

E-COMMERCE STRATEGY FOR MSME INNOVATION DEVELOPMENT IN THE NEW NORMAL ERA

¹Novita Rifaul KIROM, ²Sudarmatin SUDARMIATIN, ³Agus HERMAWAN

^{1,2,3}Faculty of Economics and Business, State University of Malang

Corresponding author: Novita Rifaul KIROM

Email: novita.rifaul.2104139@students.um.ac.id

Volume: 3

Number: 1

Page: 169-178

Article History:

Received: 2022-01-05

Revised: 2022-01-15

Accepted: 2022-02-18

Abstract:

The Covid-19 pandemic has had a significant impact on the growth and development of the world economy. Therefore, there needs to be changes or innovations that must make to improve economic conditions, one of which is through the development of online marketing (E-commerce), which has begun to be implemented by MSMEs in Indonesia. This study aims to determine the e-commerce strategy to increase the development of MSME innovation in the new normal era. This research shows that e-commerce readiness is very important in times of uncertainty, such as the COVID-19 pandemic. The level of readiness will determine the viability and sustainability of a company or business in a volatile business environment. E-commerce can evaluate readiness based on Technology Readiness, Organizational Readiness, and Environmental Readiness. However, not all perspectives are considered in making decisions about implementing or improving e-commerce during the pandemic.

Keywords: E-Commerce, Innovation, MSME, New Normal

Cite this as: KIROM, N. R., SUDARMIATIN., HERMAWAN, A. (2022). "E-Commerce Strategy For MSME Innovation Development In The New Normal Era." *International Journal of Environmental, Sustainability, and Social Sciences*, 3(1), 169-178.



INTRODUCTION

The activities of micro, small and medium enterprises (MSMEs) in Indonesia are currently expected to be a pillar in increasing economic growth in Indonesia. MSMEs have a very important role in improving the Indonesian economy, with MSMEs being able to reduce unemployment. MSMEs are now underestimated by upper-class entrepreneurs and respect small business actors today. MSMEs are now pillars and a necessity for people who need work (Heri, 2019). Based on Law no. 20 of 2008 concerning MSMEs, small and medium enterprises are independent productive economic enterprises carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled or become a part of. Either directly or indirectly with small businesses or the annual sales results stipulated in the law. The law states that in carrying out its business empowerment activities, it is based on first, the principle of kinship, namely the principle that underlies efforts to empower MSMEs as part of the national economy, which is carried out based on economic democracy with the principles of togetherness, efficiency, justice, sustainability, environmental insight, independence. balance, progress and national economic unity for the welfare of all Indonesian people.

Second, the principle of economic democracy, namely the empowerment of MSMEs, is carried out as an integral part of national economic development to realize the prosperity of the people. Third, is the principle of togetherness, namely the principle that encourages the role of all MSMEs and businesses together in their activities to realize the welfare of the people. Fourth, is the principle of fair efficiency, namely the principle that underlies the implementation of MSME empowerment by prioritizing fair efficiency to create a fair, conducive and competitive business world. Fifth, the principle of sustainability, namely the principle that in a planned manner strives for the development process to run through the empowerment of MSMEs, which is carried out sustainably to form a responsible and independent economy. Sixth, is the principle of environmental insight, namely the principle of empowering MSMEs which is carried out while still paying attention to and prioritizing the protection and maintenance of the environment.

Seventh is the principle of independence, namely the principle of empowering MSMEs, which is carried out while maintaining and prioritizing the potential, capabilities, and independence. Eighth, is the principle of balance of progress, namely the principle of empowering MSMEs which seeks to maintain a balance of regional economic progress within the national economic unity. Ninth, is the principle of national economic unity, namely the principle of empowering MSMEs which is part of the balance of the national economic unity (Law, 2008).

The existence of product innovation today is related to individual or group creativity. Creativity can be defined as the ability to develop innovations that they own, then convey what is in their minds, and can be seen from what new opportunities are not in the product or can be called new discoveries. There are three types of creativity, namely: 1. Creating or creating new products 2. Combining old discoveries with new inventions 3. Modifying something that already exists (Rusdiana, 2014). In the development of MSMEs, product innovation is needed; by making three types as above, it is hoped that business actors will be more creative in carrying out their business activities. MSMEs are currently growing rapidly in Indonesia; big entrepreneurs also ogle small businesses and MSMEs. Competition between MSMEs and big entrepreneurs has become a natural thing because MSMEs have become a priority in Indonesia's territory, and helping the economy of the lower class, can also reduce unemployment in Indonesia. Currently, many MSMEs are interested and also, and increasingly fierce competition is expected for business actors to be more creative with new product innovations. It could also be for business actors to participate in socialization or exhibitions about MSMEs; with this, they can make business actors think about what innovations they want to make. Very tight competition between MSMEs and big entrepreneurs makes business actors here have to be creative by creating new innovations in their business so that consumers will feel at home shopping. Indonesia has a promising future and creating economic growth. Indonesia's creative economy is very diverse and includes 16 different sub-sectors. Its performance in recent years shows strong growth potential. In 2017, the sector generated more than 7 percent of GDP - and employed an estimated 15.9 million people. By 2020, we estimate it will be worth around IDR 1.924 trillion (approximately USD 130 million) (Central Bureau of Statistics, 2016). Indonesia's creative economy has great untapped potential but faces several challenges. The growth of Indonesia's creative industry is predicted to reach a new peak in 2018. This prediction is in line with the rapid progress of the country's e-commerce industry, which has taken place in the last 5 years.

E-Commerce adoption is the process of buying, selling, transferring, or exchanging products, services, and/or information over computer networks, mostly the Internet and intranets (Osmonbekov et al., 2002). It is widely recognized that e-commerce technology offers many potential advantages for businesses. The main advantages expressed by the existing e-commerce literature are reduced costs, increased sales, increased productivity, reduced processing time, expanded market reach, and increased customer loyalty (Gomber et al., 2018). Using e-commerce, organizations can expand their market to national and international markets with minimum capital investment. An organization can easily find more customers, the best suppliers, and suitable business partners worldwide. E-commerce helps organizations to reduce costs to process, distribute, retrieve and manage paper-based information by digitizing information (Mukherjee & Nath, 2003). E-commerce helps simplify business processes and make them faster and more efficient. E-commerce increases organizational productivity. It supports pull-type supply management. In pull-type supply management, the business process starts when the customer demands and uses just-in-time manufacturing methods (Phan, 2003).

The success of the SME business does not lie in the quality of goods or services alone, but in the ability to build collaborations to expand business in a global market order. E-commerce can be an important source of competitive advantage for most business organizations, especially small and medium-sized businesses (SMEs). (Purnamasari et al., 2020). In the context of this research, the notion of the term creative economy market industry refers to products or services offered that contain substantial elements of creative business by covering the cultural industry in

particular (Cunningham, 2002). The creative economy does not have a single definition. It is an evolving concept that is built on the interaction between human creativity and ideas and intellectual property, knowledge, and technology. It is essentially a knowledge-based economic activity that forms the 'creative industry' basis. (Bilton & Leary, 2002). Producing products and services by adding new values, and always adapting to the latest information technology in supporting the creative process (Tire & Orlikowski, 1994). The creative economy combines all parts of the creative industry, including trade, labor, and production. Currently, the creative industry is one of the most dynamic sectors in the world economy, which provides new opportunities for developing countries to jump into rapidly developing areas of the world economy. The creative economy is the utilization of resource reserves that are renewable and unlimited, which can be in the form of ideas, talents, or talents and creativity of individuals or groups of people (Hidayat, 2015).

Several previous studies have shown that the adoption of e-commerce can improve macroeconomics such as value-added, GDP, international trade, and employment levels. However, the COVID-19 pandemic has had a negative impact on the world economy in all types of industries and sectors (Patma et al., 2020). The actions and measures taken are not only to contain the spread of the pandemic but also to keep the economy shored up and minimize the negative impacts. One of the actions taken by many countries and countries is to limit the activities of their citizens in several stages, ranging from physical distancing to lockdown measures. Due to these actions and actions taken, many people cannot run their usual business by interacting with customers face-to-face locally or globally (Schafer, 2007). Unless there is a permanent solution to cure the pandemic or put in place proper precautions and live with the virus, this condition can persist for a long period. This situation has an impact on their current business performance and threatens the viability and sustainability of their business. Based on the background of the problems above, this study aims to present information about e-commerce strategies for developing MSMEs in the new normal era. MSMEs (Micro, Small and Medium Enterprises) In line with the rapid development of MSMEs today, various businesses that provide various products in the form of goods or services are increasing. Business actors participate in contributing to economic development in Indonesia. One of the quite strong businesses facing current business competition is Micro, Small and Medium Enterprises (MSMEs). Meanwhile, in the definition of a medium-sized business, it is a productive economic business that stands alone, and is carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled or become a direct or indirect part of a small business or large business with total assets. Net or sales results (Ardiani, 2018).

MSMEs in Indonesia has become an important part of the economic system in Indonesia. It is because MSMEs are business units that are more numerous than large-scale industries. And also, MSMEs have a role to play in reducing unemployment in Indonesia, with MSMEs currently becoming competitors for large-scale businesses. In addition, current government policies also help access capital for the survival of MSMEs, because the capital difficulties faced by MSMEs currently still exist, because MSMEs have not been touched by financial institutions (Suci, 2017). In this case, because there are still many financial institutions that look down on the income earned by business actors, for this reason, it is still rare for MSMEs to borrow money for their business capital in financial institutions. In the economic crisis experienced by this country, it has not yet recovered. One of the economic foundations that are expected to be able to recover from the current economic crisis is through the Micro, Small and Medium Enterprises (MSME) sector. The potential of MSMEs is currently very large in absorbing labor, so they need to be improved and maximized. Thus, MSMEs need to be supported by conducive rules, which do not burden MSME business actors.

Meanwhile, many MSMEs still have to bear a lot of levies, and the long licensing process will cost quite a lot. Regulations in MSMEs that are less supportive make this not counterproductive to the sustainability of MSMEs. After that, the government should provide

facilities and then ask for rights (Oktafia, 2017). Innovation Innovation is defined as taking creative ideas and turning them into useful products or work methods. In a business that can innovate, the business can lead or also become a competitor to innovate early. With innovation in a business, there are more and more enthusiasts for these products; because business competition is very tight, product innovation is needed to support the continuity of the business they are running. The advantages of the business owned will be seen if the product innovation is more creative; creative thinking in the business world is needed so that the business can compete with other businesses (Inda Lestari, 2019). And product innovations that will be offered or marketed must be with new, higher quality innovations and products that are currently trending, so that these products have a lot of demand. It is hoped that MSMEs will also get a lot of attention from foreign tourists and big business people, not only being underestimated (Mas Oetarjo, 2019).

Development of e-commerce-based MSMEs and strategies that function to evaluate a company's strengths, weaknesses, opportunities, and threats. Strength in a sense here is the strength that benefits the business, namely product development. The weakness here is the loss experienced by business actors due to business competition that occurs. Opportunity is a strategy that business actors must carry out if the opportunities are large or many so that business actors can innovate these products. Finally, the threat to a company is competition between one company and another, because, in the business world, the biggest threat is competition between businesses that can also sell the same product (Ariani, 2017). In developing MSMEs, many challenges are faced in it; to strengthen it, it is necessary to provide guidance that is more directed to the ability of small entrepreneurs to become medium entrepreneurs and micro-entrepreneurs to become small entrepreneurs. But, unfortunately, weak management capabilities and human resources have resulted in MSMEs not being able to run their business properly; because of this, the development is not good (Setyanto, 2015). Companies with a sustainable competitive advantage will have long-term benefits on company performance (Barney, 1991). To maintain a competitive advantage over competitors, adopting the concept of e-commerce to business can be a source of competitive advantage (Khan et al., 2016). E-commerce is the buying and selling of goods (or services) on the Internet. It includes a wide variety of data, systems, and tools for online buyers and sellers, including mobile shopping and online payment encryption (Wigand, 1997). Some people may have the view that e-commerce is only an activity transaction to distinguish it from the term e-business, which has a broader meaning and concept. Businesses planning or transforming to e-commerce need to review the impact of adoption and innovation based on the consideration of three elements, namely Technology, Organization, and Environment (Tornatzky & Fleischer, 1990).

Adopting e-commerce in creative industries can apply the same TOE Framework concepts to ensure businesses are ready to adopt. The TOE framework was developed by Tornatzky and Fleischer (1990). It identifies three aspects of the enterprise context that influence the processes that adopt and implement technological innovations: the technological context, the organizational context, and the environmental context. The technology element represents all technology relevant to the business, the Organization element refers to the characteristics and resources of the company, while the environmental element describes the industry structure, the influence of technology service providers, and environmental regulators. The TOE framework has been recognized in various studies, including SMEs in Indonesia (Rahayu & Day, 2015), where some of these entrepreneurs also contribute directly to the creative economy. The implementation of Community Activity Restrictions or micro-scale PPKM is currently being implemented in Indonesia in response to the COVID-19 pandemic or PPKM. Moreover, with the restrictions and restrictions on face-to-face meetings and offline transactions, many businesses have to adopt e-commerce to enable online transactions and take their level of e-commerce to new heights, some of which may not be ready yet. For. Each sub-sector in the creative economy has its own uniqueness and different obstacles. For example, in the culinary sub-sector, restrictions on eating on the spot are one of the biggest barriers to reaching consumers, while

conventional fashion designers cannot meet their clients to discuss and design on the spot. Based on the TOE framework and resource-based theoretical perspective (Zhu & Kraemer, 2005), we can review their readiness to be Technology Readiness, Organizational Readiness.

Technology Readiness

Technological competence can be one of the main considerations of whether a company or organization is ready to take its e-commerce side to the next level, especially during a pandemic. Technological competence includes physical assets and other resources that act as complements to physical assets (Mata et al., 1995). Technological context refers to aspects such as perceived benefits, compatibility, and costs, which affect the adoption of e-commerce technologies. Perceived benefit refers to the perception of positive consequences caused by certain actions. Perceived benefits are defined as gains or improvements derived from existing ways of operating business transactions using e-commerce applications. Perceived benefit refers to the degree of acceptance of the possible benefits that e-commerce technology can provide to an organization (Iacovou et al., 1995). A greater managerial understanding of the relative advantages of e-commerce adoption increases the likelihood of firms allocating some resources, such as managerial resources, financial resources, and technological resources, to adopting e-commerce technologies (Moldabekova et al., 2021). Then compatibility refers to the extent to which e-commerce follows the technological infrastructure, culture, values, and work practices that already exist in the company (Huy & Filiatrault, 2006). Innovation will be easily accepted in an organization if it is in line with the prevailing organizational values, can meet the organization's needs, and follows the organizational culture, following the technology infrastructure, culture, values, and work practices that already exist in the company (Huy & Filiatrault, 2006). Innovation will be easily accepted in an organization if it is in line with the prevailing organizational values, can meet the organization's needs, and follows the organizational culture. The greater the possibility of adoption of e-commerce technologies.

Environmental Readiness

The proposed government restrictions during the pandemic can be considered an important factor in encouraging e-commerce readiness. During a pandemic, government regulations are mainly related to pandemic management and how to minimize the impact on victims, the health care system, and the economy from both a short-term and long-term perspective. While, in general, many business performances are affected due to restrictions, it is possible to support the e-commerce business model. Environmental factors refer to external influences such as pressure from customers/suppliers, pressure from competitors, and external support that affect e-commerce adoption. Competitor pressure refers to the level of pressure from competitors in the industry as perceived by the company (Zhu & Kraemer, 2005). When competitors start using e-commerce technology, companies will be encouraged to adopt e-commerce technology more broadly to gain a competitive advantage. Thus, the higher the level of competition in the industry, the more likely it is that greater use of e-commerce will be achieved (Zhu & Kraemer, 2005).

METHODS

In this study, it is a quantitative descriptive approach which, according to Leksono (2013) qualitative economic research is an effort to identify an economic phenomenon, not just a set of statement descriptions of notations, connotations and descriptive denotations. But cognitively, affectively and psychomotor much deeper than that. According to Bogdan and Taylor (in Leksono, 2013), qualitative research is a research procedure that produces descriptive data in the form of written or spoken words from the observed behavior. The researcher uses a qualitative descriptive method because the researcher wants to describe the object under study following the actual situation when the research took place (Leksono, 2013). "Descriptive qualitative research is

an approach to a particular behavior, phenomenon, event, problem, or situation that is the object of investigation; whose findings are in the form of meaningful sentence descriptions that explain in as much detail as possible in the form of sentences in an article so that descriptive people explain in as much detail as possible in the form of sentences in an article so that people who are not directly involved in an event, phenomenon or problem understand the real situation that occurs. There are two data sources in this study, namely primary and secondary, where the primary is obtained from observations, interviews, documentation and field notes. At the same time, secondary data were obtained from books and journals that were relevant to this research. In this study, there were also two informants, namely key informants consisting of the owner of the business and supporting informants, namely employees, suppliers and consumers. In addition, research data were collected from 15 MSMEs in the Greater Malang area that have used technology to market their products. Sugiyono, 2011 is data reduction, presentation of data analysis used in this qualitative research according to Miles and Huberman in the data, and concluding. Furthermore, checking the validity of the data in this study was carried out using the triangulation of data sources and triangulation methods.

RESULT AND DISCUSSION

In the current MSME activities, it is hoped that business actors will be more creative to market their products throughout Indonesia and in the ASEAN market. It can go through several things: a. Design and Use of Marketing Product Brands is an initial problem usually owned by MSMEs, related to market and product competition. The socialization activities carried out are expected to solve the problems experienced by business actors, one of which is by using brands on products owned by business actors, so that these brands can be recognized by consumers and finally can compete in the market. After this is done, the product brand will be affixed to the product packaging owned by the business actor. b. Expansion of Market Share After conducting education about product brands, then assisted in the determination, design, and printing of brands that will be used on products in the form of labels or stickers c. The opening of the MSME Simple Finance will be given education in applying simple finance in its business. Because in this case, it can include recording financial transactions, both expenditures and receipts, with the aim that business actors better understand the expenses and revenues generated each month. And can make it easier for business actors to manage finances. d. MSME Product Innovation is given socialization by increasing product innovation skills through flavors and packaging. Appropriate Technology Design and Innovation

The MSME production process so far still uses simple equipment, which is still driven by human power. Therefore, appropriate technology is needed to improve the production process; with this, it is expected that production will be driven faster and will not take long (Tri, 2019). Market orientation is also needed in product innovation, so market orientation is something that is important for companies to increase global competition and changes in consumer needs where companies must realize that they must always be close to their markets. A market-oriented company, his mind is always open to new things to find innovations for business continuity. The height of a business is usually influenced by market orientation, where consumers will glance at the product because the product looks attractive and follows current trends. Innovation plays an important role in the business's sustainability because consumer interest is currently following the trend (Muhamad Zidni Syukron, 2015). Product innovation is no less important; the products produced by entrepreneurs must-have new innovations. Product innovation is applied to meet market demand, which means that entrepreneurs must design their products according to the wishes of consumers so that the product remains attractive in the eyes of consumers so that consumers are not experts on other products. Innovation has a strong influence on improving the performance of MSMEs (Jannah, 2019). Three activities can characterize product innovation: First, the ability to see market products with high opportunities; with opportunities in high markets,

business actors should create new products to be marketed, so as not to lose competitiveness with other products.

Second, build marketing capabilities to respond to the market, by participating in socialization or seminars about marketing a product either in an online form or directly with it so that we can compete with other MSMEs. And the third is the ability to pursue existing opportunities quickly. It can indicate that innovation can lead to easier production; in other words, product innovation is important for effective marketing to increase company performance (Elwisam, 2019). Business actors can also market their products online, for example, through social media such as: Instagram, Facebook, Line, Website, etc. With the existence of social media, it can help business actors to introduce new products; there is no need to spread brochures on the streets, because the development of an increasingly rapid era can make it easier for business actors to market their products, so that consumers can distinguish old products from new product innovations (Santi Susanti, 2018). Innovations made by business actors usually change the old logo design into a new logo; it can also change the old model into a new model. In business, the most important thing is product innovation because it becomes the biggest threat when the business competition gets tougher.

MSME Development Business development is also needed in the sustainability of MSMEs; apart from innovation, it also requires development which can be interpreted as a condition in which the business is developing or not, seen from several indicators that can be used as measurements to determine whether the business is growing or not. Different businesses have different methods of measurement, usually also seen in the turnover per day, the benefits obtained and satisfaction with consumers. With the development carried out by business actors, we can measure the business's success (Sri Wahyuni, 2015). The biggest problem for MSMEs is the difficulty of capital. It resulted in the development of their business not running smoothly, because business actors borrowed their capital from moneylenders, which contained elements of usury. The more business actors get into debt, the more and more they are in debt, the more their business development will not run stably, because mistakes made by business actors will also cause their business to go bankrupt (Jr, 2016). One of the government's efforts so that MSMEs can develop by employing People's Business Credit (KUR) is a credit program intended for MSMEs in the form of providing working capital. One of the reasons for business development is the capital factor which is still difficult to reach MSME actors (Pangestika, 2016). To overcome these problems, it takes the role of the government and the role of the community and large companies. The role of the community can be demonstrated by becoming a workforce or capital for the development of MSMEs. While the role of large companies can be in the form of coaching and financial assistance, coaching can be done by inviting MSMEs to hold exhibitions or seminars on MSMEs with the theme of product innovation to develop businesses, while financial assistance is needed in MSMEs because the capital received by MSMEs is not comparable to the effort they put in. so that MSMEs can run well so that MSMEs can develop in Indonesia. The development of MSMEs is currently only a matter of capital, because, in this case, access to capital from financial institutions has not touched small business actors (Hamdani, 2016). Providing business capital to small business actors is part of developing MSMEs in the regions. It is based on the fact that the level of compliance to return business capital to banks is higher, and the interest applied is also high; therefore, business actors are reluctant to borrow capital from banking institutions. The interest applied is high; the business actor cannot pay it off; it will go out of business, which is what the business actor is worried about. It is still not enough to become a basis for the belief that MSME actors will get convenience in applying for business capital credit facilities to banking institutions; until now, there are still many business actors who are still not reached by banking institutions (Hirawan, 2016). Promotional media through print media or social media can be a form of development that can be carried out by business actors, so that the wider community can know them. Participating in exhibitions about MSMEs can be one of the things that can be done in promoting their products; online media can also, the more people who recognize these

products, the more interested people want to buy these products. Because the products offered are attractive and follow today's trends, the more the product sells. Media promotion is also very much needed for their business development to continue to run smoothly and well (Mangifera, 2016). Current business development requires only access to capital and also innovation in a product; if both run smoothly, then development in MSMEs will run stably, especially supported by product marketing through online media. MSME products will certainly be able to compete with large-scale businesses. With this, innovation and development need each other for the sustainability of the business they are living in.

Based on the analysis results, it was found that there are still many SMEs in Indonesia who do not have the readiness for reliable human resources with knowledge and skills in the field of information technology, and have infrastructure devices with substandard networks and internet. Connections, communication network instability from vendors, and research limitations in terms of telecommunications infrastructure. Government policies are also an important factor and are still an obstacle to building SME businesses through the adoption of E-Commerce (Simpson & Docherty, 2004). But on the other hand, government policies also need important attention, because many e-commerce business players also practice unfair competition patterns that can weaken or cause harm to the e-commerce industry in Indonesia. Especially in an open internet network, anyone can easily access and download anything. For this reason, as a factor that has an important role in

For the growth of e-commerce, clear and transparent government standard policies and regulations are needed. Besides protecting consumers in conducting online transactions, they must also be able to prevent and secure the possibility of fraud committed by certain parties (Gefen, 2002). In addition, the compatibility factor in terms of technology is also the cause of the difficulty of the e-commerce adoption process. The suitability factor is often an obstacle because not all types and products can be marketed through e-commerce. E-commerce adoption has become a core part of the current competition for every SME business, although it has not been able to fully increase the organization's agility in capturing the target market share. The success of e-commerce adoption in growing the creative economy market cannot be separated from the readiness of local organizational infrastructure, structure, and culture to shape a social perspective through top management support (Granlund & Taipaleenmäki, 2005). Therefore, the agility of SME business organizations must fully involve top management support, organizational readiness, government policies, and compatibility. These four factors are important dimensions that tend to be inhibiting factors for e-commerce adoption (Sila, 2015). So we need a clear concept to strengthen these four factors so that e-commerce adoption can run smoothly in growing the creative economy market.

Growing the creative economy market is a future challenge in strengthening the foundation of the social economy. In addition, it must strengthen relationships with vendors, grow the level of public trust in online shopping, guarantee online ordering and payment transactions, and always improve information technology skills. Environmental constraints encourage businesses to adopt e-commerce, especially external pressures (consumer demand). These consumer demands are in the form of convenience and practicality in transactions. A possible explanation for this condition is that most customers in Indonesia are identified as "conventional online shoppers" (Urumsah, 2015), where customers visit online sites just to see the products offered, and if interested, they place an order conventionally. By phone, fax or even face to face. Micro or small businesses must follow and provide things that consumers need, such as websites, because consumers are a source of income for business actors. Micro and small businesses in adopting e-commerce need to know the company's environmental conditions that require environmental perspective factors. When micro and small business actors know the company's environmental conditions, they can make changes to their business, so they are not left behind in the current era of modern technology.

CONCLUSION

From the description above, it can be concluded that e-commerce readiness is very important in times of uncertainty, such as the COVID-19 pandemic. The level of readiness will determine the viability and sustainability of a company or business in a volatile business environment. E-commerce readiness can be evaluated based on Technology Readiness, Organizational Readiness, and Environmental Readiness. Not all perspectives are considered in making decisions about implementing or improving e-commerce during the pandemic. MSME development strategy through product innovation is highly dependent and interdependent, where if the product innovation is a *prima donna* for consumers, then MSME development will also be stable. Because development depends on innovation, if many people are interested in the innovation, the profits obtained by business actors will also increase. With this, the development of MSMEs will also increase, because it does not require capital from financial institutions, such as moneylenders who contain elements of usury. With the help of promotional media through print media or social media, it is also very helpful for the continuity of the business they are running; with the promotion media, it is hoped that many consumers will see and come to the store that provides the products that have been marketed so that MSMEs are not less competitive with large-scale businesses. . Because MSMEs are currently able to overcome the unemployment rate in Indonesia because MSME assistance opens job opportunities for the unemployed.

REFERENCES

- Ardiani Ika Sulistyawati, Indarto, Saifudin. (2018) Several Factors Affecting Competitive Advantage of Handycraft SMEs in Semarang Journal of the Proceedings of the Unimus National Seminar Volume 1.
- Ariani, M.N. (2017). Study of MSME Development Strategy in Tarakan City. Faculty of Economics.
- Barney, JB (1991). Strong resources and sustainable competitiveness advantages. *Journal of Management*, 17(1), 99–120. <https://doi.org/10.1177/014920639101700108>
- Bilton, C., & Leary, R. (2002). What can managers do for creativity? The intermediary of creativity in the creative industry. *International Journal of Cultural Policy*, 8(1), 49–64. <https://doi.org/10.1080/10286630290032431>
- Byukusenge, E., & Munene, JC (2017). Knowledge management and business performance: Is innovation important? *Cogent Business and Management*. 4(5), 183–196. <https://doi.org/10.1080/23311975.2017.1368434>
- Chen, JKC, Windasari, NA, & Pai, R. (2014). Exploring e-readiness on SME e-commerce adoption: A case study of Southeast Asia. *Proceedings of 21NS. International Conference on Industrial Engineering and Engineering Management*, Malaysia, 9-1 December (pp. 1382–1386). <https://doi.org/10.1109/IEEM.2013.6962637>
- Cunningham, S. (2002). From culture to creative industries: Theory, industry and policy implications. *Media International Australia combines Culture and Policy*, 102(1), 54–65. <https://doi.org/10.1177/1329878X0210200107>
- Duan, X., Deng, H., & Corbitt, B. (2012). Evaluate critical determinants for adopting e-markets in Australian small and medium sized companies. *Management Research Review*. <https://doi.org/10.1108/01409171211210172>
- Elwisam, R. L. (2019). Implementation of Marketing Strategy, Creative Product Innovation and Market Orientation to Improve MSME Marketing Performance. *Journal of Management and Business Research (Jrmb) Faculty of Economics, Uniat*.
- Hamdani, M. (2016). Company Support in Developing MSMEs Based on Corporate Social Responsibility Programs. *Entrepreneurship in Multi Perspectives*.
- Heri Nurranto, Fajar Kurniadi, A. M. G. (2019). LEVEL OF INNOVATION AS A PRODUCT DEVELOPMENT STRATEGY, *Economics Education Study Program, Faculty of Education and Social Sciences, Universitas Indraprasta PGRI*, 11(1), 1–15.

- Hirawan, Z. (2016). MSME Development Strategy in Subang Regency.
- Inda Lestari, M. A. (2019). The Influence of Innovation and Entrepreneurship Orientation on the Competitive Advantage of Culinary SMEs. *Journal of Management and Business Research* Vol.4 No.1.
- Jannah, M. (2019). The Influence of Entrepreneurship Orientation and Product Innovation on the Performance of Tuban Batik Gedog SMEs. *Effect of Company Orientation*.
- Jr., Y. R. (2016). BMT ItQan Zakat Fund Management Strategy in MSME Development. Faculty of Da'wah and Communication, UIN Sunan Gunung Djati Bandung.
- Mangifera. (2016). The effectiveness of the catalog as a promotional media for the development of MSMEs in Sragen Regency. *Management Journal*.
- Mas Oetarjo, A. W. (2019). City Branding Sidoarjo Through Micro, Small and Medium Enterprises (MSMEs).
- Muhamad Zidni Syukron, N. (2015). The Influence of Market Orientation and Entrepreneurship Orientation on Product Innovation and Competitive Advantage of Jenang MSMEs in Kudus Regency.
- Law of the Republic of Indonesia Number 20 Tun 2008 concerning Micro, Small and Medium Enterprises.
- Oktafia, R. (2017). Accelerating the Growth of Micro, Small and Medium Enterprises (MSMEs) through Strengthening Sharia Microfinance Institutions (Lkms) in East Java.
- Pangestika, P. (2016). Strategy for Development of Potential Micro, Small and Medium Enterprises (MSMEs) with Credit Support (Case Study: MSMEs in XYZ Regency). *Journal of Agroindustrial Technology and Management*.
- Rudiana, (2014). Innovation Level As Product Development Strategy And Creativity.
- Santi Susanti, D. P. (2018). Community-Based Marketing Communication for Local Commodity Products Through the Use Of Media (Case Study Of Fruitsup, Umkm Di Jatinan).
- Setyanto, A. R. (2015). Study Of MSME Development Patterns In Batik Laweyan Village Through Social Capital In Facing Free Trade In The Asean Region.
- Sri Wahyuni, A. P. (2015). The Influence Of Entrepreneurial Experience Level, Productivity And Innovation On Lumpia Skin Business Development (Case Study On Lumpia Skin Smes In Kranggan Village, Semarang City).
- Suci, Y. R. (2017). Development Of Msmes (Micro, Small And Medium Enterprises) In Indonesia. *Cano Ekonomos Scientific Journal* Vol.6 N0.1
- Tri Aripriabowo, Luluk Masruroh, Ita Rosita, F. (2019). MSME Development Through Business Management In Gondang Village, 2, 39-43.