

Navigating Through Crisis: How Digitalization Has Transformed Silver Craft SMEs in Batankrajan Village

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ABSTRACT

The COVID-19 pandemic, which began in 2020, has led to a decline in the performance of the SME sector. This study aims to determine the impact of digital transformation on silver handicraft SMEs in Batankrajan Village, Mojokerto Regency, in maintaining their businesses amid the unstable economic conditions caused by the COVID-19 outbreak. The research method used is descriptive qualitative, with primary data sources. This study employs interview techniques with informants selected through purposive sampling based on specific criteria. The results indicate that digital transformation has significantly influenced the business continuity of these SMEs. SME actors have leveraged digital platforms for marketing. With this strategy, the changes experienced by SMEs have been quite significant, as seen from the increased revenue and production compared to prepandemic levels. This study concludes that digital transformation plays a crucial role for silver handicraft SMEs in recovering post-pandemic income through digital platforms.

INTRODUCTION

At the end of 2019 to 2020, world governments were busy with the impact of the COVID-19 virus. This virus was first discovered in Wuhan City, Hubei Province, China. The spread of this virus was reported by the World Health Organization (WHO) on December 31, 2019. This virus was declared an emergency for the whole world because it had a major impact on human activities throughout the world. The COVID-19 pandemic has not only had an impact on health problems but the global economy has also been affected, including the economy in Indonesia (Muditomo, A., & Wahyudi, 2021). This pandemic has had various negative impacts on several sectors of life, including causing economic suffering and the decline of the global economy (Bartik, A. W., Bertrand, M., Cullen, Z., Glaeser, E. L., Luca, M., & Stanton, 2020). Several countries affected by this virus have implemented policies such as self-isolation, guarantine, and large-scale social distancing. All work usually done in the workplace has been replaced by a policy of working from home to avoid the dangers of the COVID-19 virus. Teaching and learning activities are also carried out online by schools and campuses. According to the Ministry of Finance of the Republic of Indonesia (KEMENKEU, n.d.) in general, COVID-19 has an impact on the economic sector through three main factors: decreased production, disrupted supply chains and marketing, and decreased company performance. As a result, the business sector has experienced a decline in performance and income, eventually forcing several business actors to close their businesses due to a lack of capital (Bahtiar & Saragih, 2020).

This virus also has an impact on the MSME sector. MSMEs have proven to be strong as a mainstay of the Indonesian economy in 1998. Here the role of digital transformation is very much needed where face-to-face buying and selling access is limited by the government to



avoid the spread of the COVID-19 virus. Many experts state that increasing the productivity and performance of MSMEs requires the role of digital technology (Papadopoulos, T., Baltas, K. N., & Elisavet, 2020). Digital Transformation plays a very important role during the COVID-19 pandemic, where large-scale social restrictions mean that most business processes must be carried out digitally. With the population of Indonesia currently reaching 279.3 million people and 215.6 million people using the internet, almost all Indonesians can access the internet to carry out activities on social media. Around 78.19% of Indonesians can access the internet, this is very important for MSME actors to market their products through social media to make it easier to introduce their products to the Indonesian people. Previously, people's consumption activities were generally carried out offline or through direct sales, while during the pandemic, consumption activities tended to be carried out online or online based on the internet through e-commerce (Wijoyo, H., 2020). Therefore, a business model is needed that can adapt to technological advances. This is what then gave birth to the digital business model. This business model comes from a combination of digital technology and entrepreneurship which then produces a new characteristic phenomenon in terms of business (Giones & Brem, 2017). In this case, the role of digital technology has a significant influence on the business units created. The emerging technological paradigm utilizes the potential for collaboration and collective intelligence to design and launch stronger and more sustainable entrepreneurial initiatives. Even so, there are four dimensions related to digital entrepreneurship, namely digital actors (who), digital activities (what), digital motivations (why), and digital organizations (how) (Elia et al., 2020)

Digital Transformation causes major technology-driven changes in organizations and society. The basic characteristics of digital transformation are complex digital technology innovations in all systems of society, fundamental market changes, volatility, boundaries, and fundamental changes in business models (Kossowski, J., Reutlingen, H., Lenz, A., Heumüller, E., & Richter, 2020) In Mojokerto Regency, precisely in Batankrajan Village, there are UMKM Silver Craftsmen who used to be able to dominate their market. In the 1990s, it was the golden age for silver craftsmen in Batankrajan Village to develop. However, now only old craftsmen can survive for the sustainability of the business. The management of silver crafts is still less than optimal because most craftsmen still use simple tools and do not understand the models trending in the domestic and foreign markets. This hinders the development of silver crafts that can add to regional coffers. Therefore, to develop silver crafts that can compete in the global market, it is necessary to strengthen the understanding, skills, and abilities of silver craftsmen. Improving the quality and competitiveness of silver crafts can contribute to regional economic growth and increase community income. Starting from the COVID-19 pandemic, all buying and selling access was done digitally, this is what made this MSME survive during the pandemic. Reviving the silver craft center, the village government is now focusing on business development for craftsmen, especially in the marketing sector. Assisted by online marketing, silver craft products typical of Batankrajan Village are now easier to reach a wider market.

Digital Transformation during the COVID-19 pandemic until now is very important to implement, especially for MSME actors. Along with the development of the era, all economic activities are carried out digitally to make it easier to meet the needs of community demand. There needs to be education for the community about digital transformation. There is training for MSME actors to adapt to current technology. If a company still wants to keep up with the



competition, developments in its performance need to be implemented due to the rapid development of technology and its very tight competition. This change in behavior towards digital is one of the triggers for the acceleration of digital transformation, in addition to the rapid development of digital technology and tight competition (Verhoef, P. C., Broekhuizen, T., Bart, Y., Bhattacharya, A., Qi Dong, J., Fabian, N., & Haenlein, 2021). There are several GAP problems related to the development of MSME silver craftsmen in Batankrajan Village. Where there are several obstacles from the business actors themselves who are less capable of developing digital transformation. In terms of facilities and infrastructure that still use simple tools, designs that still do not follow trends, less than optimal use of the internet to introduce products to consumers.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

The Diffusion of Innovation Theory proposed by Everett Rogers in 1962 explains how innovations, in this case, digital technologies, are disseminated and adopted by society and organizations. During the COVID-19 pandemic, factors such as the urgent need for digital solutions to maintain business operations and meet changing customer needs accelerated the adoption of digital technologies. The Technology Acceptance Model (TAM) states that technology acceptance is influenced by an individual's perception of the usefulness and ease of use of the technology. The increased use of digital technologies in various situations such as telecommuting, distance learning, and online health consultations during the COVID-19 pandemic can be explained by the increased awareness of the usefulness and convenience of digital technologies. In addition, Resilience Theory focuses on the ability of an organization or individual to withstand and recover from change or crisis. During the COVID-19 pandemic, digital transformation has become an important tool to strengthen resilience to disruption and enable rapid adaptation to changing external conditions.

This study refers to previous research. First, research (Fitriasari, 2020) where Digital transformation not only introduces new technology to existing activities but also the process of redesigning the entire business model. To achieve business resilience, three key elements must be considered, namely product quality, employee behavior, and process reliability. Key steps to achieving business resilience include several important stages. First, to diagnose risks and interdependencies among small and medium-sized businesses, companies must define business expansion and identify factors that drive profitability. Second, when aligning company opening strategies and models, companies must use a cost-benefit analysis that links corporate strategy to cross-functional risk mitigation plans. Third, addressing increasing risks and complexities that include developing organizational structures to monitor and integrate risk monitoring and intelligence. Business resilience requires consideration of digital transformation, which occurs when new digital capabilities emerge and digital tools are introduced.

Second, research (Art, 2012) where the digital transformation process requires proper digital infrastructure testing. The steps that need to be taken in digital transformation in MSMEs include several important stages. First, creating the right mindset and shared understanding throughout the organization. Second, determining the right leadership to guide the transformation process. Third, launching a superior digital business center to support digital initiatives. Fourth, formulating a clear and measurable digital strategy. Fifth, finding, developing, and acquiring the knowledge needed to support the transformation.



Finally, creating new digital capabilities that enable companies to adapt and thrive in the digital era.

The third study (Harwiki, 2013). Where Servant leaders are ready to share power through empowerment, thereby involving their followers in planning and decision making. Thus, the leadership factor has a big influence in the process of changing a business where the benchmark for the success of a business can be seen from how the leader treats his subordinates well. A good leader is a leader who is willing to involve subordinates in the sustainability of his business. The openness of the leader is also very important in the business process where the involvement of subordinates to help solve problems is a leader's concern for his subordinates.

From the three previous researchers, there are similarities and differences with the current research in the development of digital transformation in the MSME sector. The existence of leadership factors also has a significant influence on the running of MSME businesses. The factor of alignment between leaders and employees is also needed because it is so important for a leader to accept input from his subordinates. A shared mindset between subordinates and leaders is also a factor in realizing sustainable MSMEs. Observations made by researchers, also state that the development of digital transformation is not only carried out by leaders but their subordinates must also participate in the development of the digital transformation. Leaders and subordinates must be able to understand the development of the times and follow the latest trends so that the products marketed are not stuck with the old model which of course decreases competitiveness. In terms of marketing, researchers also observed that marketing has a significant influence on the level of product sales, which means that MSME actors must also be able to master marketing techniques using social media so that their reach is wider.

METHODS

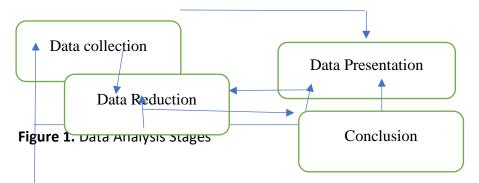
This study uses a qualitative descriptive approach method to explain in detail the conditions in the field. The analysis procedures resulting from the study were not obtained through statistical data analysis or other quantitative methods. A qualitative approach is a research approach that focuses on an in-depth understanding of a phenomenon through its context, by utilizing data collection techniques such as interviews, observations, and text analysis (John W Creswell, 2012).

The data collection used by the researcher consisted of interviews, observations, and documented secondary and primary data. The population of Batankrajan Village is 2,973 people. In this population group, there are several people engaged in the silver craft SMEs sector, namely 11 silver craft owners. The author sought information from several informants who work in small and medium silver crafts, totaling 5 people, consisting of the Head of Batankrajan Village, 2 silver craft owners, 1 child of one of the owners, and 1 worker.

In the observation method, researchers directly visit the silver craftsman's observation location and ask questions prepared to be asked to information providers such as owners and employees of the silver craftsman. In this study, researchers also used interview techniques, especially structured interviews where researchers asked prepared questions to informants. In identifying informants, researchers used purposive sampling techniques where informants were selected based on criteria set by researchers by research objectives. According to (Patton, 2015) purposive sampling is a conscious and planned sample selection process,



where researchers choose participants who have knowledge, experience, or characteristics that are important to understanding the phenomenon being studied. Documentation techniques are used by researchers to help collect data that cannot be obtained through observation or interview methods. Some data used in the documentation method can be obtained from the internet, related articles, magazines, and others. The next data analysis is to conclude the information obtained by researchers from informants. These stages can be seen in the following picture.



The data analysis stage in qualitative research consists of several important steps. First, data collection is carried out through techniques such as interviews, observations, and document analysis (John W Creswell, 2012). Interviews are conducted by distributing questions prepared by the researcher to informants to obtain the desired information. Observations are made by observing (Miles M. B., Michael Huberman A., 2013) and recording behavior and interactions in relevant contexts. Documentation is done by collecting and examining documents related to the research topic. Second, data reduction is a stage in data analysis that involves processing, simplifying, and organizing the data that has been collected In qualitative research, data reduction involves eliminating irrelevant data, grouping data into themes or categories, and identifying significant patterns or trends. Third, data presentation is an important stage in data analysis that aims to visualize the information contained in the data clearly and easily understood (John W Creswell, 2012). Finally, the conclusion in the qualitative research data analysis stage is an important process for interpreting the findings resulting from data analysis (John W Creswell, 2012). Qualitative research conclusions involve data synthesis and interpretation within the context of the research.

By analyzing the data, the researcher hopes to obtain significant data from the informants. The data obtained is then managed, grouped, and selected to present the data clearly and easily understood. The final stage is when the researcher concludes the data to interpret the findings resulting from the qualitative data analysis. The researcher formulates several questions to be asked to the informants to obtain significant information. The first question is about how the COVID-19 pandemic has affected the operations and performance of their MSME businesses. Next, the researcher asks about the changes to the marketing strategy during the pandemic, including whether they have switched to digital platforms to increase product awareness and sales. The next question relates to the problems in adopting digital technology for business continuity. The researcher also asks whether digital transformation can help restore income to what it was before the pandemic. Finally, the



researcher wants to know whether the leadership factor has a significant influence on the sustainability of MSME businesses.

With this research, it is expected to identify the problems that occur in the UMKM sector of Batankrajan Village. Where the silver craft UMKM once experienced a golden age but is now experiencing a significant decline without a clear cause. The researcher hopes to conduct this observation so that the silver craft UMKM of Batankrajan Village can be restored to its golden age in the 1990s.

RESULTS

The MSME sector in the silver craft sector is an important icon in Batankrajan Village because, with the existence of this MSME, Batankrajan Village is known by many people in Indonesia. One person who pioneered in the 70s, 41 new craftsmen emerged in Batankrajan Village. However, currently, only 5 craftsmen remain. The marketing of its products is not only in the Mojokerto area but also in Bali and exports to Germany. According to data collected from the turnover of silver craft craftsmen in Batankrajan Village in 2012, the average turnover of craftsmen's income is quite high from hundreds of thousands to tens of millions of rupiah each month.

Description of the characteristics of respondents through interviews with five silver craft UMKM actors in Batankrajan Village.

| Name | Gender | Origin | Age | Note |
|--------|--------|-----------|-----|--------------|
| Antoni | М | Mojokerto | 42 | village head |
| Nanang | М | Mojokerto | 50 | Owner 1 |
| Agung | М | Mojokerto | 45 | Owner 2 |
| Silvia | F | Mojokerto | 22 | Employee |
| Pras | М | Mojokerto | 22 | Employee |

Table 1. Interview characteristics of UMKM Silver Craftsmen in Batankrajan Village.

Next are the results of interviews with UMKM Silver Craftsmen in Batankrajan Village. **Table 2.** Data from the results of interviews with UMKM Silver Craftsmen.

| Question | Answer |
|---------------------------------------|--|
| How does the COVID-19 pandemic affect | Respondent 1 "During the pandemic my |
| your MSME business conditions? | business was quite affected because face- |
| | to-face buying and selling activities were |
| | hampered by the pandemic" (Nanang, |
| | interview May 24, 2024). |
| | Respondent 2 "Not much different from |
| | what Mr. Nanang experienced. My |
| | business was also significantly impacted |
| | during the pandemic. In terms of income, |
| | production, and sales, there was a |
| | significant decline" (Agung, May 24, |
| | 2024). |
| | Respondent 3 "I as the child of a silver |
| | craftsman owner also felt a significant |



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| | the sector of th |
|---|--|
| | impact where I saw my father racking his |
| | brains to be able to survive running this |
| | business during the Covid-19 pandemic" |
| | (Silvia, May 24, 2024). |
| | Respondent 4 "As an employee I also felt |
| | the impact of the pandemic where there |
| | were many holidays and reduced my |
| | income" (Pras, May 24, 2024). |
| What changes have you made to your | Respondent 1 "I slowly moved to a digital |
| marketing strategy during the COVID-19 | platform to carry out the buying and |
| pandemic? Have you turned to digital | selling process for the sake of the |
| platforms to increase product awareness | sustainability of this business" (Nanang, |
| and sales? | May 24, 2024). |
| | Respondent 2 "I initially used a manual |
| | method for my buying and selling |
| | process, but switched to a digital platform |
| | for the buying and selling process during |
| | the Covid-19 pandemic" (Agung, May 24, |
| | 2024). |
| | Respondent 3 "As the village head in |
| | Batankrajan village, I also observed many |
| | MSMEs who switched to using digital |
| | platforms for the sustainability of their |
| | businesses" (Antoni, May 24, 2024). |
| | Respondent 4 "As a child, I also help my |
| | father market MSME products by utilizing |
| | social media to introduce MSME products |
| | among Gen Z" (Silvia, May 24, 2024) |
| | Respondent 5 "With the digital platform, |
| | I help my boss to increase sales by using |
| | social media to introduce MSME products |
| | more widely" (Pras, May 24, 2024). |
| Are there any problems in edenting | |
| Are there any problems in adopting | Respondent 1 "At first I had a little |
| digital technology in your business | difficulty because I was not used to using |
| continuity? | digital platforms in terms of marketing |
| | and sales processes" (Nanang, May 24, |
| | 2024). |
| | Respondent 2 "I need time to carry out |
| | digital transformation because I rarely |
| | operate digital platforms during the |
| | continuity of my business" (Agung, May |
| | 24, 2024). |
| | Respondent 3 "As a Gen Z child, I am |
| | certainly familiar with social media, but |
| | the problem lies in how my father's |



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| | MSME products reach a wider market" |
|---|---|
| | (Silvia, May 24, 2024). |
| | Respondent 4 "My answer is also not |
| | much different from the answer of my |
| | boss's child because as a Gen Z, I should |
| | be able to use social media to carry out |
| | business continuity" (Pras, May 24, 2024). |
| Do you feel that with this digital | Respondent 1 "Slowly income can recover |
| | as before or even more if I am consistent |
| transformation, we can restore income to | |
| what it was before the pandemic? | in implementing this digital |
| | transformation system" (Nanang, May |
| | 24, 204). |
| | Respondent 2 "I can be sure that my |
| | income can be more than when I did not |
| | use a digital platform in the sustainability |
| | of my business. The most important thing |
| | is that I must continue to be able to |
| | update and provide a lot of innovation in |
| | the sustainability of my business to |
| | remain competitive in the market" |
| | (Agung, May 24, 2024). |
| | Respondent 3 "Maybe slowly it will be |
| | possible to get more turnover by |
| | implementing a digital transformation |
| | system in my father's business and |
| | maintaining the sustainability of my |
| | father's business" (Silvia, May 24, 2024). |
| | Respondent 4 "Until now income can be |
| | said to be normal and most importantly |
| | the market reach is wider and the |
| | |
| | products of this business are better |
| | known to people" (Pras, May 24, 2024). |
| | Respondent 5 "I am sure that with the |
| | commitment of MSME actors to |
| | implement a digital transformation |
| | system, they can get more turnover than |
| | before using a digital platform where now |
| | all buying and selling activities are also |
| | carried out online or using social media" |
| | (Antoni, May 24, 2024). |
| Does the leadership factor have a | Respondent 1 "In my opinion, as a leader, |
| significant influence on the sustainability | it is very influential in the sustainability of |
| of MSME businesses and what strategies | the business where I am the brain of the |
| do you implement after getting to know | running of this business, and the next |
| the digital platform? | step I will study more or do training to |
| | |



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| learn more about the digital transformation system for the |
|--|
| sustainability of my business" (Nanang, |
| May 24, 2024). |
| Respondent 2 "A leader is a motivator so |
| that the running of the business can run |
| well is an important role for a good |
| leader. The steps I will take are to |
| upgrade my skills and my workers so that |
| I can continue to maintain this business |
| for the common good" (Agung, May 24, |
| 2024). |
| Respondent 3 "As the Head of |
| Batankrajan Village, the leadership factor |
| has a significant influence as I lead the village to be good, so I have to give my |
| best. I hope that the silver craftsmen |
| MSMEs will continue to maintain their |
| business so that Batankrajan Village can |
| still be known by many people out there" |
| (Antoni, May 24, 2024). |
| Respondent 4 "In my opinion, as a child, |
| my father must be able to set a good |
| example for his employees to produce |
| effective input. I will continue to help the |
| sustainability of my father's business by |
| utilizing digital platforms and upgrading |
| my skills in using social media" (Silvia, |
| May 24, 2024). Respondent 5 "In my |
| opinion, as an employee, leadership is an |
| important factor in business sustainability |
| where the leader determines what is |
| good and right for his employees to |
| emulate. I will continue to upgrade my |
| skills in the digital transformation system |
| so that this business runs smoothly and |
| can face wider market competition" |
| (Pras, May 24, 20224). |

Source: Results of interviews with UMKM silver craftsmen Business Conditions During The Covid-19 Pandemic

Based on the results of the interview, respondents 1, 2, 3, and 4 said that the COVID-19 pandemic had a major impact on the running of the Silver Craft UMKM business. The main cause is the PSBB policy by the government which caused production activities and sales to decline. Operating hours that usually run normally with the social distancing policy have limited operating hours and automatically hampered the running of the UMKM business.



According to (Wilfarda et al., 2021) sales have decreased drastically due to the PSBB implemented to prevent the spread of the Covid-19 virus. Because people are asked to stay at home to comply with health protocols, the activities of UMKMs that interact directly with consumers every day to sell their goods have decreased. Sales have decreased due to changes in people's consumption patterns. People now prioritize buying food and health equipment rather than other goods that are considered unimportant and unnecessary to overcome the current situation. The researcher concluded that this is in line with the answers from respondents where the PSBB policy made by the government has hampered buying and selling activities that used to be carried out directly and have to change to using media platforms.

Changes in Marketing Strategies Made During The Covid-19 Pandemic

Based on the interview results above, it can be concluded that all respondents agree that digital-based strategies are very important to help increase their business sales and revenue. In general, respondents agree that the best way to improve their business is to study digital courses, join digital communities, and try online sales platforms. With their digital skills, respondents will be better able to synergize with larger businesses.

Along with the implementation of social restrictions, many MSMEs are racking their brains to carry out new strategies for the sustainability of their businesses. Many silver craft owners in Batankrajan are unable to survive this pandemic situation. Only a few remaining craftsmen are still surviving for the sustainability of this MSME business. Although the challenges faced are very large, economic recovery is very important to do during this pandemic. MSMEs have a significant role in the regional economy, creating jobs and supporting economic growth in their regions. With a strong economic recovery, MSMEs can regain consumer trust which will affect their income (Johnson., 2022).

To achieve economic stability for silver craft MSMEs, especially in terms of income, an appropriate recovery strategy is needed. This strategy is a digital-based recovery strategy which is the right and relevant step for MSMEs in facing the COVID-19 pandemic. With the ongoing situation of social restrictions and changes in consumer behavior, adopting digital technology is a must to survive and even grow amid a pandemic that causes economic conditions to be unstable. One of the benefits of using digital technology is that MSMEs can sell their products in various regions of their geographic boundaries. This is in line with research (Sulhan, 2021) entitled Digital Business Strategy for MSMEs amid the Covid-19 Pandemic. The results of this study state that by utilizing digital business strategies, market share can be expanded amid the COVID-19 pandemic.

Problems Faced When Adopting Digital Platforms

Based on the interview above, respondents 1 and 2 said there were a few problems at the beginning of using the digital platform. Because those who used to sell manually had to be forced to change to an online sales system without adequate preparation. Their age background also does not come from people who are experts in using digital platforms. Meanwhile, respondents 3 and 4 said that adopting the digital platform did not make it difficult for them because their background is from Generation Z who are no longer surprised by the use of digital platforms. According to (Tanera, 2023) with the rapid development of technology and digital transformation, MSME businesses face challenges that must be



overcome to remain relevant and competitive in this digital era. Business adjustments to the use of digital platforms are important where the use of digital platforms has become the main thing in carrying out business continuity in the era of the Covid-19 pandemic. Researchers state that learning to utilize digital platforms is important for business continuity. Social media skills must continue to be developed to maximize digital-based business.

Business Income Conditions After Implementing Digital Strategies

Based on the interviews above, all respondents stated that adopting digital technology could improve the income of MSME businesses. This can be traced to the increasing habits of people shopping online during the Covid-19 pandemic (Kim, 2020). They believe digital technology and continuing to innovate their products will generate more income than before. This is due to the wider reach of their market by using digital platforms in carrying out the sales and marketing process.

The Influence of Leadership Factors in Making Strategic Changes

Based on the interview results above, all respondents said that the leadership factor greatly influences the running of a business. They said that leaders are one of the keys to running a business well. Having a leader who cares about his work makes his employees more enthusiastic about working. This is in line with research (Harwiki, 2013). Servant leaders are ready to share power through empowerment, thereby involving their followers in planning and decision-making. Respondents in this study said that they would implement this digital system to continue their business. They will improve their skills in digital business and utilize available social media and digital platforms. They will conduct training and upgrade their skills in using digital technology. In this training, they will learn about online marketing strategies, content management, data analysis, and how to interact with potential customers effectively. This step is in line with research (Amaliyah, A., Dimisyqiani, E., Apriliani, L., & Sedianingsih, 2022). Furthermore, it is important for MSMEs to always follow the latest technological developments and digital world trends. In line with research (Priyono, A., Moin, A., & Putri, 2020). In the UMKM business such as silver crafts, there are advantages, challenges, and opportunities that need to be considered carefully. One of the advantages of this business is the potential for small competitiveness because not everyone can make silver crafts well. By utilizing digital platforms, they should be able to reach a wider market and gain many customers without having a physical outlet. On the other hand, this business also has challenges, namely the target buyers are difficult to meet. In today's era, many young people want luxury products but at low prices. This makes silver craftsmen able to think hard to cut production budgets and produce quality products. However, amid these challenges, there are many opportunities to work together through collaboration with e-commerce platforms and marketplaces that provide opportunities to increase product visibility and wider market reach.

CONCLUSION

The COVID-19 pandemic has had a significant impact on the performance of silver craft UMKM actors in Batankrajan Village. Business actors experienced a significant decline in income due to decreased sales. UMKM actors adapted to the sales process initially carried out offline, now changing to digital-based. By implementing a digital-based strategy, it has



been proven to have a significant impact on their income. Business actors must understand the right digital marketing strategy so that they can increase their income. As businesses are increasingly integrated with digital media, being flexible when facing change will be very important for success in a challenging future. By maximizing the use of electronic media, UMKM in the silver craft sector can increase competitiveness and face the difficult economic situation during this pandemic. Policies to change the sales and production system that used old methods must now be changed to modern methods to facilitate competition in the market and keep up with current developments. Researchers also provide advice to UMKM actors where attention to the development of digital transformation is important, this aims to increase competitiveness with other UMKM actors. Researchers say that if MSME businesses do not want to be left behind or experience defeat in competition, then motivation and innovation must continue to be increased to maintain the sustainability of MSME businesses.

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