# Strategy For Competitive MSMEs In Makassar City

Sain Segar K. Sid<sup>1</sup>, Adrian Polim<sup>2</sup> <sup>1-2</sup> Universitas Muhammadiyah Luwuk *E-mail* : <u>saink.segar@gmail.com</u>, <u>umlbadrian@gmail.com</u>

Corresponding E-mail: <a href="mailto:segar@gmail.com">saink.segar@gmail.com</a>

Abstract The COVID-19 epidemic has crippled all parts of society, particularly the economy. This predicament necessitates creative and effective survival techniques, particularly for operating a firm in the middle of an economic crisis. The purpose of this study is to investigate how MSMEs in Gaddong Village, Bontoala District, Makassar, apply creative techniques and solutions to mitigate the effects of the Covid-19 epidemic. This phenomenological investigation employs qualitative methods. Researchers purposefully chose research informants, and data was obtained via semi-structured interviews and focus group discussions. Following communicative, argumentative, and ecological validation, data were analyzed thematically using an inductive model. The study's findings indicate that themes like as optimism, self-control, confidence in one's own talents, and a willingness to undergo self-transformation are qualities that reveal the potential to live in the new normal. MSME players' survival strategies have two key focuses: product enhancement and company digitization.

Keywords: New Normal, Survival Strategy, MSMEs.

## **INTRODUCTION**

OPEN

Micro, Small, and Medium Enterprises (MSMEs) dominate the community's economy; the influence on this group of economic operators leads the national economy to contract. According to the Ministry of Cooperatives and Small and Medium Enterprises (UKM), around 37,000 MSMEs reported negative consequences from the epidemic. They reported a 56% drop in revenue, 22% financial challenges, 15% distribution issues, and 4% trouble obtaining raw supplies (Polim, 2021).

The preceding description of the national economic effect also applies to the local scale, particularly for MSME actors processing seafood in Gaddong Village, Bontoala District, Makassar. Based on this description, the primary issue raised in this study is how to characterize the survival strategy of marine product processing MSMEs in Gaddong Village, Bontoala District, Makassar in the new normal period. The survival strategy itself assumes the psychological capability of business players. This psychological ability is referred to as resilience. So, the primary issue that has arisen is how to define the resilience of MSME actors.

When seen via its purpose, resilience serves to protect a person from a variety of losses. This may be accomplished by examining and modifying one's attitude to be more positive, as well as enhancing one's capacity to govern one's own life, so that the person in question can remain comfortable even when confronted with varied life circumstances. A resilient

Received November 10, 2023; Revised Desember 01, 2023; Accepted Desember 31, 2023 \* Sain Segar K. Sid; <u>saink.segar@gmail.com</u>

#### STRATEGY FOR COMPETITIVE MSMEs IN MAKASSAR CITY

individual will utilize resources from inside to overcome any current problems. Aside from that, resilient people will be able to recover to a healthy state even when confronted with a variety of situations, including significant or traumatic issues. From a different perspective, resilience may help you obtain deeper and more meaningful life experiences while also committing to new learning and activities. Individuals with these traits can accomplish three things well: detect hazards accurately, comprehend their existence, and find meaning and purpose in their life (Polim, 2012). When resilience studies are seen as a dynamic process, a person's protective and risk variables have a significant impact. Protective factors are defined as healthy skills and abilities that individuals control and that drive the formation of resilience, whereas risk factors are defined as things that increase the possibility of problems leading to more serious conditions or that increase the maintenance of a condition. problem (Polim, 2020).

Studies on resilience in human economic behavior have already started. Economic studies show that individual resilience is important for business players. Resilient business actors can withstand a variety of economic shocks. Resilient business actors will be more resilient and capable of adapting to numerous changes that may occur, as well as drawing lessons from prior triumphs and/or failures and applying them to present issues.

## METHOD

This study takes a qualitative approach to investigating the survival tactics used by corporate players in the new normal age. The participants in this research were MSMEs that processed seafood in Gadong-Bontoala, Makassar. Informants for this study will be chosen purposefully (based on predetermined criteria) with the following considerations: have items that are suitable for the issue being examined. He was able to convey his experiences.

This study uses primary data. This information was gathered via semi-structured, in-depth interviews. Interview methods were chosen since this study is dependent on self-reports and personal views. This allows for a more in-depth understanding of the informant while analyzing the context and events that occur. Aside from that, this study will use observation methodologies. In participant observation, the researcher becomes immersed in the everyday situations of the informant or person being watched.

## **RESULTS AND DISCUSSION**

SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) is used to assist

MSMEs develop survival strategies in the new normal period. SWOT analysis is a sort of scenario analysis that methodically discovers many elements connected to a company's strengths and weaknesses, as well as opportunities or threats from its surroundings. The analytical results serve as a foundation for developing future strategies.

## Strength

Because of their proximity to the shore, these small industrial operators have access to an abundance of marine resources, making raw materials for processing simple to get. The items produced are characteristic in nature, such as sea cucumber crackers, eggplant crackers, fish skin crackers, lorjuk, shrimp, and dried fish. Makassar's most popular souvenirs are its crackers and processed fish. Aside from that, this area is near to the Kenjeran Park or Kenpark tourist attraction, which is being supported by road upgrades, thus it is becoming increasingly well-known. Because these resources are so easy to access, selling prices are low, and many buyers return to buy.

## Weakness

These industry players not only have strengths, but also flaws. The public stigma associated with the Kenjeran area is that it is unclean, which makes this site less appealing. The true result of this is that consumers choose to purchase processed seafood goods from souvenir shops, despite the fact that the products supplied there are sourced from MSMEs in the Kenjeran area.

#### **Opportunity**

The potential discovered is the capacity of these MSME firms to compete on product quality and pricing. As a result, resellers throughout the city and beyond have new options. With changes in customer behavior, internet sales are growing. The capacity to use technical improvements to sell items using a digital marketing concept while also simplifying the payment process is an opportunity that should be taken advantage of so that MSME companies do not rely only on traditional marketing and payment models.

## Threat

Product resemblance, or even similarity, is one of the most significant challenges to MSMEs in Gaddong, Bontoala, and Makassar. Existing MSMEs develop and sell identical items,

### STRATEGY FOR COMPETITIVE MSMEs IN MAKASSAR CITY

creating competition for MSME companies to innovate products and services. This rivalry arises not only among MSME actors in the region, but also from coastal areas nearby to the results of this study. The outcomes of this study indicate that MSME actors handling seafood are resilient persons. This is seen in their battle to overcome challenges, their families, and the community in which the informant resides.

MSME players are also not reacting. They strive to understand the problem before taking action. These MSME players continue to seek solutions based on their talents and competencies in order to escape the economic pinch. The interview snippet below exemplifies this.

"We are quite cautious. We have several challenges, particularly in sales. Sometimes there are ideas, but we still think about them; we do not just take the advise. The key factor is that family issues have been handled (Group FGD Results).

Based on the characteristics provided above, the researcher judged that the MSME actors included in this study were resilient. Even if their personal resilience is not completely realized (just optimism, self-efficacy, impulse control, and transformational behavior), several signs described by researchers demonstrate that they are persons capable of overcoming obstacles to lead to a better life.

Overview of the Survival Strategy of Small Sea Products Processing Industry Actors in Gadong, Bontoala, and Makassar The survival tactics used by small-scale fish sector participants in Gaddong may be divided into different stages. The first stage is to enhance the goods and institutions. This product and institutional strengthening activity is divided into several parts, including product innovation, strengthening product uniqueness, product packaging and label improvements, managing business legality, which includes applying for a business registration number followed by applying for permits intended for specific types of food, or PIRT (Home Industrial Food Production Certificate), and halal certification. Aside from family, this assistance comes from business groupings (associations).

When there is information on activities aimed at strengthening MSMEs, MSME actors frequently recall and ask one another to participate in them. This business group's cornerstone is information obtained via "word of mouth" and followed by passion to persuade others to participate (involve) in the events being organized. If a member is hesitant to join in an activity, other members of the community will generally approach them and encourage them to do so. If a member's attempts are unsuccessful, an elder member of the community will often step in to ask a person who lacks confidence to participate in an activity.

So far, this pattern remains successful. The following are the findings from interviews with research informants: "If some members do not participate, the nearest members will generally come over and inquire why. Usually, the members are flirting, so you must engage in. If it becomes trapped, generally the tuwek arrives. Following that, the individual often continues to participate" (Informant Interview Results). Based on the above findings, the following is a summary (schematically) of study findings that explore individual resilience and survival strategies in the new normal age among MSMEs processing seafood in Kel. Gadong, District. Bontoala, Makassar, coming out of a business position full of surprises, or even a really unfavorable situation, presupposes the individual's capacity to adapt to the circumstances. In such scenario, the idea of resilience becomes vital. This study concretized the knowledge presented in the preceding theoretical discussion.

These seafood-processed MSMEs' survival strategy (which manifests in two big themes, namely product-institutional strengthening and business digitalization) is closely related to individual resilience (which manifests in four themes, namely optimism, impulse control, self-efficacy, and transformative behavior). The importance of resilience in business, as underlined above, is consistent with Kurhayadi's (2022) study, which indicates that resilience in business is an indicator of how economic structures can survive and adapt.

This study's findings on the transformation of company digitalization as a survival strategy are supported by numerous further investigations. Bachtiar (2022) conducts study to learn (descriptively) about small company survival tactics throughout the epidemic. According to the findings of this study, the most effective method for sustaining small enterprises is to leverage the internet and social media platforms. However, the application of technology necessitates significant expenses and the availability of human resources in the area of information technology.

In the present new normal period, internet media is seen as an alternate answer. Informants in this study utilized four different online media platforms: WhatsApp for Business, Instagram, Tokopedia, and Shopee. The informant's efforts were bolstered by Polim's (2022) study, which investigated how businesses survive in a pandemic scenario and discovered that the usage of social media, such as Instagram or WhatsApp, may improve marketing. Malik et al. (2022) discovered marketing optimization in their study of the utilization of Tokopedia features as advertising medium for PT. HanaN Food Taste.

It was discovered that various Tokopedia characteristics are in line with the company's goals and demands for spreading news to the public. These results (concerning the usefulness

of Tokopedia) are also seen in other media features utilized by study informants.

The digital payment system will facilitate MSME transactions with customers, particularly those conducted online. The adoption of digital payments will help broaden the marketing reach of processed marine MSME goods, particularly among customers outside of the area. Research informants are familiar with digital payments such as OVO, QRIS, GoPay, and ShopeePay.

## CONCLUSION

This study reached numerous conclusions based on the varied findings and outcomes of the preceding section's talks. The first finding was that there was a tight association (for MSMEs processing seafood) between company survival strategies in the new normal age and individual resilience. Second, individual resilience is shown in themes such as optimism, the capacity to exercise self-control, confidence in one's talents (their abilities), and the readiness to undergo personal development. Third, the survival strategy of small-scale marine product industry players is manifested in two major themes: product and institutional strengthening (containing the themes: packaging, labeling, processing of Business Identification Numbers or NIB, processing of Food Production Certificates - Home Industry Ladder or PIRT, and halal certification or halal label) and business digitalization (digital marketing strategy or digital marketing and financial technology)

Researchers made many recommendations based on the findings of this study. The first is the need for ongoing efforts from all parties to enhance individual resilience among MSME players processing seafood, so that they can survive in the face of uncertainty and other types of economic shocks. Second, there is a need to do quantitative and descriptive research on the role of individual resilience in survival strategies among MSME players processing marine goods. We believe that the findings of this research would pique readers' interest in establishing resilience in MSMEs so that they may survive in today's diverse disruptive environments.

#### REFERENCES

Akhmad, A., Khalid, I., & Asdar, A. (2023). Strategy for Development of Micro, Small and Medium Enterprises in Gowa Regency, Indonesia. *European Journal of Development Studies*, 3(5), 7-15.

Fitriany, F., & Abidin, Z. (2018). Analysis of Strategic Factors Affecting the Success of Small

Enterprises in South Sulawesi. KINERJA, 22(2), 113-125.

- Hernita, H., Surya, B., Perwira, I., Abubakar, H., & Idris, M. (2021). Economic business sustainability and strengthening human resource capacity based on increasing the productivity of small and medium enterprises (SMES) in Makassar city, Indonesia. *Sustainability*, *13*(6), 3177.
- Kurniawan, A. W., Syahribulan, S., Azis, M., Anshari, A., & Sahabuddin, R. (2021). The Influence of Entrepreneurs through Business Performance Competitive Advantage of the Small and Medium Enterprises Sector in Makassar City. *PSYCHOLOGY AND EDUCATION*, 58(5), 7699-7712.
- Nohong, M., Sanusi, A., Nurqamar, I. F., & Harun, S. (2018). Strategic model in increasing the SMEs competitive advantage in south Sulawesi. *Bisnis & Birokrasi*, 25(2), 57-65.
- Nur, A. C., & Niswaty, R. (2020). Local Government Strategies in Developing Entrepreneurship by Empowering Small and Medium Enterprises Based Online in Makassar City, South Sulawesi, Indonesia.
- Rahman, Z. (2016). The difficulties faced by micro and small enterprises in the formal market access: The case in small and micro enterprises in the cities of Makassar and Kabupaten Gowa south Sulawesi. *Journal of Humanity*, *4*(1), 92-103.
- Remmang, H., Baharuddin, S. M., Hasanuddin, A., & Hasanuddin, A. (2023). Empowerment of Micro, Small, and Medium Enterprises in South Sulawesi through Participatory Economic Transformation (Case Study: Makassar City). *Journal of Public Administration and Government*, 5(3), 325-338.
- Sabban, Y. A., Sanusi, A., & Supriadi, B. (2022). The Role of Human and Organizational Capital in Small and Medium-Sized Entities in the City of Makassar. *Cross Current Int J Econ Manag Media Stud*, 4(5), 105-110.
- Sastradipraja, C. K., Sid, S. S. K., & Kom, S. K. M. (2022). *E-Niaga: Konsep Dasar dan Teknologi Pendukung*. Kaizen Media Publishing.
- Segar K, S. (2010). Perancangan Sistem Penjualan Tiket Bis PO Kramat Djati Sulawesi Tengah (Doctoral dissertation, Universitas Komputer Indonesia).
- Segar, S. (2020). Perancangan Arsitektur Teknologi Informasi Rumah Sakit Dengan TOGAF (The Open Architecture Framework).
- Wijaya, S., & Segar, S. (2009). SISTEM PENGOLAHAN DATA PERSEDIAAN BARANG DI GENERAL MOTORCYCLE.
- Yusuf, M., Surya, B., Menne, F., Ruslan, M., Suriani, S., & Iskandar, I. (2022). Business Agility and Competitive Advantage of SMEs in Makassar City, Indonesia. *Sustainability*, 15(1), 627.
- Zaini, A. (2023). BUSINESS STRATEGIES AND INNOVATION ON COMPETITIVE ADVANTAGE OF SMEs. *Journal of Accounting Issues*, 2(2), 163-170.