

Business Sustainability Model in the New Normal Era Through Micro and Small Business Digital Platforms in Rural Areas

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ABSTRACT

The policy of preventing the transmission of Covid-19 through Large-Scale Social Borders and the Enforcement of Restrictions on Community Activities has had an impact on the economy. Many micro and small businesses have stopped operating, workers have been laid off, unemployment has increased, and there has been new poverty. This study aims to implement a business sustainability model that can adapt to new normal conditions supported by digital platform applications in a rural area and obtain a Covid-19 prevention model with a change in business governance orientation approach that can adapt to the new normal era. The research method used is literature study, exploratory survey, experimental research, and applied research. A field survey was conducted to obtain primary data at the village level. An experimental method to test business sustainability models and digital platform applications on micro and small businesses. Digital platform literacy is carried out through online workshops. The unit of analysis is micro and small business actors. The data analyzed are time series. The research site was in Sumedang Regency from September 2020 to July 2021. The results showed that during the Covid-19 pandemic there were micro and small business activities that made changes, although there were also those who laid off their businesses.

Adjustments in the form of substitution of raw materials, modification, diversification, making new products, and changing the way of marketing. The digital platform design is made on a web and android based to carry out the function or process of online transactions for micro and small business products in rural areas. It is hoped that MSE entrepreneurs will understand, through complete information, adjusting needs, as well as helping prevent the transmission of Covid-19 and can support business sustainability in the new normal era.

Keywords: Micro and Small Business, Rural, New Normal Era, Digitization, and Business Sustainability.

INTRODUCTION

The impact of the COVID-19 pandemic has changed the social, health, and economic life of the people of the world and Indonesia. To minimize the impact of Covid-19, the government has implemented various health protocol policies, namely Large-Scale Social Restrictions (PSBB) and the Enforcement of Community Activity Restrictions (PPKM). This policy comes with economic impact, many places of business are temporarily closed, layoffs occur, unemployment, and the emergence of new poverty. In an attempt to understand the turmoil effect on the economy, we summarise the effect of COVID-19 on individual aspects of the world economy, focusing on primary sectors which include industries involved in the extraction of raw materials, secondary sectors involved in the production of finished products and tertiary sectors including all service provision industries (Nicola, Alsafi, Sohrabi, Kerwan, Al-Jabir, Iosifidis, Agha, and Agha, 2020). OECD survey (2020) stated that in micro and small companies in Italy 72% of the 6,000 company respondents were directly affected by the Covid-19 conditions, there were a decline in demand due to supply chain, transportation and logistics problems. A third of respondents expect the decline in income to be greater than 15%. The most affected companies are transportation companies (98.9%). In Korea of the 191 companies surveyed, 71.8% are estimated to be affected by the Covid-19 pandemic outbreak, they were unable to meet delivery dates due to factory closures in China.

The Ministry of Manpower on the Health Grid (2020) website estimates that 2.8 million micro, small and medium enterprises (MSMEs) have suffered losses as a result of the Covid-19 pandemic outbreak. On the Kompas.com (2020) website, it was stated that the Indonesian Migrant Workers Protection Agency (BP2MI) also noted that as many as 32,192 Indonesian migrant workers returned home due to the impact of the Covid-19 pandemic, thus increasing the burden on household consumption in their hometowns. This impact outbreak was greatly felt by micro, small and medium enterprises (MSMEs). And the condition was different from the economic and financial crises that occurred in 1998 and 2008 the micro and small-medium enterprises sector became the savior of the national economy, but during the crisis due to the impact of Covid-19, the business sector is the worst hit. Research by Yudanto and Santoso (2003) in Devi, Warasniasih, Masdiantini, and Musmini (2020) stated that the monetary crisis in 1998 did not affect the real sector's financial performance. The global economic crisis in 2008 also caused the manufacturing sector to experience financial difficulties to its lowest point. The role of micro and small businesses in the Indonesian economy in 2019, as presented in Table 1.

Table 1. The Role of MSMEs in the Indonesian Economy in 2019

No	Business Category	Business Unit	Percent	Labor	Percent	GDP (Rp M)	Percent
1	Micro	64.601.352	98,672	109.842.384	89,036	5.913.246,7	37,3
2	Small	798.679	1,220	5.930.317	4,807	1.508.970,1	9,5
3	Medium	65.465	0,100	3.790.142	3,072	2.158.545,8	13,6
4	Big	5.637	0,009	3.805.829	3,085	6.251.772,7	39,5
	Total	65.471.133	100	123.368.672	100	15.832.535,3	100

Source: Ministry of Cooperatives and SMEs, 2020.

According to table 1, businessmen in Indonesia are mostly dominated by micro and small businesses, namely 65,400,031 business units or 99.69 percent with employment absorption of 115,772,701 people or 93,843 percent compared to the total employment in Indonesia. The contribution of micro and small enterprises to the Gross Domestic Product (GDP) is quite large, 46.9 percent. Thus, the role of micro and small businesses has a significant contribution to the regional and national economy, by creating occupations, helping to overcome unemployment, and contributing to increased income. Success in maintaining and improving the business capabilities of micro and small businesses affected by Covid-19 means that it will help and support the acceleration of the national economic recovery process.

During the pandemic, consumer behavior patterns have changed by adapting to new normal conditions. These facts show the excesses of the pandemic, which has the potential to cause the foundation of society to collapse in the economic field. Devi et al (2020) stated to Wijayangka (2014) that the economic crisis can impact decreasing sales of products produced by companies. The decline in total sales will undoubtedly have an impact on the company's financial performance. Also stated Bintang et al (2019) that some companies have even been liquidated due to financial difficulties. Strategic and concrete government policies with the implementation of innovations to save and maintain micro and small business businesses are very much needed. One of the government's policies in restoring the national economy and generating micro and small businesses in the new normal era is accelerating the adaptation of digital technology transformation. However, for the implementation of business digitization with various limitations in the capabilities of micro and small businessmen in rural areas regarding digital platforms and different characteristics, an appropriate method and model is needed so that the digital technology transformation process can run smoothly, target and inclusively.

An alternative model for the sustainability of micro and small businesses in the new normal era while still carrying out health protocols needs to be formulated in conjunction with the digitalization of MSEs supported by adequate digital platform facilities and can be accessed by micro and small businessmen in rural areas. It became clear that what needed to be achieved was:

1. Knowing the impact of the Covid-19 pandemic on micro and small business activities in rural areas
2. Obtaining a business sustainability model for micro and small businesses in the new normal era in rural areas

3. Obtaining the results of the implementation of the digital platform for micro and small businesses in rural areas
4. Gaining the results testing of the impact and response of businessmen to the implementation of digital platforms for micro and small businesses in rural areas.

LITERATURE REVIEW

The Covid-19 pandemic harmed the world economy and Indonesia experienced a recession in the third quarter of 2020 with a negative 3.49% Gross Domestic Product (GDP) growth. The small and medium-sized business sector was among the worst affected. The decrease in demand has resulted in micro, small and medium enterprises reducing their production capacity, resulting in many layoffs, resulting in increasing unemployment and poverty, and increasing national economic problems.

Warsame (2020) stated that the Coronavirus outbreak in China is disrupting global supply chains, and layoffs are increasing. The pandemic hurts the global economy and increases the risk of an economic recession. Sources of state revenue including remittances, exports of livestock to Saudi Arabia on Hajj and Umra sessions, and assistance from international partners were reduced. The results of the research by Kebede, Stave, Tiltnes, Kattaa, Prokop, Maaytah, & Handley (2021) in Jordan that all companies surveyed reported cash flow problems, reduced demand and supply, and disruption to the value chain as a result of the Covid-19 pandemic. Only 7 percent of companies are operating, as usual, some are operating but with reduced staff or reduced working hours and as many as 51 percent of companies have temporarily closed.

Umi Kaltum's research (2020) shows that the covid-19 pandemic has affected the condition of micro and small businesses, in terms of turnover and income, it has decreased dramatically, and only about 3.4 percent have no effect. The strategy that can be taken to maintain micro and small businesses is to make adjustments to consumer behavior during the COVID-19 pandemic. Whereas, furthermore, the results of Bahtiar's research (2020) show that various business sectors have decreased, as a result of the Covid-19 pandemic, especially in the transportation, hotel, tourism, automotive, coal mining, and plantation sectors. Meanwhile, Nurhidayat's research results (2020), concluded that the impact of Covid-19 on MSMEs in Indonesia, especially in the tourism and trade business sectors, saw a sharp decline in turnover.

The results of the Survey Institute for Social Economic Digital Indonesia (ISED) concluded that 74 percent of working at home and working in the office are options that can be done simultaneously. Meanwhile, as many as 4 percent wish to work from home and as many as 22 percent return to work in the office as they can. Changes that have occurred and the possibility will become a new habit of society, is a healthy lifestyle and people will tend to use and utilize information technology. Some changes in consumer behavior due to the impact of Covid-19 are known as the new normal as predicted by Yuswohady (2020), namely:

1. Consumer needs shift from self-actualization needs to the needs for food, health, and mental safety
2. Avoid physical contact, and switch to using digital platforms in communicating and transacting.
3. The occurrence of deaths due to the impact of the Covid-19 pandemic outbreak creates a new community that is full of empathy and increases a sense of social solidarity.

4. The emergence of new patterns and lifestyles, working, playing, and studying at home, due to the implementation of health protocols to prevent the transmission of the Covid-19 pandemic.

Based on the prediction or trend of changes in consumer behavior in the new normal after the Covid-19 pandemic, current MSEs must be able to adjust and anticipate the state of consumer behavior by changing the paradigm and business orientation from offline to online. The use of information technology makes businesses survive and adapt to the changing patterns of consumer behavior, while still implementing health protocols.

RESEARCH METHOD

The research method used is comparative descriptive, experimental research and applied research. The data processed are qualitative data and quantitative data. The types of data collected consist of primary data and secondary data. Primary data sources were obtained based on the results of interviews. Field observations, Focus Group Discussions, and field trials (Experimental). Secondary data is obtained from company documents, library studies, and related laws and regulations.

Interviews were conducted with micro and small business actors and community leaders. Observations were made to see and observe business activities in the field and Field Trials (Experiments) were carried out to test the feasibility and response of MSEs to the digital platform that had been built. The sampling technique used is Simple Random Sampling (SRS) with a sample size of 160 people. The sample size of the food and beverage business sector is 56.88 percent, services 16.88 percent, crafts 6.88 percent, agriculture 5.63 percent, livestock 5 percent, and fashion 8.75 percent. The research location was carried out in Sumedang Regency, West Java Province. The reason for choosing the location, with the consideration that the Sumedang Regency area is a transition area, with high population mobility, so the potential for the spread and transmission of Covid-19 is quite high and on the other hand with the development of Kertajati Airport and the development of Jatigede Reservoir Tourism, it is oriented towards the development of a special economic zone for empowerment. local micro and small enterprises.

RESULT AND DISCUSSION

The Impact of the Covid-19 Pandemic on the Condition of MSEs

The existence of pandemic, since the beginning of March 2020, has changed the life of the Indonesian people. The impact of the Covid-19 pandemic on micro and small business activities is presented in Table 2.

Table 2. The Impact of the Covid-19 Pandemic on the Conditions of Micro and Small Business Activities

No	MSE Activity Condition	Frequency	Percentage
1	Keep operating as usual	102	63,8
2	Continue to operate without reducing the number of employees but the rights and obligations of employees/employees are reduced	13	8,1
3	Continue to operate by laying off and laying off some employees/employees	10	6,3
4	Continue to operate by laying off some employees/employees	8	5,0
5	Business operations temporarily stop and lay off all employees	14	8,8
6	Business operations are temporarily stopped (covid period) and all employees are laid off (PHK)	13	8,1
	Total	160	100,0

From the data in table 2, it can be seen that the majority of micro and small businesses, 63.8 percent are still surviving and operating, 8.8 percent of business operations temporarily stop and lay off all employees and 8.1 percent of micro and small businesses stop their business operations temporarily and all employees are laid off. Judging from the income aspect, most MSE businessmen, 84.4 percent, stated that the income earned due to Covid-19 had decreased drastically and businesses experienced losses. As many as 14.4 percent of MSEs stated that they were not affected by the Covid-19 outbreak, but as many as 1.3% of MSEs stated that they felt benefited from the Covid-19 outbreak. The cause of MSEs' businesses during the Covid-19 pandemic was experiencing losses due to lower demand, lower prices, lower production capacity, scarce raw materials, and difficulties in distributing goods. Meanwhile, the causes of MSEs during the pandemic are profitable, because demand increases, prices rise, production capacity is increased and there is less business competition.

In line with the results of research by Bartika, Bertrandb, Cullenc, Glaeserd, Lucac, & Stanton (2020), on the retail sector in America, that 43 percent of businesses are temporarily closed and employment is down 40 percent. Companies in industries such as restaurants, tourism, and personal services project that their businesses will be very difficult to survive if the Covid-19 crisis lasts more than 4 months. Meanwhile, the results of Sayuti and Hidayati's research, (2020) in West Nusa Tenggara, concluded that the Covid-19 pandemic did not only affect businesses in urban areas but also affected business conditions in rural areas. The results of research by Nur Azizah, Ilham, Aqidah, Firdaus, Astuti, & Buchori (2020) stated that the Covid-19 pandemic had a significant impact on MSME businesses, scarce raw materials, capital difficulties, decreased production capacity, difficulties in product marketing, and distribution.

Wulandari (2020) researched the Riau Islands, concluding that since the COVID-19 pandemic, many MSMEs have reduced production capacity and many have temporarily closed their business activities. Meanwhile, Soetjipto (2020), stated that the cause of the decline in MSME turnover was due to a decrease in people's purchasing power, consumers were afraid to buy because of health protocol rules, and regulations limiting the operational time of business activities. Thus, the results of this study are supported by the results of other studies in various

countries and regions in Indonesia that the Covid-19 pandemic outbreak has had a negative and detrimental impact on many micro and small businesses closing their businesses.

MSE Business Sustainability Model in the New Normal Era

This economic recovery model departs from the Board of Innovation, a business consulting firm headquartered in Antwerp, Belgium. Referring to the Board of Innovation website, the Low Touch Economy is based on changes in human behavior before and after the Covid-19 pandemic. Referring to the change in behavior, certain strategies are formulated that refer to business sectors that are affected by income and employees. During the Covid-19 pandemic, MSE businessmen are required to be creative and innovative in dealing with this crisis. The efforts of MSEs to anticipate their business running and surviving during the Covid-19 pandemic are as shown in Figure 1.

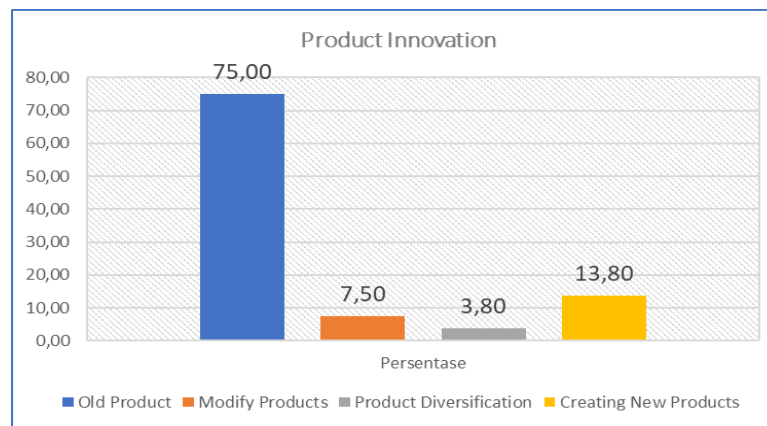


Figure 1. How to deal with products during the Covid-19 pandemic

Figure 1. This shows that the efforts of MSEs during the COVID-19 pandemic to keep their businesses running, 75 percent of MSEs remained with the old products but changed their marketing methods, other efforts were modifying products, diversifying products, and switching to other products by making new products. The way of promoting and marketing MSE products during the Covid-19 pandemic was 46.9 percent did not make changes to promotion and marketing techniques. A total of 28.1 percent made changes to direct marketing to consumers and as many as 25 percent made changes from offline to online marketing.

The government has implemented several policies to prevent the transmission of Covid-19 by implementing health protocols, namely social distancing, washing hands, and wearing masks, and a WFH policy for employees. Therefore, for business sustainability, micro and small business actors must adjust and adapt to changing patterns of behavior and consumer demand. In general, the problems faced by micro and small businesses during the Covid-19 pandemic, firstly, in terms of the input market such as the scarcity of raw materials and auxiliary materials, in addition to being scarce, the price becomes more expensive. Second, the problem of the production process in producing product forms, and product packaging. Third, the problem of marketing or distribution of products from the point of production to the point of consumption is related to the disruption of the transportation system due to the application of regional restrictions.

The model scenarios that can be carried out for business sustainability in the new normal era need to consider certain things, first, the condition of micro and small businesses during the Covid-19 pandemic whether they are heavily, moderately, or lightly affected or not affected or even have a positive impact. Second, the point of problems faced by MSEs in running their business during the Covid-19 pandemic, and the priority of overcoming them. Third, the policy to implement health protocols as an effort to prevent the transmission of Covid-19. Fourth, changes in the behavior patterns of society/consumers in the new normal era in meeting their needs. Fifth, the pattern of consumer demand for the required product. Sixth, the distribution pattern that consumers want to obtain the goods they need. Seventh, the pattern of communication between business actors and consumers in the new normal era to conduct business transactions. The scenario of the micro and small business sustainability model in the new normal era, as shown in Figure 2.

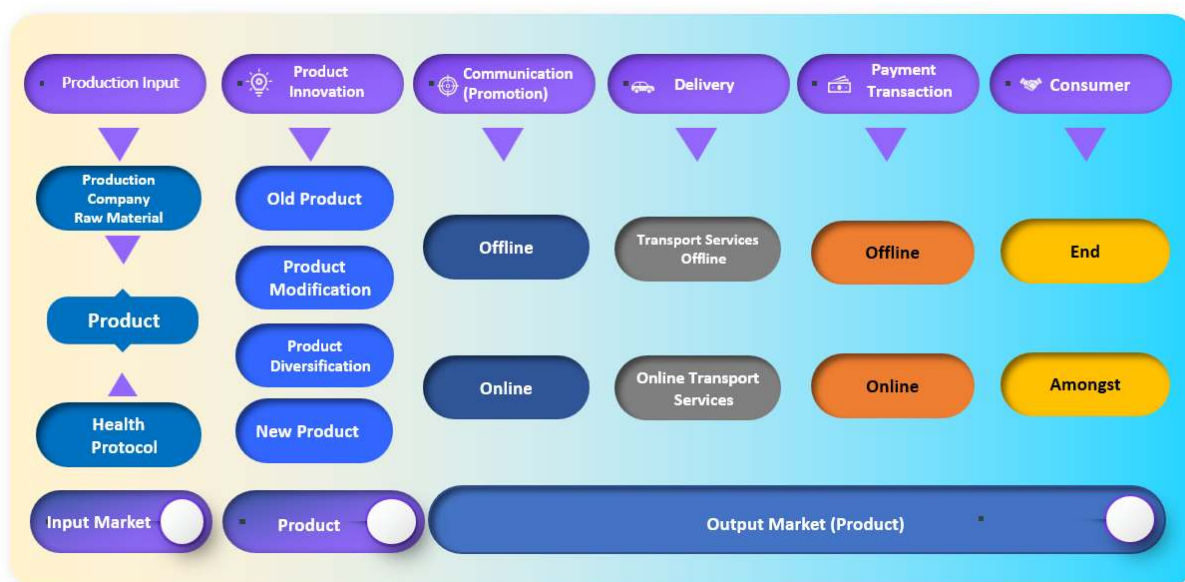


Figure 2. The scenario of the Micro and Small Business Sustainability Model in the New Normal Era

Figure 2 shows several model scenarios that can be carried out for business sustainability in the new normal era by adjusting business conditions as a result of the Covid-19 Pandemic outbreak as follows:

1. Continue to produce old products, but the promotion, marketing, ordering, and payment systems, as well as distribution, have been changed from offline to online.
2. Modify the product, such as the composition of raw materials, product form, packaging, and durability. Promotion, marketing, distribution, and payment methods can be done offline or online depending on the condition of the consumer while still implementing health protocols.
3. Diversify products, namely diversification of product types or increase the number of production or sales, so that alternative products marketed increase. Promotion, marketing, distribution, and payment methods can be done offline or online according to consumer conditions while maintaining health protocols.

4. Create a new product or business, while observing market demand and trends, taking into account consumer behavior patterns and lifestyles in the new normal era using online promotion, marketing, payment, and distribution.

The four alternative scenarios of this business sustainability model can be selected and adapted to business conditions, market demand trends, and changing patterns of consumer behavior. In line with the research results of Nur Azizah et al (2020), business strategies in the new normal era can be done by providing services to consumers online, improving quality management related to cleanliness and health, and making changes to business models. Product marketing strategy during the Covid-19 pandemic by segmenting, targeting, positioning products and services to attract consumer interest. Supporting factors for running entrepreneurship efficiently and effectively are promotion through online media, partnerships, excellent service, and awarding (Purwanto, 2020).

Lim, Morse, and Yu (2020) stated that growth-oriented MSME entrepreneurs would benefit from using the dynamic resource system model as a cognitive foundation, to evaluate and assess how external factors such as the COVID-19 crisis affect the resource component. Meanwhile, the results of Adam and Alarifi's research (2021), concluded that the innovations carried out by MSMEs had a significant impact on the performance and viability of MSME businesses and there was a significant and moderate role of external support provided to MSMEs during the COVID-19 epidemic crisis for business survival.

Innovations in creating sustainable business models for service delivery, remote operations, substitutes, and service delivery channels, innovative collaboration environments, and new service consumption opportunities enable and enhance the value proposition. Meanwhile, Kebede et al (2021), stated that the company's ability to survive the economic crisis will depend on many factors including how nimble the company is in ensuring business continuity and adapting its business processes. While the results of Dyduch, Chudziński, Cyfert, & Zastempowski's (2021) research concluded that there is a positive relationship between the ability to take advantage of opportunities that arise during the crisis and maintain financial liquidity, companies that plan strategically have a greater opportunity to maintain financial liquidity. Companies that develop efficient information technology systems have a greater chance of maintaining production.

The results of the study of field data and literature show the need for a business sustainability model for micro and small businesses in the new normal era which depends on the ability and mindset of MSEs' human resources in viewing the Covid-19 pandemic outbreak. It is necessary to encourage a creative and innovative spirit to emerge so that the ability to control the excess limitations due to Covid-19 becomes an opportunity that can be utilized. Alternative business model solutions that can be profitable and sustainable by adjusting to product technology, information technology, and changing patterns of consumers in the new normal era.

Covid-19 Transmission Prevention Model through Business Digitization

The implementation of the Large-Scale Social Restrictions (PSBB) and Community Activity Restrictions (PPKM) policies to prevent the transmission of the Covid-19 outbreak has further reduced MSMEs' income and placed more pressure on them, especially on the existence of fixed operational costs despite a decline in sales. It is important to consider that economic activities

are carried out through contact between sellers and buyers, as well as provide a mediation process to prevent the transmission of Covid-19, as well as increase MSME sales to face the post-Covid-19 recovery period. Contacts between sellers and buyers occur very intensively during marketing and transactions in economic activity. It can happen through the goods being exchanged or it can be through touching certain parts of the kiosk or stall. In addition, when one seller serves several buyers, contact between buyers is also more vulnerable. Through this contact, the risk of transmitting Covid-19 will be higher. In addition, there are aspects of economic activity that move because of other social activities, such as gathering or even waiting for service buyers. This happens to coffee shops or base motorcycle taxis, which often wait for prospective passengers while conversing at their base.

The challenge in post-Covid-19 economic recovery is increasing sales for MSMEs while minimizing contacts that occur in these transactions. Responding to these challenges, a business model with digital media was developed to bridge the interaction between producers and consumers so that the buying and selling transaction process can be carried out with minimal contact while ensuring market efficiency continues (Johnsen, 2005). There is a need for a shift in the economic paradigm. Generally, the economic paradigm used to develop MSMEs is the scarcity economic paradigm, which is based on assumptions about goods that satisfy limited human needs. This causes economic activities to compete unfairly, ranging from the monopoly on market prices, information asymmetry, to government preferences as the cause of the failure of the working market. Generally, several collectors move to buy raw or semi-finished materials to then be processed into finished goods and get greater added value. Inefficiency occurs when this added value has minimal impact on the sellers of raw and semi-finished materials.

The actual situation that occurs may not be commensurate with the assumptions used in the scarcity economy. There is often an information gap between providers of goods/services and buyers. Both the seller and the buyer do not know each other if there is supply and need. The result is information asymmetry because the person who knows monopolizes the price and knowledge of the product being sold. Based on this, the new economic paradigm is built on the assumption that the sources of satisfying human needs are abundant, only how to gain knowledge about these resources must be built. This paradigm is known as the Economy of Abundance paradigm. The paradigm departs from the rapid development of communication technology and information technology so that the perpetrators can consider various things across space and time. The breadth of these considerations includes shaping how humans meet their needs with goods that satisfy needs. This economic paradigm has assumptions that are following post-Covid-19 conditions when buyers and sellers know each other about the offer and availability of goods to satisfy needs, but conditions do not allow transactions to occur as usual. The illustration of the Economy of Abundance paradigm using a digital media platform as an intermediary for MSE business is presented in Figure 3.

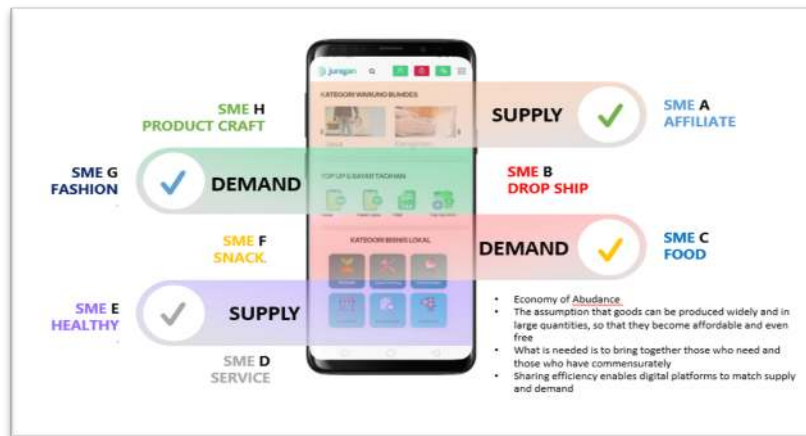


Figure 3. Illustration of the Economy of Abundance paradigm using digital media platforms

The model is derived from a digital media platform that allows interaction between sellers and buyers. This digital media is built in such a way that buyers can optimally consider their choices, and sellers can find out the buyer's ability to complete the transaction he started. To ensure this, a formal intermediary in the form of BUMDes will be involved as part of the administrator in this digital media function. A simple model of MSE transactions mediated by digital media is presented in Figure 4.



Figure 4. Covid-19 Transmission Prevention Model Through Digital-Based MSE Business

Figure 4 shows business activities and transactions are carried out using digital media. Promotional activities, ordering raw materials, marketing, payment, and product distribution are carried out online mediated by digital media. This business model will reduce the occurrence of direct contact (low contact economy) between producers, traders, shipping, and consumers. In line with the research results of Raharjo and Mulyani (2020) that the use of online-based technology must be optimized so that MSMEs can still carry out their operational activities, as well as being able to carry out health protocols.

García-Villagrán, Cano-Olivos, Martínez-Flores, and Sánchez-Partida (2020) state that in these times of living in homes, consumer behavior has changed. Consumers are becoming

increasingly comfortable with digital technology and digital commerce. SMEs need to invest in data analytics technology to effectively know their customers and offer what consumers need. The results of Soetjipto's research (2020) in East Java concluded that the steps for MSME businessmen to deal with the conditions of the Covid-19 pandemic, namely marketing with digital media, paid promotions online, depositing products conventionally, and trying to keep the sales open.

The business sector that uses digital media has a demand surge when the low contact economy is implemented because of the need for connectivity services provided by digital media. This service will bring together sellers and buyers without any physical contact, allowing for various market calculations that lead to transactions. In the Board of Innovation (2020) it becomes logical when digital media businesses are encouraged to become the pioneers of national economic recovery. Furthermore, Omar and Morales (2021) explained that digital platforms such as WhatsApp, Skype, and Zoom were used to promote their products to doctors and clinics around the socks production site. The digital platform used is specialized in direct, person-to-person interaction.

By implementing a digital business platform for micro and small businesses, it can directly or indirectly reduce or even eliminate direct contact between producers, traders, and consumers. This means that micro and small businesses can still run their businesses and earn profits while still following the protocol. This model of preventing the transmission of Covid-19 by implementing the digitization of micro and small businesses will include two goals at once, namely preventing the transmission of Covid-19 to be easy to implement and the economic recovery of micro and small businesses will be achieved quickly.

Implementation of Micro and Small Business Digital Platforms in Rural Areas

Through the results of field trials (treatment) and implementation of operations as well as their use, digital designs and platforms for micro and small businesses were created for rural areas. This digital platform has considered the problems of implementing health protocols, the needs and demands of micro and small business entrepreneurs in rural areas, through a series of interviews, field observations, and Focus Group Discussions. The issues raised are changes in business models and changes in consumer behavior and lifestyle in the new normal era, health protocols must be implemented but micro and small businesses must continue to run. On the other hand, the use of smartphones is increasing but not many companies in rural areas are using the web in their business activities. Furthermore, it encourages local businesses to be bought by local people. This is an opportunity to maintain and revive micro and small businesses in rural areas as a result of the Covid-19 pandemic while still implementing health protocols.

Web-based and Android-based digital platform design for micro and small businesses in rural areas, with software, hardware, network, and database technology. The website created is <http://ukm-bumdessukaratu.com> with the admin manager of Village Owned Enterprises (Bumdes). The Juragan UMK BUMDes Web is a digital platform as a forum for selling micro and small business products in rural areas managed by BUMDes. The facilities of the micro-small business platform are that consumers and sellers can register a free account, place local business advertisements, and get a lot of exposure for sellers. The facilities on page 1 are shown in Figure 5.

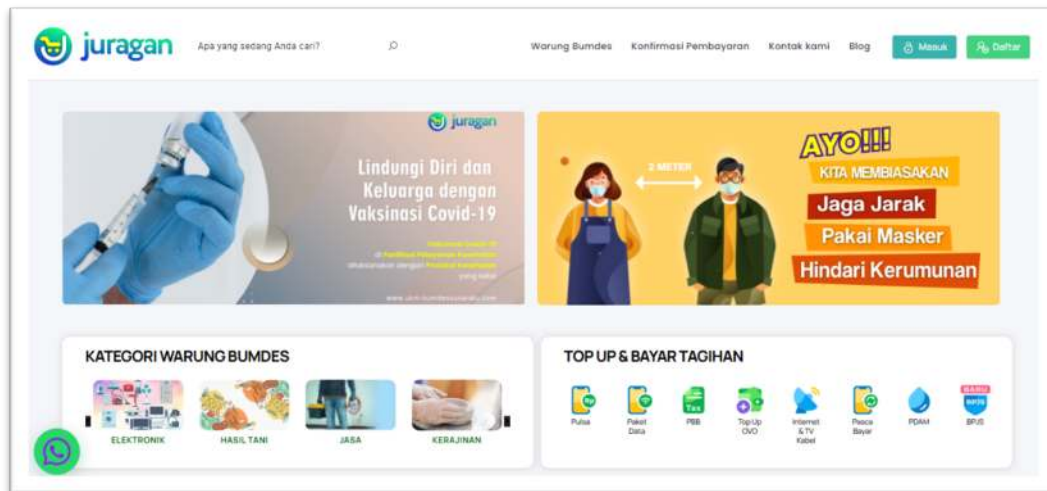


Figure 5. Digital Platform Facilities on First Page Display

In Figure 5, above right there are several menu facilities, namely Bumdes stalls, payment confirmation, contact us, sign in and register, at the bottom are Bumdes shop category menus and top Up and Pay Bills. If the menu buttons are clicked, more detailed data and explanations will appear. The facilities on the second-page digital platform display are as shown in Figure 6.

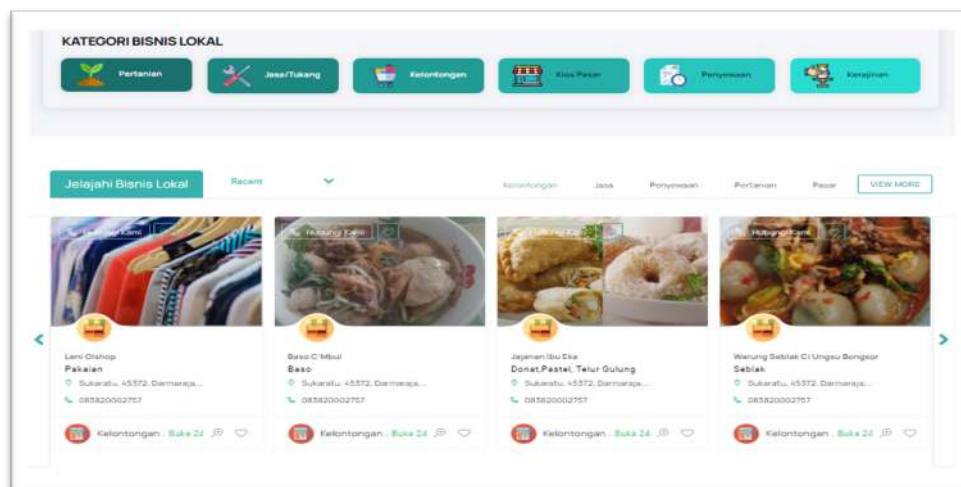


Figure 6. Facilities on the Second Page Digital Platform display

Figure 6 shows facilities on the Second Page Digital Platform view. On the second page, there will be facilities for the local business category, in the form of micro and small business products in rural areas. In this local business, there are agriculture, services/craftsmen, grocery, market stalls, rental, and handicrafts. Other facilities include the Explore local business menu, which is looking for micro and small business products in rural areas. If the menu is clicked, the details of the product you are looking for will appear. Digital Platform Facilities on the Third Page Display as shown in Figure 7.

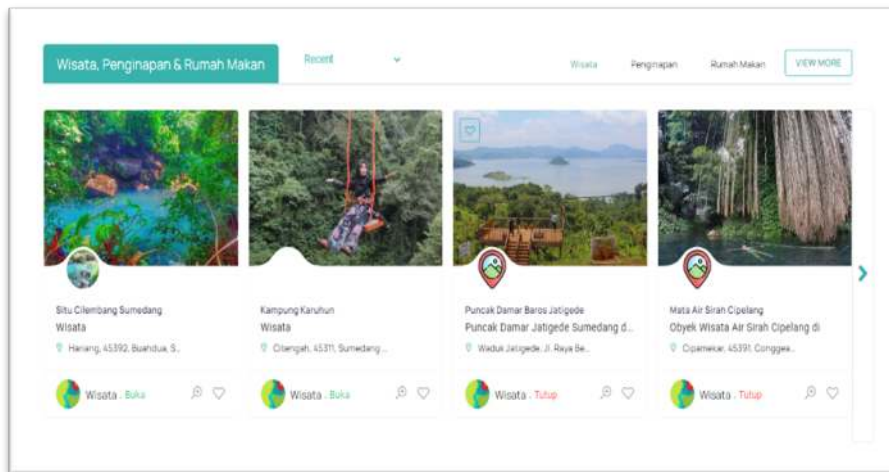


Figure 7. Facilities on the Third Page Digital Platform display

On the third page, there is a menu that shows supporting facilities in the marketing of local MSE business products, namely tourist attractions, lodging, and restaurants. When the button is clicked, detailed data and information will appear. Facilities on the Platform on the fourth-page display as shown in Figure 8.

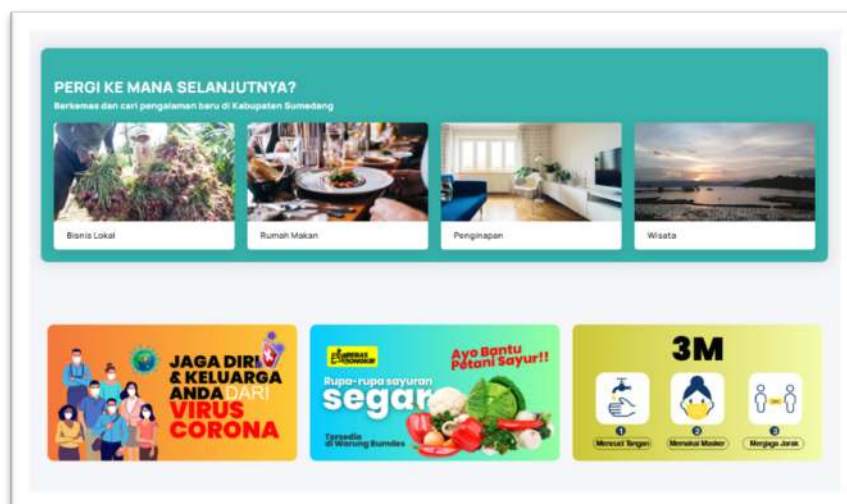


Figure 8. Display of the Digital Platform on the Fourth Page

On the fourth page, there is a Go where next menu, this menu will direct to Google map, so that if the destination button is clicked it will give direction with a GPS spawn to the destination. The fifth-page display is as presented in Figure 9.

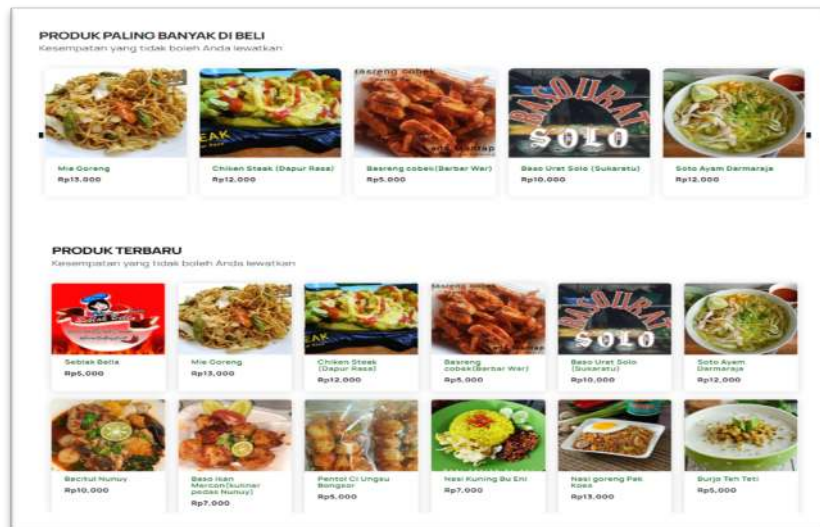


Figure 9. Digital Platform Display on the Fifth Page

On the fifth page, there will be a menu of information about the products that consumers buy the most, then at the bottom, there is a menu of new product information. If the menu is clicked, the detailed product information will appear. The steps for implementing the use of the digital platform for micro and small businesses at <http://ukm-bumdessukaratu.com> are as follows:

1. Open the browser in the user's cellphone/computer then in the user's browser address field, enter the URL ukm-bumdessukaratu.com, then click the Register navigation menu. Things that must be prepared before registering: an active email address and registration can be done in 2 ways, namely through Gmail and Facebook.
2. Posting goods/products, if you want to post goods/products, point the cursor and click the local business button, so it will display the main page, then click enter Business, in the local business menu display the user is required to fill out a form, including the business name, logo, Product photos, listing title and description of business or product.
3. Select a business category, the display will display business categories such as restaurants, lodging, markets, agriculture, rentals, and services.
4. Select the hashtag, the application will display a selection of examples of HP accessories, vouchers, counters, computer accessories, etc.
5. Fill in the contact information with Email, Mobile Number, Website, and Social Media (Twitter, Instagram, Line, WhatsApp).
6. Enter product photos through the gallery and featured image features
7. Enter the region and business address
8. Click Submit and wait for the notification to appear.

Before ordering goods/products, make sure the user must select and calculate the number of products needed, by following these steps:

1. Click the blue cart button, then click "Payment"
2. Fill in the information data according to the available column
3. Click "Continue to Shopping"
4. Select the Shipping Method that the user wants
5. Click "Continue to payment"

6. Choose the desired payment method, which can be through the COD and Online Payment system"
7. If you have finished then Click "Complete Order" and wait until a successful notification appears.

To implement a digital platform on top of the admin from Bumdes and micro and small business entrepreneurs, socialization and training have been carried out beforehand and also assisted by the research team. Besides that, Indihome's computer equipment and internet network have been provided with grant assistance from PT. Telkom, so it is hoped that an understanding will be obtained for the use of the digital platform. The results of the trial and implementation of the digital platform for micro, small and medium enterprises (BUMDes) during February and April 2021 are presented in Figure 10.

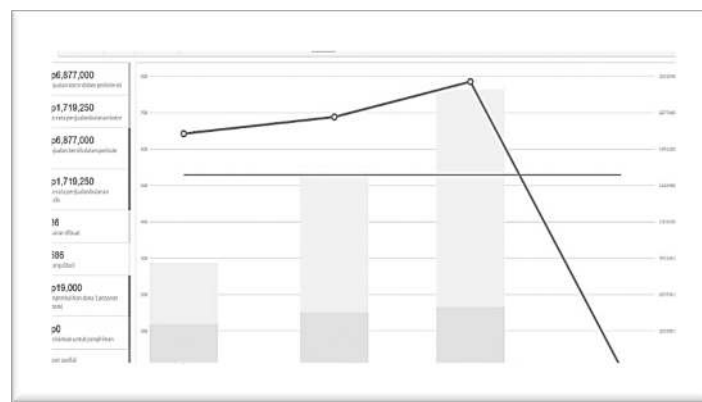


Figure 10. Graph of Transaction Results on the Digital Platform for Micro-businesses

Based on Figure 10 and the implementation results, the top product categories sold are, first, the service category with 984 items sold with net sales of Rp 984,000.00. Second, in the food category, 444 items were sold with net sales of Rp 4,688,000.00. Third, in the Food and Beverage category, 136 items were sold with net sales of Rp. 1,045,000.00 and fourth, in the basic food category, 22 items were sold with net sales of Rp. 170,000.00. Meanwhile, the type of product with the highest sales value, namely the first, chicken noodle product "Pak Ade", sold 125 items with a net sales value of Rp 1,250,000.00. Second, the same product, 984 items sold, with a net sales value of Rp 984,000.00. Third, the "Nunuy" food stall sold 77 items, with a net sales value of Rp 616,000.00. The four products of bacitul "Nunuy", sold 61 items, with a net sales value of Rp. 610,000.00 and the fifth, the product of fried chicken lead rice "Dapur Bungsu", sold 48 items, with a net sales value of Rp. 576,000.00.

In the results of these trials and implementations, micro and small business actors have operated and utilized digital platforms created and transactions have occurred. In line with the research results of Wastutiningsih, Peni & Dewi (2019) that empowering micro and small businesses through digital platforms, can increase sales and turnover value. In line with García-Villagrán, *et al* (2020) which states that in the current crisis conditions, demand is changing and customers are more interested in digital trading, having a digital platform, is important for the sustainability of the company's operations. MSMEs should strive to be part of the digital economy ecosystem and use social networks to promote products and businesses. By promoting the brand effectively, it will create an online community and know customer

preferences effectively and directly. The results of research by Gregurec, Furjan, & Tomičić-Pupek (2021), conclude that technological developments grow exponentially, and become an arena for the digital environment in which the business operates. MSMEs are shifting business focus from technology-driven transformation towards more related to the transformation of media and social platforms, as well as mobile technology, which is the technology most often chosen as a tool for transformation of communication channels and service delivery to consumers.

Impact and Response of the Implementation of the UMK Digital Platform in Rural Areas

Testing of business digital platforms is carried out to analyze whether the platform built can help solve the problems of micro and small business actors in rural areas in the new normal era after the Covid-19 pandemic outbreak. The test was carried out by conducting in-depth interviews with 88 micro and small business actors who had registered and uploaded products and had used the digital platform. The material points that were evaluated were on understanding, completeness of information, suitability for needs, prevention of Covid-19 transmission, and business sustainability. An understanding of the use and utilization of digital platforms is presented in Figure 11.

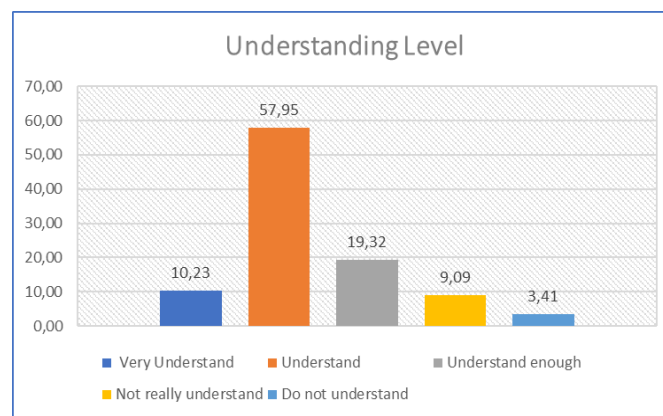


Figure 11. Graph Of The Level Of Understanding of MSE Actors Regarding The Use and Utilization Of Applications

Based on Figure 11, micro and small businesses after the application was socialized, literacy was carried out on the operation and use of digital platform applications, showing that most stated they understood and understood very well, namely 68.18 percent and 19.32 percent said they understood enough. However, 9.09 percent said they did not understand and 3.41 percent did not understand the operation and use of digital platform applications. Complete information presented on the digital platform application for micro and small businesses in rural areas is presented in Figure 12.

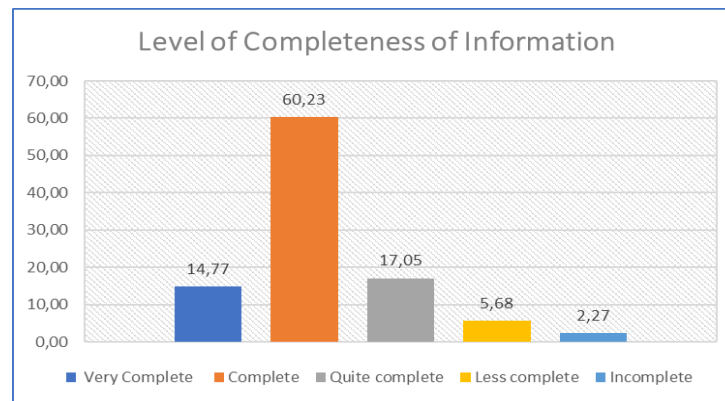


Figure 12. Graph of Completeness of Information

Figure 12, shows that the information presented on the digital platform for micro and small businesses, mostly stated that it was complete and very complete, namely 60.38 percent and 14.77 percent, while 17.05 percent stated that it was quite complete. However, 5.68 percent stated that the information presented in the application was incomplete and 2.27 percent said it was incomplete. The suitability of digital platform applications with the needs of micro and small businesses in rural areas is presented in Figure 13.

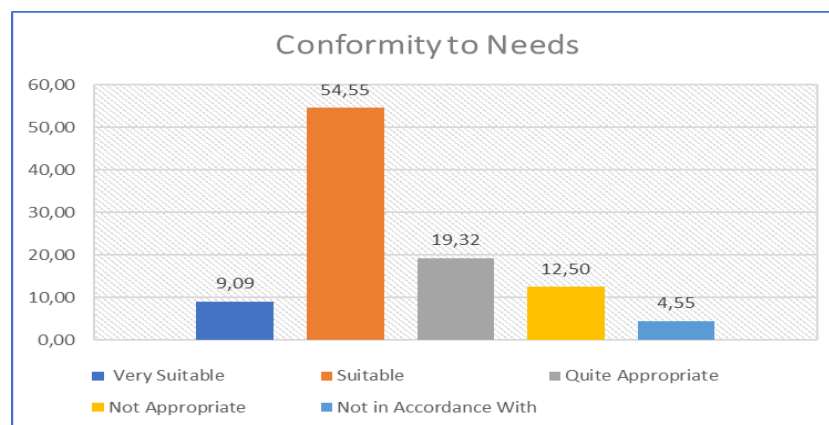


Figure 13. Graph of the Suitability of Digital Platforms with the Needs of MSEs.

Figure 13 shows that most of the MSE actors stated that they were suitable as much as 54.55 percent and very suitable as much as 9.09 percent. Meanwhile, 19.32 percent stated that they were quite appropriate, and 12.50 percent said they were not appropriate. However, there are still those who state that the platform that was built is not per the needs of SMEs. By utilizing a digital platform, it can help prevent the transmission of the Covid-19 pandemic, which is presented in Figure 14.

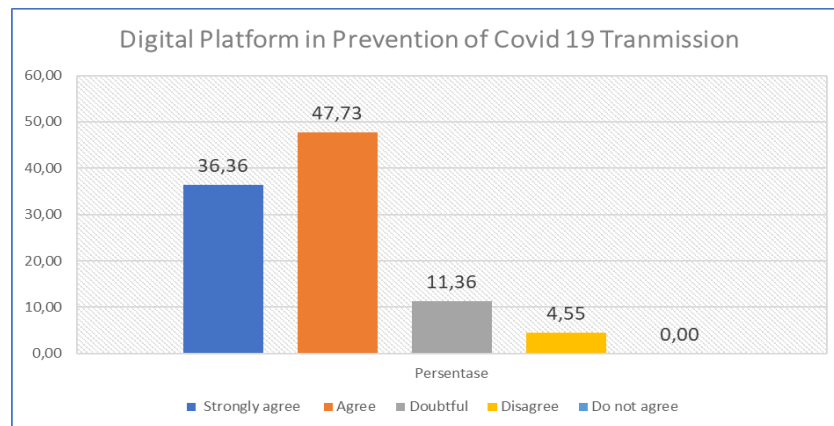


Figure 14. Platform Graphics can Prevent Covid Transmission 19.

Figure 14 shows that 84.09 percent of UMK actors agree and strongly agree that the use of digital platforms in running their business can indirectly help prevent the transmission of Covid-19. A total of 11.36 percent said they were still in doubt and 4.55 percent said they did not agree. The use and utilization of digital platforms can support the sustainability of the business they run, presented in Figure 15.

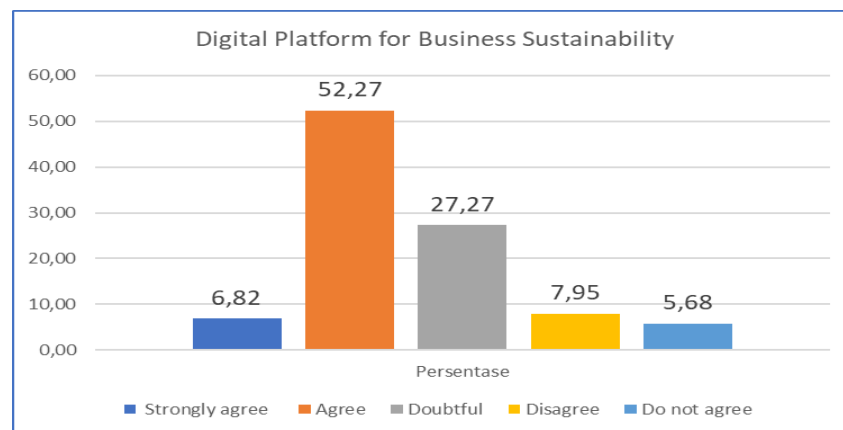


Figure 15. Graphics of Digital Platforms for Business Sustainability

Figure 15 shows MSE actors in rural areas 59.09 percent agree and strongly agree that the use and utilization of digital platforms will support further business sustainability. While as many as 27.27 percent are still in doubt, 7.95 do not agree and as much as 5.68 percent do not agree that the use and utilization of digital platforms can support the sustainability of the business being carried out.

In line with the results of Suharmanto's research (2020), that there is a relationship between the level of education, type of work, attitudes, and skills possessed with behavioral patterns of implementing health protocols to prevent transmission of the Covid-19 outbreak. It is necessary to increase public understanding regarding the implementation of the Covid-19 health protocol with complete and adequate information access channels. Meanwhile, the results of research by Sutinah, Suyanto, & Azis (2020) conclude that micro and small business entrepreneurs in rural areas need to be encouraged to understand changes in behavior

patterns, lifestyles, and consumer characteristics in the new normal era towards the use of digital platforms, as a tool to promote, market and as a tool for buying and selling products.

Furthermore, García-Villagrán et al (2020) stated that the crisis caused by the Covid-19 pandemic has left consumers and businesses in continuous uncertainty. The Covid-19 crisis is changing the way we live and work, driven by small and medium-sized organizations creating innovative solutions to today's problems. While the results of research by Gregurec et al (2021), show that technology can produce more positive impacts, but is not commonly used by the wider community, due to the complexity of technology, lack of community competence in its use, long implementation period, and the need for additional equipment. Building problem solutions with technology that is easier to use, short implementation period, and is oriented towards the desired added value will contribute to supporting MSMEs in efforts to increase business resilience and the speed of micro and small businesses in dealing with the negative impacts of the Covid-19 pandemic.

The impact of COVID-19 is expected to motivate micro and small business entrepreneurs to rethink the necessary business competencies, seek new business opportunities, and redefine the sustainability of the right business model. Strategic in the short term, the balance between action and concentrate on developing innovation, is not limited to this time of crisis but must think for the sustainability of its business. Developing new competencies, improving the quality of management, and professionalism regarding the application of new technologies in the business model that is run is a very important requirement for business sustainability in the long term. Furthermore, then micro and small businesses will not only survive during the Covid-19 pandemic but will appear with the competence and ability to adopt new technology and be able to compete in the new normal era after the Covid-19 pandemic which is full of challenges.

CONCLUSION

1. During the Covid-19 pandemic, micro and small business activities in rural areas were still surviving and operating with various changes, business operations temporarily stopped by laying off and laying off employees. The income element is the part that is negatively affected, but some are not affected by the Covid-19 outbreak, and even a small portion has benefited from the Covid-19 outbreak.
2. Alternative scenarios for micro and small business sustainability models in the new normal era in rural areas, namely first, continue to produce old products using online transactions. The second scenario is to modify the product. The third scenario, product diversification, and the fourth scenario create new products or new businesses with online transactions.
3. The application and use of online digital platforms for micro and small business activities in rural areas, both for promotion, ordering, and payment transactions, reduces direct contact between producers, traders, and consumers. The model for preventing the transmission of Covid-19 through the application of the digital platform for micro and small businesses includes two goals at once, namely preventing the transmission of Covid-19 will be easy to implement and the economic recovery of micro and small businesses will be achieved quickly.
4. Design a digital platform that was built based on Web and Android with a web link <http://ukm-bumdessukaratu.com>, admin manager for Village-Owned Enterprises

(Bumdes). The BUMDes UMK skipper's website is a digital platform application for micro and small businesses in rural areas, as a forum for online transactions for micro and small business products in rural areas.

5. The MSE digital platform that was built is one solution that can overcome the problems of micro and small businesses in the new normal era after the Covid-19 pandemic. The MSE digital platform that has been built and implemented can be understood by MSE actors, the information presented is complete, has been under the needs, can help prevent the transmission of Covid-19, and can support business sustainability in the new normal era.

RECOMMENDATION

1. For micro and small entrepreneurs in rural areas, it is hoped that the digital platform that has been built can be used and utilized optimally in running a business so that it can survive and be sustainable in the New Normal era while still implementing health protocols.
2. For the government, it is hoped that the digital platform for micro and small businesses can be used as an alternative policy material to prevent the transmission of Covid-19 and economic recovery after the COVID-19 pandemic, and become a digital platform model that can be applied in other areas.
3. Further research needs to be done, especially regarding the low-touch economy product delivery and transportation system, product improvement innovations, local product development for local consumers, and the availability of information technology infrastructure in rural areas.

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