



STRATEGY OF SMEs IN FACING MARKET NEEDS IN THE COVID-19 PANDEMIC ERA (CULINARY SMEs IN MAKASSAR CITY)

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Abstract

Research purposes; (1) Analyzing descriptively the strategies of SMEs in the culinary field using e-commerce, digital marketing, customer relationship marketing and market needs during the Covid 19 pandemic in Makassar City, (2) Testing and analyzing SME strategies in the culinary field, the influence of e-commerce on market needs during the Covid-19 pandemic in Makassar City, (3) Testing and analyzing UKM strategies in the culinary field, the influence of digital marketing on market needs during the Covid-19 pandemic in Makassar City, (4) Testing and analyzing the strategies of SMEs in the culinary field, the influence of customer relationship marketing on market needs during the Covid-19 pandemic in Makassar City. This research method is categorized as an explanatory survey, data collection technique using a questionnaire to 100 UKM players spread across four (3) types of businesses in the culinary sector, namely; restaurants, cafes and restaurants, the sampling technique was carried out in a simple random proportional manner according to the population spread over the types of SMEs in the culinary sector, in answering the research hypothesis analysis was used structural equation modelling (SEM). The research results show; based on descriptive analysis of respondents' perceptions in assessing research variables it can be proven that the SME strategy use e-commerce, digital marketing and customer relationship marketing to market needs during the Covid 19 pandemic, especially SMEs in the culinary sector in Makassar City. In addition, based on hypothesis testing it was found that (1) e-commerce has a positive and significant effect on market needs, (2) digital marketing has a positive and significant effect on market needs, and (3) customer relationship marketing has a positive and significant effect on market needs.

Keywords: *E-Commerce, Digital Marketing, Customer Relationship Marketing, Culinary SME Market Needs*

1. Introduction

The development of the Indonesian market is still one of the important centers of economic activity that depends on activity. The market is one of the activities that are mostly carried out by the people of Indonesia, because the market itself is a place for people to make a living and fulfill their daily needs. At the same time, the main requirement for market formation is that buyers and sellers meet in one place or in different places. The market is also an economic factor that can create the benefit and welfare of human life (Toni, 2014). Marketing strategy has an important role to achieve business success, therefore the marketing sector plays an important role in realizing business plans. This can be done if the company wants to maintain and increase sales of the products or services they produce. By implementing an accurate marketing strategy by exploiting opportunities to increase sales, the company's position or standing in the market can be improved or maintained.

Another potential can be seen from the contribution of SMEs to the formation of gross domestic product (GDP) according to current prices, which according to BPS data for 2019 reached IDR 7,034.1 trillion, so this number means that 67.75% of national GDP achievements totaling IDR 9,580.8 trillion relies on the productivity or performance of SMEs, so it is necessary to pay attention that this large contribution is made in mutual cooperation by SMEs that spread to remote

areas which in subsequent developments have had a multiplier impact enjoyed by most business actors in the regions .

It cannot be denied that since the corona virus or Covid-19 entered Indonesia around March 2020, almost all business sectors have been affected by the pandemic. The small and medium enterprises (SMEs) sector is no exception, which controls 97% of the jobs created in Indonesia. In fact, following its track record during previous crises, both the 1998 and 2008 crises tended to be relatively stronger. However, currently the SME sector is so disorganized in facing its hampered business activities that it may not even survive this difficult period. Indeed, when compared to the previous crises in 1998 and 2008, what was only a financial crisis, while during this pandemic, what happened was not only a financial crisis, but what happened was a health crisis and a social crisis, which occurred simultaneously. The number of micro, small and medium enterprises (SMEs) recorded in Indonesia until now is around 63 million in August 2020, most of which are micro businesses (almost 98%). SMEs contribute to GDP of around 60.34% and employment of around 97% or more than 115 million workers. You can imagine what happened to our economy when the SME sector experienced problems during this pandemic.

As a result of the implementation of PSBB in various regions, 39.9% of small and medium enterprises (SMEs) decided to reduce their stock of goods during large-scale social restrictions (PSBB) due to Covid-19. Meanwhile, 16.1 percent of SMEs chose to reduce employees due to physical stores being closed. This result is reinforced by the Poxel Buy & Send Insight II Survey (2020) which shows that 37.3% of buyers continue to shop with normal amounts or less. But the frequency of shopping is becoming more frequent. On the other hand, 28.3% of customers buy products in larger quantities than usual. However, reducing the frequency of shopping is rarer than before the PSBB period. At the end of March 2021 there were 1332 SME business actors who submitted their problems to the Ministry of Cooperatives and MSMEs. The problems include a decline in sales of around 68%, capitalization of 12%, distribution delays of 10%, difficulty of raw materials of 6% and production of around 4%. For the ICSB Internal Council for Small Business (ICSB) Indonesia has also mapped out the problems of SMEs: in the Marketing aspect there was a decrease in demand by 78.2% of SMEs, difficulties selling online were 17% of SMEs, in the Operational aspect there was an increase in raw material prices by 51.8% of SMEs, difficulties get raw materials there are 32.9% of SMEs. In the HR aspect, there was a decrease in work motivation by 53.3% of UKM, a decrease in productivity by 29.7% of UKM. In the financial aspect, there is a cash shortage of 58.2% of SMEs and 38.8% of SMEs are due debt or credit.

Economic shocks occur everywhere and Indonesia is one of them. Economic growth in Indonesia in 2020 is estimated to be only 0.4% to 1%, even other sources state that the Minister of Finance of the Republic of Indonesia, Sri Mulyani estimates that economic growth in Indonesia in the second quarter of Covid-19 has decreased (minus) 3.8% compared to the average Indonesia's average economic growth in previous years was above 5%. And it is predicted that the slowdown in the pace of the economy in Indonesia will still occur until 2021. However, the International Monetary Fund (IMF) projects that Indonesia's economic growth in 2021 will grow around 6% with several notes including that economic activity has fully recovered. However, The phenomenon of the Covid-19 pandemic has changed consumer behavior. Research at the beginning of the Covid-19 pandemic conducted by Deni Kamaludin Yusuf (2020), proved that the Covid-19 disaster, social restrictions, and the online marketing system had an effect on changes in consumer behavior in buying retail products. Government appeals and policies to stay at home, PSBB in various areas, avoiding crowds or keeping a distance (social distancing) and working from home (work from home) have also changed people's behavior. People now prefer to shop online, especially through e-commerce.

Compared to normal conditions, this also reduces the impact of limited SME operations and direct consumer spending. In this way, business people can set up shops/sales online through e-commerce to adapt. E-commerce is a system that uses electronic products to sell, buy and sell products. The results of the study (Hardilawati, 2019) concluded that e-commerce has a positive



and significant effect on improving marketing performance and SME income. In addition to e-commerce transactions, small and medium business actors are also required to intensively exchange products through the use of digital marketing and social media marketing products so that they can directly contact consumers and reduce promotion costs. The facts and data mentioned above show that changes in consumer behavior during the Covid-19 pandemic have also changed the business behavior of business actors. The use of internet technology in marketing has proven to be able to help SMEs that have utilized or quickly adapted to technology to survive during the Covid-19 pandemic. This shows that internet technology has a very important role in business processes during the Covid-19 pandemic, even in the new normal era like now. Currently, data released by media management company Hoot Suite and Marketing Agency We Are Social in their January 2020 report show that 64% of Indonesia's total population has used the internet, equivalent to 175.4 million people in Indonesia. even unique,

Makassar City is the capital of South Sulawesi Province, which can be said to have a relatively large number of SMEs. For more details, it can be seen in Table 1 regarding data on the number of sub-district SMEs in Makassar City.

Table 1.1. Number of SMEs in Makassar City in 2020

NO	Subdistrict	Amount
1	Mariso	517
2	Mamajang	81
3	Tamalate	157
4	Macassar	149
5	Edge of View	364
6	Wajo	25
7	Bontoala	381
8	End of Land	8
9	Tallo	82
10	Panakuk kang	176
11	Bring it on	63
12	Tamalanrea	25
13	Rapoccini	408
14	Manggala	323
15	Sangkarrang	5
Total		2683

Source: Makassar City Office of Cooperatives and SMEs (2020)

Development of Small and Medium Enterprises (UKM), is an integrated part of the Small and Medium Enterprises (UKM) development program in the city of Makassar, whose development activities are intended as one of the pillars of the people's economy so that they can become the main driver of the regional economy, more specifically for the realization the "Gerbang Mas Taksin and Superior Commodity Agribusiness" program, so that the government's attention to this sector is very large and this is evidenced by the existence of strategies, programs and action plans (action plots) to build Small and Medium Enterprises (SMEs). Based on the results of previous studies, the implementation found related problems experienced by SMEs including lack of capital, difficulties in dealing with problems, intense business competition, lack of skilled production technicians, lack of business managerial skills and quality of resources to manage, lack of understanding of financial management, the business climate (licences, laws and regulations)

which is not conducive and especially with the Covid-19 pandemic which has reduced income, coupled with government regulations urging people to work from home.

2. Library Review

Marketing strategy

OverviewReferencesdescribed in this study is a reference or basis in supporting and clarifying this research. In connection with the problems that have been described previously and which will be examined, the theoretical framework and discussion that are considered relevant to this research will be described as follows; The definition of the market according to William J. Stanton (2000) is a group of people who have the desire to be satisfied, the money used to shop, and have the willingness to spend that money. The market according to H. Nystrom (2006) is defined as a place for the distribution of goods and services from the hands of producers to consumers. In short, the notion of a market is a place for goods and services transactions between producers and consumers.

The definition of a market according to Kotler and Armstrong (2008) is a set of actual and potential buyers of a product or service. The size of the market itself depends on the number of people who show the need, have the ability to transact. The meaning of the market according to Henry Simamora (2012) is a group of people who have needs and desires for certain products, have the ability and willingness to buy these products and have the opportunity to decide to buy a product. Understanding the market is defined as something that is used to place the goods needed by consumers. In short, the market is a place to place goods for consumers to buy. The definition of a market according to Kotler and Armstrong (2008) is a set of actual and potential buyers of a product or service. The size of the market itself depends on the number of people who show the need, have the ability to transact.

The market has certain features and characteristics, including the existence of buyers and sellers and other activities. The following are the characteristics of the market in full:

1. There are sellers and buyers who transact with each other
2. There are goods or services that are traded
3. There is a set price for the product offered
4. There is a process of asking and bidding
5. A sale and purchase transaction takes place between the seller and the buyer
6. The transaction is complete when there is an agreement between the seller and the buyer

Marketing comes from the word market or can also be interpreted in the traditional context of "where people buy and sell". The definition of marketing according to Kotler (2009) which states that marketing is a social and managerial process by which individuals and groups get what they need and want through creating and exchanging products and value with one another. While the definition of marketing according to the American Marketing Association (AMA) which is then widely referred to around the world, states that marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. Meanwhile, according to Sifjan Assauri, marketing is an activity or activities aimed at meeting the needs and desires of consumers through an exchange process.

Marketing management comes from two words, namely management and marketing. The definition of marketing management is a combination of the two meanings of the word. In simple terms, the term management is usually defined as management, regulation, guidelines, regulation and other terms. There are many broad definitions of management, but the existing definitions share nearly the same elements. In general, management is defined as a process in which the functions of planning, organizing, mobilizing, monitoring and evaluating are broadly defined. Or simply, divide this function into planning, implementation, and monitoring. As stated by Kotler and Gary (2012: 9),



According to Kenneth R. Adrews (2005), strategy is a process of evaluating a company's strengths and weaknesses compared to the opportunities and threats that exist in the environment it faces and deciding on a product market strategy that adapts the company's capabilities to environmental opportunities. Meanwhile, Hamel and Prahalad (2005) stated that strategy is an action that is incremental (always increasing) and continuous, and is carried out based on the point of view of what customers expect in the future. Thus, strategy almost always starts from what can happen and not from what happened. Jack Trout in his book *Trout On Strategy*, the essence of strategy is how to make a good perception in the minds of consumers to be different. Recognizing the strengths and weaknesses of competitors becomes specialization, mastering a simple word in the head, leadership that gives direction and understands market realities by being first instead of being better. The strategy in this case is to plan sales to the market by planning and executing effective marketing. good and appropriate to achieve maximum sales in order to achieve the company's mission to dominate the market.

Philip Kotler (1997) defines marketing as a social and managerial process by which a person or group obtains what they need and want through creating, offering, and exchanging products of value with others. So that in general Marketing is a whole system which includes business activities designed to plan (planning), determine prices, promote, distribute goods (services) to satisfy the needs of household consumers and industrial consumers. The marketing strategy is a form of plan that is decomposed in the field of marketing. To obtain optimal results, this marketing strategy has a broad scope in the field of marketing including strategies for dealing with competition, product strategy, price strategy, place strategy and promotion strategy. Marketing strategy can be understood as the marketing logic by which a business unit hopes to achieve its marketing objectives. According to Tull and Kahle (2016) marketing strategy is a fundamental tool planned to achieve company goals by developing sustainable competitive advantage through the markets entered and marketing programs used to reach these target markets.

UKM

Talking about the problems of business groups that are included in small and medium enterprises, abbreviated as UKM, is not easy. Many terms appear in relation to small and medium enterprises. There are those who call the weak economic group (GEL) or weak economic entrepreneurs (pegel), there are also micro businesses that use the term small and medium industry, and there are also those who call it home industry. Currently, SMEs are dealing with a changing strategic environment or turbulent environment and always facing constant challenges that require a new attitude and culture in managing their strategy. Without it, it is very difficult to develop, even just to survive. SME managers who have a high awareness of change as well as have high integrity towards their functions, in the end they will be able to make their business survive, even thrive amidst the swift currents of change. The leader, owner or manager in the SME unit has the authority to choose and determine what business strategy to take by mobilizing its resources including its employees.

Pandemic Covid-19

In early 2020, the world was shocked by the outbreak of a new virus that started in Wuhan, Hubei Province which then spread quickly to more than 190 countries and territories. This outbreak was named Corona Virus Disease 2019 (COVID-19) caused by Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2). The spread of this disease has had a wide impact socially and economically. At the global economic level, the Covid-19 Pandemic has had a very significant impact on the domestic economy of nation-states and the existence of SMEs. The development of SMEs has also begun to decline to the point where there are difficulties in production, due to social restrictions imposed to prevent the spread of Covid-19.

In the SME aspect, the existence of this pandemic has caused a decline in performance from the demand side (consumption and public purchasing power) which ultimately has an impact

on the supply side, namely termination of employment and the threat of default on credit payments. Small and Medium Enterprises engaged in various fields, especially for business actors in the culinary sector, have experienced a weakening, as seen from a decrease in purchasing power and demand. Almost all business actors experience slow sales, but SMEs must be able to survive in order to increase demand and business income. Even though most of them cannot open culinary businesses to eat at places to support the implementation of large-scale social restrictions (PSBB) from the government, culinary SMEs still have the opportunity to be productive by maximizing sales services. One effort that can be done is to create new promotions and menu ideas that emerged during the Covid-19 Pandemic to keep attracting customers.

UKM Strategy During the Covid-19 Pandemic

In the midst of COVID-19, direct sales have generally decreased due to the pattern of people staying at home more. In addition, many SMEs choose not to open their shops or businesses due to restrictions on operating hours or the imposition of Large-Scale Social Restrictions (PSBB) in several areas. One way to keep running a business and reach more consumers and expand market share that can be done by SMEs is to expand the network by utilizing e-commerce sales. *E-commerce* is the process by which consumers buy and sell goods electronically, and companies use computers as intermediaries for commercial transactions via computers. E-commerce, which was originally an online retail mechanism, now has a broader meaning. (Laudon & Traver, 2016) shows that e-commerce has formed a new digital market with more transparent prices, easy access, and a global market with efficient warehouses.

In the midst of the Covid-19 pandemic experienced in Indonesia in particular, it has greatly reduced the sales turnover of SMEs. The reduced number of consumers in several sectors and industries requires SMEs to be able to market their products optimally and think creatively and innovatively. The use of the internet during the Covid-19 pandemic is like a necessity, including in running a business and one of the efforts to make products that can be adopted by SMEs is to do digital marketing. Today's rapidly developing digital era is impossible to avoid. Marketing expert Yuswohadi revealed that if you want to survive, MSME actors must be able to maximize the benefits of digital development (Purwana et al., 2017). *Digital marketing* are promotional activities and market search through online digital media by utilizing various means such as social networks. (Purwana et al., 2017). The digital marketing method that is often used by businesses is to use social media such as marketing products via Instagram, Facebook, Twitter and many more. In addition, digital marketing can also be done on e-commerce and many other media. Technological developments are increasingly rapid also makes digital marketing must be understood and learned by SMEs.

During this Pandemic, SMEs should not only focus on capturing new customers but must maintain products and maintain existing customers, creating customer satisfaction and finally creating customer loyalty. Loyal customers will not move to another because they already have confidence in our product. One of the ways for SMEs to survive in the midst of declining business is by conducting customer relationship marketing. *Customer relationship marketing* is a marketing strategy concept that seeks to establish long-term relationships with customers, namely maintaining a strong and mutually beneficial relationship between service providers and customers that can build repeat transactions and create customer loyalty. According to Sekaran (2010: 117) a framework is a conceptual model used to describe the relationship between theory and various factors that have been identified as important issues. Based on the literature review submitted in this study, a model was developed as a framework for this study, as shown below:

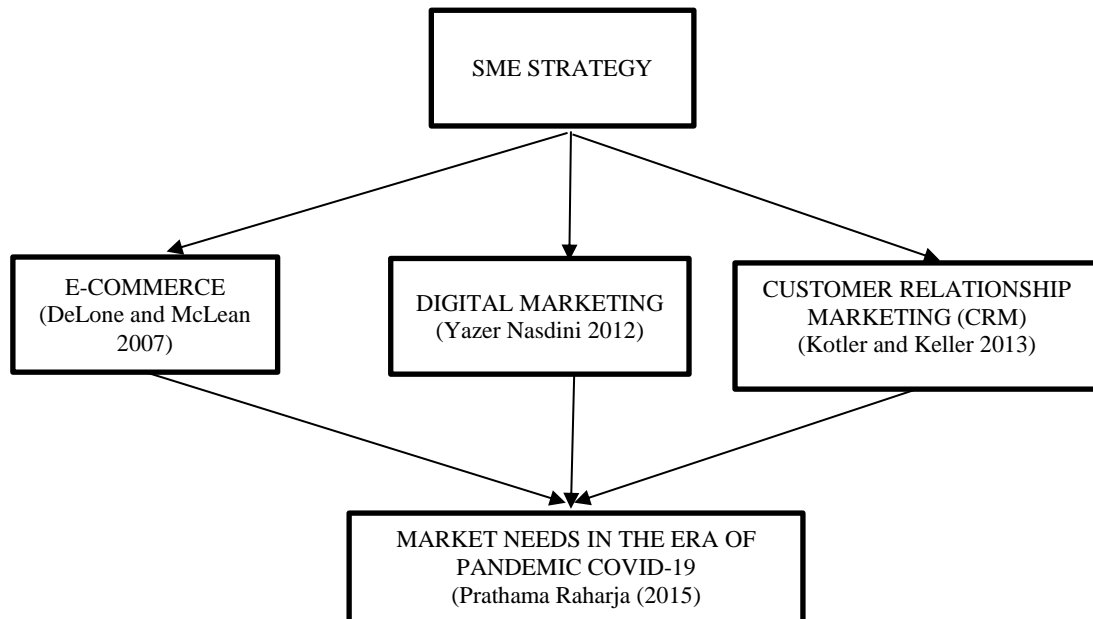


Figure 2.1 Mindset

3. Research methods

This research is included in the type of explanatory research, which is non-experimental in nature and aims to analyze the influence of e-commerce, digital marketing, customer relationship marketing on market needs during the culinary covid 19 (UKM) pandemic in Makassar City, using a quantitative approach through tests parameters in answering the hypothesis, while to analyze the perceptions of business actors on each indicator used in this study, a quantitative descriptive technique was used by looking at the percentage of scoring scores on each question item.

Operational Variables

The measurement scale uses an ordinal scale, which in parameter testing is a minimum data interval requirement, then ordinal research data is increased to intervals using the method of successive interval (MSI), because ordinal data is a measurement related to the attitude of the respondent to the questions asked, and for the ratio scale it is used to measure indicators that are ratio numbers such as performance measurement and to measure the attitude of respondents using 5 Likert scales, namely scale 1 to scale 5, which is the respondent's choice of indicators used in accordance with the perceived conditions, carried out as business actors small and medium enterprises (SMEs) in achieving performance, while for more details regarding the variables and indicators as well as the measuring scale used in this study can be seen in table 3.1 below:

Table 3.1 Operational Variables

No	Variable	Dimensions	Indicator	Source
	<i>E-commerce</i> (X1)	1. E-commerce ease of use	<ol style="list-style-type: none"> 1. Disbursement of information carried out by the customer 2. Make it easy to service customer orders 3. Makes it easy to accept payments 4. Make it easy for customers to interact 5. Facilitate customers for customer service requests 	DeLone and McLean (2007)

		2. Transaction complexity	1. Many sites visited by customers 2. Long using social media	
	Digital Marketing (X2)	Promotion	1. Accessibility 2. Interactivity 3. Entertainment 4. Credibility 5. Informativeness	Yazer Nasdini (2012)
	Customer Relationship Marketing/CRM (X3)	1. Commitment	1. Emotional attachment 2. Willingness to maintain good relations in order to generate higher profits	Kotler and Keller (2013)
		2. Customer Focus	1. Establish good relations with consumers 2. Receive input from consumers	
		3. Harmonization of Services	1. Good service, 2. Convenience, 3. Accuracy, 4. Safety	
	Market Needs in the Covid-19 Pandemic Era (Y)	1. Business Resilience	1. Hope 2. Problem Solving 3. Persistence	Prathama Raharja (2015)
		2. Government policy	1. Adapt Restriction Rules 2. Business Integrity Adaptation 3. Governance Adaptation	

4. Research Results and Discussion

Research result

The results of this study explain and analyze various findings according to the formulation of the problem, which the researcher consists of two (2) important parts, namely; 1) Descriptive analysis that examines the arguments of respondents' perceptions on each research indicator question. 2) Parameter analysis, which proves the research hypothesis, by constructing a pattern of relations or the occurrence of a causal relationship, between the variables of this study.

Analysis Descriptive on Research Variables

The descriptive data of this research object provides some simple information from the research object related to the research model being developed. The characteristics of the respondents in this study included gender, age of the company/business, SME scale, number of workers, turnover per month, number of types of products produced, and age of the workforce. These measurements can be made through data obtained through returned questionnaires. In this study, the number of questionnaires returned was 100 (respondents).

Identity of Culinary SME Respondents in Makassar City

The identity or characteristics of the respondent are an inherent attribute, as an identifier in explaining their activities, according to the business they are currently engaged in, as well as the category of business they have, and if this identity is seen from the type of business as shown in table 5.1 it appears that the culinary business is in the SME sector. Makassar City is divided into three (3) types of businesses, namely; Restaurants, Restoes and Cafés, whose presence is very



familiar with today's life and lifestyle, tend to use the services of culinary business types that are not only places to eat and drink, but at the same time places to relax.

Table 5.1 Types and Distribution of Culinary SME Business Actors in Makassar City

Restaurant		Resto		Café		Amount	
31		36		33		100	
L	P	L	P	L	P	L	P
19	12	21	15	24	9	64	36

Source: Primary data, processed in 2022.

If the presence of a culinary business in Makassar City is based on data on the length of the business and the age of the entrepreneur in carrying out his business activities, generally as shown in table 5.2 it shows that the business owner is in the millennial productive age group, with experience judging from the length of time in entrepreneurship, is in the category of being able to survive in In facing the competitive situation, especially when viewed from the age of the business actors, there are a number of entrepreneurs who have started their business (start up) at a young age.

Table 5.2 Age of the owner and the duration of the Culinary SME business in Makassar City

Length of Business Owner Age	1-5 Years	>5-10 Years	>10 years	Amount
20-30 Years	8	21	2	31
>30 -40 Years	17	16	9	42
>40 Years	2	15	10	27
Amount	27	52	21	100

Source: Primary data, processed in 2022.

Table 5.3 shows that these culinary sector entrepreneurs, their presence has made a positive contribution to economic growth, with their ability to encourage the opening of employment opportunities which can be seen from the number of workers used both in the culinary business category of small businesses and medium business categories, as well as seen absorption labor seen from the sex of the worker, does not show significant inequality, so that this culinary sector business is appropriate or adaptive without differentiating the sex of the worker or employee.

Table 5.3 Business Size and Number of Employees

Business Size	Small business	Medium Business	Amount
Number of employees	62	38	100
Man	237	98	335
Woman	289	120	409
Amount	526	218	744

Source: Primary Data, Processed 2022.

Results of Testing the Research Hypothesis Model

1. Estimation of Research Model Structure

Based on the calculation of statistical results using structural equation modeling (SEM), in the answer to the research hypothesis, based on estimation of the model structure to analyze the hypothetical model in this study, it is in harmony with the estimated value of the structural research

model used into the parsimony adjective criteria means by looking at the value of the saturated model which explains that the amount of research parameter data is the same as the number of moment samples, the expected requirements are 0.000 and $df = 0$, as in table 5.30 below, so it can be concluded that this research model has perfect fit for the data set used.

Table 5.30 Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default models	.815	.452	.499
Saturated models	.000	.000	.000
Independence models	1,000	,000	,000

Source: Lisrel Data Results, processed in 2022

After the parsimony test is carried out, it is continued by looking at the results of the data alignment test both on the research sample size, as well as on a number of observational moments or research indicators that should meet the goodness of fit requirements as shown in table 5.31 below, which shows that the research data has fulfilled the structural model in measuring the exogenous latent variables against the endogenous latent variables as well as the manifest variables or loading factors they produce.

Table 5.31 Criteria for Conformity of Research Data (Good of Fit Index)

Criteria	Expected cut-off value	Test result	Information
P-Value	Expected small	0.0000	fit
Chi-Square Rail	≤ 2.00	0.0000	fit
CFI	≥ 0.80	1.0000	fit
RMSEA	≤ 0.08	0.0188	fit
GFI	≥ 0.80	0.9582	fit
AGFI	≥ 0.70	0.8278	fit

Source: Research Data Processing Results, 2022

Based on the results of testing using the robust maximum likelihood method for the research hypothesis model, it is outlined in a path diagram for all causality between research variables in the full model, which is intended to reveal that the model used as hypothetical in the path diagram has compatibility with the model in empirical testing for more details, as shown in Figure 5.5 below.

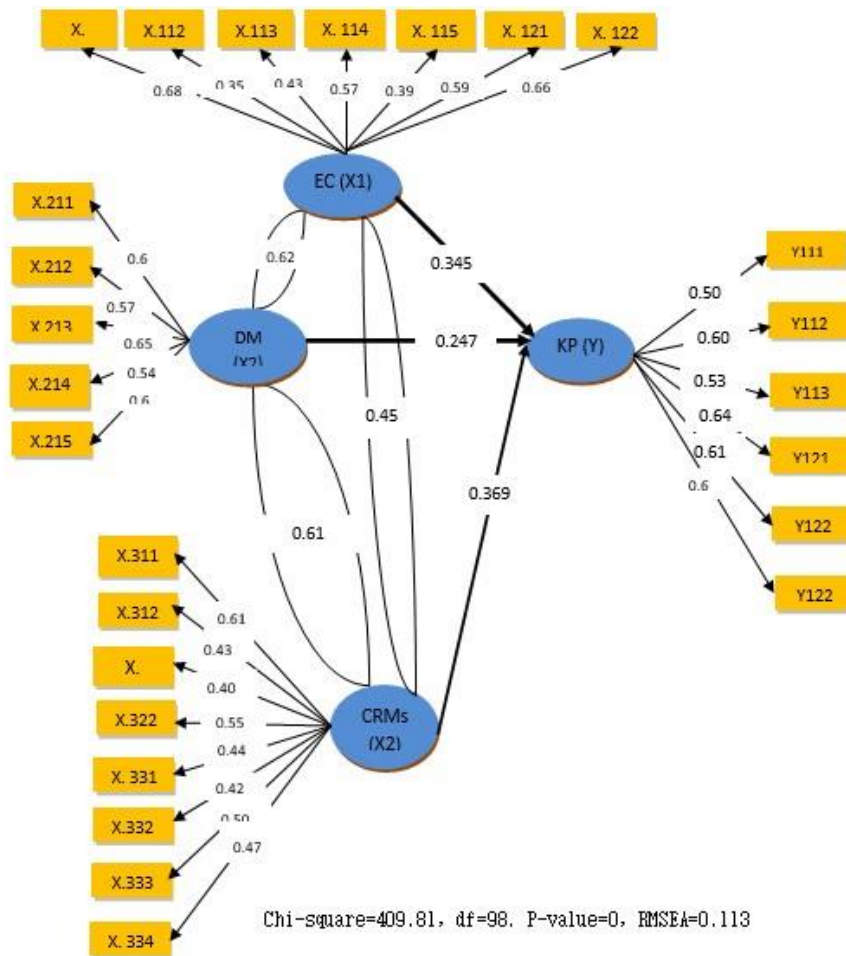


Figure 5.5 Path Diagram of the Overall Research Model

To see the magnitude of the contribution value of each variable in this research analysis according to the hypothesis proposed, it can be seen from table 5.36 below which explains the structural relationship between variables and the level of acceptance and rejection of the hypothesis with the testing criteria $P\text{-value} < \alpha (0.05)$, which shows the significance of the proposed hypothesis, and then poured into the test results as follows;

Table 5.36 Criteria for Research Hypothesis Testing Results
Regression Weights: (Group number 1-Default model)

Research variable	Estimates	SE	CR	P. value	Decision
X1 → Y	0.345	0.243	2,232	0.037	Significant
X2 → Y	0.247	0.380	2,121	0.034	Significant
X3 → Y	0.369	0.660	2,253	0.026	Significant

Source: Research Data Processing Results, 2022

Based on the results of data processing as in table 5.36 above, it shows that from the results of the estimation evaluation in the structural model the exogenous and endogenous variables can be described as follows;

- a. The estimated parameter value of the exogenous e-commerce variable (X1) to the variable market needs during the covid 19 pandemic (Y) is $0.345 > 0.000$ and the critical ratio (CR) value of the path coefficient also gives a value of 2.232 at a P-value of $0.037 < \alpha 0.05$ (1.196), so the decision criterion is rejecting H0 and accepting H1, the e-commerce variable (X1) has a significant effect on the market demand variable during the Covid 19 pandemic (Y) in this study.
- b. The estimated parameter value of the exogenous digital marketing variable (X2) to the variable market needs during the covid 19 pandemic (Y) is $0.247 > 0.000$ and the critical ratio (CR) value of the path coefficient also gives a value of 2.121 at a P-value of $0.034 < \alpha 0.05$ (1.196), so the decision criterion is rejecting H0 and accepting H1, the digital marketing variable (X2) has a significant effect on the market demand variable during the Covid 19 pandemic (Y) in this study.
- c. The estimated parameter value of the exogenous customer relationship marketing variable (X3) to the variable market needs during the Covid 19 pandemic (Y) is $0.369 > 0.000$ and the critical ratio (CR) value in the path coefficient also gives a value of 2.253 at a P-value of $0.026 < \alpha 0.05$ (1.196), so the decision criterion is rejecting H0 and accepting H1, the customer relationship variable (X3) has a significant effect on the market demand variable during the Covid 19 pandemic (Y) in this study.

Discussion

1. E-Commerce Influencing Market Needs During the Covid 19 Pandemic.

Based on the test results, it can be proven that e-commerce (X1) has a positive and significant effect on market needs during the Covid 19 pandemic (Y) of 22.32%, thus the fact that the results of this research can indicate e-commerce activities carried out by culinary small and medium enterprises (SMEs) have been in line with the changes that have occurred in market needs during the Covid 19 pandemic, both in translating each dimension as a parameter in developing strengths in e-commerce, namely; dimensions of the need for the use of e-commerce such as; search for information performed by the customer, make it easier to service customer orders, make it easier to receive payments, make it easier for customers to interact and make it easier for customers to request customer service,

The results of this study provide findings that in general culinary small and medium businesses, especially those engaged in the culinary field in Makassar City, have good abilities in translating e-commerce in providing market needs during the Covid 19 pandemic, this ability is the main and important in the existence of small and medium culinary business actors, given their business practices with all the limitations in the production process both in terms of capital (capital resources) and in terms of technology-based production equipment which are also still limited, so that the basis of their activities is more aware of the capabilities of human resources (human resources based) both obtained through training and job technical information, as well as based on experience sharing (sharing experience), which is used as a strength in e-commerce which is practiced by building relationships with targeted customers, as well as the existence of relationships with similar business groups in stabilizing market needs in the conditions of the co-19 pandemic.

2. Digital Marketing Influencing Market Needs During the Covid 19 Pandemic.

The results of this study prove that the digital marketing variable (X2) has a significant effect on the market demand variable during the Covid 19 pandemic (Y) of 21.21%, thus the fact that the results of this study can indicate the improvement in digital marketing capabilities carried out by small business actors medium enterprises in business activities can enable small and medium businesses to survive in conditions of increasingly fierce competition where some consumer activities are limited due to government regulations which make all product promotion activities can only rely on online media in marketing and transacting to meet market needs.



The Covid-19 pandemic has forced people to adapt to online activities. Particularly small and medium culinary entrepreneurs, who mostly run their businesses conventionally, have to look for loopholes on how to maintain their business during this pandemic. The use of digital media is a solution to this problem. The growth of digital marketing worldwide cannot be separated from the development of the internet and various social media channels. When Facebook opened its doors to the general public in 2006, the impact of social media began to affect both users and companies, and this situation has continued to this day. Since 2013, the three sites with the most traffic are Facebook, Google and YouTube.

3. *Customer Relationship Marketing* Influencing Market Needs During the Covid 19 Pandemic.

The results of this study prove that the digital marketing variable (X2) has a significant effect on the market demand variable during the Covid 19 pandemic (Y) of 22.53%, thus the fact that the results of this study indicate that customer relationship marketing is understood by culinary small and medium businesses in Makassar City had a positive and significant effect on market needs during the Covid 19 pandemic. The results show that there is an inseparable relationship between the functions of experiential marketing and customer relationship marketing on service user loyalty, which makes experiential marketing and customer relationship marketing a strategy for business actors.

The better the implementation of customer relationship marketing by small and medium businesses such as maintaining website quality, being able to implement marketing interaction processes, involving members of the organization to increase marketing activities, and improving service quality through obtaining information from consumers, the consumer's loyalty in using business actors will tend to increase. The results of this study are in line with the results of research which states that customer relationship marketing has a significant positive influence on market needs during the Covid 19 pandemic. *Customer Relationship Marketing* positive and significant impact in increasing market demand during the Covid 19 pandemic, small and medium business actors through increasing commitment, customer focus and business resilience. The better the quality of the relationship between small and medium enterprises actors with consumers, suppliers and others, the better their ability to improve marketing performance in meeting market needs. In addition, business actors who dare to take risks, already have experience in business and are flexible about business, can improve networks and foster trust from consumers, so that consumers will survive.

Conclusion

Based on data analysis and discussion of research results, it can be concluded that;

1. *E-Commerce* has a direct and significant effect on market needs during the covid 19 pandemic, thus it can be stated that the e-commerce strategy carried out by small and medium culinary entrepreneurs in Makassar City with e-commerce indicators can help in increasing information exchange with customers, disseminating information a clear and responsive market has the ability to influence market needs during the Covid 19 pandemic, so that e-commerce has the ability to translate a number of stimulations that occur to market needs during the Covid 19 pandemic.
2. *Digital marketing* has a positive and significant effect on market needs during the covid 19 pandemic, thus it can be stated that the strategy involves digital marketing that is used by culinary small and medium businesses to meet market needs during the covid 19 pandemic has a positive impact on culinary small and medium businesses in the City Makassar with digital marketing indicators as a place to promote products and a place to provide product development information for consumers, so that digital marketing has the ability to translate a number of stimulations that occur to market needs during the Covid 19 pandemic.
3. *Customer relationship marketing* has a positive and significant effect on market needs during the pandemic, thus it can be stated that customer relationship marketing is carried out by culinary small and medium businesses in Makassar City with indicators of commitment that

create emotional bonds between business actors and consumers, always trying to receive input from customers, and always maintain service quality in meeting market needs during the covid 19 pandemic, so that customer relationship marketing has the ability to translate a number of stimulations that occur in meeting market needs during the covid 19 pandemic in Makassar City.

Research Implications

The implications of this research are as follows:

1. SMEs in Makassar City can encourage increased business performance by using e-commerce, because e-commerce is one of the technological developments that is now touching the business world which is able to help improve the performance of business actors in the conditions of the co-pandemic and other changes through the implementation of strategies effort to maintain business.
2. Promotional developments involving digital marketing are implemented to reduce workload and costs for business actors in making operational policies and provide flexibility for them to take initiatives to develop in all changing market conditions.
3. Industrial policy in the strategy of small and medium business actors in fulfilling market needs during the Covid 19 pandemic is focused on the involvement of e-commerce, digital marketing, and customer relationship marketing, thus the results of this study provide clarity for small and medium business actors, that the right strategy is needs to be done to meet market needs in the conditions of the Covid 19 pandemic and business competitiveness through increasing their technical capabilities demonstrating increased ability to produce products both in quality and quantity and can increase worker productivity seen from the size of the time needed to complete work and the quality standards required desired by consumers, with such a strategy by involving e-commerce, digital marketing and customer relationship marketing are able to provide the success of this business in an effort to provide market needs during the covid 19 pandemic.

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