Strengthening Digital Capabilities and Entrepreneurship For SMEs in the Creative Economy Sector during a Pandemic

Memperkuat Kemampuan Digital dan Kewirausahaan Bagi UKM di Sektor Ekonomi Kreatif Pada Masa Pandemi

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ABSTRACT

An important aspect in the development of the local economy is MSMEs' ability to support productive human resources, allowing people to live their lives as a means of earning a living. Entrepreneurship is characterized by the ability to transform current resources into goods and selling points via the use of ingenuity. The Covid-19 pandemic sparked the growth of micro, small, and medium-sized businesses (MSMEs). The pandemic of Covid-19 has slowed most economic sectors, particularly MSMEs. Many MSME performers are unable to grow and end up in bankruptcy because of the overabundance. This is the reason why small and medium-sized businesses (SMEs) are embracing digitization initiatives. Using a marketplace (intermediary) and social media as a marketing strategy is the method of digitalization. Digital MSME players must also be able to collaborate with netizens in promoting their goods and services, as outlined in this article. Because of this, the digital MSME development strategy is a viable option to safeguard small businesses from the Covid-19 pandemic. This article uses a process known as a literature review to examine numerous works on the growth of digital small and medium-sized enterprises (SMEs). According to this article, amid the Covid-19 pandemic in Indonesia, the growth of digital MSMEs has emerged as a viable option for saving and establishing a digital enterprise.

Keywords: Creative economy sector, digital capabilities, entrepreneurship, MSMEs, pandemic

ABSTRAK


Kata kunci: Kemampuan digital, kewirausahaan, UMKM, sektor ekonomi kreatif, pandemi covid-19
INTRODUCTION

Many people's lives have been touched by the worldwide Covid-19 pandemic that is prevalent in all nations. Almost all sectors of Indonesia's economy have been impacted, particularly those that have been the center of public attention. As a result of the Covid-19 pandemic, Indonesia's economy has experienced a significant downturn. The economic most vital sector, the MSME sector, has been severely impacted by the financial crisis. This is what everyone is concerned about, since it has caused a big setback for the MSME sector.

There are also numerous challenges that MSMEs are facing right now, including declining sales and capital as well as distribution issues as raw materials become more difficult to obtain. This results in decreased production and the subsequent loss of jobs, all of which pose a threat to the country's economy. MSMEs, which are the backbone of the domestic economy and a major source of employment, are seeing their productivity dwindle, which has a direct impact on their earnings. According to Asian Development Bank research, more than 60% of Indonesia's micro-enterprises have reduced staff due to a lack of cash or reserves (Adhikary et al., 2021).

The Covid-19 outbreak has undoubtedly decreased consumer spending capacity. As a result of the public's efforts to limit exposure to the pandemic. As a consequence, more customers are opting to shop online instead of in person. It has resulted in the closure of numerous small and medium-sized enterprises (SMEs) owing to falling sales and reliance on offline sales. As a result, those small and medium-sized businesses (SME) that haven't gone digital have been hit hard and have had to shut their doors. While this is true, the Covid-19 pandemic has indirectly led to significant developments in Indonesia's corporate culture. The concept of digital entrepreneurship is a term used to describe the transition from offline to online companies. Using social media and marketplaces (intermediaries) might make it simpler for MSME players to get access to a broader range of potential customers (Redjeki & Affandi, 2021).

Small and medium-sized enterprises (SMEs) in Indonesia are now the country's most important economic pillar. Furthermore, the MSME sector accounts for 99 percent of Indonesian businesses. Small and medium-sized businesses have made up more than 60 percent of the country's gross domestic output (MSMEs). MSMEs have adopted the digital economy only at a rate of 16 percent so far. The economy of Indonesia relies heavily on micro, small, and medium-sized companies (MSME). During the 1998 financial crisis, the MSME sector had a huge influence on the Indonesian economy. The MSME sector, as during the Covid-19 outbreak, has the ability to accelerate the national recovery in terms of economic growth (Suyono et al., 2021).

An entrepreneurial model that has the potential to keep up with the changing face of technology must be developed. The digital entrepreneurial paradigm was born out of this. This business model is the result of a marriage of digital technology and entrepreneurialism, resulting in a new kind of business phenomenon (Steininger, 2019). Technology has a huge impact on the new business units that are formed. Cooperative and collective intelligence are being used in new technology paradigms to construct and maintain stronger and more sustainable entrepreneurial activities that are more resilient. While this may be the case, there are four components of digital entrepreneurship, including digital actors (who), digital actions (what), digital motivation (why), and digital organizations (how) (Elia et al., 2020).

Only 10.25 million MSME participants are linked to digital platforms according to the Ministry of Cooperatives and SMEs' data. In other words, 16.5% of MSME actors are already linked to the digital environment, or roughly 10.25 (Arie & Fikry, 2021). This is because the Ministry of Small and Medium-Sized Enterprises and Cooperatives is always holding MSME digitalization initiatives. A key component of the Ministry of MSMEs and Cooperatives' transformation plan is its digitalization initiative. In addition, the worldwide pandemic has altered people's eating habits. Digitizing small businesses has become a new social norm as a result of this overzealous tendency (Purbasari et al., 2021).

Nevertheless, MSMEs in Indonesia have boosted their usage of digital platforms during the Covid-19 pandemic. Social media is already used by 42% of Indonesian small and medium-sized enterprises (SMMEs). This implies that social media is a tool for helping small businesses grow and remain viable (Patma et al., 2021). E-commerce sales, according to McKinsey, are up 26%, with an average of 3.1 million transactions every day (Camilleri, 2021). For SMEs, the increased usage of social media is directly tied to an increase in sales during the Covid-19 pandemic. Digital platforms and social media have played a key role in the success of small and medium-sized enterprises (SMEs) in performing sales transactions during this pandemic.
The digital economy in Indonesia, which is expected to be the biggest in Southeast Asia by 2025, will also benefit from the development of small and medium-sized enterprises (MSMEs). A third challenge for MSMEs is that they are still bound by the manufacturing capacity of their products. In the digital market, many SMEs fail because they don’t satisfy the requirements of the digital market. Second, there is a wide disparity in the resilience of MSME actors. Because of the pandemic, huge corporations have also shifted to digital platforms, small businesses must be able to compete in this digital market. Third, it’s critical to improve digital literacy training and MSME business players’ human resources (Anshari & Almunawar, 2022). Because the digital literacy and human resource quality of MSME players is so poor, it has influence on their ability to produce their exceptional goods to the best of their abilities. Meanwhile, most MSME company players are eager to include digital business practices in their growth strategy (Yun et al., 2020).

Many factors must be taken into account in the development of digital businesses, including the quality of the products and the ability to produce them, as well as digital literacy. MSMEs must take these three factors into account if they want to have a long-term presence in the digital world. To help grow digital SMEs, collaboration with netizens, a member of the millennial age, is also necessary. With reseller approaches, citizen participation in the creation of digital MSMEs may be promoted among these individuals. Citizen synergists, particularly among the millennial and Z generations, fall into the categories of buzzers, influencers, and followers (Reyhan et al., 2021). In addition, government assistance for the digital MSME development initiative is significantly reliant on the simplicity of licensing. This will improve the quality of connection, which is critical for digital SMEs.

The Ministry of Communication and Information (Kominfo) has launched the Digital MSME Training Program, which aims to foster the growth of digital MSMEs. This is absurd, given that these numerous initiatives are meant to aid small and medium-sized enterprises (SMEs) in making the transfer to digital business platforms. For example, there are an estimated 60 million MSME units that may be reached through the digital ecosystem by the Maritime Affairs and Investment Coordinating Ministry in 2021. On digital platforms, only 11 to 12 million small and medium-sized businesses (SMBs) are today offering their goods and services. According to current figures, there is still a lot of room for growth in this area (Purbasari et al., 2021). So even if the proportion of Indonesians using the internet has risen to 73% by November 2020, there is still a considerable digital divide. The government must come up with a solution to this in order to help the MSME digitalization initiative since MSMEs’ development depends on better digital infrastructure, as well as supporting other initiatives like Job Creation Law, which is believed to be favorable to MSMEs. In order to promote the Proudly Made in Indonesia National Movement Program, internet infrastructure is urgently needed, which may inspire more people to purchase local goods (Kusjuniati, 2020).

Indonesia’s digital economy has the potential to generate IDR 1,800 trillion in revenue by 2025, according to the Minister of Cooperatives and SMEs (Arifin et al., 2021). As a result, the moment has come for MSME actors to begin using digital in the growth of their company units right now. There are no outside goods able to take advantage of this enormous market potential (Wang et al., 2020). As a result, when it comes to entering the digital sphere, MSME players need to focus on three things: quality of output, production capacity, and digital literacy. In order to ensure the long-term viability of business units established in the digital arena, MSME actors must highlight these three points. Small and medium-sized businesses (SMEs) require a digital development plan in order to provide short, medium, and long-term expansion of the information technology infrastructure, industrial processes, and markets (Rauch et al., 2019).

Digital platforms including e-commerce, ride-hailing, and digital payments are now growing at a rapid pace, making Indonesia the ASEAN nation with the biggest and fastest-growing digital economy. It is imperative that MSME actors take use of this potential so that their businesses may continue to grow internationally. Furthermore, by 2025, more than $130 billion is predicted to be generated by Indonesia’s digital economy (Aniqoh, 2020). In order to improve the digital gap across regions, the government should concentrate on and extend access to digital marketplaces, particularly for micro-enterprises in different areas (Bai et al., 2021).

Furthermore, digital marketing is just one facet of the digitalization of MSMEs. However, financial institutions are moving toward accepting digital payments. Thus, this move will allow MSME actors to digitally settle their debts, which has been a long-standing problem. As a result, the quality of Indonesian MSMEs will improve fast. It is hoped that Indonesian MSMEs would be encouraged to adopt a long-term digital strategy as a result of the growth of digital MSMEs in the country. In order to revive this
situation, mitigation and recovery strategies must be used, such as encouraging digital platforms to grow their relationships. Furthermore, increasing demand on the demand side coordination is also required in the use of enhancing product processing processes, from manufacturing to distribution, via innovation and technology of the product (Saragih et al., 2020).

Covid-19's influence on the development of digital-based small businesses will be investigated in this research. Growth of Indonesian MSMEs via the use of digital technology, notably social media has been examined in a number of prior studies (Arie & Firky, 2021; Effendi et al., 2020; Irawan et al., 2022; Muditomo & Wahyudi, 2021; Purbasari et al., 2021). The COVID-19 pandemic has necessitated this study to focus on a digital-based MSME development approach. This development also involves the use of the marketplace, social media, and a variety of other supporting apps. Indonesia's MSMEs have been saved thanks to the establishment of digital MSMEs during the Covid-19 pandemic, which prompts the following questions: How does one go about building digital MSMEs during a pandemic? During the Covid-19 outbreak, this research only considers digital MSMEs in terms of their role and repercussions for the development of the MSME eco-system.

**METHODOLOGY**

This study uses a qualitative approach and descriptive method to be able to provide detailed explanations of the findings. A qualitative approach is an approach that uses steps, methods, goals, as well as a procedure that involves information as well as data obtained directly from the respondent to obtain an overview (information) about the matter concerned to be studied. Qualitative research is also considered capable of providing clear and specific explanations (Aspers & Corte, 2019). A qualitative approach focuses on examining matters relating to phenomena as well as processes. The development of a digital-based ice lolly processed business in the current pandemic era. The findings are studied in more depth by using descriptive methods in order to see the relationship between things and objects in this study. The descriptive method is used to provide an overview in explaining the actual situation (Adhabi & Anozie, 2017).

A literature review is used in this article to gather and analyze all relevant information on the subject at hand. A sort of library research is one that uses diverse information from a variety of sources such as academic journals and other scholarly publications, as well as current and previous research results relevant to the topic under investigation (Linnenluecke et al., 2020). During the Covid 19 pandemic, the creation of a digital MSME model will be the primary focus of this research. The growth of digital MSMEs in the age of the digital economy will be recognized as one of the possibilities for the preservation and growth of small and medium-sized businesses.

One of the first things researchers do while doing literature reviews is to pay attention to and evaluate actual events relating to their research subject. Second, depending on the information gleaned from the literature study, identify the research focus. Third, the information or empirical data gathered is derived from publications such as books, journals, research papers, and other scholarly works, all of which might expand the scope of the study. Thus, many factors in this topic may be identified by researchers. The fourth step is to analyze a wide range of literature sources in order to identify fresh ideas that are relevant to the research issue. In the end, a research report with the appropriate writing systematics is produced by reviewing research notes from a variety of sources. As a result, preliminary studies and more recent research may be included in the literature study technique (Dźwigoł, 2019). In this way, a review of prior research may lead to new discoveries.

**RESULTS AND DISCUSSION**

**Technology-Based Entrepreneurship**

An option to rescue the MSME sector amid the Covid-19 pandemic is the creation of digital-based MSMEs. However, the government and the Ministry of Cooperatives and Small and Medium-Sized Enterprises (SMEs) have been striving to stimulate digital transformation up to this point. Because of the Covid-19 pandemic, a digital entrepreneurial environment has been formed. Entrepreneurship in this sense refers to the use of digital technology in all aspects of business, including product and service development and distribution, as well as in the marketing of such goods and services. If you're selling anything online, whether via a website or a mobile app, you're a digital entrepreneur. This covers the usage of e-commerce software, as well as the use of social media in digital marketing. As a result, the future of digital entrepreneurship may be a major contributor to the Indonesian economy's growth.
Because of the growing importance of information technology in business, this may be explained. The characteristics and qualities of a more digitally based entrepreneurial model have been transformed by digital technology (Paiola et al., 2021).

The development of digital entrepreneurship models is being facilitated by social media in the context of economics. If you look closer, the term "digital entrepreneur" is derived from the term "technopreneur," which is a mixture of the terms "technology" and "entrepreneur," respectively. When it comes to the actual application of science, the word "technology" is often used in the running of industry, including the development of tools, skill acquisition, issue resolution, and so on. "Entrepreneur" is a term used to describe someone or a group of people that have the guts to start a company and aren't afraid to take chances and deal with uncertainty in order to make money off of the already-existent possibilities. There will be numerous chances for people to create businesses, particularly at the small and medium-sized enterprises (SMEs) level, as shown by this discovery. When it comes to ease and comfort, there is no better option than the digital entrepreneurial model. Digital entrepreneurs, on the other hand, need more than just a handful of technical skills; they must also be motivated by the pursuit of new ideas and a desire to see technology advance. As a result, technology-related company growth still needs the involvement of a wide range of stakeholders, including entrepreneurs with innovative digital ideas, research institutions, investors, and the government. According to research by Blut & Iyer (2020), a person's choice to purchase online is influenced by numerous aspects, including:

1) Convenience. In light of the fact that most shoppers want to avoid crowds and jostling, this is a significant consideration for retailers. As a result, the option of doing your shopping online has emerged as a viable new option.

2) Accuracy and comprehensiveness. The availability of information technology has made it so simple to get information. In addition, there are several platforms that provide information, rating, and review of capabilities to help consumers make informed decisions regarding how well a product performs and how much information it provides.

3) Product and service availability. People may easily find out whether a product is in stock by visiting the internet rather than going to the shop. Potential customers who live a long distance away from the business may benefit from this by not having to make a trip, but being able to purchase things online.

4) Efficiency in both time and money. The greatest pricing may be found on certain websites by comparing prices from many retailers at once. Prospective purchasers might make use of this pricing comparison to their advantage. As a bonus, internet shopping can be done at any time and from any location, making it convenient.

The digital entrepreneurship model encourages the development of fresh ideas in order to build an entirely new environment for Indonesian MSMEs, hence increasing productivity and raising the standard of living for the country's residents in the long run. In addition, MSME players will be encouraged to continue to employ technology in the network to sell their goods. More small and medium-sized businesses will help them compete more successfully in the global economy.

**Ecosystem of the Digital Economy**

MSMEs in Indonesia face a wide range of difficulties, in part because the country's entrepreneurial ratio has barely reached 3.5 percent. Therefore, MSMEs need to be bolstered in order to make conducting business more convenient in the future. MSMEs have had a significant impact on the Indonesian economy, and it's worth noting. When it comes to supporting Indonesia's economy, small and medium-sized enterprises (SMEs) have become an essential part of the infrastructure. A digital transformation plan is needed to keep the MSME sector afloat during the Covid-19 pandemic, which was fairly static. It was shown that just 45 percent of MSMEs were able to live for three months during the Covid-19 pandemic, while the remainder were unable to survive.

As a result, the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM) has launched the MSME Digital Hero initiative to encourage young innovators to help the MSME digitalization program. MSME players will be able to stay afloat during the Covid-19 pandemic if they can increase their sales with the help of the digital ecosystem, which is the goal of this campaign because only 10-11 million MSMEs have been linked to the digital environment up to this point.
A four-step method is outlined below for SMEs looking to improve their digital capabilities: first, preparing small and medium-sized businesses (SMEs) so that their capacity may grow; second, developing a digital infrastructure for SMEs; third, developing an infrastructure for SMEs; and fourth, developing an infrastructure for businesses. Many MSME players state that they face various difficulties in using digitization and social media as a result of a lack of understanding (Purwana et al., 2017). When it comes to marketplaces, social media, and apps, MSME actors must be well-versed. For MSME players, the Drone Emprit Academic app offers the opportunity to learn how to analyze public opinion on prominent social media platforms (Lee et al., 2022).

In the second place, initiatives are developed to assist MSME companies in improving their business operations. MSME players must also be aware of the necessity of financial literacy in addition to marketing tactics. This is because financial literacy will allow MSME players to systematically manage their company units, particularly in terms of debt and receivable concerns. The accounting processes for small and medium-sized businesses are also covered in this course in financial literacy. Because of the difficulties in implementing the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP), most Indonesian MSME actors have not reported their financials in compliance with these standards. Due to the poor quality of MSME financial records, this problem arises (Ardila et al., 2019).

As part of this effort, joint effort by government agencies and LKPP to support small businesses is encouraged so that small and medium-sized enterprises (MSME) may provide government procurement. Finally, it is important to recognize and celebrate local heroes of small businesses. As a rising star in the MSME sector, this local hero has the right mix of attributes to help other small companies get started, empower employees, build a strong brand, and get a foothold in the digital world or outside (exports). It is also important to address this issue during the Covid-19 pandemic by pushing digital platforms to grow their collaborations and increasing demand on the supply side. It is also necessary to work together to increase the quality and competitiveness of the product processing operations, from product processing to marketing, via innovation and technological advancements (Kang et al., 2021). During the present Covid-19 pandemic, the Ministry of Cooperatives and SMEs must stress many ways for improving the digitalization of MSMEs. This case calls for enlisting corporate and academic partners to work with small and medium-sized enterprises (SMEs) on a rapid digital transformation. The millennials generation's interest in digital entrepreneurship will rise as a result of MSMEs' rapid digital transformation. As a result, Indonesia will produce a new generation of young innovators who will go on to create a variety of small businesses centered on the country's MSME sector. MSMEs' digital transformation will be accelerated by the existence of MSME-based startups. Because of this, digital economic integration in Indonesia will be more solid.

Creative Content's Urgency

Creative material is critical to the success of digital-based SMEs in Indonesia, and this must be taken into account. This is because content is the most important pillar in today's digital world. The growth of digital-based small businesses is impossible without creative content. MSME players must, in this environment, explore the design of creative material on their own and via a variety of supplementary trainings. Social media, in particular, has a unique personality that players from small- and medium-sized enterprises (SMEs) should be encouraged to explore. Content is king in the social media world, since it is what draws customers to the items and services being advertised. Digital marketing players in small and medium-sized enterprises (SMEs) must thus have a firm grasp on the concept of creative content. Creativity is a proven method for attracting attention from internet users, according to several research (Talla et al., 2018). The MSMEs' own goods and services, as well as material that may support those products and services, can both contribute to this content. In fact, the growth of MSMEs in Indonesia is still hampered by a number of factors, particularly in the marketing of goods and services. Obstacles include anything from product management (such as design and packaging) to marketing strategies. MSME players must be able to adapt to the digital environment, particularly in digital marketing, especially in light of the Covid-19 pandemic. Product packaging is the biggest roadblock. In Indonesia, a large number of micro, small, and medium-sized business (MSME) goods and services still include unique completed products. To put it another way, the items and services on sale lack the attractiveness value that might entice customers. This is where training in the packaging of goods and services that might catch the eye of customers comes in handy. When it comes to product packaging and branding, inventive approaches are required. As a result, it has the potential to draw
customers in when promoted through social media and other online marketplaces. As long as items and services are well-packaged, digital marketing will be seen as effective (Miao et al., 2021).

For small and medium-sized enterprises (SMEs), the next challenge is a restricted budget for marketing. Marketing benefits of social media must be used by MSMEs in this instance. This implies that MSMEs will be able to digitally promote their goods as soon as they have the capacity to bundle unique material. Knowledge of programs that may aid in digital marketing is necessary as part of this digital marketing strategy. The usage as a marketing application for MSME goods as a possible step to strengthen the Indonesian economy is an example of this (Redjeki & Affandi, 2021).

As a result, when it comes to creating original content, small and medium-sized businesses (SMEs) must meet numerous criteria. MSME actors must be able to master social media photography, videography, and writing. There are three things that MSME actors must do before their goods and services may be recognized by the public. The first step is to learn how to take better photographs. MSME actors must be able to take images of their goods and services in an appealing and high-resolution way in this scenario. When items and services are shared on social media, they will look their best if they were photographed well (Naeem, 2020). MSME actors still need to be trained extensively by a third party in order to make good product pictures. The second step is to learn videography methods. MSME performers should be allowed to produce their own video material as well. This is due to the greater search value of video material than that of still images or photos. Some research suggests that videos are more likely to be shared than other content (Szymkowiak et al., 2021). Finally, the best sentences are those in which the phrases are arranged in the most appealing way imaginable. Social media captions (sentences), in this situation, serve a vital role in drawing attention. Consequently, players in the MSME sector must be taught how to write properly in order to make their sentences more attractive.

Training in digital MSMEs includes everything from photojournalism to creative videography to creative writing, as well as the production of logos and attractive packaging for brands. The MSME players must also get training in digital marketing (digital marketing) on all currently active social media platforms. As a result, it is expected that MSMEs would be able to grow sales both online and in person, as well as enable their MSME partners to improve their competitiveness.

**Connecting Digital Synergy between MSMEs and Netizens**

The netizen plays an increasingly important role in today's digital world, notably on social media. The success of a product or service depends in large part on the opinions of netizens, and this is something that the general public cares about. A community's identity on social media is defined by its citizens. It is possible to categorize people in the digital world or the Warganet in a variety of ways. Warganet is a group of people that utilize a variety of social media platforms to communicate with one another via the internet. Furthermore, people are classified according to their degree of social media involvement. Based on their function in amplifying and transmitting digital communications or material, the categorization creates many names. Buzzers, influencers, and followers are the three types of people in today's digital world (Arie & Fikry, 2021).

It is a buzzer account that distributes, campaigns, and broadcasts messages or digital material to other netizens in order to influence or reinforce the message or content on social media, as defined by the buzzer. A social media influencer is someone who has the ability to inspire and influence their followers in a desired way via their use of social media. Following is a term used to describe accounts on social media that emulate the behavior of other users. The individuals who follow influencers and buzzers are also obedient to their commands (Octastefani, 2021). MSME company players must also understand these three netizen actors while building social media marketing.

MSME players must also be able to show creative material in order to synergize with netizens in the growth of digital-based MSMEs. Netizens' participation in the dissemination of a company's goods may be facilitated by the presentation of engaging content. In this way, MSMEs' products and services might be widely recognized by netizen actors owing to a synergy like this. Synergy may also be achieved via reseller tactics. For this plan, younger netizens will be included in the reselling of things from micro, small, and medium-sized businesses (MSMEs). A terrific marketing tool for the millennial age will be available to use the reseller strategy. This is due to the fact that millennials have a diverse network of social connections. The marketing of digital MSME goods is expected to rise as a result of this synergy. This method of reselling must also include marketplaces like Lazada, Tokopedia, Shopee, and others.
As a result, the public will have more exposure to the goods of small and medium-sized enterprises (SMEs) thanks to this kind of marketplace marketing media (Shafi et al., 2020).

The last strategy is to engage netizens, particularly members of Generation Z, in the promotion of MSME goods and services. As a result of this method, millennials will be able to provide reviews of MSME items on social media. At the absolute least, it may serve as a kind of promotional media via the use of this testimonial approach, which is then disseminated throughout all of the relevant people’s social media accounts. More netizens providing testimonials increase the likelihood of digital MSMEs’ goods being approved by Indonesian customers. This is because the ability of MSME business operators to swiftly provide their goods on social media depends on cooperation between MSMEs and individuals.

As a result, for digital MSME actors to be competitive, they must have an understanding of how to get to know netizen actors and viral strategies. MSME actors must acquire this sort of expertise via support and training from other parties and on their own.

**CONCLUSION**

Some Micro, Small and Medium Enterprises (MSMEs) have been forced to shut their doors because of the Covid-19 outbreak. People's buying power is declining because of new habits being formed as a result of health procedures being implemented. This pandemic might eventually spur the development of a new ecosystem in Indonesia's economy: one focused on digital entrepreneurship. To put it another way, this ecosystem has compelled MSME actors to begin their digital transformation. Even yet, the Indonesian government has been encouraging the MSMEs' digitalization initiative. Marketplaces and social media have become important tools in digital marketing because of the way small and medium-sized businesses (SMEs) have used them. MSME players have also turned their attention to the significance of social media platforms. Digital financial platforms, for example, have also been used by small and medium-sized enterprises (SMEs). Covid-19's digital transformation of MSMEs might eventually force MSMEs to rethink their business models. There may be a way to save the MSME sector from extinction amid the Covid-19 pandemic by developing digital MSMEs.

However, the government and the Ministry of Cooperatives and SMEs must also assist in the development of digital SMEs. During the Covid-19 pandemic, the government provides a lot of assistance, advice, and cash to small and medium-sized enterprises (SMEs). It is obvious that the process of MSME digital transformation would operate smoothly if there is synergy between MSMEs, the government, and other supporting players so that the government's goal of increasing the number of digitally based MSMEs may be quickly accomplished. In addition, the government and other stakeholders must give high attention to the growth of digital MSMEs after the Covid-19 outbreak in order for Indonesia's digital economy ecosystem to continue functioning successfully. It is due to the fact that digital MSMEs would also help to build Indonesia's digital entrepreneurship ecosystem. It can be concluded that digital MSMEs developed in response to the Covid-19 pandemic may serve as a model for future MSMEs in the digital economy. Additionally, one way to ensure that MSMEs survive the Covid-19 pandemic is by the creation of digital MSMEs. MSME digitalization development initiatives may speed up the digital transformation process in Indonesia's digital economy ecosystem, making MSMEs more competitive in the global marketplace.

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