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REDESIGN ECONOMIC EMPOWERMENT OF STREET FOOD SELLER IN COVID-19 PANDEMIC PERIODS: THE ROLE OF DIGITALIZATION

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Abstract: Covid-19 has a very significant effect on business. Learning from the home policy since implemented during covid-19 made street food sellers around the school environment bereave potential income. The service community program aims to redesign economic empowerment street food sellers around the school environment to retrieve their lost income due to covid-19. There are three problems faced: human resources, production, and marketing. Community services program using Plan-Do-Study-Action (PDSA) Cycle proposed by Moen and Norman (2010) to accomplish the problem. The result shows that there is a positive trend of increasing income. Digital marketing strategy is the primary key to achieving the economic empowerment of food street sellers around the school environment. The new menu offered became a magnet that could attract new consumers and word of mouth as the practical marketing tools in rural areas.

Keywords: Economic Empowerment, Covid-19, Digital Marketing

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INTRODUCTION

Coronavirus disease 2019 (COVID-19) is a widespread and new phenomenon that can make people change their way of life (Nasar et al., 2021). Pandemic has significantly affected the business operations, customer shopping habits, and trends. Moreover, it rapidly impacted societies and economies (Parnell et al., 2020; Ratten, 2020). As for the economic consequences, small-medium enterprises' (SMEs) activities will face a downward trend regardless of their presence in developed or developing countries. However, businesses could be resilient to external shocks in emerging economies (Nasar et al., 2021)

SMEs were more resilient than large companies during the crisis, but pandemic covid-19 became an internal and external shock that influenced supply and demand, especially when implementing health distancing (Fitriasari, 2020). Shafi et al. (2020) indicated that most entrepreneurs are overwhelmed and feel unprepared for the pandemic situation. They were facing financial constraints due to lowering sales and profit and disruption in the supply chain. Due to forcible and involuntary business closures and operational restrictions (Fairlie, 2020). A massive number of SMEs shut down their business due to a lack of resources (Bartik et al., 2020)

However, some businesses quickly adapted to sustain their business during a pandemic. In this way, an entrepreneur should create a new idea and innovative to scale up business amidst the Covid-19 crisis. They should engage in product-market innovation, excellent promotion, risky undertaking, and being the first to develop proactive innovation (Wang & Altinay, 2012). Entrepreneurs require innovative and creative action to chase an opportunity in the marketplace because the fundamental for being an entrepreneur is essentially entrepreneur action (Lerner et al., 2018). For example, several SMEs were engaged in food if they had good technology infrastructure and were moved into several marketplaces.

One of the creativity to can become an entrepreneur to be done is moving into digital

entrepreneurship. Digital entrepreneurs can be defined as entrepreneurs who pursue opportunities to produce and trade in digital artifacts on digital artifact stores or platforms and create these digital artifact stores or outlets (Cavallo et al., 2019). The most common forms of digital entrepreneurship thus include the creation and commercialization of new digital infrastructures, such as platforms, or the result of value within existing digital media (Sussan & Acs, 2017)

This outbreak encouraged SMEs to implement digital entrepreneurship by using several digital networks. Prior studies suggested that strategic adoption of appropriate digital technology can enhance competitiveness, productivity, and performance (Chan et al., 2019; Dibrell et al., 2008). Purwana et al. (2017) stated that SMEs should adapt to digital technology to maintain SMEs' existence, mainly using digital marketing. Digital marketing has a significant impact on increasing sales performance in SMEs (Hendrawan, 2019). Creative entrepreneurs suggested that digital entrepreneurs will be the leading communication platform in marketing due to the ease and ability of digital marketing to reach more consumers. In line with Purwana et al. (2017), SMEs can start their digital journey by creating social media accounts and regularly promoting.

A previous study explained that SMEs using social media has several advantages (Abed, 2020; Tajudeen et al., 2018) to provide broader reach through brand engagement (Geurin & Burch, 2017). SME has several advantages to increase knowledge sharing and access to the global market via the virtual environment (Jung & Jeong, 2020); and visualize and consider time, distance, and geographic locations (Jin & Hurd, 2018). With social media, SMEs can benefit because of low cost, ease of use, and can help SMEs access many substantial customers (Dad & Khan, 2019). Many small and medium-sized enterprises (SMEs) use popular social media platforms such as WhatsApp, Facebook, Instagram, and Twitter to market their operations and communicate with their clients (Odoom et al., 2017).

One of the SMEs that affected this health crisis is food street sellers around the school. Since the Ministry of Education and Culture in Indonesia has issued several policies related to preventing and handling Covid-19, which is the learning from home policy, all educational institutions are closed. As a result, food street seller around school cannot be peddling their food. However, this current situation affects the economic structure of a household. To increase their income, food street sellers have to redesign how they sell off the product.

On the other hand, they lay with digital devices such as smartphones and live in rural areas, which is delayed to know about development in technology. Besides that, entrepreneurial projects have difficulty sustaining and scaling up their operations. There are limited possibilities of switching the traditional business models to digital ones. The pandemic has made it even tricky for entrepreneurs to change the existing structure due to the lack of resources and capacity (Nasar et al., 2021).

The service community program aims to redesign the economic empowerment of street food sellers around the school environment to retrieve their lost income due to covid-19. There are several problems faced, but we focused on human resources capacity, production, and marketing strategy in this program. In the first program in human resources capacity, we will introduce smartphone utilization and the other benefit of using a smartphone. In the second program, we were rectified with a new product development strategy. And the last introduce digital marketing as a marketing tool to improve a considerable number of customers.

METHOD

Community services program using Plan-Do-Study-Action (PDSA) Cycle proposed by Moen and Norman (2010). Using this approach, the team was able to identify most of the problems faced by SMEs (Chakraborty, 2020).

To realize this program, we have a pilot study to recognize the business process, problem, challenges, and resistance during the covid-19

pandemic periods. We used observation and interviews with the food street seller around the school. Around four people were selling their food around the school for pilot study and observation. It takes two days for this pilot study and observation. The sample of this study was a food seller around a school in Jambesari Village Poncokusumo District Malang Regency.

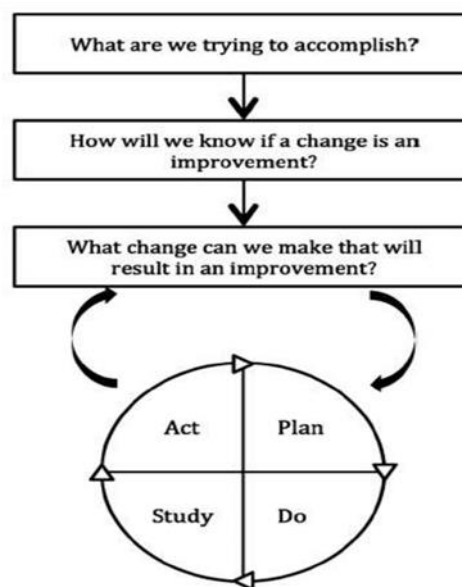


Figure 1. PDSA Cycle

PDSA cycle in food street seller can be explained below:

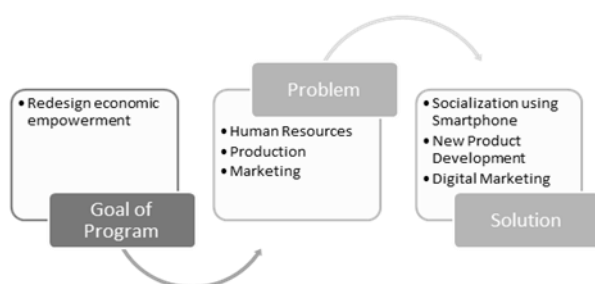
- Plan:** in this stage, we proposed the objective of the community service program. We make an excellent prediction for the current situation and also redesign to improve the economic empowerment for food street sellers.
- Do:** carry out the plan and implementation stage on a small scale. An alternative solution will be described at this stage if we find unexpected observations. And try to figure out analysis the data
- Study:** summarize what we learned. We are learning and evaluating the resistance. At this stage evaluation process at the goal of this program is carried out.
- Act:** in this stage, adopting activities for the whole program according to the goal that's been mutually agreed.

RESULTS AND DISCUSSION

The service community program aims to redesign economic empowerment street food sellers around the school environment to retrieve their lost income due to covid-19. Pandemic has significantly influenced the business process, certainly on consumer behavior and consumption. Based on a pilot study, observation, and interview of food street sellers in general, they are unfamiliar with smartphones and cannot use even more social media. As a result, many food street sellers incorporate with this program because very interested. Based on the PDSA cycle, this service program followed the step from the above process.

a. Plan

Service community program oriented toward finding solutions faced by food street sellers. The main problem is increasing income and scaling up their business during the pandemic Covid-19 periods. We were focused on human resources capacity, production aspect, and marketing. In aspect human resources, we have conducted smartphone socialization and introduced various applications that can be used to sell the product. Meanwhile, in the production aspect, we try to launch the new product development that is very popular recently, such as *seblak*. This new product was expected to gain new customers in different segments such as a teenager. And the last we were introduced new marketing tools that are digital marketing.



Source: Author 2021

Figure 2. Planning Service Community Program

b. Do

After preparing the service program plan, we were implemented service activities. This activity was attended by several food street sellers who were very enthusiastic about gaining new knowledge. They were very curious about what could be used from a smartphone. There were even participants who did not have a smartphone. Even though they were finding difficulties but also very interested. The whole participant pays close attention to all the presentations till the end. The first program, human resources capacity that is smartphone socialization. Introduce various applications that were used for the selling of the product. This program began with a brief explanation about smartphones and downloading some social media platforms such WhatsApp, Facebook, and Instagram and teaching them how to use the forum. Furthermore, we were given some photography techniques due to acquiring the best shot of the product; thus, they had an attractive appearance that could attract customer.

The second program was new product development. After that, getting knowledge about social media later were introduced new knowledge about new product development. Most recently, social media tools can potentially increase new product development outcomes. Because the consumer can be identifying and cutting edge option by analyzing the issue associated with new product development through social media, recently, *seblak* being popular street food among teenager. This new product development was to attract new consumers outside the leading consumer (children); for the production process first step taught how to make *seblak*, thus making the additional topping.

The following program activity is an implementation of digital marketing. Digital marketing was a two-way communication method that can create awareness and engagement for particular products and brands. Platforms often used for digital marketing were social media, especially

WhatsApp, Facebook, and Instagram. However, before implementing the program, most rural consumers used WhatsApp in preliminary observation. One of the most effective marketing tools in this program was using WhatsApp. However, we also used Instagram and Facebook because rural consumers started to know about it and massive spread among rural society.

In this session, some suggestions and tips were also given to make a post more interested such as using high-resolution photos; thus, images remain clear when uploaded, using relevant hashtags, a curious caption that is usually core of the story. Choosing the right time for uploading news or photo (morning around 7-9, noon around 12-14, and evening around 17-21) setting the post time lag was also given explicit instruction.

c. Study

At this stage was learning and evaluating all programs that have been implemented whether all programs go correctly. We also summarize what we had done during this program and keep communicating with the whole food street seller to ensure that all the program is running well. We were continued evaluated. Evaluating means to find out to what extent the success rate of program implementation and maintain further program plans.

After evaluation, new product development, namely seblak became a new wave menu with high repeat purchase intention. Social media help SMEs engage consumers during the Covid-19 pandemic comparatively inexpensively and high productivity levels for new product development. We found exciting findings, word of mouth (WOM) proven practical marketing tools in the rural area. WOM was considered very effective because people in rural has seemed very close to each other and always had good communication; thus, news spread rapidly. Essentially WOM is a natural way of disseminating information that utilizes viral marketing components and is distributed by

a more natural channel. WOM was free of advertisement, and the customer shares it from customer experience.

In addition, stories on WhatsApp, which are often uploaded, can also stimulate customers to purchase. We were also given some insight toward customer service, such as making a customer feel enjoy and satisfied with the product. Nowadays, a customer is everything; we should engage and create long-term relationships. We offered free delivery service to neighboring rural areas to increase sales.

d. Act

The last stage was adopting all programs following the program objective. The service community program aims to redesign economic empowerment street food sellers around the school environment to retrieve their lost income due to covid-19. We were focused on human resources, production, and marketing. All the programs that we carry out have been well organized. We ensure that all programs are running on a track

CONCLUSIONS

Covid-19 pandemic had a significant effect on businesses, including SMEs. Even though SMEs were more resilient than large companies, the pandemic made entrepreneurs overwhelmed and unprepared. Especially food street sellers lost their income since learning from the implemented home policy. The service community program aims to redesign economic empowerment street food sellers around the school environment to retrieve their lost revenue due to the effect of covid-19.

There are several problems faced, but we were focused on human resources capacity, production, and marketing strategy in this program. Community services program using Plan-Do-Study-Action (PDSA) Cycle proposed by Moen and Norman (2010). The first program, human resources capacity that was smartphone socialization. Introduce social media applications such as Facebook, Instagram, and

WhatsApp. A second program, new product development, Recently, seblak being popular street food among teenager. This new product development was to attract new consumers outside the leading consumer (children). And third program implementation of digital marketing. Digital marketing was a two-way communication method that can create awareness and engagement for particular products and brands.

This community service program shows a positive trend marked by an increase in sales. Digital marketing plays an essential role as a marketing tool to increase potential customers. An interesting finding is that word of mouth (WOM) has proven practical marketing tools in the rural area. WOM was considered very effective because people in rural was seemed very close to each other and always had good communication; thus, news spread rapidly. Therefore, it is suggested that future community service carry out a similar program on a larger scale to confirm the program works and use other digital marketing tools.

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