

## Adaptation of Digital Technology: Case Study of Kesamben Market Traders After the Burn

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**Abstract:** Digital technological developments require the business sector, especially small and medium businesses, to adapt. This research was carried out on Kesamben market traders in Blitar Regency after the fire disaster that occurred. The research uses a qualitative approach with case studies, which aims to explore post-fire trading conditions, especially with the development of digital technology, which is changing people's consumer behavior patterns. From the research results, most traders cannot adapt to the situation and technological developments, so they cannot survive, and some others can survive but need help maintaining turnover. There are a small number of traders who can adapt to digital technology so they can still make a profit even though they are still experiencing capital difficulties.

**Keywords:** SMEs, Entrepreneurship, Digitalization, Traditional market

## INTRODUCTION

Small and medium businesses largely influence today's world economic growth. The local economic impact in each country depends on the nature of business carried out by small and medium business entities, more or less the same, with some governments in all countries making policies to protect these businesses (Aridotlesscidotlessoğlu & Yiğitöl, 2020; Deshmukh & Chavan, 2012). The uncertain economic situation is considered a serious problem for MSMEs where, apart from facing high competitiveness, they are also faced with limited financial access, inadequate facilities and outdated technology, which creates a risk of failure (Latif et al., 2023).

In order to minimize the failure of innovation as a company's internal strength based on external knowledge and the exchange of ideas and resources across organizational boundaries will improve the product life cycle for changes that occur (Usman et al., 2023). The small and medium business sector in Indonesia is considered a crisis-resistant sector, during the 1998 economic crisis, it was considered capable of overcoming the crisis while continuing to contribute to opening up more job opportunities, especially in the small and medium business sector, the agricultural sector (Cabeza García et al., 2022; Gattiker, 2006). Every industry must try to highlight competitive advantages in order to develop competitiveness in similar

industries in the market (Mappigau & Hastan, 2012).

Digital transformation encourages companies to innovate business models, but small and medium businesses need more resources to experiment with new business models (Bouwman et al., 2019). The pattern of small and medium businesses is starting to be disrupted by developments in digitalization ranging from products, business fields and even services (Altay & Pal, 2023; Patwary et al., 2020). Entrepreneurs are starting to adapt their businesses to current developments by using online marketing, distributing products using online media and creating startup entrepreneurs (Watermeyer et al., 2021). entrepreneurs to adapt to current developments. This research aims to map, using bibliometrics, the digitalization carried out by small and medium enterprises due to the disruption that is occurring in the business world.

However, some traders are carrying out digital business transformation through online marketing, and there are even traders who have to switch completely to online trading that can survive with the onset remaining high.

## **LITERATURE REVIEW**

Contains digital entrepreneurship theory, small and medium enterprise (MSE) theory and theories about online marketing, which are studied as follows.

### **Digital entrepreneur**

Pushing traditional business models into new business models adapted to global challenges (Fernandes et al., 2022). entrepreneurs that enables the use of digital technology, confirming that we have faced a new revolution, the "digital revolution," where the process of organizing platforms and ecosystems can provide great benefits to society and can help achieve public goals (Fernandes et al., 2022).

Entrepreneurship is considered an effort to pursue opportunities using digital media and, information technology and other digital instruments (Kraus et al., 2023). Digital entrepreneurship is considered as a combination of digital instruments with entrepreneurial agents where digital platforms are used using computerized public networks or what is usually called digital technology (Bejjani et al., 2023). Digital entrepreneurship is increasing with the existence of internet technology and information technology, as well as artificial intelligence, which is becoming more up-to-date with the technology of entrepreneurship, making it easier to use digital platforms for digital information (Abramowicz W. & Klein G., 2020). However, with this convenience, entrepreneurs are less innovative because dependence on technology

and digital access to information means that this dependence not only brings benefits but also has an impact on the fragile mentality of entrepreneurs (Abudaqa et al., 2022a).

Entrepreneurs all over the world are already using technology to support their businesses, and quite a few are even using technology as a business opportunity.(Abdi et al., 2022). pursuing various types of business, where migrant-owned companies coordinate value-creation activities between their home and host countries (Abudaqa et al., 2022b). Entrepreneurs all over the world have used technology to support their businesses, and quite a few have even used technology as a business opportunity.

### **Definition of SMEs**

Small and medium enterprises in India (Deshmukh & Chavan, 2012) It is defined as a business having a value not exceeding Rs 1 crore as a small business, except for certain goods. Plants and machinery exceeding the limit of up to Rs 10 crore can be treated as a medium enterprise. Meanwhile, in Malaysia, there are several definitions, where there is a general definition given based on general facts, namely medium-sized businesses have an annual sales turnover of between RM10 million and RM25 million and employ more than 150 workers and small businesses with an annual sales turnover of not more than RM 10 (Ramayah et al., 2016; Ratana et al., 2022).

Small and medium-sized businesses in the UK are companies with a turnover of no more than £6.5 million, a balance sheet total of no more than £3.26 million and no more than 50 employees. Once the company has a turnover of more than £25.9 million with a balance sheet total of £12.9 million and has more than 250 employees, this definition in England does not apply universally (Lai et al., 2015). Singapore defines *medium-sized businesses* as having a sales turnover of no more than \$100 million or employing no more than 200 staff, while small businesses with investment assets of no more than \$15 million or less for manufacturing companies and employment of 200 or less for non-manufacturing companies (Surianarayanan & Menkhoff, 2020; Tan et al., 2021). businesses as set by the government Department of the Small Business Administration (SBA) size standards, which are based on these standards the categories of 500 employees for the manufacturing and mining industries, 100 employees for the wholesale trade industry, \$7 million in annual revenues for most retail and services, \$33.5 million in annual revenue for some general and heavy industries, \$14 million in revenue for specialty trade contractors and \$0.75 million in revenue for some agricultural industries (baiq fitriarianti, 2018).

Meanwhile, in Indonesia, according to Law No. 7 of 2021, micro businesses are productive businesses owned by individuals and individual business entities that meet the criteria. Small businesses are stand-alone productive economic businesses carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled or being part, either directly or indirectly, of a medium or large business. In contrast, a medium business is an economic business that is not a subsidiary or branch of a company that is owned, controlled or part of, directly or indirectly, a large business.

### **Digital Bussines**

Most industries are currently developing with technology, which has become a digital industry (Aghamiri et al., 2022; Fernandes et al., 2022). Digital transformation has become a business opportunity, especially in the needs-fulfillment sector (Alexopoulos et al., 2022; Bejjani et al., 2023). Digital transformation and business model innovation have changed consumer expectations and behavior (Verhoef et al., 2021). Digital transformation requires business actors to adapt to digital transformation to become an industry that uses technology (Aji et al., 2023).

Digital services are considered a transformation in processes, capabilities and offerings within industrial companies and related ecosystems to progressively create and capture service value arising from various enabling digital technologies such as the internet, big data, artificial intelligence (AI) and cloud computing (Sharma & Shah, 2015; Sjödin et al., 2020). Digital services expand business capital so that it crosses organizational boundaries in the organizational economy, funding, organizational identity and transaction cost approach (Kolagar et al., 2022). Where business actors are required to carry out digital transformation in business planning and processes (Chatterjee et al., 2022; Jafari-Sadeghi et al., 2023).

## **RESEARCH METHODS**

This research was carried out using qualitative research methods, and secondary data was collected from literacy studies. In contrast, primary data was obtained directly from the research location by conducting observations and interviews to support the information obtained in the research (Nururrohmah & Suhirman, 2016). This type of research is qualitative with a case studies approach, which is an empirical study that investigates contemporary phenomena or cases related to real life based on the context and phenomena that occur (Norris, 2020; Rainer & Wohlin, 2023).

## **RESULT AND DISCUSSION**

The fire at the Kesamben main market in Kesamben District, which occurred on the evening of Sunday, 27 November 2022, caused 260 stalls, 49 kiosks and 50 semi-permanent stalls to burn. With the market burning, all traders lost their trade and their place of business to earn a living. There are two types of traders at the Kesamben market. The first are traders at the morning market who sell vegetables and operate along the village road to the north of the market and start trading from early morning until 07.00. There are also main market traders who trade in the market before the fire, which operates from 07.00. 07.00 to 15.00 WIB.

With the burning of the main market, the main traders were relocated to Jalan Deda Utara, and the market was set up with temporary stalls where the street is usually used as a place to sell for morning market traders; with that, there was much inconvenience in the field because of the narrowness and inflexible arrangements which made a significant decline in market routines where visitors are uncomfortable so that traders who are still surviving are experiencing difficulties because they have lost many customers.

By losing much merchandise, including permanent traders who sell clothes and clothes, losing their merchandise due to fire automatically reduces the ability of many traders to sell their merchandise due to capital. There is even a sad phenomenon where there is news that there is one trader who is unable to face the reality of the burden of debt and loss. Another treasure ended his life by committing suicide.

There are many complaints from traders and the difficulties they face, where traders who sell merchandise conventionally will find it difficult to survive, so some traders are starting to switch to selling their merchandise online in order to survive on the livelihoods they lost due to the fire disaster.

Researchers met three (3) informants who were clothing and fabric traders who sold at the Kesamben main market where the five informants lived in Kesamben Village, who were native residents. From the first informant, information was obtained where the first informant had been selling at the Kesamben market for 37 years, the age of the first informant was 64 years old, where knowledge about online and the use of digital technology was very minimal. Hence, the first informant continued to buy and sell directly at the market, where the information stated that he was selling. It was very quiet after moving from a kiosk in the market to a temporary kiosk where it was said that very few buyers came, thus reducing sales turnover very significantly.

Information gathered from the second informant revealed that he had been selling for 17 years, where selling at the Kesamben market was a business run by his parents. The second informant, almost the same as the first informant, complained about the lack of visitors, which had a big impact on merchandise sales turnover. However, the second informant was still grateful that his business could still survive. According to information, many traders have stopped trading. After all, they ran out of capital because most or even all of their merchandise could not be saved from the fire.

Information was gathered from the third informant that selling at the Kesamben market was a business passed down from their parents, while the trader was selling at the market for 11 years. However, his parents had been running this business for a very long time, and even his grandfather also sold at the Kesamben market. What was interesting was the data obtained from the third informant, who was still young, who said that after the market fire occurred, all the merchandise could not be saved even though it was worth hundreds of millions of rupiah.

However, the third informant continued to sell because he considered selling to be his profession. In order to adapt to conditions that force us to adapt to selling in the market and also selling online either via WhatsApp Business, Tokopedia, Bukalapak, Shopi as well as marketing merchandise via Instagram and TikTok. The third informant admitted that selling offline and online was profitable. The third informant is currently not just selling clothes but has also started selling souvenirs for weddings and other events. With the increasing number of merchandise products, the third informant was quite helpful in increasing sales turnover. From the information that has been dug up, selling online via market stores is very competitive with minimal profits, but it still sells. This is what made the third informant continue to sell offline in the temporary market until the main market is rebuilt. From the information, by continuing to survive when the new market is ready, the old sellers will be prioritized for selling so that they do not take advantage of the opportunity to get a stall later.

## **CONCLUSIONS AND RECOMMENDATIONS**

Based on the information gathered by researchers, information was obtained which stated that the Kesamben Main Market fire disaster caused many traders who depended on it to earn a living to be greatly affected, even leaving behind the phenomenon of traders who were unable to accept the reality of the disaster and ended their lives by committing suicide. This is very worrying, where hundreds of traders have lost their merchandise and this has had an impact on their income and livelihood sustainability.

Dozens of traders were unable to survive and continue trading. Some of those who survived were also very concerned about the unstable condition of the temporary market because the temporary stalls along the village road were blocking the road and making visitors uncomfortable, which had a big impact on the decline in visitors, where the lack of visitors had an impact. Minimal sales turnover. Moreover, clothing traders have had a big impact, where many online stores have decreased their turnover. Moreover, based on observations from researchers, large shops have emerged around the Kesamben sub-district, which are very strategic, where buyers prefer to go to shops rather than to markets where conditions are not conducive.

Traders are forced to adapt to developments in the digital era, especially to conditions after the fire disaster. Some traders have started to adapt by mixing and matching selling offline and online using various means such as WhatsApp, Instagram, TikTok, or marketplaces such as Bukalapak, Tokopedia, Lazada, Shopee or other marketplaces.

## **DISCUSSION**

Based on the research results, it is stated that market traders experienced a decline in sales turnover due to disruption by consumers' online consumption styles, especially young consumers who are accustomed to the digital world. Only traders who are adaptive and can adapt to developments in the times by mixing and matching selling media can maintain sales turnover and adapt to societal conditions that have begun to change in consumption.

Changes influence changes in people's consumption in people's technology use patterns, where behavioral patterns in using digital media make business actors use digital media to adapt to consumers' digital behavior patterns. What is worrying is that market traders who cannot adapt to technological developments will need help surviving and developing.

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