



IMPACT OF THE COVID-19 PANDEMIC ON IPHONE HOUSE MICRO SMALL AND MEDIUM ENTERPRISES (MSMEs) INCOME IN SERANG CITY

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Abstract

The presence of MSMEs has an essential factor in people's lives in the realization of distribution to the community. In addition, MSMEs are a vital point for national economic development. When considering job performance, MSMEs can absorb labor, reducing unemployment and participation to help the government fight unemployment. This research uses qualitative research with a case study approach. Data Collection Methods This research was conducted by observing, interviewing, documenting, and drawing conclusions.

The results of this study indicate that the existence of the Covid-19 Pandemic impacts MSMEs, especially iPhone homes. When the current impact includes: (1) iPhone home MSME income before the Covid-19 Pandemic was very stable and normal and even often increased, but due to the presence of traders, the Covid-19 Pandemic has decreased spectacularly to reach 50% or more,

(2) Factors-factors that led to a decrease in the income of traders during the Covid-19 pandemic period, the desire to visit the public has decreased. Business people have several attempts to increase their income during this Pandemic by learning technology, providing exemplary service, practicing cleanliness by always complying with health protocols, and offering customer promotions and discounts.

Keywords: MSME, Covid-19, Income

INTRODUCTION

The Covid-19 virus only affects the health sector and public services but also paralyzes various other industries in human life, including micro, small and medium enterprises (MSMEs). No need for complicated analysis. We can see how stands selling food and daily necessities are closed due to crowd restrictions and a decline in people's purchasing power.

Some observers believe that the MSME sector will find it difficult to sustain its impact due to the Covid-19 Pandemic. MSMEs consider the most vulnerable sector to the economic crisis due to Covid-19 because this type of business is highly dependent on the speed of money in selling goods.

Since then, economic actors (government, entrepreneurs, financial institutions, and the community) have started seeing and exploring MSMEs. The resilience of MSMEs in crisis conditions are factors that make MSMEs able to survive, one of which is the use of digital technology during the Pandemic; using digital technology, MSMEs have the same opportunities as business people.

Based on data from the Ministry of Communication and Information in 2020, 9.4 million MSMEs benefit from using digital technology in buying and selling transactions. As a result, these MSME business players can not only expand markets throughout Indonesia but also abroad (Pinasti, 2020).

The cause of MSMEs experiencing a capital crisis during the Pandemic was poor company planning, especially the calculation of Profitability in the sense that there were three profits that MSMEs had to prepare, namely capital from Investment, working capital, and operational capital. As a result, many MSMEs were forced to close during the Pandemic because they did not have the operating money or could not pay for costs such as electricity, employees, marketing, and upgrades.

Financial planning will help MSME companies manage the capital needed to develop their business. Business players must be able to work cash flow properly to make their businesses resilient. To be able to manage cash flow properly, business players may be able to know the financial situation of their business, whether they can make a profit or even a loss. Therefore, it can be a reference to determine the level of capital required to develop its activities.

The presence of MSMEs has an essential factor in people's lives in the realization of distribution to the community. In addition, MSMEs are a crucial point in national economic development. When considering job performance, MSMEs can absorb labor, reducing unemployment and participation to help the government fight unemployment. Since the end of March 2020, the Coronavirus, known as

Covid-19, has been an international pandemic. As a result, all activities at the central government, regional level, and until the community stopped. Likewise, at the MSME level, which has not experienced problems in sales, this Pandemic has a relatively significant impact on the development of MSMEs, for example, seen from the appearance of deals that are due.

Based on the national socio-economic survey, business activities included in micro, small and medium enterprises (MSMEs) are regional and national economic development. The number of MSMEs reaches about 99% of commercial units' population, accommodating more than 92% of the total number of workers. According to the national economic growth rate of 5.0%, MPM contributed to a growth rate of about 3.0%, higher than the company's significant growth rate. This initial data shows how big the development of cooperatives and SMEs is.

The Serang City Government has begun to manage micro, small and medium-sized recovery programs affected by the Covid-19 Pandemic. The program begins with online and offline data collection of affected MPMs. Then, data collection carries out as part of efforts to map problems and adjust recovery targets and targets, including assistance, assistance, and other empowerment models—venture, turnover before and after.

Serang City Government assistance to MSME actors will help MSME profitability in developing their business. It is what MSME actors must consider when determining the level of Profitability during the Pandemic because Profitability before the Pandemic differs from Profitability after the Pandemic. It is what makes the author research, and the main problem of this research concerns the income level of MSMEs in iPhone homes in Serang City during the Pandemic. In this study, the situation is as follows: 1) What is the impact of the Covid-19 Pandemic on MSME iPhone home income in Serang? and how are they expanding their business during the Covid-19 epidemic? While the research objectives are 1) to find the impact of the Covid-19 Pandemic on the income of the iPhone MSMEs in Serang City? And 2) to see the strategies the iPhone home MSMEs carried out to survive and develop their business during the Covid-19 Pandemic?

Profitability

Earning profit is the first hope desired for managing a particular company or activity. Benefits in the company's operational activities are essential in maintaining the company's existence in the future. The success of the company can be seen in the company's capacity to be able to compete with the competition in the market. Therefore, MSME actors will try optimally to find a high-profit level.

Profit is the primary measure of business success. Profitability is the result of many company policies and decisions. According to Sutrisno (2017:16), "Profitability is the company's ability to generate profits with all the capital.

According to Sofyan Syafri Harahap (2009:304), Profitability "describes the company's capacity to benefit from all existing capacities and resources such as sales activities, species, capital, number of employees, number of company branches, etc. Houston (2018:109) "Profitability is the result of many policies and decisions taken by the company."

Profitability is the net profit from a series of policies and decisions. Maintaining the viability of the company must be in a favorable condition. The company's owner and especially the company's management will try to increase these benefits because we realize how significant the company's future profits are. As for the company itself, Profitability can use as an evaluation of the effectiveness of the management of commercial entities.

This profitability ratio is generally used consideration for investors in investing their shares in the company. If the company has a high level of Profitability for stock market results, the investor will accept that the company will support its shares. Significant sales and Investment are required and affect the amount of Profitability. The higher the sales and investment activities, the higher the profitability ratio.

Types of Profitability

Profitability ratios are an analytical tool as the overall management efficiency measures the profit level concerning sales and Investment. The higher the value of the profitability ratio, the better and describes the company's high benefit capacity. According to Kasmir (2019:199), there are generally five profitability ratios. It is:

1. Gross Profit Margin or Ratio Profit Margin or profit margin on sales is one of the ratios used to measure the profit margin on sales.
2. *Return On Investment* is a ratio that shows the results (return) on the number of assets used in the company. ROI is also a measure of the effectiveness of management in managing its investments. The slighter (lower) this ratio, the less good, and vice versa. This ratio measures the effectiveness of the company's overall operations.
3. *Return On Equity* is a ratio to measure net profit after tax with own capital. The higher this ratio, the better. It means that the position of the company owner is getting stronger, and vice versa.
4. *Return on Assets*, or in Indonesian referred to as the rate of return on assets, is a profitability ratio that shows the percentage of profits obtained by the company with comprehensive resources or the average number of assets.
5. The ratio of earnings per share is a ratio to measure the success of management in implementing profits for shareholders. A weak ratio means that the administration has failed to satisfy shareholders. On the contrary, shareholders' welfare has increased by a high percentage. The benefits available to common stockholders are tax amounts, dividend deductions, and other rights for priority shareholders.

Financial Management

Management as science means that management meets scientific criteria and scientific methods, which emphasizes the concept of management as an art which means that the ability to manage something is an art of creation (creative). That is one's competence. In other words, the application of management science is an art. So, management is critical because management is vital. After all, it is related to achieving goals. At the same time, a manager is a person who manages the business. Thus, managers can consist of one person or several people.

Understanding management is defined in various ways, depending on the point of view, beliefs, and understanding of the creator of the definition. In general, management knowledge is the management of work to achieve predetermined goals by doing work in the workplace. As a result, there is management in all aspects of human life where cooperation (organization) is formed.

Mamesah defines finance as a series of activities and procedures in managing finances (receipts and payments) in an orderly, legal, efficient, efficient, and effective manner (Heruijito, 2010:6).

And according to the author, discussing reasonable financial management procedures to manage our finances so that they are not too valuable. According to Baswir, financial understanding is all rights and obligations of the State, and everything regarding these rights and responsibilities can evaluate with money (Pahrizal, 2013). Each company needs this financial goal to facilitate exploitation activities, and finance is the science and art of managing money to affect the lives of all organizations. Finance is concerned with the processes, institutions, markets, and instruments involved in transferring money between individuals, affairs, and governments. Therefore, the conclusion is that money has a loose role in an organization.

MSME

In Indonesia, the idea of MSMEs controlling by the Law of the Republic of Indonesia No. 20 2008 on MSMEs (Tambunan, 2009:16). Small business is a productive economic business that stands alone. Carried out by individuals or business entities that are not subsidiaries or not own subsidiaries, controlled, or become part, either directly or indirectly, of a medium or large business that meets the criteria of small business.

Small and Medium Enterprises, abbreviated as UKM, is a term that refers to the type of small business that has a net worth of at most IDR 200 million, excluding land and buildings where companies and businesses stand alone (Partomo et al., 2004:13). Medium Enterprises, namely productive economic businesses that stand alone, which carried out by individuals or business entities that are not subsidiaries or branches of companies that own, control, or become part either directly or indirectly with small businesses or large businesses that meet the criteria (Tambunan, 2012:12).

Finance

Money in traditional economics is specific as a generally accepted medium of exchange. The means of business can be any object acceptable to everyone in the Community Exchange Goods and Services. In modern economics, money is anything available and generally accepted as a means of payment for purchasing goods and services and other valuable assets and paying debts.

As we know it today, money has undergone a long development process. At first, people did not see the exchange because everyone tried to fulfill their needs with their efforts. Man hunts when he is hungry, makes his clothes from simple materials, and looks for fruit for his consumption; In short, what he earns is used to fulfill his needs. Other developments push people to the fact that what is produced by itself is insufficient to meet all their needs. To get articles they cannot have, they look for people who want to exchange their articles for other themes they need. As a result, a "barter" system emerged, namely goods exchanged for goods. To overcome this, start to arise thoughts use particular objects as a medium of exchange. The objects that considering as a medium of exchange are objects that are *commonly accepted*, selected objects of high value (hard to obtain or have magical and mystical values), or objects that are primary daily needs. ; for example, the Romans used salt as a medium of exchange and a means of paying wages. In other words, the paper money in circulation at that time was money that was guaranteed 100% with gold or silver stored in gold or silversmiths and could be fully traded at any time with the guarantee. In subsequent developments, people no longer used gold (directly) to sell. Instead, they use the "evidence papers" as a medium of exchange (Fleet, 2001:22).

Management duties The main basic tasks performed by the director of general finance are to obtain business funds, use company funds, and share company benefits/profits. The primary duties of the director of public finance are to receive funds from the company and use the company's funds and the benefits/profits of the company.

Financial Management Goals

The purpose of financial management to find corporate funds in companies, in general, is to maximize the company's value. So, if the company sells one day, the price can be set as high as possible. Financial management is the planning, budgeting, inspection, management, control, research, and storage of funds belonging to an organization or company.

Covid-19

The *World Health Organization* (WHO) defines a pandemic as a condition of the world's population and the potential to cause falls and illness. A pandemic is an epidemic that spreads simultaneously everywhere that spreads widely. The Covid-19 Pandemic also impacts various sectors of life, such as the economy, society, and education (Wulandari, 2020).

The United Nations Educational, Scientific, and Cultural Organization (UNESCO), on Thursday, 5 March 2020, stated that the Covid-19 outbreak impacted the education world (Hendra Irawan, 2020). Almost hundreds of millions of students are disturbed by their education and school activities. Indonesia itself feels the impact on the world of education.

The perceived impact is on education service providers such as schools at all levels, namely formal, informal, and even tertiary companies. With the Covid-19 Pandemic, the local government decided that the schools' policies would be closed and implemented online. Covid-19 is a dangerous virus. Covid-19 quickly spread to Indonesia and areas such as the province of Banten.

Covid-19 Pandemic, part of some activities is pending because the existence of holidays has an influence on various fields, including education. After the Pandemic, the Covid-19 section was partially closed. Especially in the field of education. All of this is complete to break the chain of virus spread. Thus, with the *lockdown* from the area, schools will be closed automatically, and children will study at home. When the child also gets assignments from the teacher to be done at home (Learning From Home).

METHOD

Research Approach and Type

Based on the research title, the research approach used is descriptive. This qualitative research describes the nature and character of a particular individual, symptom, situation, condition, or group. In the form of case studies in government institutions, namely research on income analysis of MSMEs in the city of Serang during the Covid-19 Pandemic, secondary data is used. Based on the problem, this

research is a qualitative descriptive search. This research seeks to describe, record, analyze and interpret the study with observations, interviews, and research documentation (Mardalis, 2004:26).

Research Location and Time

Conducted this research in the city of Serang, where people's daily lives carry out their activities by trading, and there are many MSME actors. Therefore, this study will use \pm two months.

Data Types and Sources

Data sources are information obtained from respondents and documents either in the form of statistics or their research objectives (Subagyo, 2006:87). In research, two types of data are examined, primary and secondary.

Data collection technique

The techniques used in data collection include Field Research Techniques: Field Research Techniques by using researchers directly in the field to conduct research and obtain factual data related to this discussion. The techniques used to obtain data in the area are the following technical data, which are as follows:

1. Interview (Interview)

Interviews conducted at this time, namely by the local government and the tourism manager itself, because this supports and helps complete the research later.

2. Documentation

Documentation is a way of collecting data through a complete picture of the condition of the documents related to the problem under study.

3. Observation

Observation is a technique or method of collecting data by conducting observations at the location.

Data analysis technique

The technique for analyzing Sugiyono's qualitative research data is a research method based on the philosophy of positivism, which use to examine the condition of natural objects (such as the enemy is experiencing).

In which the researcher is the main instrument, sampling of data sources transported deliberately and unintentionally, techniques of triangulation collection, inductive or qualitative data analysis, and qualitative research results are more urgent in the description of the meaning and general definition of the object under study (Sugiyono, 2018).

Data saturation indicates that no more new data or information is obtained from each other. Activities in the analysis include data reduction, data presentation as well as the, conclusion, and verification.

RESULT AND DISCUSSION

1. The Impact of the Covid-19 Pandemic on MSME Income Home iPhone

The current Covid-19 Pandemic is because researchers have conveyed in the background of the research problem that the Covid-19 Pandemic is not only a disaster for the world, that attacks the health of the world's population. But the Covid-19 Pandemic is also a disaster for the economy and not for Serang City. Therefore, the community's economy has also significantly impacted this Covid-19 Pandemic.

One of the priorities in developing the national economy is micro and small and medium enterprises (MSMEs). MSMEs not only support the people's economic system but also reduce the problem of inequality between income groups and companies or the weakening of poverty and employment. The development of MSMEs can expand the economy and national economic resilience.

The existence of MSMEs is increasingly vital in this era. It is because MSMEs have made a real contribution to improving the community's economy. MSMEs have become a community tradition because MSMEs can improve the economy. And many people now depend on MSMEs for their lives.

The outbreak of the Coronavirus requires people to place activities at home to break the chain of spreading the virus following government policies. In the end, the policy of carrying out many activities that require direct interaction must be avoided and limiting community activities so that they do not leave their homes. Among the hardest hit were the small and medium-sized enterprises that drove the country's economy. As a result, many small and medium-sized companies have temporarily closed their business and faced cash flow constraints. With this condition, small and medium-sized companies must immediately improve their Profitability, which is one measure of the company's financial performance.

As with venture capital, income at home iPhone companies has significant income even though there are fluctuations from time to time. The government takes the policies to reduce the number of impacts of Covid-19. However, it can affect the activities of MSME actors. Companies in iPhone houses are no exception because of the content in interviews conducted by researchers with iPhone homeowners in Serang City.

The interview results above show that MSMEs are the essential pillar in the economy of the Covid-19 Pandemic, which is a threat to MSME actors, including the iPhone House itself. There are many impacts of the Covid-19 outbreak. Because of several policies related to (1) restrictions on opening shops, stalls, kiosks, and markets, (2) *work-from-home* policies, and (3) restrictions on crowds or crowds. It is resulted in the level of product sales declining. However, it hopes that these MSMEs can rise and continue to support the economy firmly.

In addition, due to the increasing number of Covid-19 cases, which makes people afraid of activities outside the home and the policy of prohibiting crowds, tourist attractions are silent and even closed, including MSMEs in iPhone homes. Usually, the day before the trigger of Covid-19, many shops and cellphone services visit the crowd more at home.

According to government policy, the spread of the Covid-19 virus also limits people's activities outside the home and breaks the transmission of the Coronavirus. Many small businesses are temporarily closed, and their profits have fallen due to the Covid-19 Pandemic. As an entrepreneur, no one wants to incur huge losses. However, on the other hand, in such conditions, business people must accept the consequences. Business people must consider strategies without forgetting the government's advice, such as carrying out activities that must comply with health protocols to increase income even in these new situations and circumstances. The implementation of the PSBB (Large-Scale Social Restrictions) due to the Pandemic has also affected business operations, as was the case with the Serang iPhone home MSMEs. The impact of the Pandemic on company revenues differs according to the scale of business (Micro, Small, and Medium). The location of the business and the business sector affect the magnitude of the change in income.

2. The strategy carried out by the iPhone home MSMEs to survive and develop their business amid the covid-19 outbreak.

As controlling policies aimed at establishing regulations by restricting people's movement, In the form of social distancing policies, policies aimed at preventing distance.

And their policies from working at home, home trading, and home studies, following this policy, cause sluggish sales and also reduces customers visiting iPhone home services.

This forces these MSMEs to look for existing strategies to respond to their daily needs, including iPhone homes, so MSMEs need a method to be a strategy to maintain business continuity.

Promotion does for increasing sales. A marketing strategy called promotion is considered effective in increasing turnover. The iPhone startup has implemented various promotional procedures that influence consumer behavior, so it doesn't stop consumers from continually telling friends or parents to transform with our efforts. Promotion within the framework of a marketing strategy will not only encourage an increase in turnover, but the demand for products will always increase so that the company generates maximum profit.

The iPhone house used the following marketing strategy to survive and develop its business during the Covid-19. An outbreak can be present in an interview. "There are several strategies to increase business income such as service packages, giving discounts to customers.

We also make it's called a member card, *digital marketing*, and we also make it accessible for customers if they want to consult about their cellphone problems."

Based on the interview results above, it can conclude that MSMEs are not only a business that creates goods or services where the raw materials come from natural resources and talents that a person has, but also includes *smartphone services*. And to get a fairly broad market opportunity, business actors can keep up with the current developments, namely by using technology so that they are not less competitive, develop and survive during the Pandemic.

In addition, MSMEs must have a caring spirit to respond to problems such as competitive environmental situations and top-down sales value. As we know, with the awareness of people who will always maintain the health of company players, they must be able to anticipate this. Because as has been told, the virus can transmit through direct physical contact with infected or positive people for Covid-19 and can also infect inanimate objects. So MSMEs must remain sterile to gain customer trust.

Business players must think of strategies, get a variety of information, and think about acting effectively. It will continuously develop their business and will be more effective. In addition, an entrepreneur must have different skills or strategies from competitors. One of the strategies belonging to business people must have a creative spirit and use social media just to find out how the company is still developing and continues to grow according to the changing times. Therefore, the digital-based business will also be a development for business actors themselves, so they don't fall behind with other competitors. As has been done by MSME actors, especially iPhone houses, many have implemented this strategy by utilizing digital marketing promotion amid the Covid-19 Pandemic. Upgrades are carried out through social media such as Facebook, Instagram, and WhatsApp because this will get people's attention.

Other related to marketing using technological advances on the internet, by increasing social media promotion. At least, because there is no one outside the house, entrepreneurs must innovate to continue to attract customers to visit iPhone homes for profit.

In addition, based on the interview results above, we can conclude that having a budget can help manage the commercial finances of MSMEs. A sound financial system can determine costs and revenue targets for MSME players. With a budget, MSME players can find out which part of the company requires a large amount of money. In addition, the budget can also help estimate the amount of income that MSMEs will receive. If it turns out that the income received by MSMEs is lower than the budget, they can find ways to reduce costs or increase revenues.

Carrying out bookkeeping, budgeting, and periodic evaluations of expenses made by MSME actors can also help manage the income won. Check what is cost-effective for business and what lacks profit. Perform a thorough assessment of production and operating costs, employee wages, marketing, and more. According to the evaluation results, MSMEs can plan and adjust future budgets to be more optimal.

CONCLUSION

The following conclusions are formed based on the findings of research and debate on the degree of Profitability of iPhone home SMEs in the city of Serang during the covid-19 Pandemic:

1. The impact felt by MSMEs, either directly or indirectly, has decreased sales and income due to a lack of customers visiting iPhone homes.
2. Strategies for surviving the Pandemic without disregarding official guidance include engaging in activities that must adhere to health rules, expanding marketing on social networks, and *offering adverts to clients*.

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