Implementation of Digital Transformation at Al-Mahdi Outlets during the Covid-19 pandemic in Pekanbaru City

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Abstract

Covid entered Indonesia for the first time in March 2020 Covid-19 entered Indonesia for the first time in March 2020, in Indonesia almost every sector has experienced an impact, one of which is the community's economic sector. The economic downturn in Indonesia resulted in a decline. One of the people's economies, namely Micro, Small and Medium Enterprises (MSMEs), is impacted by the Covid-19. In this study, the founder of the Al-Mahdi Pekanbaru outlet, namely Dinawati, was founded in 1998 in the city of Pekanbaru. This is the first kemojo cake business in Riau. The outlet produces and markets kemojo cake, a typical food from Riau Province. This business was initiated at the age of 24, after Covid-19 hit Indonesia, it had a negative impact, decreased turnover, termination of employment, increased raw materials, added to the enactment of social distancing and large-scale social restrictions (PSBB). The need to adapt to digital transformation using and utilizing social media in supporting business continuity. In Research Ni Made, et al 2021) This study aims to understand the importance of the right digital transformation model for every SME business, especially in taking advantage of the accelerated momentum due to the social restriction policy imposed during the COVID-19 pandemic, because choosing the right model is believed to provide probabilities which is better than a successful transformation. The results of this study are the success in implementing digital transformation by utilizing e-commerce, social media and online transportation such as go-jek with go-food features.

Keywords: covid-19, Digital Transformation, E-commerce, SME’s, Media Social

1. Introduction

Covid-19 entered Indonesia for the first time in March 2020, in Indonesia almost every sector has experienced an impact, one of which is the community's economic sector [1], [2]. The economic downturn in Indonesia resulted in a decline. One of the people's economies, namely Micro, Small and Medium Enterprises (MSMEs), is impacted by the Covid-19 [3]–[6].

The influence of the COVID-19 virus on wood and rattan craft units, micro businesses is at 17.03%. For small businesses in the wood and rattan handicraft sector 1.77% and medium businesses 0.01%. Meanwhile, household consumption will also be corrected between 0.5% and 0.8%. Digital developments in globalization are very influential on the wheels of the economy including the retail market [7].

The founder of the Pekanbaru Al-Mahdi Outlet, namely Dinawati, was founded in 1998 in the city of Pekanbaru. This is the first kemojo cake business in Riau. The outlet produces and markets kemojo cake, a typical food from Riau Province. This food is served at delivery, traditional events, weddings and other holiday celebrations. The color for this kemojo cake is green. It has a distinctive aroma, namely the aroma of pandan. The taste of this kemojo cake is different, namely durian, chocolate and pandan flavors. This business was initiated at the age of 24, after Covid-19 hit Indonesia, it had a negative impact, decreased turnover, termination of employment, increased raw materials, added to the enactment of social distancing and large-scale social restrictions (PSBB). The need to adapt to digital transformation using and utilizing social media in supporting business continuity.

Research [8] aims to understand the importance of the right digital transformation model for every SME business, especially in taking advantage of the accelerated momentum due to the social restriction policy imposed during the COVID-19 pandemic, because selecting the right model is believed to provide a better probability of transformation successful. This study is a qualitative research through content analysis to generate a theoretical model construction of digital
Digital transformation occurs due to encouragement and support in the use of digital technology. Digital transformation occurs due to changes driven by technological developments in organizations and the environment [9]–[12]. Changes that occur are related to business process adjustments, including changes between companies and employees and companies with customers, as well as changes that occur in current market conditions [12]. Referring to Verhoef then digital transformation and business innovation change customer expectations and behavior, pressuring traditional companies and market disruption [13], [14]. Changes in customer needs and behavior also force companies and general administration to excel in digital transformation, so that many business sectors require changes and digital transformation is a process carried out by organizations or companies.

Based on the existing problems, researchers want to apply digital transformation to the Al-mahdi outlet business during the Covid-19 pandemic in Pekanbaru City.

2. Research Methods

This analysis conducted interviews to identify these problems and understand their problems. This research is qualitative and aims to produce theoretical constructs using methods that have been documented by the authors in the literature, journals, papers and other publication sources that have been surveyed and identified.

This research uses a qualitative method because this research has a closeness to understanding the questions that are considered close and emerge

2.1. Digital Transformation

Transformation digital adalah sebuah proses penggunaan dan pemanfaatan teknologi informasi dan inovasi secara digital [15]–[17]. Digital transformation is a process of using and utilizing information technology and innovation digitally [15]–[17]. transformation changes such as the nature of form, and function.

Digital transformation can be defined as the process of changing the way organizations or individuals operate, use
digital technology to increase efficiency, productivity, and adaptability. In digital transformation, technology is used to change business models, processes, products and services to make them more efficient, fast and effective in facing competition. One of the reasons why digital transformation is needed is because of the rapid development of technology. Digital technologies, such as the internet, mobile and big data, provide many opportunities for organizations to improve their

performance in a more effective and efficient manner. In addition, digital transformation also helps organizations to keep abreast of changes and shifts that occur in the market.

Digital transformation can provide many benefits to organizations [15], [18]–[20], such as:

1. Increase Efficiency and Productivity

Digital transformation enables organizations to automate routine and repetitive tasks, thereby increasing efficiency and productivity. This can help organizations to reduce the cost and time needed to perform these tasks.

2. Improving Customer Experience

With digital transformation, organizations can provide a better and more personalized customer experience. For example, by integrating customer data from multiple sources, organizations can provide products and services that are better suited to customer needs and preferences.

3. Accelerating Product and Service Innovation

In digital transformation, organizations can develop faster and more effective products and services. By using technologies such as big data and artificial intelligence, organizations can collect more accurate and in-depth data and analysis, so they can make better decisions in developing products and services.

4. Improving Data and Information Security

Digital transformation also helps organizations to increase the security of their data and information. By using technologies such as encryption and firewalls, organizations can secure their data and information from external threats.

5. Increasing Competitiveness

With digital transformation, organizations can become more competitive in the market. By using technology, organizations can improve their performance in various aspects, such as efficiency, productivity, innovation and customer experience. Matter This can help the organization to win the competition in the market.

2.2. Use of Social Media


Social media has a very important role in business. This is due to social as the front guard in carrying out its

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function as a communication tool [21]–[25]. According to Morrisan, all forms of marketing or promotional communication activities are one-sided to produce a brand image or the characteristics of a business. Covers advertising, direct marketing, sales promotion, public relations.

Social media is a digital platform that allows users to interact, share information and build networks with other users. Some examples of popular social media include Facebook, Twitter, Instagram, LinkedIn, and TikTok [26]–[28].

The sophistication of the latest social media, there are many social media platforms that we can use for free, namely Facebook, Instagram, TikTok and WhatsApp business.

Social media has many benefits for its users [25], [29]–[31]. The following are some of the benefits of social media:

1. Building social networks and relationships
Social media allows users to connect with people around the world and build wider social networks and relationships.

2. Obtaining information and insight
Social media provides access to a variety of useful information and insights, such as the latest news, tutorials or tips and tricks in various fields.

3. Increase creativity and productivity
Social media can be a source of inspiration and creative ideas, so it can help increase user creativity and productivity.

4. Promote business and brand
Social media can also be used to promote businesses and brands, thereby increasing the visibility and attractiveness of the products and services offered.

Social media also has some limitations that need attention [12], [25], [32], [33]. Some of these limitations include:

1. Security and privacy risks Social media often has security and privacy risks that need attention, such as identity theft, fraud, and cyber attacks.

2. Addiction and psychological disorders Social media users are also at risk of experiencing dependence and psychological disorders, such as depression, anxiety and lack of sleep.

3. Unhealthy or inaccurate content Social media also often has unhealthy or inaccurate content, such as hoaxes and disinformation, so it is necessary to monitor and evaluate the sources and content found.

Social media can also be used as a tool for research and surveys. Some of the advantages of using social media in research include:

1. Get data easily
Social media allows researchers to collect data easily, quickly and relatively inexpensively.

2. Obtain a representative sample
Social media allows researchers to obtain a more representative sample, because it can reach respondents from various backgrounds and geographic locations.

3. Acquire data in real time
Social media allows researchers to obtain data in real time, so that it can be used for research that requires data quickly.

4. Obtain more complete and detailed data
Social media allows researchers to obtain more complete and detailed data, as social media users often share more open and honest information and opinions.

2.3. E-commerce
E-commerce is a dynamic technological device, including applications and business processes that connect companies, consumers and a community through electronic transactions, which carry out electronic exchange of goods [22].

E-commerce or electronic commerce is a trading platform that is carried out online [34]. In e-commerce, buying and selling transactions between customers and sellers are carried out electronically through websites, applications or other digital platforms. E-commerce provides many benefits for businesses and consumers, including ease of shopping and selling, cost efficiency, and wider access to global markets [35].

E-commerce provides significant benefits for business people. First, e-commerce allows businesses to expand market reach. With e-commerce, businesses are not limited by geographic boundaries and can reach customers all over the world. Second, e-commerce opens up new business opportunities by expanding sales channels and reducing costs. Because e-commerce does
not involve physical costs like a store, overhead costs such as rent and utilities are saved. In addition, e-commerce allows sellers to save on operational and logistical costs because transactions are carried out online [36], [37].

E-commerce provides benefits for consumers as well. First, consumers can shop easily, anytime and anywhere. Second, consumers can quickly and easily compare prices, quality, and product reviews from various sellers. In addition, e-commerce also allows consumers to obtain more detailed product information, so they can make better and smarter decisions [38], [39].

E-commerce can be used effectively in research because it allows researchers to obtain data quickly and easily from many respondents. Researchers can use e-commerce to collect data by creating online surveys, monitoring consumer behavior online, and analyzing data obtained from e-commerce platforms. By using e-commerce, researchers can obtain more accurate, complete and detailed data at a more efficient cost.

According to Hidayatullah [40] regarding the existence of online transportation (Go-food) on culinary business turnover in Malang City, the results of this study state that the existence or existence online transportation (Go-food) has a positive influence and this influence is significant on culinary business turnover in Malang City, this is due to the Go food menu in the Gojek application which makes it easier for culinary businesses to promote their products quickly.

3. Results and Discussions

The Covid-19 pandemic has caused a crisis in businesses and businesses, so it is necessary to evaluate and make new changes by implementing digital transformation to reduce the impact of covid-19. According to Fitriasari, digital transformation introduces new technology by juxtaposing businesses that are already getting better, by adjusting consumer demand.

According to Verhoef, there are 3 transformations namely digitization, digitalization and digital transformation in the sense that digitization changes the previous analog technology into digital information technology.

3.1. Implementation of Online Social Media Promotion

The application of social media uses the Facebook page platform, namely the Facebook page

Figure 2. Promotion implementation using Facebook page.
https://www.facebook.com/DinawatiAlmahdi?mibextid=ZbWKwL

3.2. Application of Online Transportation

The application of online transportation, namely gojek through its go-food feature

Figure 3. Implementation of promotions using the gojek application. Kemojo Cake and Cermai Al Mahdi Cake Typical Pekanbaru, Pope at GoFood.https://gofood.link/a/z4iEtfy

3.3. Digital transformation imperative strategy carried out by SMEs

Digital transformation causes major changes driven by advances in information technology. The basic features of digital transformation are complex innovations in all systems of society, changes in market fundamentals, reshaping boundaries, and fundamental changes in business models. Priyono et al[13] found that the choice of SME strategies to carry out technological transformation during the COVID-19 pandemic can be classified into 3 digital strategies, namely (1) SMEs with a high level of maturity that are able to respond to challenges by accelerating the transition to digital companies, (2) ) SMEs experiencing liquidity problems and low levels of digital maturity decide to only digitize the sales function, and (3) SMEs that have very limited digital literacy but are supported by high social capital will solve the challenge by finding partners who have excellent digital skills

3.4 Building Synergy between digital MSMEs and Netizens

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Netizens are users of various social media platforms who actively interact with each other digitally in cyberspace. In this era of digitalization, their role is very influential on the sustainability of businesses that penetrate the digital world. In developing digital-based MSMEs, MSME actors must be able to work together with netizens by presenting creative content. Through the presentation of creative content, it can automatically attract the attention of netizens so they can share their products. With this synergy, the products and services offered by MSMEs will be widely known by netizen actors.[14]

Because without synergy between MSMEs and netizens it will be difficult for MSME business actors to be able to offer their products quickly on social media. Because of this, digital MSME actors must know the knowledge of netizen actors and the techniques for making it viral in order to be able to compete. Knowledge like this needs to be obtained by MSME actors through assistance and various training by third parties or independently

4. Conclusion

After implementing a digital transformation business utilizing social media, e-commerce can make it easier for consumers to make online order transactions so that consumers don’t need to visit stores in the hope of complying with health protocols and government advice on PSSB. promotions through social media whose reach is very broad compared to using banners and brochures.

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