DIGITAL PLATFORMS FOR SMALL AND MEDIUM-SIZED ENTERPRISES: SOME PRACTICAL IMPLICATIONS

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ABSTRACT: This study generally describes the usefulness of digital platforms for small and medium-sized micro-enterprises in Makassar city. This research was carried out by the SMEs sector of Makassar City with Snowball Sampling techniques. Data collection methods are observation methods, in-depth interview methods, and documentation. This qualitative study uses a triangulation model that combines interview and observation methods for small and medium-sized micro-enterprises. The results prove that digital platforms make it easier for SME players to provide information and interact directly with consumers, expand market reach, and increase awareness and sales for SMEs.

Keywords: Digital Platform; SMEs; Qualitative; Usefulness; SWOT

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INTRODUCTION

The development of the digital backbone is critical as the latest technological advances and the industrial era 4.0 continues. Moreover, the government targets Indonesia to become the country with the most prominent digital economy in ASEAN by 2020. Data in 2019 released by wearesocial.com explained that of the total population of Indonesia of 268.2 million, there are about 355.5 million or 133% of mobile phones used by the public. Other results mention the use of mobile phones or smartphones reaches about 90%, while the use of computers or laptops is only about 20%. The same thing is also conveyed about using digital platforms, especially for e-commerce activities, namely online buying and selling transactions carried out more 76% with mobile phones than computers which are only 37%. This opportunity needs to be utilized by small and medium-sized micro enterprises (SMEs), especially if they want to access the international market comparable to potential rivals.

The number of SMEs in Indonesia is quite large, estimated at 50 million merchants with extensive absorptions of local workers, leading to unemployment reductions (Abel et al., 2014). They will need information technology to grow and compete in the digital era. In one condition, they find it challenging to get the right information technology solution because they are still reasonably small to access the dynamics of the information technology field (Buhalis et al., 2019). The large variety of technological products makes them confused about choosing the right solution. Therefore, they need guidance in selecting the right information technology for their business and needs accordingly.

Digital platforms provide a variety of conveniences that conventional marketing does not have. They are accessible in a convenient means. They present various types of information technology-based marketing media with potential need-based designs (Falgenti & Pahlevi, 2013; Vikasari, 2018). Previous studies reveal websites and social media as the most common uses (Adriani et al., 2019; Chairul Basrun Umanailo et al., 2019; Komalasari et al., 2020). Some studies point to their service under the administrative region (Purwana & Suhud, 2017; Kasmawi et al., 2019; Samsudin & Muslihudin, 2018). These efforts serve as the communication strategy to reach the intended market share and access potential sales increases (Pradiani, 2018).

This study attempts to present different perspectives from business organizations using information technology-based marketing media for products. This research aims to identify the potentialities of local SMEs in advancing the business for business owners to provide a unique window of virtual channels. Successfully maintaining good business may present from the new business models in the digital world effectively and efficiently. This study focused on the presentation of new business vendors in Makassar upon using digital platforms by qualitatively utilizing their in-depth responses and presenting the synthesis of the findings. Further discussions also link the previous research conversations and potential implications in adapting the business model from several SMEs.
THEORETICAL REVIEW

Consumer Behavior

Consumer behavior means understanding "why and what consumers do" (Resa & Andjarwati, 2019). They suggest that the study of consumer behavior is a study of how an individual makes decisions to allocate available resources (time, money, effort, and energy). From that understanding, two essential things can be specified, namely: (1) physical activity and (2) a decision-making process (Xiang et al., 2015). Based on some of the definitions mentioned above, it can be concluded that consumer behavior is all activities, actions, and psychological processes that drive such actions at the moment before buying, using, or spending products and services after doing the above or evaluating activities (Kashyap & Iyer, 2009). The characteristics of rational consumer behavior are 1). Consumers choose goods based on their needs. 2). The goods chosen by the consumer provide optimal benefits or uses for the consumer. 3). Consumers choose goods whose quality is guaranteed. 4). Consumers choose goods whose price is according to their ability or purchasing power. In a contrary, irrational consumers may emerge from some notable traits (Juliusson et al., 2005; Sayim & Rahman, 2015). Firstly, consumers are quickly interested in advertising or promotion in print and electronic media. Secondly, consumers have branded goods that are well known or widely known. Lastly, consumers choose goods not based on their needs but on prestige.

Digital Competence

Digital competence is the ability that involves technology and digital in society confidently and critically to support work, daily activities, and communication. It is supported by the basic skills of technology, information, and communication (Ferrari et al., 2013). Meanwhile, according to other research, digital competence consists of technical ability, implementing technology and digital to support all life activities, having a critical attitude to existing digital technology, and having a tendency to contribute and commit to digital culture (Ilomäki et al., 2016). In the end, business actors who have adequate digital competence have an essential impact on the company’s competitiveness and have the potential to increase business (Zhang et al., 2015).

Social Media

Haenlein and Kaplan (2019) define social media as a group of Internet-based applications built on the ideological and technological foundations of Web 2.0 and enabling the creation and exchange of user-generated content. It has various forms, including social networks, internet forums, weblogs, blogs, microblogging, wikis, podcasts, images, videos, ratings, and bookmarking. According to Haenlein and Kaplan (2019), there are six types of social media: collaboration projects (e.g., Wikipedia), blogs and microblogs (e.g., Twitter), community content (e.g., youtube), social networking sites (e.g., Facebook, Instagram), virtual games (e.g., the world of warcraft), and virtual social (e.g., second life).
Social networking is a site where anyone can create a personal web page, then connect with friends to share information and communicate. The largest social networks include Facebook, Myspace, TikTok, Twitter, and Instagram. If traditional media uses print and broadcast media, social media uses the internet. Social media invites anyone interested in participating by contributing and feedback openly, commenting, and sharing information in a fast and unlimited time.

Small and Medium Enterprises

Micro, small and medium enterprises (SMEs) are at least based on three reasons. First, SMEs absorb much labor and dominate the number of business units (Cooper & Park, 2008). The tendency to absorb labor generally makes many SMEs also intensive in using local natural resources (Zallé, 2019). Moreover, the growth of SMEs will positively impact income distribution and economic development in the mostly-neglected areas in economic development (Dahliah et al., 2020; Shen et al., 2017). Regarding policy, SMEs need attention because they provide income for most Indonesian workforce and spearhead poverty alleviation efforts. In general, the goal or goal to be achieved is the realization of resilient and independent Micro, Small, and Medium Enterprises (SMEs) that have high competitiveness and play a significant role in the production and distribution of necessities, raw materials, and in capital to face free competition (Moen et al., 2018). In the perspective of its development, Micro Small and Medium Enterprises (SMEs) are the business group with the most significant number in the societies representing livelihood activities, micro-enterprises, small dynamic enterprises, and fast-moving enterprises.

METHODOLOGY

The approach used in this study is phenomenology. Sweetman et al. (2010) explain it as a research strategy in which researchers identify the nature of human life experience about a particular phenomenon. The location in this study is in the city of Makassar, in the SME sector. This study used qualitative methods with triangulation models, which combine interview and observation methods for SME actors. Qualitative research aims to obtain a complete picture of the research object according to the studied thing. Qualitative research is related to the perception or opinion of the person being investigated and cannot be measured by numbers.

Criteria that can be used in selecting informants in phenomenological research include the experience directly situations or events related to the research topic (Abdurahim et al., 2015). There are seven informants in this study using snowball sampling. The goal is to obtain a description from the point of view of the main person, a) The informant can re-describe the phenomenon that has been experienced, especially in its nature and meaning, b) willing to engage in research activities that may take a long time, c) willing to be interviewed and recorded during the interview or the research and d) Giving consent to publish the results of the research.
The research focuses on how to use digital platforms in the SME sector in Makassar City to track problems while limiting studies in research. The primary data source of this study is direct data collected by researchers from the source (directly from informants) who have the information or data. In comparison, the secondary data source of this study is the results of literature searches on data related to consumption theories. The type of data used in this study is field data. Field data is data retrieved directly in the field. In addition, of course, to library data. The data collection technique in this study is to use interview, observation, and documentation techniques. An interview is a meeting between two people to exchange information and ideas through questions and answers to contribute meaning to a particular topic. Observation is a data collection technique that produces data in the form of records written by researchers directly from informants who are undergraduate students of Indonesian Muslim Universities.

In contrast, the documentation technique records the events that passed in the form of writing, drawings, or monumental works of a person. A qualitative data analysis techniques, according to Creswell et al. (2010), as applied in this study, are a) Processing and preparing data for analysis, first steps such as: preparing translation, or field data, b) Reading the entire data, c) Analyzing more detail by coding data, coding is the process of processing materials/information into segments before understanding it (Rossman and Rallis, 2016), d) Apply coding to describe settings, category people, and related themes, e) Show descriptions and themes are presented again in qualitative narratives/reports and f) Interpret or interpret data. Creswell et al. (2007) explain that qualitative reliability indicates that the approach used by researchers is consistent when
applied by other researchers to different projects. Furthermore, this study checks the validity by checking the accuracy of research results from triangulation steps.

RESULTS

The interviews with informants focus on the SMEs in the city of Makassar. Digital platforms develop as needed, especially in marketing, where social media and marketplaces provide convenience for SME players, especially within market reach. Of the 7 SMEs who became informants in this study from various industry categories, the actors stated that using digital platforms helped them online. As a result of interviews of each informant, it can be concluded that each informant, as described above, has their own experience using the Digital platform to market their products. The digital platform can potentially help SME players in selling their products.

Table 1. Informants categories

<table>
<thead>
<tr>
<th>Business name</th>
<th>Owner Name</th>
<th>Location of Sale</th>
<th>Type of Business</th>
<th>Sosmed Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robocoffee</td>
<td>Muh. Irdan adi Putra</td>
<td>Urip sumoharjo</td>
<td>Culinary</td>
<td>Robocoffee07</td>
</tr>
<tr>
<td>Fatea</td>
<td>Isryad Adi Putra</td>
<td>Pajaiang Street</td>
<td>Culinary</td>
<td>Fatea_id</td>
</tr>
<tr>
<td>Black White Coffee</td>
<td>Arfan</td>
<td>Pioneer of Independence Street</td>
<td>Culinary</td>
<td>Blackwhitecoffee</td>
</tr>
<tr>
<td>HAN Wokulawesi</td>
<td>Iswanda Muhammad Akbar Mubarok Sukri</td>
<td>Parumpa Street</td>
<td>Culinary</td>
<td>HANUPG Wokulawesi</td>
</tr>
<tr>
<td>Kam-sia Boba Pajaiang Brother Foodie</td>
<td>Ilham Maulana</td>
<td>Beautiful Sudiang Park Street</td>
<td>Culinary</td>
<td>Kamsia.boba.mks Brother_foodie</td>
</tr>
</tbody>
</table>

Digital platforms are also available ranging from instant messaging to social networking sites that offer users to interact, relate, and communicate with each other. This Digital platform initiates and circulates information online about the user experience in consumer products or brands through social networks. These digital platforms are Facebook, Instagram, and TikTok, providing information and interaction space with consumers.

Product Marketing in Digital Platform

Muh. Irdan Adi Putra describes using digital platforms to introduce his products through social media, one of which is Instagram (interviewed on March 15, 2021). In addition, Isryad Adi Putra (Fatea) states that Digital Platform is instrumental for him for the online or offline order offerings may expand his market (Interview March 15, 2021). Moreover, it is more comfortable to get promoted even when the people are not present, as they can still access our product through a digital platform (Adapted Interview from Arfan; March 15, 2021). Iswanda (the owner of HAN) mentioned the effectiveness of marketing
products through the digital medium because of the GAP obtained by business actors (Interview March 15, 2021). Ilham Maulana (The owner of Brother Foodie) mentioned that he initially introduced his social media to close friends and asked for help to market his products on social media (Interview, March 15, 2021). This statement supported the statement of Sukri (the owner of Kamsia Boba) regarding the excellent results by differentiation before using the digital platform are evident (Interview March 15, 2021). Moreover, social media positively impacts product images easily reach the target market (Owner of Wokulawesi; adapted interview March 15, 2021).

The Ease of Market Identification in Digital Platforms

The interview with the owner of Fatea reveals that the ease of remote access of digital platforms conveniently attracts most entrepreneurs (March 15, 2021). Arfan, the owner of Black White Coffee, states that more partners can be more familiar with digital platforms such as Instagram. Another informant (the owner of HAN) said that using digital platforms to market the products is very easy to combine with easier access. It supported the opinion of Ilham Maulana (the owner of Brother Foodie) that easy collaboration with Grab Food to market the products may result from better connections (March 15, 2021). Muhammad Akbar Mubarok (Wokulawesi) reveals that the majority is easier to get business connections by building partnerships from product promotion through social media accounts.

The Advantages of Digital Platforms

Muh. Irdan Adi Putra (the owner of Robbocoffe) stated that the functionality to market his product or even further development is highly leveraged. Irsyad Adi Putra (interviewed on March 15, 2021) reveals the benefits of 20% of the buyers coming from digital platforms. Furthermore, Arfan (the owner of Black White Coffee) pointed to the potential difficulties of not employing digital means (interviewed on March 15, 2021). They believe in the superiority of digital platforms. Sukri (the owner of Kamsia Boba Pajaiang) adds that the product market can be managed by the structures of consumers’ age and preferences comparable to traditional methods, e.g., banners, billboard advertising, or newspaper promotions. Further comments reveal the potentiality of the food industry that may create a more robust appetite from the potential buyers even when they initially do not tend to consume a product.

New Idea Generation for the Business

The owner (Robbocoffe) stated that new efforts and ideas emerge from collaboration with grab and gojek and then submitting proposals (interviewed on March 15, 2021). Other entrepreneurs exploit the uses of ride-hailing applications to launch new-product or menus. This fact may create the minimum prerequisite conditions for new product presentations; however, it might be short of a clear explanation of the fresh offerings. Iswanda, the owner of HAN, employs
the review as an effective means to evaluate the newly-launched products (interviewed on March 15, 2021). Another case to acquire fresh ideas emerges from the creative quizzes on digital platforms with a gimmick of free drinks to consumers to attract loyalties, retention, word-of-mouth, and potential feedback. These interviews and discussions of each informant concluded that new idea generation is a critical strategy that can be executed by utilizing social media with extensive promotions and giveaways to potential consumers.

DISCUSSION

The interview results showed increased consumer interaction, convenience, and cost savings using digital means. They could save on promotional costs and are constantly updated in information. Digital platforms that present various types of information technology-based marketing media for products specifically produced by SMEs have been designed and developed (Falgenti & Pahlevi, 2013; Vikasari, 2018). Several previous studies such as those (Adriani et al., 2019; Chairul Basrun Umanailo et al., 2019; Komalasari et al., 2020) put forward the design of digital platforms for marketing SME products based on websites and social media.

The results of interviews and discussions of each informant above can conclude that digital platforms provide the convenience of cooperating with partners on the digital platform because of the comprehensive coverage, fast connection, and the availability of images and videos that can visualize products or display supporting presentations. Research also designs digital platforms for SMEs per the administrative region (Purwana & Suhud, 2017; Kasmawi et al., 2019; Samsudin & Muslihudin, 2018). Haenlein & Kaplan (2019) define social media as a group of Internet-based applications built on the ideological and technological foundations of Web 2.0 and enabling the creation and exchange of user-generated content.

The informants experience an increase in turnover, and the public better knows the products they market because of the large number of people who access social networks anytime and anywhere. They can access computers and mobile phones with a very effective and efficient marketing communication medium. Resa and Andjarwati (2019) suggest that the study of consumer behavior is a study of how an individual makes decisions to allocate available resources (time, money, effort, and energy). The interviews and discussions concluded that the 7 SME informants in Makassar City are included in the Livelihood Activities classification from the informal sector.

The findings of this study can be understood that SMEs, which generally have small business sizes, make their capacity to behave unethically, not as large as large companies (Spence, 1999). Knowledge's role may serve as the basis for creating competitive advantage as supported by the resource-based view theory (Grant, 1996). The knowledge-based view is an essential element in encouraging
the creation of organizations with dynamic capabilities, whereby the organization takes on the role of a container for the application of the knowledge collection of its members (Spender, 1996). The form of knowledge and its application is very diverse, both in large and small companies. This study seeks to investigate the role of knowledge at the level of Small-Medium-Enterprises (SMEs) as one of the main drivers of organizational progress. Small businesses that rely on entrepreneurial activities are organizations that heavily rely on creative survival (Ko & Wiklund, 2016; Wiklund & Shepherd, 2003). As a supporter of the economy, micro, small and medium enterprises should be empowered to improve the quality of economic growth and are expected to be a solution to economic inequality.

FURTHER STUDY

Based on the study results, it was concluded that SMEs in Makassar City have used digital platforms such as Facebook, Instagram, and marketplaces well and experienced an increase in consumer interest. The SMEs can use influential digital media if carried out optimally regarding the length of time of promotion and development in marketing strategies. Future studies may improve by putting the digital aspect into governmental decision-making. This action can explain the level of absorption in the policy sector to accommodate digital needs. Potential endeavors may also investigate from the perspective of the varied demographic structures. They may be from different genders, the position in the family, educational levels, political tendencies, and other fruitful avenues. We leave this to future research avenues.

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