online media during this pandemic. Nobody answered that they do not use online methods to run their business at this time. Online media widely used by respondents is social media, with a percentage of 93.8%, and other media chosen by respondents is e-commerce. It is sporadic to use a website as an online sales method in this era. Respondents have taken several steps in dealing with the Covid-19 pandemic, such as building their brand and focusing on their branding. Some offline businesses turned to online businesses, and some even changed their businesses, for example, switching to food and beverage midwives. Then there are so many who carry out promotions on a large scale, even to the point of giving discounts, free shipping, freebies, and other promos. Not only that, but the marketing they do is very intense currently. Some respondents also made innovations for their products, and some even continued to develop continuously during this pandemic period due to the time lag given by the market. The most important thing was to keep up with the developments at any time and still must adapt.

Respondents who changed their business strategies argued that the changed strategies were to shorten the time to achieve targets and make consumers believe in the brands they were using. The marketing strategy that was carried out changed, namely, to become online because the sales made were already online. Then increasing the stock than usual also does not require renting a place because there is no need for a store. Even now, we must focus more on following the current developments. Almost all of them responded to the change from offline stores to online, and some of the activities that were carried out went online by using e-commerce as a platform to increase their business profits. Then other respondents develop strategies to make design innovations to balance the current trend and demand. Most of the changes in business strategies made by respondents were for long-term changes, with a percentage of 62.5% and 37.5% for changing business strategies for the short term. With the existence of Covid-19, businesspeople are required to carry out the Health protocol recommended by the government, and all respondents answered that they had done the protocol.

6. Conclusion

The Covid-19 pandemic has dramatically changed the economic and social life of people in Indonesia. One of them is the impact felt by entrepreneurs in Indonesia who enter bankruptcy suddenly, but some have experienced an extraordinary increase. The Indonesian government has helped and made every effort aimed at boosting the country's economy. However, the Covid-19 pandemic has an impact from two sides, namely negative and positive; this needs to be addressed by the public and entrepreneurs to continue in its business. From the research results, it is said that some business entrepreneurs are still trying their best to maintain their business by following existing developments, such as most of them have turned online. They have followed the government's recommendations regarding the coronavirus protocol. Many have also changed their business type before they will experience enormous losses later, and the last, many innovations that emerged during this pandemic. All old and new entrepreneurs are trying to keep opening their businesses to fulfill their lives. However, it is not only the negative impact that businesspeople feel; they also find new business opportunities during a pandemic. As the study results, it was found that several business actors added their product variants or studied digital marketing strategies, which turned out to be able to develop their business and generate more profits than before. Also, several businesspeople change their marketing strategies or strategies in other company elements to adapt to the current situation and test their business resilience during the problems that occur. This research has limitations, as it is not discussed more broadly in Indonesian society and does not focus on new entrepreneurs. So, further research is suggested to examine the sample more broadly and focus on new entrepreneurs.

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