

DOES GOJEK AS “SUPER APP” CAPABLE OF HELP- ING ITS SMALL AND MEDIUM ENTERPRISES (SMEs) PARTNER DURING PANDEMIC?

A CASE STUDY IN LOCAL ENTERPRENUER IN MATARAM, WEST NUSA TENGGARA, INDONESIA

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Abstract

As the primary generator of economic development impacted by COVID-19, this study examines and compares the situation of SMEs in Mataram, West Nusa Tenggara, Indonesia, before and after collaborating with Gojek to assist them in surviving the pandemic. Gojek can assist its SMEs partners by supporting them in transitioning to digital practices. This study used a t-test paired to compare the same object but in different periods. The researchers implemented purposive sampling, and the sample is 1215 SMEs in Mataram that joined Gojek. Using paired samples correlations, the transaction indicator relationship between before joining Gojek and after joining Gojek is real and positive.

Keywords: *Small and Medium-sized Enterprises (SMEs), Gojek, Pandemic, Innovation, Marketing Strategy*

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Introduction

Research Background

The coronavirus pandemic, which lasted from 2020 until the present, has resulted in a large-scale loss of life, an economic catastrophe, and many other worldwide sufferings. For example, employees have to work remotely. Many employees are paid half their regular income or are forced to leave the firm and lose their jobs. Furthermore, consumer needs and behaviour change throughout the pandemic, causing an economic slowdown that impacts production and even economic activities. Many enterprises, especially Small and Medium-sized Enterprises (SMEs), were affected or went bankrupt, even though some could barely survive the pandemic. Nonetheless, the results of a new McKinsey study of over 2,200 SMEs in five European countries – France, Germany, Italy, Spain, and the United Kingdom – conducted in August 2020 illustrate how badly the COVID-19 situation has hurt their prosperity (Dimson, Mladenov, Sharma, Tadjeddine 2020).

According to United Nations Industrial Development Organization (UNIDO) research, most small businesses in Indonesia may have to close within six months because COVID-19 limitations put the Indonesian economy to a halt and ruin their income. According to the survey, 60 percent of small businesses could only survive six months if pandemic restrictions remained in place. The survey, which included 147 small businesses between June and July, found that if pandemic restrictions remained, 60 percent of small businesses could only survive six months (Rahman 2020).

In many nations, SMEs play an essential role. With about 400-500 million SMEs and 90 percent representation of business and 50 percent employment worldwide, SMEs are the backbone of economies worldwide (The World Bank 2020). There are several classifications and re-

quirements for SMEs, which vary according to the country. The European Commission defined SMEs for this study. Micro, small, and medium-sized firms (MSMEs) employ fewer than 250 people and have annual sales of less than EUR 50 million or a yearly balance sheet of less than EUR 43 million (European Commission 2016).

The number and growth of SMEs worldwide are different. However, according to the Ministry of Co-operatives and SMEs, Indonesia has 65 billion SMEs, which account for 97 percent of domestic employment and 56 percent of overall business investment (OECD 2018). This data is also supported by the Ministry of Finance in Indonesia, which indicates:

“In 2018, there were 64.2 million MSME players, or 99.99% of all business actors in Indonesia, according to data from the Ministry of Cooperatives, Small and Medium Enterprises (SMEs)” (Sasongko 2020).

When the author examined thoroughly about the total number of MSMEs stated earlier, we discovered the table below retrieved on the official websites Ministry of the Cooperatives, Small and Medium Enterprises of the Republic of Indonesia with the modification since the data provided was written in Bahasa.

Table 1. Development of data on Micro, Small, Medium Enterprises and Large Enterprises in Indonesia in 2018-2019

TABLE - 1. DEVELOPMENT OF DATA ON MICRO, SMALL, MEDIUM ENTERPRISES (MSMEs) AND LARGE ENTERPRISES IN INDONESIA IN 2018 – 2019

NO	INDICATOR	UNIT	IN 2018 ^(*)		IN 2019 ^(**)		DEVELOPMENT IN 2018-2019	
			TOTAL	SHARE (%)	TOTAL	SHARE (%)	TOTAL	(%)
1	BUSINESS UNITS (A+B)	(Unit)	64,199,606		65,471,134		1,271,528.0	1.98
	A. Micro, Small, Medium Enterprises (MSMEs)	(Unit)	64,194,057	99.99	65,465,497	99.99	1,271,440.5	1.98
	- Micro Business (UM)	(Unit)	63,350,222	98.68	64,601,352	98.67	1,251,130.5	1.97
	- Small Business (UK)	(Unit)	783,132	1.22	798,679	1.22	15,546.9	1.99
	- Medium Enterprises (UM)	(Unit)	60,702	0.09	65,465	0.10	4,763.1	7.85
	B. Large Enterprises (UB)	(Unit)	5,550	0.01	5,637	0.01	87.5	1.58

Keterangan:
 *) Provisional Numbers
 **) Very Temporary Numbers
 ***) Very, Very Temporary Numbers
 Data Sources: Ministry of Cooperatives and Small and Medium Enterprises processed data Statistik Indonesia (Government bureau)

Source: KemenkopUKM (n.d.).

Therefore, we can conclude that Indonesia's Micro, Small, and Medium Enterprises are roughly 64.2 million units. The data we have obtained is also used by some articles, for instance, Data Indonesia or Indonesian Data in English translation.

"Micro, small, and medium-sized companies (MSMEs) numbered 65.47 million units in 2019, according to the Ministry of Cooperatives and Small and Medium-Sized Enterprises (SMEs). Comparing this amount to the previous year's 64.19 million units shows a rise of 1.98%" (Jayani 2021).

The researcher believes that this is a credible figure (refer to Table 1), considering that the region of West Nusa Tenggara, a relatively tiny part of Indonesia, can produce 648.573 Small and Medium Enterprises as of 31st December 2018.

Table 2. Small and Medium Enterprises in West Nusa Tenggara

**JUMLAH DAN SKALA USAHA
USAHA MIKRO, KECIL, MENENGAH DAN BESAR
PER KAB/ KOTA SE - NTB
PER 31 DESEMBER 2018**

NO	KAB/KOTA	KLASIFIKASI USAHA				JUMLAH
		MIKRO	KECIL	MENENGAH	BESAR	
1	Mataram	46,328	11,007	632	179	58,146
2	Lombok Barat	110,322	10,286	461	34	121,103
3	Lombok Utara	7,037	369	2		7,408
4	Lombojk Tengah	121,636	7,445	321	28	129,430
5	Lombok Timur	144,029	16,266	904	62	161,261
6	Sumbawa Barat	14,898	1,651	84	19	16,652
7	Sumbawa	40,620	6,661	231	40	47,552
8	Dompu	26,558	2,019	69	11	28,657
9	Bima	48,952	4,535	107	17	53,611
10	Kota Bima	22,267	2,713	163	24	25,167
Jumlah		582,647	62,952	2,974	414	648,987

Sumber: Data BPS 2006 (Sensus 2006) + WUB 31 Desember 2018
Tambahan Jumlah Usaha Mikro dari WUB: 160 Unit

Source: Ministry of the Cooperatives (2018).

Administratively, the province is split up into eight regencies (Kabupaten); Lombok Barat (West Lombok), Lombok Utara (North Lombok), Lombok Tengah (Central Lombok), Lombok Timur (East Lombok), Sumbawa Barat (West Sumbawa), Sumbawa, Dompu, and Bima. As described in the table, two municipalities (Kotamadya) are Mataram and Kota Bima (Bima City). Additional information to the table is Kab/Kota means Regencies and Cities. Next, Mikro is Micro, Kecil means Small, Menengah is Medium Enterprises, while Besar refers to the Large Business. Jumlah is total. In this manner, the researcher did not include the Large Business. Hence the total is minus 414.

According to Teten Masduki, given the current scenario, the government has evaluated the necessity for an all-encompassing strategy in order to lessen the impact that COVID-19 would have on society, particularly on MSMEs. One strategy SMEs can do during a pandemic is to digitize the business. Digital platforms, formerly seen as supplementary tools for small enterprises, have become critical to survival during the pandemic. Inseparable from the many difficulties and circumstances brought on by the COVID-19 pandemic, which drive shifts in the consumption patterns of products and services to become a momentum that accelerates digital transformation. SMEs will need digital literacy and abilities to adjust their business strategy and boost their chances of reaching more clients during restrictions. A stimulus circuit is also being created by governments from multiple sides, spanning from stimulus to enhance buying power, finance relief, taxation, maintaining food supply, and social assistance¹ (be in the form of money or goods).

During the fast advancement of digital technology, the digitization of SMEs is a necessary step that business actors may take to accelerate their growth and expand their market share through certain platforms,

¹ Cooperative (e-magazine) by the Ministry of the Cooperatives, Small and Medium Enterprises Indonesia, April 2020 edition, retrieved on 21st of September 2022.

for example, Gojek, especially in a pandemic situation. Specifically, Gojek also promotes and works toward the digitalization of SMEs by allowing business actors to join them. The initiative carried out by Gojek in helping the sustainability of SMEs in Indonesia, especially culinary entrepreneurs during the pandemic period, is to help maximize digital platforms. Gojek is Indonesia's first unicorn and the country's first "decacorn" as a company with a purpose to address everyday issues and make a large-scale effect. Gojek, founded by Nadiem Makarim, is the first Indonesian unicorn that succeeded in becoming much more than the "Uber of Indonesia" by making early sacrifices toward its objective of becoming a "Super App," a platform for a variety of services.

Gojek is derived from the Indonesian phrase "Ojek," which refers to motorbike taxis. Gojek began in Indonesia in 2010 as a contact centre that connected customers to courier delivery and two-wheeled ride-hailing services with 20 motorbike drivers. In 2015, Gojek first released its app, with only four services: GoRide (Indonesia's first online motorbike taxi service), GoSend (an on-demand courier service for sending things and documents with no distance restrictions within one delivery zone), GoShop (it enables customers to buy items from stores or pharmacies through their apps), and GoFood (an instant food delivery services) similar to UberFoods or Glovo in Poland.

In 2018, Gojek offered 18 services in their app as time went on. Gojek was confident in its ability. It is the first Southeast Asian firm to be placed 17th and 11th in Fortune's 50 Companies That Changed the World in 2017 and 2019 (The Jakarta Post 2019). In its second year, to be precise, in 2017, Go-Food, one of the services provided by Gojek, expanded its business in 10 new cities in Indonesia, one of which was in Mataram, West Nusa Tenggara province. Mataram, the province's capital and central city, is located on the island of Lombok, which is next to Bali island.

At first, entering Mataram, an estimated 100 partners joined the Go-Food, specializing in culinary. But the number of partners continues to

grow even during the pandemic. The reason is because of restrictions imposed by the government, which is not allowed to open food stalls or restaurants. Many entrepreneurs have to maintain their businesses by selling products or foods. One of the ways to keep their business and get consumers is to collaborate with Gojek because they don't need a physical store to sell and bring in buyer traffic. As the main driver of economic growth affected by COVID-19, this research analyses SMEs' strategy that collaborates with Gojek in Mataram. Does it work to help them survive? And to compare the situation of SMEs businesses before and during collaboration.

Methodology

The population of this research is 2122 SMEs in Mataram that joined Gojek to digitize their business to survive from COVID-19. From the population, selected 1215 samples with purposive sampling criteria, including two aspects. First, the SMEs are still registered in Gojek. Second, they have transactions at Gojek in the 2020-2021 period. The data used in this study is secondary data obtained by the website www.gojek.com. An indicator used is transactions from SMEs through Gojek apps in Indonesian Rupiah (IDR) to answer the research question in this study. The method in this study used a t-test paired to compare the same object but in different periods.

Since the researchers have two focuses in this research. First, to compare the situation of SMEs businesses before and during collaboration with Gojek in 2020 and 2021. Secondly, analyze SME's innovation and marketing strategy that collaborates with Gojek to help them survive during the pandemic. There are two hypotheses in this research where:

H₀: According to their transactions, there is no difference between SMEs in Mataram before joining Gojek and after joining Gojek. Gojek has not the ability to help its SMEs partners.

H₁: There is a difference between SMEs in Mataram before joining Gojek and after joining Gojek according to their transactions. Gojek has the ability to help its SMEs partners.

Result

Descriptive Data

SME transaction itself represents the idea of the condition of SMEs in Mataram in the period COVID-19 (in 2020) and in 2021 after SMEs joined Gojek. It can be seen that although there is COVID-19, SMEs that joined Gojek were able to survive. Even the transaction experienced an increase in the mean value before 4,157 and after joining at 5.367. The standard deviation of data processed on transaction indicators differs before and after joining Gojek. This is illustrated from the standard deviation value before joining Gojek 1.953 and after joining 2.53.

Table 3. Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Before	4.187	1251	1.9538	5522829.174
	After	5.367	1251	2.5358	7167997.040

Analysis Using Paired t-Test

A t-test analysis was conducted paired with SPSS version 16 to learn more about the influence on SMEs in Mataram in the moments before and after joining Gojek and surviving the pandemic. Before we analyze the data using the t-test, we can see the relationship between SMEs transactions before joining Gojek and after joining Gojek presented in the following table.

Table 4. Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Before & After	1251	.973	.000

Table 4 shows the transaction indicator relationship between before joining Gojek and after joining Gojek. This relationship is real and significant, demonstrated with a significance value of 0.000 and a correlation value of 0.973. It means that there is a real and positive relationship. Efforts to find out the impact and differences before and after joining Gojek then we see on the table of paired test-t results seen in the following table.

Table 5. Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Before - After	-1.1737	7.8007	2205371.723	-1.6067	-7403883.841	-5.319	1250	.000

The results of the paired t-test analysis on the transaction indicator show that t calculates -5,319 with a significance of 0.000 at a confidence level of 95% ($\alpha = 0.05$). This indicates that there are differences before and after joining Gojek from the point of view of SMEs transactions.

The statistical calculations using the t-test show approximately <0.05 as a significant value, which means H_0 is rejected and automatically H_1 is accepted, so there is a difference between before and after the join-up in Gojek, judging from the SMEs transaction itself.

Discussions

This study's population is all SMEs in Mataram with whom Gojek has partnered to help them digitize their businesses to survive COVID-19. More than 1000 samples were chosen from the population using purposive sampling. Researchers choose this technique based on our understanding of the topic and population. The sample participants are selected based on the sample's purpose. The procedures mentioned two characteristics; the SMEs are still listed in Gojek and have Gojek transactions in 2020-2021.

Transactions from SMEs using Gojek applications in Indonesian Rupiah (IDR) were employed as an indicator to address the research question in this study. This study applied a paired t-test to compare the same object at a different time. The transactions increased in the mean value when the SMEs joined Gojek at 5,367 before joining at 4,157. The standard deviation of data processed on transaction indicators varies before and after joining Gojek. The standard deviation values before and after entering Gojek are 1,953 and 2.53, respectively.

The paired samples correlations table illustrates that the association between SMEs transactions before and after joining Gojek is real and positive, as indicated by a significance value of 0.000 and a correlation value of 0.973. On the table of paired test-t results, the impact and differences before and after joining Gojek suggest that there are differences before and after joining Gojek of roughly 0.05 as a significant value.

Conclusions

We can conclude that this research's result supports our hypothesis that H_0 is rejected, and automatically H_1 is accepted. Before and after joining Gojek, there was a distinction between SMEs regarding the first ques-

tion in this study. The situation from SMEs partners experienced an increase when collaborating with Gojek, representing the transactions in the mean value. Before and after joining Gojek, the standard deviation of transaction indicator data differs. The paired samples correlations table shows a real and positive relationship between SMEs transactions before and after joining Gojek, as evidenced by a significance value of 0.000 and a correlation value of 0.973. The influence and differences before and after joining Gojek show around 0.05 as a significant value according to the paired test-t findings table. These results also indicate that Gojek, the country’s first decacorn, is capable and can help its SMEs partner to survive the pandemic through their Super App.

Based on the researchers’ experience in this study as someone who has worked in an organization known as the Institute for Business Development Services, Nurturing and Assistance the Cooperatives and Small Entrepreneurs (LPB PPKP). This institution has been a form of collaboration between the Dharma Bhakti Astra Foundation (YDBA) and the Department of Cooperatives and SMEs of the West Nusa Tenggara Province since 1996, helped by a colleague who is in charge in Gojek in the West Nusa Tenggara region. We have already conducted a training session on the importance of online marketing and collaborated to join the Go-Food on 16th August 2020.

As a result of the pandemic that was still going on, participation in this program was restricted to just 20 SMEs from LPB PPKP Mataram, which engaged in the culinary industry. Further information about this can be found at the LPB PPKP Mataram Instagram, <https://www.instagram.com/p/CD5m9O9gAL5/>. This training was also conducted in compliance with the health protocols. The author recalls that there are more than 100 fostered partners who LPB PPKP will have fostered until 2020.

Alfianto Domy Aji is a Head of Regional Corporate Affairs in East Java, Bali, and the Nusa Tenggara region. According to him, with various social assistance programs produced by Gojek, a survey carried out

by the Faculty of Economics and Demographic Institutes University of Indonesia demonstrates that since 2018, Gojek has given more than 55 trillion Indonesian rupiahs² on a national level (West Nusa Tenggara Province Website 2019).

This application makes it much simpler for business actors to promote various items using the Gojek application since it is one app that provides a wide range of services. To assist the industrialization program and other initiatives in West Nusa Tenggara, including the Zero Waste program, Gojek provides various support programs to increase the community's capabilities through training. The training aims to develop their abilities in online selling, including how to package things, advertise them, and improve their quality by utilizing improvements in information technology (ibidem).

Gojek is also committed to assisting the Ministry of Communication and Informatics (Kominfo) in its efforts to quicken the digitalization of Micro, Small, and Medium (MSMEs) businesses. This assistance is provided through the Digital Talent Scholarship 2020 initiative (Republika.co.id 2020). After contributing to as much as sixty percent of the nation's gross domestic product in 2021 or during a pandemic, micro, small, and medium-sized enterprises have established themselves as the primary support system for the economy. Those MSMEs who are resilient enough to make it through the pandemic play a critical role in quickening the nation's economic recovery. During this pandemic, the most important thing for SMEs to do is transition to digital practices. It should be no surprise that the Ministry of Cooperatives and SMEs, Coordinating Ministry for Economic Affairs, BPJPH Ministry of Religious Affairs, and The Office of Cooperatives and SMEs of South Sulawesi Province are also working with Gojek to speed up the digitalization of SMEs (Gojek Newsroom 2022).

² The Indonesian rupiah is the Indonesian currency.

To conclude, the existence of Gojek in Indonesia has supported and stimulated the growth of the internet marketing sector among SMEs as well as the emergence of creative business ideas.

Recommendation

Future studies might examine how SMEs utilize Gojek applications and develop relations with Gojek and customers to keep and increase their sales. The researcher can also employ a wider range of SME categories to make the research more representative. Another research method is to restrict the study’s focus.

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