北京化工大学

硕士研究生学位论文

题　目 **The Study of Business Model Innovation Strategy Exploring in Indonesian MSMEs During The Pandemic Covid-19**

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The Study of Business Model Innovation Strategy Exploring in Indonesian MSMEs During The Pandemic Covid-19

ABSTRACT

Business model innovation is the planning and design of new ways of doing business through changes, and improvements to existing business processes, both internally and in collaboration with externals to create new work processes that have never been finished before to increase the added value of stakeholders. The Innovation of business model helps to determine what value is offered to consumers and how to make profits from the business. This research uses a mix of quantitative and qualitative methods; Micro Small Medium Enterprises owner is the research subject (MSMEs). The non-probability purposive sampling method refers to the criteria established by the researcher, allowing respondents to fill out questionnaires by better understanding the business model used during the COVID-19 epidemic and a strategy that suits the needs and business model of the business.

The researcher collected data by involving 110 MSMEs in Indonesia, and all constructs in the questionnaire are valid and reliable. Statistical analysis used is SPSS software version 25 with data analysis methods for exploratory design, descriptive analysis, multiple linear regression, simultaneous test (F test), classic assumption test, validity and reliability tests through the use of SPSS. The statements of variables of the innovative business model, namely value proposition, value chain, and revenue logic, were revealed in the findings. From the results of exploration design and statistical testing, Indonesian MSMEs currently have two types of business models, namely start-up business models, and transformation

business models, show that Indonesian MSMEs as economic support during the pandemic period have created various strategies to maintain business.

Indications from the study results that operational systems run through online and offline MSMEs have no difficulty in maintaining business models, besides MSMEs maximize applications, social media, websites, and marketplaces to facilitate MSMEs in reaching market segments and facilitate approaches to customers to get to know MSMEs. In addition, Indonesian MSMEs have performed their role well as supporters of the country's economy through creativity and uniqueness created such as the existence of product and service variants involving traditional models or characteristics of the country that are packaged attractively that provide a positive response for customers and the market. The formulation of a strategic business model whose innovation and proper implementation have a good impact, meaning that there are changes in the business model strategy made and its implementation in business operations that require adjustment of various resources owned. The risks received during the pandemic are not too high, and the appeal through online socialization and government assistance for MSMEs has been channeled properly, MSMEs are getting used to finding the right innovation business model strategy and answering customer demands while there are indicator attachments in the innovation business model strategy that provide opportunities and pressure for MSMEs to remain in the market.

Suggestions that can be given to Indonesian MSMEs through innovative business model strategies to be the main handle of strategy development for product or service categories or new business models that are expected to change the market and form new value for MSMEs. It is expected not to focus too much on the old business model to wait for new resources, and do not wait to update the innovation business model strategy only when you find a very important situation, this endangers business stability. The innovation business model strategy challenges business owners to see more clearly existing businesses, as well as the need for government support in the development and empowerment of MSMEs, through the provision of socialization, infrastructure, and capital assistance so that MSMEs can compete, to establish close

cooperation between the government and MSMEs to achieve international market competition.

Keywords: Business Model Innovation, Business Model Innovation Strategy, Indonesian Micro Small and Medium Enterprises, Pandemic Covid-19

新冠疫情期间印尼 MSME 商业模式创新策略探索研究

摘要

商业模式创新是通过改进现有业务流程来规划和设计新的经营方式，包括内部和与外部合作，以创建全新工作流程，从而增加利益相关者的附加值。商业模式的创新有助于企业为消费者创造价值，提升企业绩效。本研究采用定量和定性相结合的方法，以中小微企业为主要的研究对象。通过问卷调研的方式更好地了解 2019 年新型冠状病毒流行期间商业模式创新的情况。

通过问卷调研的方式收集了印度尼西亚 110 家中小微企业的数据，采用 SPSS 软件来对问卷数据进行了信效度检验、描述性分析、多元回归分析，对假设进行检验。研究结果揭示了创新商业模式的变量陈述，即价值主张、价值链和收入逻辑。从实证分析结果来看，印尼中小微企业目前有两种类型的商业模式，即创业商业模式和转型商业模式，这表明印尼中小微企业在新冠大流行期间创造了各种策略来维持业务。

研究结果表明，通过线上和线下结合的运营方式，中小微企业在维护商业模式方面没有困难。此外，中小微企业最大限度地利用应用程序、社交媒体、网站和市场，来对市场进行细分，增加客户的了解。不仅如此，印度尼西亚的男性受访者通过创造力和独特性，发挥了他们作为国家经济支持者的作用，例如：存在涉及该国传统模式或特征的产品和服务变体，这些产品和服务具有吸引力，受到了客户和市场欢迎。战略商业模式的制定，其创新和适当实施具有良好的影响，这意味着商业模式战略的制定及其在商业运营中的实施发生了变化，需要调整所拥有的各种资源。在新冠病毒大流行期间，在政府的援助下，中小微企业逐渐习惯于寻求正确的创新商业模式战略以满足客户需求，为企业提供发展机会。

通过以上研究可以为印尼中小微企业发展提供一些建议，作为产品或服务类别或新商业模式战略开发的主要处理方式，这些新商业模式有望改变市场并为中小微企业形成新的价值。为了保持运营的稳定性，企业需要及时对商业模式进行创新。创新商业模式战略向企业主提出了挑

战，政府要支持中小企业的发展为他们提供社会化基础设施和资本援助，提升中小微企业的竞争力，建立政府与中小微之间的密切合作。

关键词： 商业模式创新、商业模式创新战略、印尼微型中小企业、流行性新冠病毒-19

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List of Abbreviations

MSMEs	Micro, Small, and Medium Entreprises
BMI	Business Model Innovation
Cov	Covid

CHAPTER 1 INTRODUCTION

1.1 Background

The period of the covid-19 pandemic is the hardest time experienced by all countries, many things that directly impact one of them is the country's economy. Some countries implement a total lockdown or stop all outdoor activities that will affect the spread of the coronavirus, not least Indonesia, the virus is spreading so quickly and the Government is overwhelmed in the handling of patients in increasing cases. In Indonesia the pandemic spread in March 2020, the spread of the virus is so fast that restrictions are needed in the crowd. The government makes policies ranging from keeping a distance and imposing curfews to working from home. Government regulations have a huge impact on the population, some companies choose to reduce employees, close some branches or close the entire business. Many of the communities affected by the company's policy were set suddenly, so the community is looking for ways to survive one of them by becoming an MSMEs actor. At the same time, many business actors who before the pandemic are increasing when entering the pandemic period business actors experience a drastic decline. Micro, small and medium enterprises are very impactful because of operational needs that were previously done in the business premises but must reduce and even negate business activities in the store. MSMEs have encountered various difficulties during the pandemic, unable to survive long in the temporary lockdown at the beginning of the pandemic period and difficulty in reaching customers.

The improvement of the strategy is increasingly designed in such a way as to achieve the target. Business people try at least to restore their initial capital and can meet the needs of daily living. The decline in business performance in MSMEs does not have an impact on all MSMEs. There who actually in the pandemic period showed a significant increase or it can be said that the business is growing well. In the era of the growing digital industry 4.0 brings many changes in technology, the use of more instant and easier to learn makes this digital can be applied in every aspect of work including business. In this digital industry, business actors can apply it in production and operational systems, making it easier for business owners to monitor all their business activities. Omnichannel strategy or also known as O2O (offline to online) is one of the markers of the entry of Technology Industry 4.0, where we are required to prepare adequate technology infrastructure. The era of Technology Industry 4.0 facilitates enterprise players to be

able to contribute to increasing the creativity of businesspeople in utilizing available e-commerce platforms.
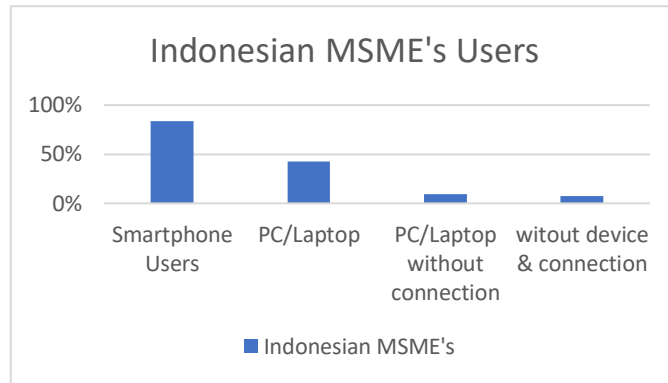
Chart 1-1 Indonesian MSMEs of Technology User

Source: Kata data Insight Center (KIC) (2020)

According to researchers from the Center for Indonesian Policy Studies (CIPS), the level of digitization of Micro, Small, and Medium Enterprises (MSMEs) is currently still low. Therefore, existing policies are required to be able to increase digitalization through the industrial revolution 4.0. Data from the Ministry of Cooperatives and Small and Medium Enterprises (2020) shows that only 13 percent of MSMEs use digital platforms such as marketplaces and social media to promote and sell their products. "The level of digitization is low," (Siti Alifah Dina, 2020). The rapid development of e-commerce affects some MSMEs in Indonesia because some areas have internet limitations and technological tools have difficulty handling development, so most still use social media, for example, the applications namely WhatsApp and Instagram where the application is not in a special edition of business.
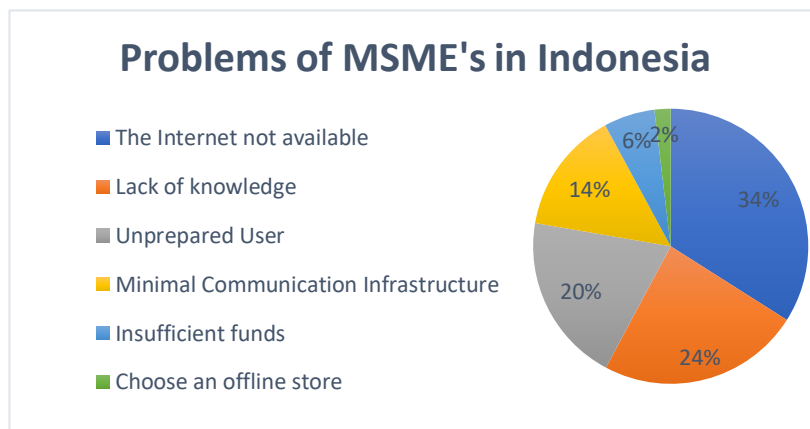
Chart 1-2 Percentage of MSME's Problems

Source: Kata data Insight Center (KIC) (2020)

Perception is divided into convenience and usability, considering how easy and beneficial customers feel when using mobile services (Davis, 1989). The pandemic period is long enough to make business people look for ways to still reach the target customers, when in times of limitation many sacrifice more money to market and register for sales membership through the application, but in contrast to micro and small businesses that lack capital who try to find innovation from their business models. Finding the proper strategy is extremely helpful for MSMEs in running businesses and establishing relationships with customers and suppliers and making it easier to urge the products or services needed during the covid-19 pandemic. In this study, the decision problem is that the strategy implemented by MSMEs is not appropriate during the pandemic period, through the search modeled innovation business that is being used can produce solutions to maintain MSME business in Indonesia, especially during the pandemic period to support business activities and create a new strategy on the business model of MSME innovation until the covid-19 pandemic ends or at least in the development of Indonesian MSMEs.

1.2 Research Questions

Based on the description above, the problems in this study can be identified, as follows:

1. How to implement the innovation business model in Indonesian MSMEs during the covid-19 pandemic?
2. How to explore the strategy of the innovation business model in Indonesian MSMEs during the covid-19 pandemic?

1.3 Research Objectives

Indonesia is a developing country that has a vision in 2030 will be a country with an economy that will improve, by seeing that vision Indonesia has a plan in developing small businesses, namely MSMEs by observing, researching, and surveying business activities that have been carried out of course that have many limitations and utilize the infrastructure owned. Developing the MSME economy brings a lot of influence to the Indonesian economy so that the Government of Indonesia can provide solutions and socialization to MSME owners. The digital industry 4.0 that has entered Indonesia becomes necessary in mastering technological developments because it will impact several aspects, especially for MSMEs. Indonesia's difficulties experienced during the pandemic period become learning for all

communities, especially the Government of Indonesia in facing an uncertain economy and even decrease drastically to be more stable and can survive until the pandemic covid-19 ends or can provide a strategic plan of the implementation of a more innovative business model if in the future there are problems or other outbreaks. That way, this research aims to watch and determine the continuity of business model innovation and what strategies are often applied by MSMEs to the innovation business model during the covid-19 period.

1.4 Significant of Study

Based on the above description of the problems experienced by MSMEs, the relationship from research has hopes in providing solutions and convenience for MSMEs to improve their innovation business model by making business through during the pandemic period to the end. And then the technical problems, the Government hopes to improve supporting infrastructure so as not to miss out on developments and provide socialization or understanding of technology and also its use for MSMEs in Indonesia for example, considering that there are still many who do not know small things such as digital applications in general. In addition, the main reason for creating a technique within the innovation business model is required immediately for this case when the understanding remains minimal for Indonesian MSMEs it's difficult to seek out and match what steps should be applied immediately.

1.5   Innovation Point

Innovation business model strategy is a quality improvement strategy in innovating to develop a business to be able to penetrate the market. Many researchers have researched innovation business model strategies through canvas business model approaches and most research focuses on one area or one business, but research related to approaches through the innovation business model framework and research conducted from several businesses in Indonesian MSMEs is still rare, and especially in the pandemics condition. The innovation from this research connects the innovation business model strategy as the main driver in the innovation business with several Indonesian MSMEs through representatives from several regions and sectors, most of which have been registered with the ministry of cooperatives and SMEs in the development of MSMEs in Indonesia.

CHAPTER 2 LITERATURE REVIEW

2.1 Background Theory

2.1.1 Business Theory

Work features a different meaning in physics than it does in everyday usage. In physics, work is completed as long as an object is moved through some displacement while a force is applied thereto. If either the force or displacement is doubled, the work is doubled. (Hamdi, 2016).

The business may be a body that was created to supply goods and services to the corporate. Every deal with people. Those people are bearing the results due to the business, they are. Cross-functional cooperation in business is to stress the requirements of managers from different functional areas to maximize profits in achieving common goals. (Madura, 2010). Business control is important to be able to face business challenges. Diverse business challenges include competition, population growth, work diversity, ethics, technology, social responsibility, unemployment, and people's lifestyles making business people face complex problems. These problems test the ability of entrepreneurs/business people to survive and control the business so that it is far from a failure. A model can be created to overcome it as prevention against failure, namely through entrepreneurial education that can produce high professionalism that is skilled in doing business and develops creativity and innovation so that it can organize efficiently to produce highly competitive goods or services to compete in the global market. (Dewanti, 2008).

2.1.2 Business Categories in Indonesia

There are several classifications of MSMEs from some perspective or approach carried out by institutions or agencies and even legislation. According to Law No. 20 of 2008 Law No. 20 of 2008 concerning MSMEs.

Table 2-1. Indonesian MSMEs Scale Criteria

Type of business	Net Asset	Annual Sales
Microbusiness	Max IDR 50 million	Max IDR 300 million
Small business	IDR 50 million – IDR 500 million	IDR 300 million – IDR 2.5 billion
Medium Enterprises	IDR 500 million – IDR 10 billion	IDR 2.5 billion – IDR 50 billion

Source: Government Regulation

The following is an explanation of the grouping of MSME criteria according to Law No. 20 of 2008.

1. Micro-business. A business can be said to be a micro-business if the business has a net worth (assets) of at most 50 million and a turnover of at most 300 million. Assets taken into account do not include land and buildings where businesses are taken into account.

2. Small business. Small businesses are a business group with a net worth of at least 50 million to 500 million and have a sales value of at least 300 million rupiahs to 2.5 billion, as well as micro-businesses, assets that are taken into account do not include land and buildings where businesses.

3. Medium efforts. Medium enterprises are a business group with assets ranging from 500 million to 10 billion, as well as sales of 2.5 billion to 50 billion. Similar to other business groups, the assets taken into account do not include land and buildings.

The business model describes the rationale for a way organizations create, deliver, and capture the worth of business model generation explaining how companies are ready to respond quickly to customer desires by providing the simplest value within the company. (Alexander Osterwalder and Pigneur, 2012). Innovate business models in a variety of industry contexts for the design of new sources or modification of existing resources, sometimes without a large investment in research and development (R&D). Companies need innovation to run a sustainable business because business models need to change to create corporate value that can compete with competitors.

(Karlson, 2017) Phases in the business model innovation process are preparation, generating ideas, integration, and implementation. A company's competitive advantage in the future is not determined by innovative products and processes but is determined by innovative business models. (Gassmann and Bonakdar, 2014) Business in Indonesia is regulated and defined as Trade Through Electronic Systems (PMSE), in this case, is a trade transaction of goods and or services conducted through a series of electronic devices and procedures, as stipulated in Government Regulation No. 71 of 2019 ("PP 71/2019"). PMSE in its popular terminology is commonly known by consumers as E-Commerce. Companies or businesses involved in PMSE have different innovation business models, according to how electronic systems are used to run businesses and earn income. Gassmann (et.al, 2014)

Business model innovation has 4 dimensions that play a role in the innovation process carried out by the company as follows:

1. Who (Customer) the Company must understand exactly the relevant consumer segments to be addressed by the company's business model?

2. What (Value proposition) This second dimension determines what the company offers (in the form of goods or services) and describes how the company serves the needs of customers.

3. How (Value chain) For the value proposition to match the targets the company must carry out processes and activities. Both relate to the company's ability to manage related resources so that coordination between the two things makes the third dimension in business model planning.

4. Why (Profit mechanism) In the fourth dimension includes several aspects such as cost structure and income-generating mechanisms that explain the feasibility of a business financially.

Law No. 7 of 2014 on Trade (Trade Law) and Law No. 19 of 2016 on Amendments to Law No. 11 of 2008 on Information and Electronic Transactions (Consumer Protection Law) is a reference for every business actor in conducting trade transactions, both conventional trade, and trade through online or e-commerce.

Research theory types of innovation business models are adapted from the research of Sustainable Business Model Innovation (Geissdoerfer. et al. et al, 2018) through the following chart figure:
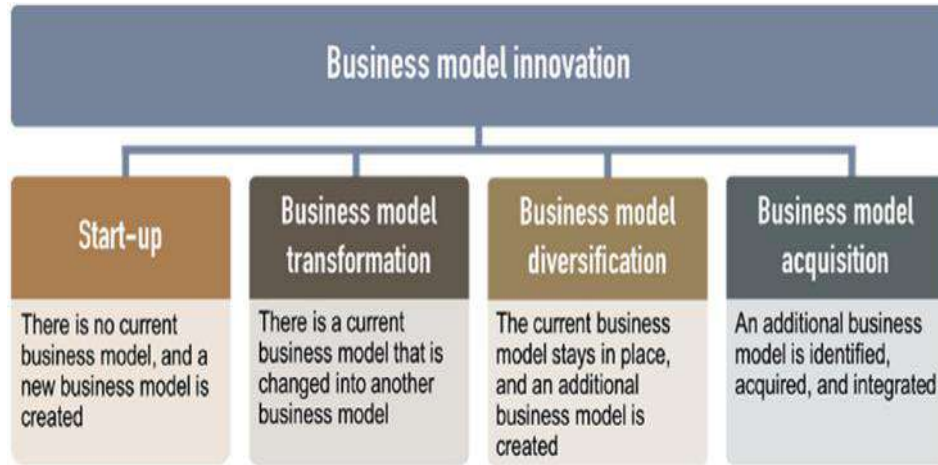

Figure 2-1. Types of Business Model Innovation

2.2 Previous Studies

The innovation business model is not something new discussion, especially about the model business innovation strategy. Although business model innovation that leads to technological developments in supporting digitalization is still not widely applied in all MSMEs there have been many studies that examine the innovation business model and these two types of social media, some of these researchers are:

Anggraeni Permatasari and Wawan Dewanto (2013), observed Business Model Innovation in Indonesian Herbal Cosmetics and Health Companies. Cosmetic and herbal health companies that have successfully established and implemented new business models to compete globally are the result of this study. The variables that determine the effectiveness of an innovation strategy include innovation in value propositions, client segments, and important partners. Innovation strategies mention new types of products or services, new designs, new systems, and new product conditions with better conditions, values, and desires. Companies can survive in the global market with innovations from the right strategies and the right measures, such as putting more pressure on marketing in introducing products to customers and finding business partners outside the region to achieve global market segmentation. The analytical tools used in

this research is the canvas of business models to describe, analyze and design business models with the help of nine blocks to come up with new alternative strategies. In the process of developing new products, it is proven that the demand for new products increases and the company is in a competitive process in the competitive market. The next research was carried out by Kurt Matzler Franz Bailom Stephan Friedrich von den Eichen Thomas Kohler (2013) related to the creation of the business model Innovation strategy, This research supports a single placement strategy, straightening out the success of innovation business models, product and service logic, value-added logic, sales and marketing, and also revenue logic to create systems that deliver great results. Coffee Triumphs for Nespresso, with a varied model of business innovation. The innovation business model succeeds when the company increases customer value and simultaneously creates special creations therefore the revenue model will be ready to follow the company in capturing a certain amount of value created in new ways. The problem that companies experience is getting competitors with new business model strategies when the company does not create enough value for customers or develop the value of product creation and revenue models.

Bijaya Kumar Panda (2019) Application of Business Model Innovation for New Entrepreneurs. this study, the most objective is to deepen understanding of the business model of innovation strategy that results in a logical approach to doing business and explaining the way to get, deliver and build worth. Use of the freemium business model to retain the company's existing customers and attract new customers, through product offerings and growth ways. Businesses should verify and assess innovative ways before electing a business model. exploitation analysis ways to achieve deeper market data by conducting client behavior analysis, analysis of the most recent market trends, client perceptions, mapping the customer journey to run a business with a freemium model through the web, qualitative fact analysis, and big data analysis. The object used is a digital business that uses a freemium business model, previous research discusses companies that have been running, and this study discusses the innovation business model of new companies. To allow clients to test services, new digital businesses are adopting a specific freemium business model. According to this research, business strategy is built on service offerings that combine innovation exhibitions with fair opportunities to attract new users and the potential to keep clients with new product features during the free trial period, Customer perception within the mapping client journey to run a business with the freemium model is that the current market trend.

Further research by, Tsan Ming Cho dan Suresh P. S Ethi (2021) innovative service operational for survivals of SMEs under covid-19: two cases in Hong Kong. This research was conducted during the pandemic period where the practice of innovative solutions as an operational strategy in dealing with covid-19 and discussed the implications of management being punched based on literature and field learning. During the pandemic

period, the financial condition of SMEs worsened, and wave after wave came gradually making the Government unable to provide assistance, which previously received assistance in the form of 100% capital loans now the Government cannot support the same thing. Hong Kong indicated that some SMEs would experience the worst situation by continuing efforts in the next few months or considering quitting operations. On the other hand, WhatsApp looks to be a shopping solution for UMK Hong Kong, as well as the use of its website is Timberland Hong Kong's website. Customers can communicate with salespeople in stores when they want to shop via WhatsApp, orders can be made with the help of salespeople, and arranged when delivery times and payments for customers can be arranged. If the COVID-19 pandemic continues, this could help SMEs.

Saeed Khalifan Rasheed Ghanem and Nor Aziati Binti Abdul Hamid (2020) This study is about the performance of businesses in the use of social media for marketing such as Facebook, WhatsApp, Twitter, and Email in people in the United Arab Emirates. This research on the impact of social media marketing and e-commerce as well as the development of small and medium enterprise performance and business strategies implemented, this model was developed using social media evaluation methods. In this study, the main problem is that the benefits of social media can have a deadly effect on the performance of SMEs. Social media users from SMEs in the Kalanga region make up only 18% of the total number in the United Arab Emirates, although it is SMEs that contribute a lot to the country's economy. People after getting to know social media become more satisfied with the quality of social media and they prefer to shop from other countries, it is important to increase economic growth, especially for SMEs who have an interest in engaging in marketing activities through social media. When correspondents were asked about the effects of online networking, more than three-quarters of respondents indicated that it somehow affected face-to-face communication, some believed that online networking could replace face-to-face communication and some believed that it did not affect face-to-face communication. Errors in making business strategy decisions for SMEs are visible, people who have businesses lack knowledge and technological developments.

The next research is not about innovative business models but about how to deal with the Covid-19 pandemic in business activities and its direct impact on SMEs. Takupiwa

Nyanga, Zirima Herbert (2020) Small and Medium Enterprise Reaction in Masvingo, Zimbabwe to COVID-19. The study explores how SMEs respond to lockout, the strategies implemented, and interpretations of how lockouts have been and will affect business productivity. Business activities that rely on purchasing products from other countries such as China, South Africa, Tanzania, and Dubai have had difficulty continuing their business since the implementation of government lockdown regulations, especially on productivity declines that harm SMEs. SMEs run businesses with an online system where they buy and sell goods online, hold online meetings, and communicate with employees and customers via email and platforms like WhatsApp. The implications for the productivity of people who own businesses, some SMEs take precautions to prevent the spread of the Covid-19 virus when sending products to customers, as outlined by WHO and the local health system. E-commerce allows SMEs to continue to run their businesses while still complying with health protocols during restrictions on Covid-19 pandemic activities by the government.

Kim Klyver (2021) Which crisis strategies are (expectedly) effective among SMEs during COVID-19? This study looks at promising crisis strategies for managing the COVID-19 crisis. The 2020 data in their survey combines the theory of external enablers with crisis management which is mostly focused on SMEs during covid-19. Strategy crisis actions are the difference between SMEs expecting positive and negative developments, suppressing crises, both disabled and enablers, especially how SMEs react to crises. The exploiters of the crisis in which SMEs experienced turnover growth in the first wave of covid-19, are in a position to actively engage in innovative activities, rather than reduce costs. The strategies found in this study are divided into 2 (two) namely broad and narrow strategies. Using SME variables along with external enabler theory, namely different conditions, completely external and independent are actors that influence businesses in predicting social changes that occur very quickly and also affect business and descriptive research methods and post HOC analysis with SPSS analysis tools. SMEs are more important for an optimistic-versus-pessimistic expectation strategy for the future and are consistent, the researcher also finds a retrenchment strategy that shows a decline in turnover in 2021. While SMEs that follow a broad innovation strategy or limited innovation expect an increase in turnover in 2021.

2.3 Variable Definition and Relationship between Variables

2.3.1 Explore The Implementation of Business Model Innovation in Indonesian MSMEs during Pandemic Covid-19

Companies must handle the interaction between the physical and digital worlds in the context of the "Internet of Things" before offering digital operations to clients (Fleisch et al., 2014). During the pandemic, there were many economic problems experienced by MSMEs in Indonesia, as explained in the background of the study, the innovation business model became the main focus of these problems. The relevance of iterative learning and problem-solving methods for testing new solutions and adapting them based on findings is emphasized by the experiments and implications of the business model (Cara Wrigley, 2016). This research will study the extent of business models in the application of business activities carried out by MSMEs, especially for those who have many limitations during the pandemic. Difficulties in getting to interact directly, in offline activities have the impact of decreasing customers and require MSMEs in Indonesia to implement various ways, one of which is the use of online applications or systems. The objectives of this study are similar to those of previous studies (Choon Seong et al, 2004). The other categories are focused on key-value chain operations, and enterprise infrastructure refers to solutions that assist general decision-making and information sharing of enterprises. The business model innovation is expected to be able to create a strategy to maintain MSMEs who are trying to switch because of digital business with the use of applications including social media even though the account owned is personal or not a business account.

2.3.2 Business Model Innovation Strategy Exploring in Indonesian MSMEs

In an unpredictable and fast-changing global economic landscape, it is evident that businesses will need to become more adaptable and responsive to market shifts. To achieve this, firms must not only experiment with business models but also embrace business model innovation as a fundamental competency and a source of long-term competitive advantage. The innovation business model that has been implemented during the pandemic through applications is in hopes of bringing about better change towards the end of the pandemic. Changes in supply have an impact on value proposition, companies are increasingly delivering comprehensive solutions or adding services to physical products, e.g. predictive maintenance, (Arnold et al., 2016) as well as (Kiel et al., 2017). Improvements in this

business model can be continued through the development of the MSME's innovation business model in Indonesia, in the future, they experience similar problems, and they can use the same solution in the strategy that will be implemented or at least reduce a negative impact on the MSMEs economy. Even though a business model is never ended or static, the process of developing and testing one must be iterative and constant. The ramifications of

various business models can be better understood to make clearer and more informed judgments, particularly in terms of strategic decisions, (Cara Wigley, 2016). Although the application does not fully help, it provides MSMEs opportunities for the Government to support technology infrastructure development programs and socialization related to business innovation through digital systems. MSMEs located in areas with limitations will encourage them to make more efforts to approach the local government to reach internet connections and they are not left behind from other areas by using applications and if possible, the government can create similar applications.

Figure 2-2. The frame of Business Model Innovation

CHAPTER 3 RESEARCH METHODOLOGY

3.1 Methodology
3.1.1 Types and Research Approaches

Mixed research methods are research approaches that combine qualitative research with quantitative research to solve research problems (Creswell, 2012). The mixed research method is a research method by combines two qualitative and quantitative research methods in a research activity so that more comprehensive, valid, reliable, and objective data will be obtained. (Sugiyono, 2016). The overall purpose of mixed research methods is to expand and strengthen research conclusions and the use of these methods contributes to answering one's research questions. So that in the end research with mixed methods acquires high knowledge and validation.

The exploratory sequential design mixed research model will be used in this study, starting with qualitative data collection and then continuing with quantitative data collection. The purpose of qualitative data collection in the first stage is to explore existing phenomena first, then continue with quantitative data collection to explain the variable relationships found in qualitative data (Creswell, 2011).

3.1.2   Population, Sampling Technique, and Samples

Populations are generalization regions made up of things or persons with specific attributes and characteristics that researchers have chosen to study and make conclusions from (Sugiyono, 2016). The population in this study is MSMEs that have been operating for more than 1 year and spread across the territory of Indonesia. Sampling is done using a non-probability approach that is by using purposive sampling methods with criteria determined by researchers, who can then fill out questionnaires and be selected according to the needs of research data, and selected MSMEs will be research respondents.

Table 3-1. Respondent Criteria

Criteria of Respondent	
1.	Located in Indonesia
2.	Classified in the category of Indonesian MSMEs Scale

3.	The minimum business age is 6 months and still up to now

3.1.3   Data Retrieval Methods

This study is carried out by two methods namely interviews, questionnaires, and documentation (in the form of articles, notes, journals, books, websites, etc.) to obtain data that is first carried outspread questionnaires to respondents namely Indonesian MSMEs, by adopting from research (Wendi Maxkinto et. Al., 2013) by modifying and adjusting existing conditions. This study will use the amount of data from the Ministry of Cooperatives and small and medium enterprises, then the data researchers cross-check through the survey method on the WhatsApp and Instagram applications where the application is not in a special edition of business but uses a personal account in running business operations to monitor MSMEs that still survive to this moment.

1. The questionnaire used in this study is a closed questionnaire where the researcher has prepared an answer to be selected by the research object. These questions or statements will be available based on the research instrument variable, which then shares questionnaires to respondents, namely MSMEs to strengthen the data results in this study.

2. Interviews are used by researchers to find and ensure that respondents who are the object of research have met the criteria obtained from sources directly to representatives of the number of respondents obtained, these interviews are conducted in writing with research media as a WhatsApp application using files, notes, and other stationery.

In this study, the research data using questionnaires according to predetermined criteria for research, with the number of statements thirty-one in the form statements and four questions to 200 Indonesian MSMEs in approximately two months. and MSMEs who are willing to participate are 110 respondents, questionnaires are distributed and returned in the form of word document files which are then seen the feasibility of the data before the data is further processed.

3.2   Data Analysis Technique

1. QualitativeData Analysis Techniques Data analysis techniques used in the qualitative analysis have four stages as follows:

   a. Data Reduction is the stage of qualitative data analysis techniques. Data reduction is the simplification, classification, and unnecessary dumping of data in such a way that the data can produce meaningful information and facilitate the withdrawal of conclusions.

   b. Data Display or data presentation is also a stage of qualitative data analysis techniques. The presentation of data is an activity when a set of data is arranged systematically and easily understood, thus providing the possibility of producing conclusions. The form of presentation of qualitative data can be narrative text (in the form of field notes), matrices, graphs, networks, or charts.

   c. Conclusion and Verification Conclusions and data verification are the final stages in qualitative data analysis techniques that are carried out to see the results of data reduction still referring to the objectives of the analysis to be achieved. This stage aims to find the meaning of the data collected by looking for relationships, equations, or differences to conclude in response to existing problems.

2. Quantitative Data (questionnaire)

   Data collection in research must certainly be done scientifically and systematically. Researchers surveyed by spreading questionnaires or questionnaires as research instruments, questionnaires became effective and efficient containers to collect data that will be measured numerically. Researchers provide several alternative options for answers to questions submitted to respondents. That way, respondents can choose answers that are tailored to their opinions. Because the choice is available, the answers respondents (data) collected can revolve around what are the alternatives provided by the researcher. Score assessment from the results of the respondent's questionnaire will be processed using SPSS in Descriptive Statistic analysis, Multiple Linear Regression Analysis, Validity and Reliability tests, and Classic Assumption tests.

3.3 Operationalization of Concepts

Table 3-2. Operationalization Concepts

Variable	Explanation	No	Indicator	Scale
Value Proposition part of Business Model Innovation Strategy	Designing, implementing, and monitoring Indonesian MSMEs through the value of benefits products or services	1	Product and Services	Interval
		2	Overcoming aspects of customer pain	Interval
		3	Gain Creators	Interval
Value Chain part of Business Model Innovation Strategy	Designing, implementing, and monitoring in Indonesian MSMEs business model through market	1	Differentiate Product and Service	Interval
		2	Reduce Product or Service Cost	Interval
		3	Fulfill Customer Needs	Interval
Revenue Logic part of Business Model Innovation Strategy	Designing, implementing, and monitoring Indonesian MSMEs through more effective management of revenue and resources	1	Utilization of resources	Interval
		2	Maximize Business Innovation Strategies to achieve maximum performance	Interval

This research uses two methods, namely qualitative and quantitative, thus questionnaires are made in the form of a Likert scale. Qualitative method measurements using questionnaire results obtained by studies can be directly compared with theories, methods, and results from previous studies regardless of the value of the Likert scale. as for quantitative methods, questionnaire results with a Likert scale must be converted into assessment points that have been determined through interval classes and variables must be classified according to their function, as follows:

The dependent variable, Y: Indonesian MSMEs

The Independent variable consists of:

   X1: Value Preposition

   X2: Value Chain

   X3: Revenue Logic

CHAPTER 4 RESULTS AND DISCUSSIONS

4.1 Results

4.1.1   Characteristics of Respondents (MSMEs)

Data collection is carried out by spreading to 200 respondents on Indonesian MSMEs, who respond and participate in the filling of questionnaires only 110 respondents, data did not reach the respondent's target due to the increasing pandemic situation, time constraints, and limited response from MSMEs, thus obtained the following results:
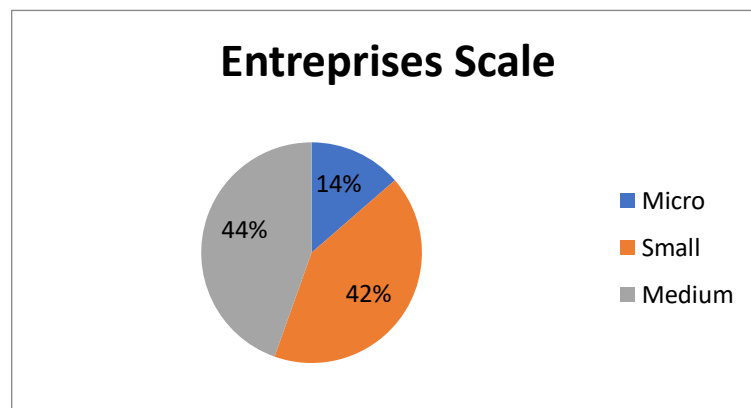

Chart 4-1. Characteristics of Respondents Based on Enterprise Scale

Based on the data collected, the scale of businesses in Indonesia that participated in the questionnaire filling consisted of 14% or 15 respondents on the micro-scale, came from small scale 42% or 46 respondents, and the most on the MMedium-scale44% or 49 respondents.
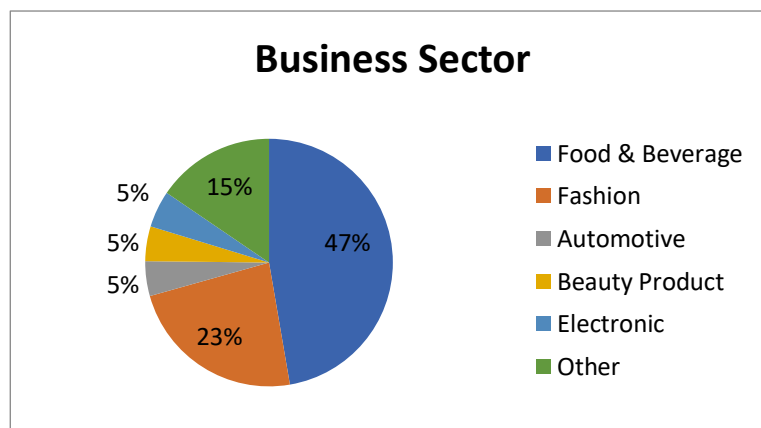
Chart 4-2. Characteristics of Respondents Based on Business Sector

Business in Indonesia is played by many diverse business sectors with a total of 15% or 17 respondents which sector from education, furniture, art, accessories, etc.). The respondents from beauty products were as much as 5 % or 5 respondents, and also respondents came from the Automotive and electronic sector as much as 5% or 5 respondents. The most business field in Indonesian MSMEs is food and beverage which is the driver of the economy with total respondents from food and beverage as much as 47% or 52 respondents, especially in the business world. In addition, clothing is also the second most business sector that supports Indonesia as much as 23% or 26 respondents
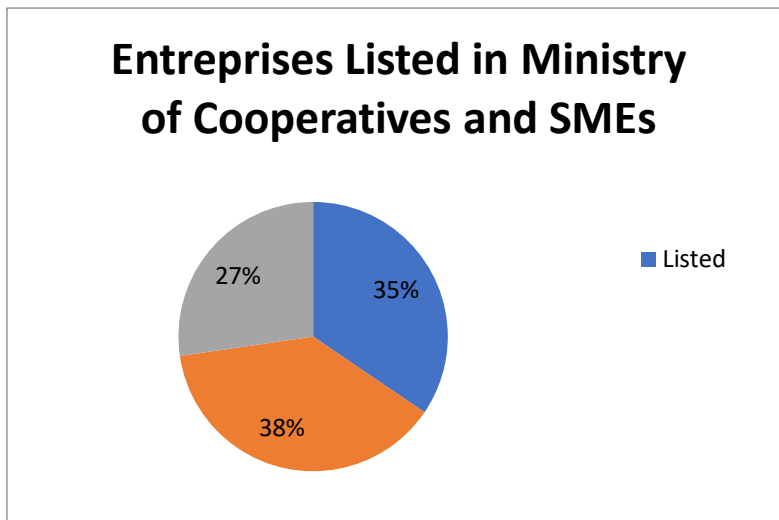
Chart 4-3. Characteristics of Respondents Based on
Enterprise Listed on Ministry of Cooperatives and SMEs

The development of MSMEs in Indonesia is routinely monitored by the government, and the collection of MSMEs is carried out every year to see how far support from the government is achieved. Indonesian MSMEs that have registered with the ministry of cooperatives and SMEs as much as 35%, or 38 respondents, which is still in the process of management as much as 27% or 30 respondents, and who choose not to register as much as 38% or 42 respondents.
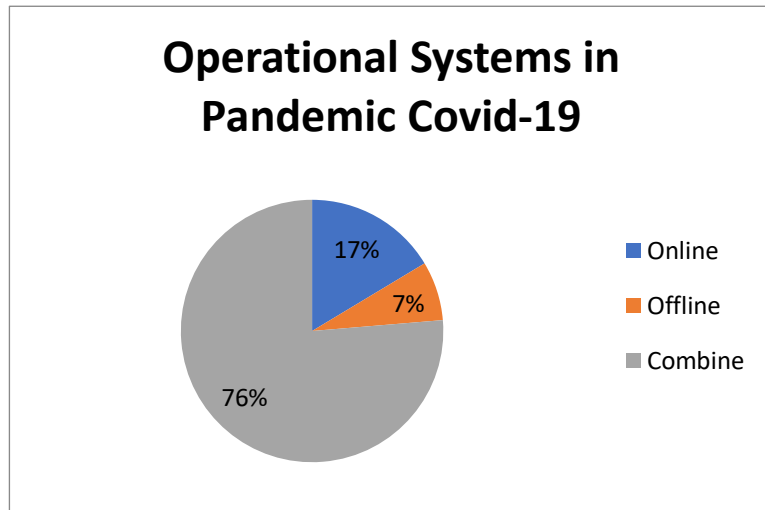
Chart 4-4. Characteristics of Respondents Based on Operational Systems

In this study, looking at the transition of the system implemented by Indonesian MSMEs for the smooth operation of the business carried out with online and offline systems, as many as 76% or 84 respondents of Indonesian MSMEs choose to combine the two systems in business operations during the pandemic, 8 respondents or 7% focus on online operations on the grounds of making it easier for business owners to reach customers and monitor their business without the need to visit the store directly. And 16% or 18 respondents chose to conduct business operations with offline systems.
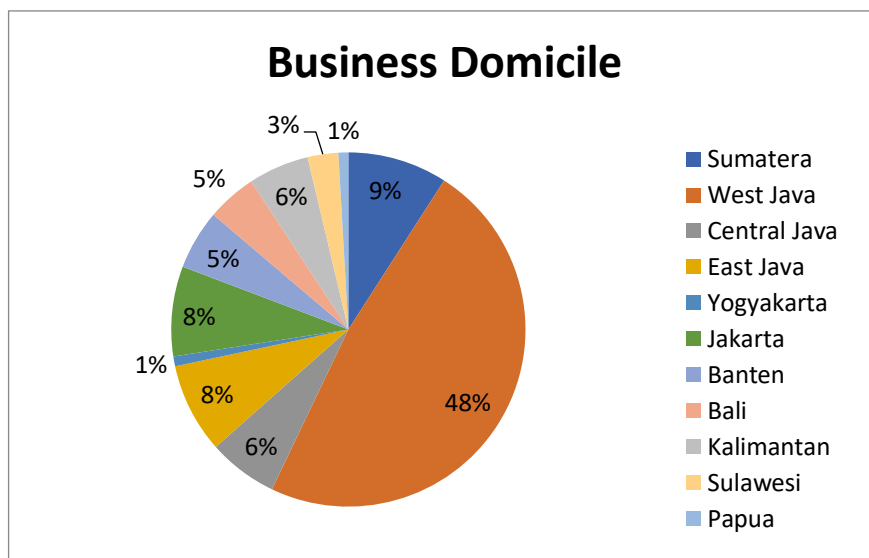
Chart 4-5. Characteristics of Respondents

Based on Business Domicile

Indonesian MSMEs who responded and participated in the study amounted to 110 respondents from various domiciles, with the most domicile coming from west Java province with 48% or 53 respondents, Sumatra with 9% or 10 respondents, for the

Indonesian capital city, Jakarta had a balanced result with east Java by 8% or 9 respondents, as well as central Java and Kalimantan provinces had 6% or 7 respondents, Banten and Bali each 5% or 5 respondents, came from Sulawesi 3 respondents or 3%. And the last came from Yogyakarta and Papua each province had 1 respondent or 1%.
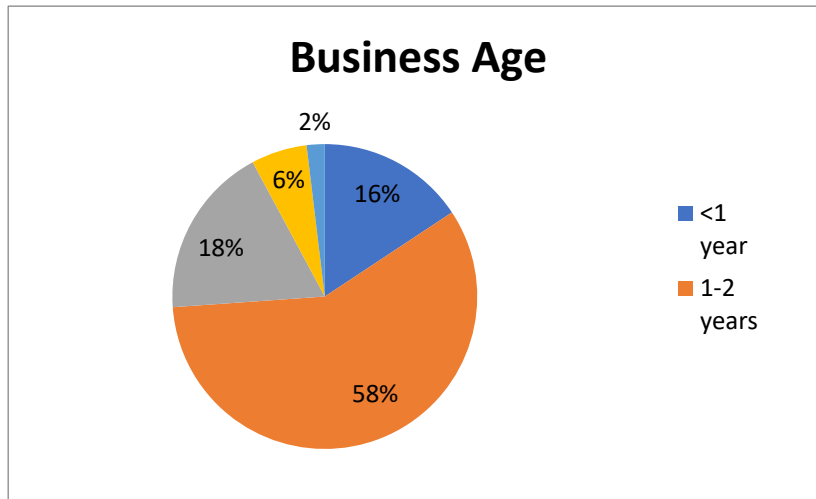
Chart 4-6. Characteristics of Respondents

Based on Business Age

This study showed that 58% or 64 respondents have been running a business for 1-2 years, 18% or 20 respondents run their business for 3-4 years, and 16% of businesses that are long enough to run by them for 5-6 years. While 2% or 2 respondents are the oldest running business age of about 10-13 years.

4.1.2 Interval Value

This study explained descriptive answers to respondents from each of the research variables. The distribution of respondents' answers on each variable can be known by calculating the mean and standard deviation on each variable can be known by calculating the mean and standard deviation on each statement on the questionnaire. In categorizing respondents' answers, the class interval formula is used. This is the categorization of respondents' answers to value preposition variables using the class interval formula, as follows:

Class Interval = $\dfrac{\text{Highest Value} - \text{Lowest Value}}{\text{Number of Class}} = (5 - 1) \div 5 = 0{,}8$

It is known that the interval result in each class is 0.8, so here is the answer category on the value preposition variable.

Table 4-1. Interval Criteria Value Preposition

Interval	Categories
$4.21 < a \leq 5.00$	Strongly Agree
$3.41 < a \leq 4.20$	Agree
$2.61 < a \leq 3.40$	Disagree
$1.81 < a \leq 2.60$	Strongly Disagree
$1.00 < a \leq 1.80$	Do Not Know

Next, categorize respondents' answers on value chain variables using the class interval formula, as follows:

$$\text{Class Interval} = \frac{\text{Highest Value} - \text{Lowest Value}}{\text{Number of Class}} = (5 - 1) \div 5 = 0{,}8$$

It is known that the interval result in each class is 0.8, so here is the answer category on the value chain variable.

Table 4-2. Interval Criteria Value Chain

Interval	Categories
$4.21 < a \leq 5.00$	Strongly Agree
$3.41 < a \leq 4.20$	Agree
$2.61 < a \leq 3.40$	Disagree
$1.81 < a \leq 2.60$	Strongly Disagree
$1.00 < a \leq 1.80$	Do Not Know

Categorize the last of the respondents' answers to the revenue logic variable by using the class interval formula.

Class Interval = $\dfrac{\text{Highest Value} - \text{Lowest Value}}{\text{Number of Class}}$ = $(5 - 1) \div 5 = 0{,}8$

It is known that the interval result in each class is 0.8, so here is the answer category on the revenue logic variable.

Table 4-3. Interval Criteria Revenue Logic

Interval	Categories
$4.21 < a \leq 5.00$	Strongly Agree
$3.41 < a \leq 4.20$	Agree
$2.61 < a \leq 3.40$	Disagree
$1.81 < a \leq 2.60$	Strongly Disagree
$1.00 < a \leq 1.80$	Do Not Know

Descriptive Statistical Analysis

The results of questionnaires in this study based on each statement listed will be discussed each statement through descriptive statistical analysis of each variable. The analysis model was adapted from Venny Oktavianti's research by adjusting variable conditions. This research explores the business model strategy of Indonesian MSME innovation consisting of 3 components that are used as variables so that there are 3 variables analyzed using descriptive statistics. This analysis serves to see the average categories of answers to the lowest and highest points in the questionnaire construct, and the criteria of categories created based on interval assessments.

4.1.3 Variables Descriptive Analysis

Descriptive Analysis of Respondents' Answers on Value Preposition Variables

Table 4-4. Descriptive Analysis of

Value Preposition

Descriptive Analysis of Value Preposition Variables							
Statements	Variable Response Score						
	N	5	4	3	2	1	Mean
		SA	A	DA	SDA	DNK	
(X1.1) Product/service benefit assessment model to recognize the market effectively.	110	18	32	34	21	4	3.35
(X1.2) Products and prices are acceptable for all levels of customers during pandemics	110	14	37	32	24	3	3.32
(X1.3) Frequently receive product/service complaints from customers during pandemics	110	16	22	39	25	8	3.12
(X1.4) Create and maintain the uniqueness of the product or service in the minds of customers	110	14	29	31	21	15	3.05
(X1.5) New products (innovations) provides benefits and satisfaction for customers	110	12	29	45	19	5	3.22
Valid N (listwise)	110						

Source: Processed Data

Based on the results of descriptive analysis of the value preposition variables in Table 4. 4, the highest average value on the statement recognizing the market through the value of products or services of 3.35 with the category of disagreeing in the sense that MSMEs have not understood the positive impact of the value of the benefits of a product or service. It is also known that the average respondent's answer to this variable is 3.32 who are

categorized as disagreeing that products and prices of products made by business owners are not all by all levels of customers, MSMEs are still focused on one or two customer

levels. Based on these results, it can be interpreted that respondents judge that customers do not have serious problems with the product and product price so that it can be reached at any customer level.

Statements about frequently receiving complaints from customers with an average of 3.12 are categorized as disapproving in the sense that MSMEs in these conditions do not routinely receive complements and still consider every customer complaint both product and service. Especially in special conditions such as during the pandemic, customers who transact online receive a greater risk than transacting on the spot or can see the condition of customer complaints from both products and services and control product quality to increase customer satisfaction in achieving what the market wants. Statements regarding new products that provide benefits and satisfaction with an average of 3.22 answers do not agree, in the sense that MSMEs have begun to make changes with innovations in their products but have not been seen to get a positive response from customers or it can be said that customers only accept it for satisfaction is still uncertain. and the last average value of 3.05 is contained in the statement of the creation and maintenance of uniqueness in the product or service. Respondents do not agree that when they want to make a new product or change the product to be more innovative, respondents need additional costs and readiness to accept the risk of production failure, indeed the advantages obtained can add to the impression in the minds of customers.

Descriptive Analysis of Respondents' Answers on Value Chain Variables

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Table 4-5. Descriptive Analysis of Value Chain

</div>

Descriptive Analysis of Value Chain Variables							
Statements	N	Variable Response Score					Mean
		5	4	3	2	1	
		SA	A	DA	SDA	DNK	
(X2.1) MSMEs do not have a customer focus on the market during the pandemic	110	20	26	41	20	3	3.36
(X2.2) Discover new resources (materials, funds, employees, assets, etc.) from previous ones during a pandemic	110	14	32	43	18	3	3.33

(X2.3) The layout of the most needed items, makes it easier for customers to get products during pandemics.	110	10	32	44	19	5	3.21
(X2.4) MSMEs have difficulty in developing or creating new business models during pandemics	110	8	44	36	18	4	3.31
(X2.5) Business owners experiment/try new business model strategies that are innovated from the old business model during a pandemic	110	12	37	35	19	7	3.25
(X2.6) Business owners have trouble switching from primary resources to alternative uses during pandemics	110	11	29	46	21	3	3.22
(X2.7) Make changes to a product or service before changing the old business model during a pandemic	110	12	23	51	19	5	3.16
(X2.8) Creating new products, adding a lot of costs during the pandemic	110	6	29	49	22	4	3.10
(X2.9) Discovering differences from the results of old business models of experimentation and innovation business model	110	5	46	38	17	4	3.28
(X2.10) The need in having social media accounts and store websites for online systems during pandemics	110	12	33	39	18	8	3.21
Valid N (listwise)	110						

Source: Processed Data

From the results of the descriptive analysis of the preposition value variables in Table 4-5, it is known that the average respondent's answer to this variable is 3.36 which is categorized as this statement does not agree with the condition of MSMEs during the pandemic. Based on these results, it can be interpreted that MSMEs assess some of them have a definite customer focus in the market. The statement about finding new resources for MSMEs also resulted in a disapproval answer, with an average of 3.33. This is intended if the conditions are not urgent to try to get assistance from reserve assets and government assistance. The item layout statement model with an average answer of 3.21 which is the largest average in the variable value chain, in the category of disagreeing in this statement, means that the layout of the goods in the store does not make it easier to guarantee customers and business owners that due to the goods' needs vary from customer to

customer and require space to place the products needed. Statements about the difficulty of creating and developing a business model with an average of 3.31 answers to the category do not agree, in the sense that not all MSMEs have difficulty in creating business models

during the pandemic, as well as the development of more innovative business models, some MSMEs who are still laymen who feel difficulty, especially seeing the limited situation. While statements about new business model strategy experiments, with an average answer of 3.25 categorized as disapproving, in the sense that business owners have tried experiments with new business model strategies during the pandemic.

The statement model switches to alternative resources with an average answer of 3.22 in the disapproval category, meaning business owners are unaware of the difficulties when switching alternative resources when they begin to learn what kind of strategies to manage

those alternative resources. Statements about changes in products or services before changing business models with an average of 3.16 respondents' answers are categorized as disagreeing, in the sense that MSMEs prefer to make changes in products or services while changing business models so that they know directly the differences between the two. Statements require additional costs in creating new products with the average answer of 3.10 respondents in the category of disagreeing, in the sense that the cost for a new product can use some of the cost of the old product and the number of old products produced is reduced. The statement model of difference in the results of the old business model experiment and the innovation business model with the lowest average respondent's answer value of 3.28 on this variable is still with the category disagreeing, in the sense that MSMEs already understand there is a difference in the results of the two business models. The model of a statement of needs of social media accounts and business websites with an average answer of 3.21 is categorized as unsuitable, MSMEs do not agree if they need social media accounts and websites during the pandemic, especially for those in regional areas or who lack internet networks.

Descriptive Analysis of Respondents' Answers on Revenue Logic Variables

Table 4-6. Descriptive Statistical Analysis

Revenue Logic

Descriptive Analysis of Revenue Logic Variables							
Statements	N	Variable Response Score					Mean
		5	4	3	2	1	
		SA	A	DA	SDA	DNK	

(X3.1) More and more types of products/services business owners reduce their budget and costs on other parts (e.g packaging, promotion, operations, etc.) during a pandemic	110	24	25	37	21	3	3.42
(X3.2) Profits from products or services decrease during a pandemic	110	19	33	34	20	4	3.39
(X3.3) Limitations of offline/direct operations, making more efforts to use websites and digital applications during pandemics	110	17	29	36	26	2	3.30
(X3.4) Supplier and customer changes product quantity reduction and price of sales of products or service	110	19	27	37	21	6	3.29
(X3.5) Losses from damaged or expired products or materials due to not being routinely monitored during pandemics	110	16	29	35	19	11	3.18
(X3.6) Requires additional costs for employees in operating websites or digital applications (e.g., internet quota, computer/mobile, digital training, etc.)	110	13	30	37	21	9	3.15
Valid N (listwise)	110						

Source: Processed Data

From the results of the descriptive analysis of income logic variables in Table 4-6, it is known that the average respondent's answer to this variable is 3.42 categorized that this statement agrees and is following the budget conditions felt by MSMEs adjusting the expenditure of emphasis through costs in other parts to achieve the ideal budget. Based on these results, the average respondent's response was 3.39 with the category of disagreeing, this can be interpreted that the statement about the decline in profits for MSMEs participating in this study is not appropriate, this is intended when facing lockdown during the pandemic does not affect some of MSMEs on the decline in profits from products or services. Statements about operational limitations during the pandemic with an average of 3.30 answers disagree, in the sense that MSMEs have a bold option that offline operations are still carried out, although using digital websites or applications during the pandemic is much more efficient.

The product or service reduction model statement is the impact of supplier and customer changes with an average response of 3.29 respondents in the category of disagreeing, with the intention that the change of supplier and customer in no way affects

the reduction of products or services. The average respondent's answer of 3.18 was found in the statement regarding product losses. MSMEs do not agree in the sense that when materials or products are not monitored during the pandemic, in fact, during the pandemic, they must better monitor materials or products to stay awake, and hygienic and not suffer

losses. While the lowest average score with a statement of employee operational cost needs during the pandemic with the average respondent answered 3.15 which in the sense of being categorized as disagreeing, that MSMEs require additional costs in the operation of websites or digital applications because not all MSME operations rely on digital websites or applications.

4.1.4 Summary of Respondents' Responses Additional Question

To support the results of the study, an additional interview was conducted in writing with 10 respondents representing the total number of 110 respondents in the study and then the results were summarized to explore their responses related to the innovation business model strategy. Responses to the summary results come from the questionnaire's constructed answer on the thought plan for developing the MSME innovation business model, this question is not determined by any score and only reviews the basic understanding and implementation of the innovation business model in Indonesian MSMEs during the pandemic. Responses were taken the most choice of those who participated without intervention from the study. The response is as follows:

Table 4-7. Summary of Indonesian MSME

Response Innovation business model

Questions	Responses
Give a minimum of 3 (three) reasons if you choose to stick with the old business model strategy?	1. Stable business development 2. Good product quality 3. Service is good 4. Currently quite satisfied with the customer 5. Stable gains 6. Comfortable with the existing system
Give a minimum of 3 (three) reasons if you choose to switch or change the	1. Reaching the target market 2. Increased Profits

old business model strategy to a new business model strategy?	3. Financing and budget become efficient, effectiveness
	4. Business development
	5. Business expansion
	6. More innovative

Based on the results of table4-7 after the pandemic period respondents. The underlying reasons for MSMEs to stick with the old business model are services, operational systems, profits, customers, and business development that have stabilized, they not ready to accept risks when making innovations. the risk when making innovations. Respondents who are willing to innovate on business models either routinely or not also have a reason. The main reasons that most underlie business model innovation are: wanting to increase profits, expand, expand the market, business development, and manage finance and financing budgets to be more effective and efficient. Indonesian MSMEs also hope to be more innovative in reading business opportunities and determining the right innovation business model strategy.

4.1.5   Validity Test

Table 4-8. Validity Test of MSMEs Indonesian

Correlations

		Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	MSMEs Indonesian (Y)
Y1	Pearson Correlation	1	.653**	.475**	.507**	.872**	.682*	.662*	.419**	.405**	.437**	.805**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
Y2	Pearson Correlation	.653**	1	.469**	.373**	.542**	.729*	.563*	.767**	.446**	.469**	.797**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
Y3	Pearson Correlation	.475**	.469**	1	.497**	.439**	.510*	.425*	.420**	.716**	.439**	.713**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
Y4	Pearson Correlation	.507**	.373**	.497**	1	.495**	.519*	.388*	.276**	.343**	.797**	.685**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.004	.000	.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
Y5	Pearson Correlation	.872**	.542**	.439**	.495**	1	.599*	.692*	.428**	.478**	.429**	.787**

	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
Y6	Pearson Correlation	.682**	.729**	.510**	.519**	.599**	1	.706*	.657**	.467**	.464**	.837**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
Y7	Pearson Correlation	.662**	.563**	.425**	.388**	.692**	.706*	1	.538**	.578**	.483**	.796**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
Y8	Pearson Correlation	.419**	.767**	.420**	.276**	.428**	.657*	.538*	1	.395**	.422**	.711**
	Sig. (2-tailed)	.000	.000	.000	.004	.000	.000	.000		.000	.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
Y9	Pearson Correlation	.405**	.446**	.716**	.343**	.478**	.467*	.578*	.395**	1	.525**	.708**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
Y10	Pearson Correlation	.437**	.469**	.439**	.797**	.429**	.464*	.483*	.422**	.525**	1	.722**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000
	N	110	110	110	110	110	110	110	110	110	110	110
MSMEs Indonesian (Y)	Pearson Correlation	.805**	.797**	.713**	.685**	.787**	.837*	.796*	.711**	.708**	.722**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	110	110	110	110	110	110	110	110	110	110	110

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Version 25

The validity test results for the Indonesian MSMEs variable (Y) with the number of 10 statements were declared valid after being compared with the value of r table (N -2 = 110 - 2 = 108) the results showed a value of 0.1874. pearson correlation value is 0.805; 0.797; 0.713; 0.685; 0.787; 0.837; 0.796; 0.711; 0.708; and 0.722, the entire statement of variable Y above the value of rtabel or > 0.1874.

Table 4-9. Validity Test of Value Preposition

Correlations

		X1.1	X1.2	X1.3	X1.4	X1.5	Value Proposition (X1)
X1.1	Pearson Correlation	1	.859**	.574**	.561**	.550**	.850**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	110	110	110	110	110	110
X1.2	Pearson Correlation	.859**	1	.595**	.587**	.555**	.862**

	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	110	110	110	110	110	110
X1.3	Pearson Correlation	.574**	.595**	1	.662**	.497**	.811**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	110	110	110	110	110	110
X1.4	Pearson Correlation	.561**	.587**	.662**	1	.633**	.843**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	110	110	110	110	110	110
X1.5	Pearson Correlation	.550**	.555**	.497**	.633**	1	.773**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	110	110	110	110	110	110
Value Preposition (X1)	Pearson Correlation	.850**	.862**	.811**	.843**	.773**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	110	110	110	110	110	110

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Version 25

The validity test result for the Indonesian MSMEs variable (X1) with the sum of 5 statements was declared valid after comparison with the table r value (N -2 = 110 - 2 = 108) the result showed a value of 0.1874. pearson correlation value is 0.858; 0.862; 0.811; 0.843; and 0.773, the entire statement of variable X1 above the value of rtabel or > 0.1874.

Table 4-10. Validity Test of Value Chain

Correlations

		X2.1	X2.2	X2.3	X2.4	X2.5	X2.6	X2.7	X2.8	X2.9	X2.10	Value Chain (X2)
X2.1	Pearson Correlation	1	.794**	.486**	.520**	.401**	.827**	.665**	.370**	.376**	.422**	.795**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
X2.2	Pearson Correlation	.794**	1	.551**	.524**	.450**	.775**	.704**	.475**	.438**	.462**	.834**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
X2.3	Pearson Correlation	.486**	.551**	1	.592**	.514**	.445**	.377**	.672**	.424**	.537**	.754**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
X2.4	Pearson Correlation	.520**	.524**	.592**	1	.514**	.475**	.479**	.376**	.680**	.490**	.759**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000

	N	110	110	110	110	110	110	110	110	110	110	110
X2.5	Pearson Correlation	.401**	.450**	.514**	.514**	1	.427**	.280**	.408**	.491**	.854**	.730**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.003	.000	.000	.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
X2.6	Pearson Correlation	.827**	.775**	.445**	.475**	.427**	1	.627**	.374**	.401**	.346**	.769**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
X2.7	Pearson Correlation	.665**	.704**	.377**	.479**	.280**	.627**	1	.328**	.427**	.303**	.699**
	Sig. (2-tailed)	.000	.000	.000	.000	.003	.000		.000	.000	.001	.000
	N	110	110	110	110	110	110	110	110	110	110	110
X2.8	Pearson Correlation	.370**	.475**	.672**	.376**	.408**	.374**	.328**	1	.399**	.438**	.646**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
X2.9	Pearson Correlation	.376**	.438**	.424**	.680**	.491**	.401**	.427**	.399**	1	.501**	.686**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000
	N	110	110	110	110	110	110	110	110	110	110	110
X2.10	Pearson Correlation	.422**	.462**	.537**	.490**	.854**	.346**	.303**	.438**	.501**	1	.732**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.001	.000	.000		.000
	N	110	110	110	110	110	110	110	110	110	110	110
Value Chain (X2)	Pearson Correlation	.795**	.834**	.754**	.759**	.730**	.769**	.699**	.646**	.686**	.732**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	110	110	110	110	110	110	110	110	110	110	110

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Version 25

The validity test results for the Indonesian MSMEs variable (X2) with the sum of 10 statements were declared valid after comparison with the table r value (N -2 = 110 - 2 = 108) the result showed a value of 0.1874. pearson correlation value is 0.795; 0.834; 0.754; 0.759; 0.730; 0.769; 0;646; 0.686; and 0.732, the entire statement of variable X2 above the value of rtabel or > 0.1874.

Table 4-11. Validity Test of Revenue Logic

Correlations

		X3.1	X3.2	X3.3	X3.4	X3.5	X3.6	Revenue Logic (X3)
X3.1	Pearson Correlation	1	.784**	.769**	.707**	.570**	.619**	.873**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	110	110	110	110	110	110	110
X3.2	Pearson Correlation	.784**	1	.715**	.859**	.710**	.608**	.919**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	110	110	110	110	110	110	110
X3.3	Pearson Correlation	.769**	.715**	1	.690**	.560**	.598**	.848**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	110	110	110	110	110	110	110
X3.4	Pearson Correlation	.707**	.859**	.690**	1	.558**	.553**	.858**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	110	110	110	110	110	110	110
X3.5	Pearson Correlation	.570**	.710**	.560**	.558**	1	.624**	.797**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	110	110	110	110	110	110	110
X3.6	Pearson Correlation	.619**	.608**	.598**	.553**	.624**	1	.789**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	110	110	110	110	110	110	110
Revenue Logic (X3)	Pearson Correlation	.873**	.919**	.848**	.858**	.797**	.789**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	110	110	110	110	110	110	110

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Version 25

The validity test results for the Indonesian MSMEs variable (X3) with the number of 6 statements were declared valid after being compared with the value of r table (N -2 = 110 - 2 = 108) the result showed a value of 0.1874. pearson correlation value is 0.873; 0.919; 0.848; 0.858; 0.797; and 0.789, the entire statement of variable X3 above the value of rtabel or > 0.1874.

4.1.6   Reliability Test

Table 4-12. Reliability Test
MSMEs Indonesian

Reliability Statistics

Cronbach's Alpha	N of Items
.916	10

Value Preposition

Reliability Statistics

Cronbach's Alpha	N of Items
.884	5

Value Chain

Reliability Statistics

Cronbach's Alpha	N of Items
.908	10

Revenue Logic

Reliability Statistics

Cronbach's Alpha	N of Items
.920	6

Source: SPSS Version 25

The results of the reliability test analysis in this study to assess whether each variable construct is worth using in the study by reviewing Cronbach's Alpha value from MSMEs Indonesia of 0.916; the preposition value has a value of 0.884; value chain of 0.908; and revenue logic with a value of 0.920, by comparing between Cronbach's Alpha score with a minimum score of 0.70 (Eisingerich and Rubera, 2010) Cronbach's alpha reliability level minimum is 0.70, and the four variables in the study can be concluded Reliability.

4.1.7 Multiple Regression Analysis

Table 4-13. Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.852[a]	.727	.719	3.77965

a. Predictors: (Constant), Revenue Logic (X3), Value Chain (X2), Value Proposition (X1)

Source: SPSS Version 25

The study uses the result of the Value in Column R, which is 0.852. This means that the variation of all free variables can affect the change of bound variables by 0.852 (85.2%). The remaining 14.8% were influenced by other variables outside the study of Value proposition, value chain and revenue logic simultaneously (together) can affect Indonesian MSMEs by 14.8%.

Table 4-14. Coefficients

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	11.297	1.650		6.846	.000		
Value Preposition (X1)	.436	.135	.279	3.220	.002	.344	2.909
Value Chain (X2)	.272	.076	.281	3.590	.001	.422	2.372
Revenue Logic (X3)	.474	.111	.376	4.276	.000	.333	3.003

a. Dependent Variable: MSMEs Indonesian (Y)

Source: SPSS Version 25

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3$$

$$Y = 11{,}297 + 0{,}436X_1 + 0{,}272X_2 + 0{,}474X_3 + e$$

From the equation of regression results above, it can be interpreted that the variable constant is 11.297 where at the time variable X1 is the preposition value, variable X2 is the value chain, and the variable X3 is revenue logic is worth 0 then the value of MSMEs Indonesian (Y) is 11,297, this result is significant at alpha 5% in the Coefficient table of SPSS Output. The coefficient value (X1) of 0.436 means that if there is an increase in the preposition value variable by 1 point assuming others remain, it will increase the value of Indonesian MSMEs by 0.436. Variable coefficient value (X2) of 0.272, a positive value indicates a relationship in the same direction as Indonesian MSMEs, which means that if there is an increase in the value chain by 1 point and others remain it will increase the value of Indonesian MSMEs by 0.272. The variable coefficient value (X3) is 0.474 which means that if there is an increase in the revenue logic variable by 1 point assuming others remain, it will increase the value of Indonesian MSMEs by 0.259.

Hypothesis Test (T-Test)

Testing through T-statistic and Ttable each variable is free, with the following explanations:

1. Value Preposition (X_1), T-statistic (3,220) > T-table (1.9826) then the hypothesis is supported/ accepted.

2. Value Chain (X_2), T-statistic (3,590) > T-table (1.9826) then the hypothesis is supported/ accepted.

3. Revenue Logic (X_3), T-statistic (4,276) > T-table (1.9826) then the hypothesis is supported/ accepted.

For a confidence level of 95 percent (alpha 5 percent) by looking at significant values on the table with the following explanation:

Value Preposition (X1), value (0.002 < Alpha (0.05) is significant.

Value Chain (X2), value (0.001) < Alpha (0.05) are significant.

Revenue Logic (X3), value (0.000) < Alpha (0.05) are significant.

Conclusion:

The Influence of Value Preposition has a positive effect on Indonesian MSMEs

Value Chain Influence has a positive effect on Indonesian MSMEs

The Influence of Revenue Logic has a positive effect on Indonesian MSMEs.

Simultaneous Test (TEST F)

Table 4-15. ANOVA

ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4025.200	3	1341.733	93.921	.000ᵇ
	Residual	1514.291	106	14.286		
	Total	5539.491	109			

a. Dependent Variable: MSMEs Indonesian (Y)

b. Predictors: (Constant), Revenue Logic (X3), Value Chain (X2), Value Proposition (X1)

Source: SPSS Version 25

On tables 4-15. ANOVA has an F value of 93,921 with a total of 110 data and a table F value of 2.69 is obtained. The F-table > = 93,921 can be inferred from the variables value preposition (X1), value chain (X2), and revenue logic (X3) simultaneously affecting MSMEs

Indonesia (Y). Similarly, with the significant result of the ANOVA output, the results showed < 0.05 in the sense that the three variables had an effect simultaneously.

4.1.8   Classic Assumption Test

Multicollinearity Test

In table 4-14 coefficient, the value preposition variable has a tolerance value of 0.344 and a value of VIF 2.909, a value chain variable with a tolerance value of 0.422 and VIF 2.372, and a revenue logic variable tolerance value of 0.333, and a value of VIF 3.003. Of the three variables in the study, it was concluded that the data did not have a problem with multicollinearity in this study.

Normality Test
Kolmogorov Smirnov Normality Test

The basic concept of the Kolmogorov Smirnov normality test is to compare the distribution of data (to be tested for normality) with the standard normal distribution. The Kolmogorov Smirnov test is a different test between the data tested for normality and the standard normal data. As in the usual different tests, if the significance is below 0.05 it means there is a significant difference, and if the significance is above 0.05 then there is no significant difference. The application to the Kolmogorov Smirnov test is that if the

significance is below 0.05 it means that the data to be tested has a significant difference from the standard normal data, which means that the data is not normal.

Table 4-16. Descriptive Statistical Analysis

One-Sample Kolmogorov-Smirnov Test

		MSMEs Indonesian (Y)	Value Proposition (X1)	Value Chain (X2)	Revenue Logic (X3)
N		110	110	110	110
Normal Parameters[a,b]	Mean	36.4909	16.0545	32.4364	19.7364
	Std. Deviation	7.12889	4.56319	7.35038	5.65309
Most Extreme Differences	Absolute	.066	.070	.067	.075
	Positive	.055	.048	.064	.056
	Negative	-.066	-.070	-.067	-.075
Test Statistic		.066	.070	.067	.075
Asymp. Sig. (2-tailed)		.200[c,d]	.200[c,d]	.200[c,d]	.160[c]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: SPSS Version 25

Based on the results of data processing in table 4-16 it is stated that the value of value preposition variable, value chain variable, revenue logic variable, and MSMEs Indonesia of Asymp. Sig. (2-tailed) of 0.200 and 0.160, if the value is above 0.05 then the data distribution is declared to meet the assumption of normality, or the spread of data is spread normally.

Heteroscedasticity Test

Table 4-17. Heteroscedasticity Test

Glejser Test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.343	.925		1.452	.149
Value Proposition (X1)	-.076	.076	-.162	-1.002	.319
Value Chain (X2)	.052	.043	.178	1.216	.227
Revenue Logic (X3)	.063	.062	.166	1.011	.314

a. Dependent Variable: Abs_res

Source: SPSS Version 25

Heteroskedasticity test results were analyzed using the Glejser test on the table. 4-17 shows that the study data did not occur heteroskedasticity in the regression model, the preposition value variable with a significance value of $0.319 > 0.05$, the value chain has a significance value of $0.227 > 0.05$, and the logid revenue variable with a significance value of $0.314 > 0.05$.

4.2 Discussion

The results of the study obtained are reviewed based on Garyfox. co study on business models and innovation business model strategies that are following Indonesian MSMEs and the situation being experienced, the following is an explanation of the results:

The perspective of Garyfox who is a strategy and innovation specialist, divided the business model category into 2 business models, namely: a business model that is specific to companies that have been running for a long time in the sense that the company is already

operating first so that the possibility in establishing a new business model and a more innovative business model strategy requires the company to realign the company's arrangements to achieve significant changes. The second business model category from GaryFox is the business model of start-up companies or new ones running, not so much effort in changing strategy or it can be concluded that start-ups can adapt faster than long-running companies. Start-up companies can set and implement innovation strategies directly on the business model seriously as a first step before running the company

. Indonesian MSMEs, the majority of which have only been running for less than 2 years, are included in the category of start-up business models that have a great opportunity to start from scratch to design and build more innovative business models and business model strategies. And also, Indonesian MSMEs, most of which have been established for more than 2 years, have dared to take steps to achieve the existing company's business model, so what is needed is to realign the original goal of business establishment and the process of creating the right business model strategy.

This opinion is supported by research from (Geissdoerfer, 2018) research together with colleagues to create a category of business models owned by businesses based on a common type of innovation business model, there are 4 categories, namely: Start-up, with business conditions whose business model is not specified at this time and newly created business models; Business Model Transformation, in the sense of a business that has a business model and is preparing in the transition of other business models; Business Model Diversification, which is categorized for businesses that have established a business model then add a business model that has just been created and Business Model Acquisition, a business category for business people with additional business models obtained and integrated. Indonesian MSMEs, it is more inclined to the transformation innovation business model and the other innovation business models are usually owned by businesses with medium and upper levels that have been operating for a long time or large companies that have adequate resources. If the innovation business model of Indonesian MSMEs is categorized at levels 3 to 4, it will be difficult to reach the business model needed so MSMEs in Indonesia will lose their way in determining the business model carried out and taking innovation business model strategies that are not on target.
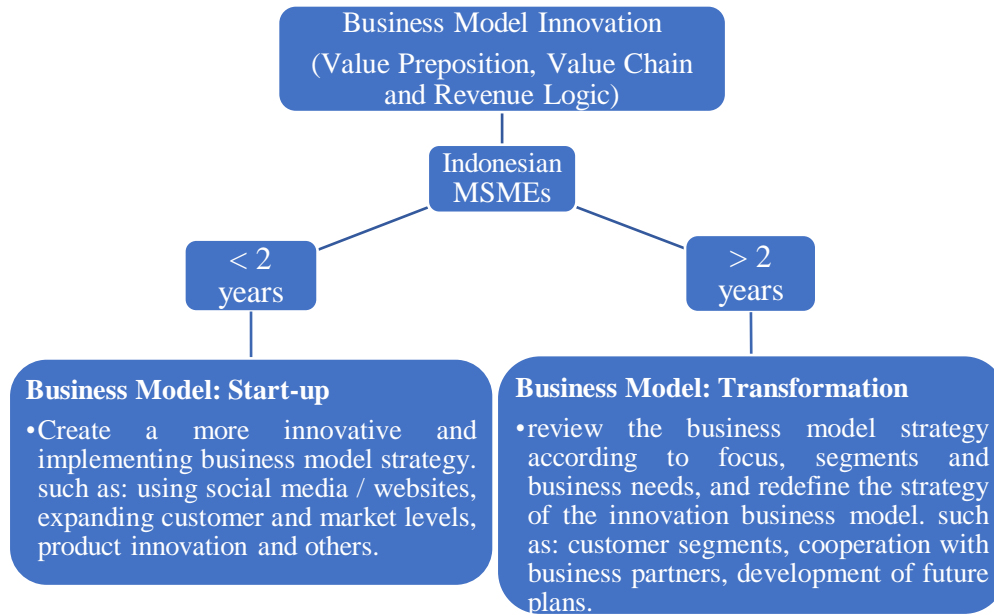
Chart 4-7. Summary of The Main Discussion

In the main problem of Indonesian MSMEs regarding business operations hampered by the pandemic, it can be done with operational transfer strategies for MSMEs who are still implementing offline systems and with cash payment systems can switch to online operations through the use of social media or applications, and payment systems that involve cooperation with vendors or technology-based financial companies in the form of e-money. Another improvement focus is on controlling goods in the storage and delivery process, the innovation strategy that has been pursued by some MSMEs is to use goods recording software and is expected to have found business partners to collaborate with service companies to always monitor, more efficiently and reduce the impact of the spread of the virus during the pandemic, goods control must still be carried out at least 1-3 times a week. Regarding competition in the market, after an effort to review the value of preposition immediately to create value, determination of innovative strategies such as adjusting the packaging, quality, and price of goods or services that allow MSMEs to immediately act to implement innovation strategies after being made by the problems experienced by the use of resources owned and adjusted to the available budget. and to a minimum start to reduce the focus on product innovations that are considered inappropriate innovations considering that many imitation products at cheaper prices, so that if MSMEs still want to innovate on products, it is more emphasized on the quality of products or services provided to customers.

The discussion and research results reviewed the results of this study and the results of previous research conducted in Indonesia and other countries, as follows: The closest research to the results of this study is research from (Anggraeni, 2013) and (Kurt Matzler, 2013), there are similarities in determining the strategy of the innovation business model as

well as evidence of the successful creation of the right innovation business model strategy. What is different is the category of innovation business models and research objects conducted on large businesses that are quite well known, as well as innovation business models and innovative business model strategies have successfully had a place to conquer the international market. Although not the same in terms of innovation in business model categories and case study objects used, this can be a motivation for MSMEs by utilizing resources by suppressing the focus of customer segments, proposition values, and business partners. Takupiwa Nyangga (2020) and Kim Klyver (2021) SMEs run businesses with online systems and activities to use social media fully to deal with crises during the pandemic become a differentiating strategy based on the situation faced. Crisis strategy by exploiting and suppressing the impact of the crisis through innovative business activities and predicting social changes that occur in society, following the real situation of MSMEs in Indonesia which makes people more sensitive to any significant changes in the market and more sensitive to business model innovation by determining and creating effective and easy-to-apply strategic.

While the difference is seen in research from (Tsan Ming, 2021) and (Saeed and Nor, 2020) namely business innovation strategies through business operations transfer during the pandemic have similarities with Indonesian MSMEs, people in Indonesia use social media and marketplaces to maximize their business. and business marketing that relies on social media has been widely used first by the people of Indonesia at large although there are still some obstacles that are still the government's duty to improve infrastructure. (Bijaya Kumar, 2019) which discusses innovation business models for new companies, especially in the digital field. The study of exploration of innovation business models and the determination of the right strategy for Indonesian MSMEs studied how people's ability to manage businesses leads to market competition with competitive advantages, especially during the

pandemic. It is no longer about how the creation of an innovation business model and its strategy for newly pioneered businesses that still do not know the market and have not determined what business model is the basis of the business.

Detailed Discussion of Each Condition of The Indonesian MSMEs Business Model Innovation Strategy During the Pandemic
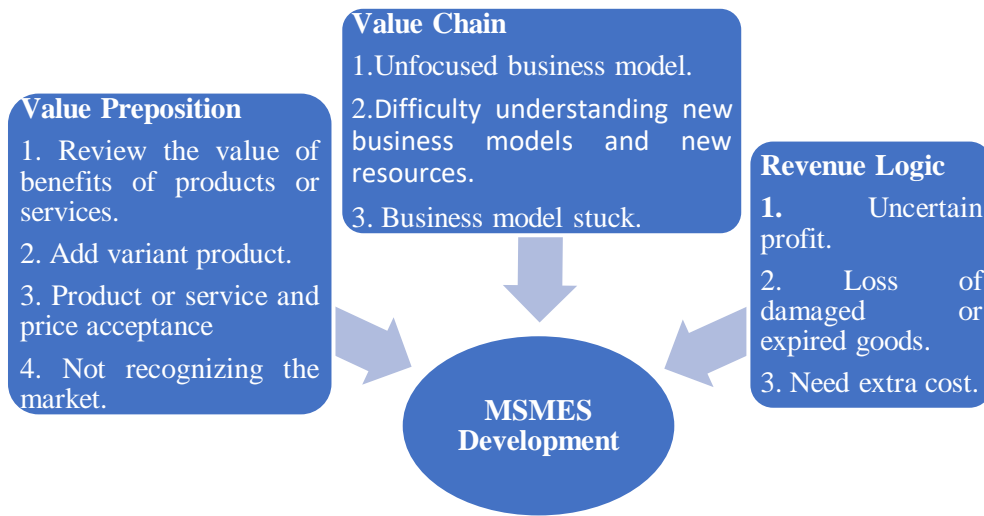
Chart 4-8. MSMEs Development Based on Statements

When viewed from each variable statement; Responding to the development of MSMEs felt during the pandemic contained in the preposition variables, MSMEs have tried business innovation through the assessment stage of the benefits of previous products or services and then the creation of new products with their uniqueness can provide benefits

and satisfaction for business owners and customers. In addition, products and prices determined by business owners are still difficult to accept by all levels of customers, and the benefits obtained are uncertain due to the impact of the pandemic, making it confusing for MSMEs to recognize and follow market developments. While variable chain statements about responses that describe the condition of business models during the MSME pandemic do not have a special focus on the customer segment precisely from this situation they learn and understand the difficulty of switching to the creation and development of new business models that are more innovative through new resources. Finally, the response of MSMEs to variable income logic reports, when activity restrictions have an impact on business profits, not only that, business owners do not have to rely on the implementation of online transaction systems to keep operating but operations can still be carried out through offline by complying with government regulations that are as complete as health protocols to meet customer needs even though they risk having to incur additional costs because if forced in implementation. Online Operation. Not all MSMEs have the ability in this field and do not bear the loss of damaged or expired goods because MSMEs try to monitor directly.

Value Preposition

1. Maximize understanding of BMI and BMI strategies

2. Implementation of BMI and BMI Strategies

Value Chain

1. Study competitive market

2. Review the difference between BMI and strategic BMI (old to new)

Revenue Logic

1. Old resource utilization.

2. Using two systems (Online and Offline)

MSME's Efforts in Business Model Innovation Strategy
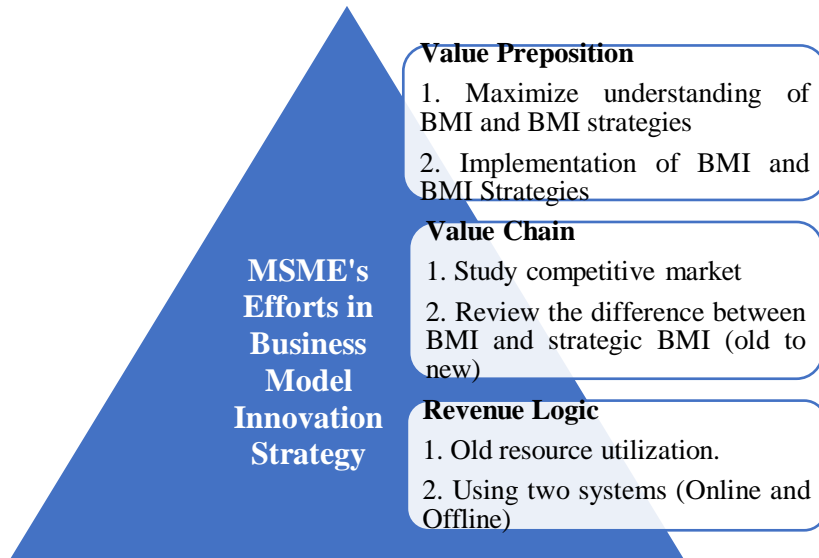
Chart 4-9. MSME's Efforts in Business Model Innovation Strategies

If the response of MSMEs is reviewed based on the framework of the innovation business model; All variables are combined in 1 (one) innovation business model framework, MSMEs in Indonesia during the pandemic have made innovation efforts to create business models, and bring considerable positive influence to businesses, as well as feel the difference between old business models and business models that innovate to maintain business in crises to remain operational and competitive in market competition. Business owners have started an online system and some even rely on dual systems in digital-based business operational innovation systems (online and offline) although not all MSMEs agree that if this becomes a necessity, MSMEs can survive even if they only rely on their resources during the pandemic, these findings are also supported

by a study (Matzler et al, 2016). The main goal of Indonesian MSMEs is to create an innovation business model strategy to enhance business development that increases profits and makes business finances effective and efficient during the pandemic or after that period.

The development of Indonesian MSMEs is nothing but innovation in products, the main known understanding of business model innovation has not been maximized, especially for micro and small scales that are not familiar with the innovation business model. Product innovation is not enough opportunities for differentiation, imitation products, and short product cycles to increase Indonesian MSMEs that are needed is to

create an innovation business model strategy to improve business development that increases profits and makes business finances effective and efficient during the pandemic or after that period. (Kurt Matzler, et al., 2013). If MSMEs want to outperform competitors in the market

competitively, When MSMEs want to outperform competitors in the market competitively, what is needed is the analysis of strategies and strategies to compete in the market by utilizing their business resources (Stan Abraham,2012).

CHAPTER 5 CONCLUSIONS AND SUGGESTIONS

5.1 Conclusions

Based on the results of the analysis and explanation, it was concluded that Indonesian MSMEs are still in the category of startups and some MSMEs are in the process of transforming business models, only large companies outside the MSME scale are included in the startup business category. category diversification of business models into the business model analysis. Operational systems run through online and offline MSMEs have no difficulty in maintaining the business model, besides MSMEs maximize applications, social media, websites, and marketplaces to make it easier for MSMEs to reach market segments and facilitate approaches to customers to get to know MSMEs. Not only that, Indonesian MSMEs have carried out their role well in supporting the country's economy through creativity and uniqueness created such as the existence of product and service variants involving traditional models or characteristics of the country that are packaged attractively to provide a positive response for customers and communities in the market. MSMEs have been registered with the ministry of cooperatives and MSMEs in government development, so that by registering, the government can reach out, socialize, and monitor the development of MSMEs in Indonesia. Government policies make it easier for Indonesian MSMEs to connect and be able to cooperate with fellow MSMEs or large companies both domestically and abroad. The courage in innovating products is also unquestionable, even though try to experiment with creating more innovative business models with simple strategies according to their understanding of business conditions. Customer satisfaction assessment is the main basis for MSMEs to determine the level of target customers and suppliers needed as well as customer needs and also what kind of market is needed.

Following Government Regulation of the Republic of Indonesia number 17 of 2013 on business development Article 3 Paragraph 2, Part b and on the implementation of Law No. 20 of 2008 on Micro, Small, and Medium Enterprises, which states that micro, small, and medium enterprises aim to grow and develop their businesses to build a national economy based on equitable economic democracy. Based on the results obtained related to the business model strategy of innovation and implementation in Indonesian MSMEs both in pandemic situations or not, the goals, plans, and experiments that have been carried out by MSMEs proved to have a great influence on improving business models, growth and business development and supporting Indonesia's economic development.

5.2 Suggestions

In supporting the development of Indonesian MSMEs in the future through an innovation business model strategy to improve the business model of MSMEs and for future researchers the following recommendations and suggestions:

The role of the innovation business model strategy in the form of developing strategies for new products or services or business model categories that are expected to determine what business models are needed and have their characteristics for Indonesian MSMEs, thus making it easier for participating business owners to change markets and form new value for including if they want to enter the global market. This is related to the need for support from the government which is highly expected in the development and empowerment of MSMEs so that close cooperation between the government and MSMEs to achieve competition in the international market.

For further researchers, if researching the same or different themes is expected to explore more broadly, determine the right variables, different locations, and data, plan the timing of each activity appropriately, use more resources to better predict the results of the study, use sharper analytical methods and do not rely on the results of questionnaires or short but more intense interviews in interviews and minimize errors in the process. research. and provide accurate research results.

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APPENDIX

1. Research Cover Letter for Indonesian MSMEs

2. List of MSMEs data

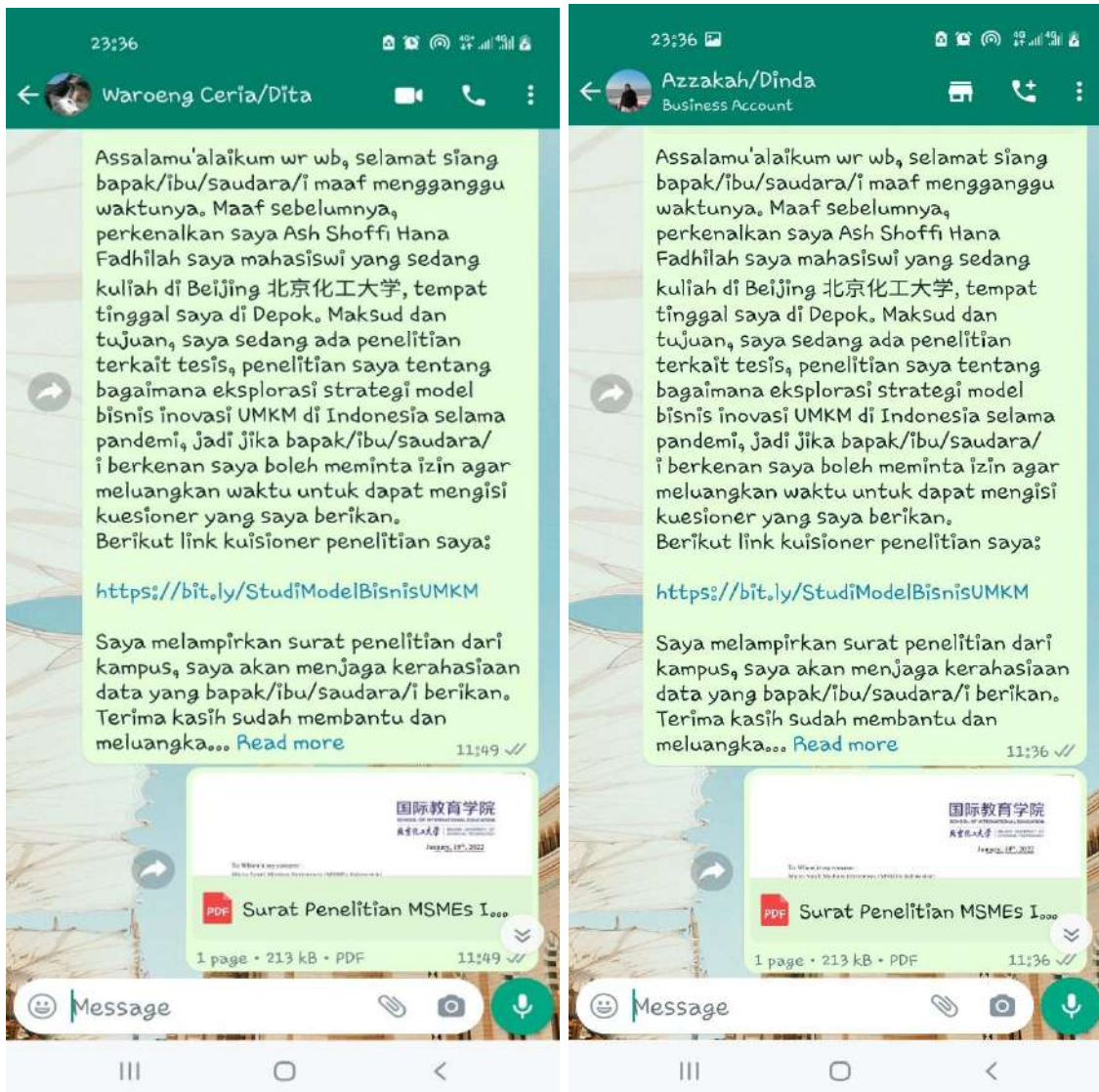**KUISIONER THESIS (Jawaban)** — Form Responses 1

#	Nama Usaha	Nama Pemilik	No. hp	Email	Alamat Usaha	Domisili	Lama usaha beroperasi	Jenis Usaha	Bidang Usaha	Terdaftar di Kementerian k	Sistem operasi sele
24	Din's Bouquet	Andini	08124410978	Andinaz@gmail.com	Probolinggo Jawa Timur	Jawa Timur	6 tahun	Usaha Menegah	Floris Bunga	Ya	Keduanya
25	Aprida snack	Aprida nur apriyanti	082530752188	Apriyanti nur aprida@gmail.cc	Bandung jawa barat	Jawa Barat	3 tahun	Usaha Menegah	makanan/minuman	Tidak	Keduanya
26	Jihan Hijab	Jihan Fahira	089766491967	Jiharifajira561@gmail.com	Padang Sumatera Barat	Sumatera	1 tahun	Usaha Kecil	pakaian	Proses	Keduanya
27	Elis Catering	Elis Fitriani	085354186637	Eliscaterinp@gmail.com	Manado	Sulawesi	4 tahun	Usaha Menegah	makanan/minuman	Ya	Keduanya
28	Asn wear	Asn munawaron	085238975232	Munawaroh asn 555@gmail.c	Sumedang jawa barat	Jawa Barat	2 tahun	Usaha Menegah	pakaian	Ya	Keduanya
29	Keda Beli	Beti komala	089966137783	beti@sil.com	Denpasar Bali	Bali	2 tahun	Usaha Kecil	makanan/minuman	Proses	Keduanya
30	Nabila hijab	Nabila yulianti	086359712365	Nabila000@gmail.com	Ciamis jawabarat	Jawa Barat	1 tahun	Usaha Menegah	pakaian	Proses	Keduanya
31	Anisa Bag	Anisa Dwi Rahayu	087745124819	anisabag@gmail.com	Cikarang Jawa Barat	Jawa Barat	6 tahun	Usaha Menegah	pakaian	Ya	Keduanya
32	Senandung Music	Senandung Nada	087742251631	senandingnada@gmail.com	Sukawesi Tengah	Sulawesi	2 tahun	Usaha Kecil	Alat Musik	Proses	Keduanya
33	Basreng windy	Windy widyastuti	081234686318	Windy.widy@gmail.com	Indramayu jawabarat	Jawa Barat	2 tahun	Usaha Menegah	makanan/minuman	Tidak	Keduanya
34	Rafa Shoes	Rafa Dwi	081286516713	Rafashoes@gmail.com	Banjarmasin Kalimantan	Kalimantan	5 tahun	Usaha Menegah	pakaian	Proses	Keduanya
35	Heni bakery	Heni mardiah	082369541989	Mardiah 660@gmail.com	Majalengka jawabarat	Jawa Barat	1 tahun	Usaha Menegah	makanan/minuman	Ya	Online
36	Alfarabi Course	Rafka Alfarabi	089755176125	Alfarabicourse@gmail.com	Kendari Sulawesi	Sulawesi	2 tahun	Usaha Kecil	Edukasi	Ya	Keduanya
37	Amelia cake	Ela amelia	081293825436	Cake amalia@gmail.com	Tanggerang banten	Banten	2 tahun	Usaha Menegah	makanan/minuman	Proses	Keduanya
38	Optik holma	Holmalia angguningtyas	082175344961	Tyas Holmalia@gmail.com	Purwakarta jawabarat	Jawa Barat	2 tahun	Usaha Menegah	pakaian	Tidak	Offline
39	Fauzi shoes	ilham fauzi	081283456721	Fauzi ilham@gmail.com	Bogor jawabarat	Jawa Barat	1 tahun	Usaha Menegah	pakaian	Proses	Keduanya
40	Bengkel pumama	Adi pumama	083202187500	Pumama edi@gmail.com	Pangdang banten	Banten	<1 tahun	Usaha Kecil	Otomotif	Ya	Offline
41	Meli snack	Meli meliani	089352781196	Meliani@gmail.com	Bandung jawabarat	Jawa Barat	2 tahun	Usaha Menegah	makanan/minuman	Proses	Online
42	Putri burger	Nanda putri agustina	081235076831	Putri nanda@gmail.com	Cirebon jawabarat	Jawa Barat	2 tahun	Usaha Menegah	makanan/minuman	Tidak	Keduanya
43	Saputra Tea	Saputra Niko	089643501134	Niko@gmail.com	Cikarang Jawa Barat	Jawa Barat	3 tahun	Usaha Kecil	makanan/minuman	Tidak	Keduanya
44	Nita acsesoris	Nita nurajjah	081293874508	Nurajjah@gmail.com	Bandung jawabarat	Jawa Barat	2 tahun	Usaha Menegah	pakaian	Ya	Keduanya
45	Dian's jewelry	Dian lestari	087716335499	Dianlestari@gmail.com	Sumatera Utara	Sumatera	2 tahun	Usaha Kecil	pakaian	Tidak	Keduanya
46	Rindi cell	Rindi yuliatisni	089523841209	Yulistisni rindi@gmail.com	Karawang jawabarat	Jawa Barat	2 tahun	Usaha Kecil	Elektronik	Ya	Keduanya
47	Rizki Stone	Muhammad Rizki	089535513775...	Rizkistone@gmail.com	Nanggroe Aceh Darussalai Sumatera	6 tahun		Usaha Menegah	Pertambangan Batu	Ya	Keduanya
48	Zaki Cilor	Zaki Utama	081255481971	Zaki@gmail.com	Kalimantan Timur	Kalimantan	1 tahun	Usaha Kecil	makanan/minuman	Tidak	Keduanya
49	Dafa Clock	Dafa Astama	089633815231	Dafa@gmail.com	Depok Jawa Barat	Jawa Barat	1 tahun	Usaha Mikro	Jan Tangan	Tidak	Keduanya
50	Rian pentol	Rian kurniyawan	081232589653	Kurniyawan 123@gmail.com	Tasikmalaya jawabarat	Jawa Barat	1 tahun	Usaha Kecil	makanan/minuman	Ya	Offline

#	Nama Usaha	Nama Pemilik	No. hp	Email	Alamat Usaha	Domisili	Lama usaha beroperasi	Jenis Usaha	Bidang Usaha	Terdaftar di Kementerian k	Sistem operasi sele
51	Tahu Bulat Maritul	Refano	0890425618839	Refano4481@gmail.com	Jakarta Barat	Jakarta	<1 tahun	Usaha Mikro	makanan/minuman	Tidak	Offline
52	Hesti Sweater	Hesti Adinda	085714264478	Hesti1167@gmail.com	Sukabumi Jawa Barat	Jawa Barat	3 tahun	Usaha Kecil	pakaian	Tidak	Keduanya
53	Shinta frozen	Shinta amalia	089525743158	Amalia shinta@gmail.com	Magelang jawatimur	Jawa Timur	2 tahun	Usaha Menegah	makanan/minuman	Proses	Keduanya
54	Fandra Boba	Alfiandra Ramadhan	081311862916	Fandraboba@gmail.com	Bekas Jawa Barat	Jawa Barat	2 tahun	Usaha Kecil	makanan/minuman	Tidak	Keduanya
55	Azhar Cosmetics	Adhar Arirudin	085315662918	Azharamirudin@gmail.com	Kleten Jawa Tengah	Jawa Tengah	4 tahun	Usaha Menegah	Kosmetik	Proses	Keduanya
56	Yasa fried chicken	Soteriani yasa	081256058536	Soteriani yasa@gmail.com	Denpasar bali	Bali	2 tahun	Usaha Kecil	makanan/minuman	Ya	Offline
57	Al-Giffari Sandals	Ai Giffari	0877631289	Algiffari@gmail.com	Palembang	Sumatera	2 tahun	Usaha Kecil	pakaian	Ya	Keduanya
58	Yeni boba	Yeni yustian	085215896721	Yustian yeni@gmailm.com	Probolinggo jawa timur	Jawa Timur	2 tahun	Usaha Menegah	makanan/minuman	Proses	Keduanya
59	Sambal Acsidiq	Acsidiq Ali Azman	089611783546	Acsidiqaa@gmail.com	Jakarta Utara	Jakarta	3 tahun	Usaha Menegah	makanan/minuman	Ya	Keduanya
60	Adi Cripis	Adit Yudistira	081266316799	Adityudist@gmail.com	Tangerang Banten	Banten	2 tahun	Usaha Kecil	makanan/minuman	Ya	Keduanya
61	Adeli cake	Adelia Dumayanti	085326951508	Damayantc@gmail.com	Subang jawabarat	Jawa Barat	1 tahun	Usaha Menegah	makanan/minuman	Tidak	Keduanya
62	Zanana Bakery	Bayu Ragil	089511743310	Bayuragil1341@gmail.com	Bali	Bali	<1 tahun	Usaha Mikro	makanan/minuman	Tidak	Keduanya
63	Optik anggi	Anggi Novita	085212968832	Novita 999@gmail.com	Kuningan jawa barat	Jawa Barat	2 tahun	Usaha Menegah	pakaian	Ya	Offline
64	Bintang Accessoris	Esaa Bintang	087719174091	Essabintang 1213@gmail.con	Padang	Sumatera	1 tahun	Usaha Kecil	Aksesoris	Tidak	Keduanya
65	Bengkel Rizal	Saefah Rizal	087719930064	Rizal1244@gmail.com	Sidoarjo Jawa Timur	Jawa Timur	2 tahun	Usaha Kecil	Otomotif	Proses	Keduanya
66	Ayam geprek yanti	Nurmaranti	081288521946	Nurmayanti 111@gmail.com	Jakarta pusat DKI Jakarta	Jakarta	1 tahun	Usaha Kecil	makanan/minuman	Ya	Keduanya
67	Azani Hoodie	Bima Azani	085022016 7189	Azanibima@gmail.com	Jakarta Selatan	Jakarta	2 tahun	Usaha Kecil	pakaian	Tidak	Keduanya
68	Nita cell	Nita deala suci	081232587821	Suci dealla@gmail.com	Tanggerang banten	Banten	<1 tahun	Usaha Kecil	Elektronik	Ya	Keduanya
69	Syaepul pin	Syaepul Hajat	081286195201	Syaepul@gmail.com	Kuningan Jawa Barat	Jawa Barat	2 tahun	Usaha Mikro	pakaian	Tidak	Keduanya
70	Rina Steak	Rina Muanroh	081281991592	Rinamuanroh9191@gmail.cc	Lembang Bandung Jawa B	Jawa Barat	2 tahun	Usaha Menegah	makanan/minuman	Ya	Offline
71	Tania snack	Tania Nanda Prathvi	081256321485	Pratwi nanda@gmail.com	Tasikmalaya jawabarat	Jawa Barat	2 tahun	Usaha Menegah	makanan/minuman	Proses	Keduanya
72	San Manis	San Asih	087719774403369	Sanmaan@gmail.com	Minangkabau	Sumatera	3 tahun	Usaha Menegah	makanan/minuman	Ya	Keduanya
73	Beras Sehat	Sri Mukyoti	081273662984	Sriberas@gmail.com	Jakarta Pusat	Jakarta	2 tahun	Usaha Kecil	makanan/minuman	Proses	Keduanya
74	Bengkel noufal	Noufal kharudin	085132557512	Kharudin noufal123@gmail.c	Magelang jawatimur	Jawa Timur	1 tahun	Usaha Mikro	Otomotif	Ya	Offline
75	Nano Spray	Dewi Yulianingsh	086795510998	Dewiyulaningsih@gmail.com	Bandung Jawa Barat	Jawa Barat	<1 tahun	Usaha Mikro	Kosmetik	Tidak	Keduanya
76	Fahmi shoes	Fahmi tea	085211295321	Teja555@gmail.com	Denpasar bali	Bali	<1 tahun	Usaha Kecil	pakaian	Ya	Offline
77	Lia Bags	Lia Anggraeni	085213847509	Liaanggraoni@gmail.com	Medan	Sumatera	3 tahun	Usaha Menegah	pakaian	Ya	Keduanya

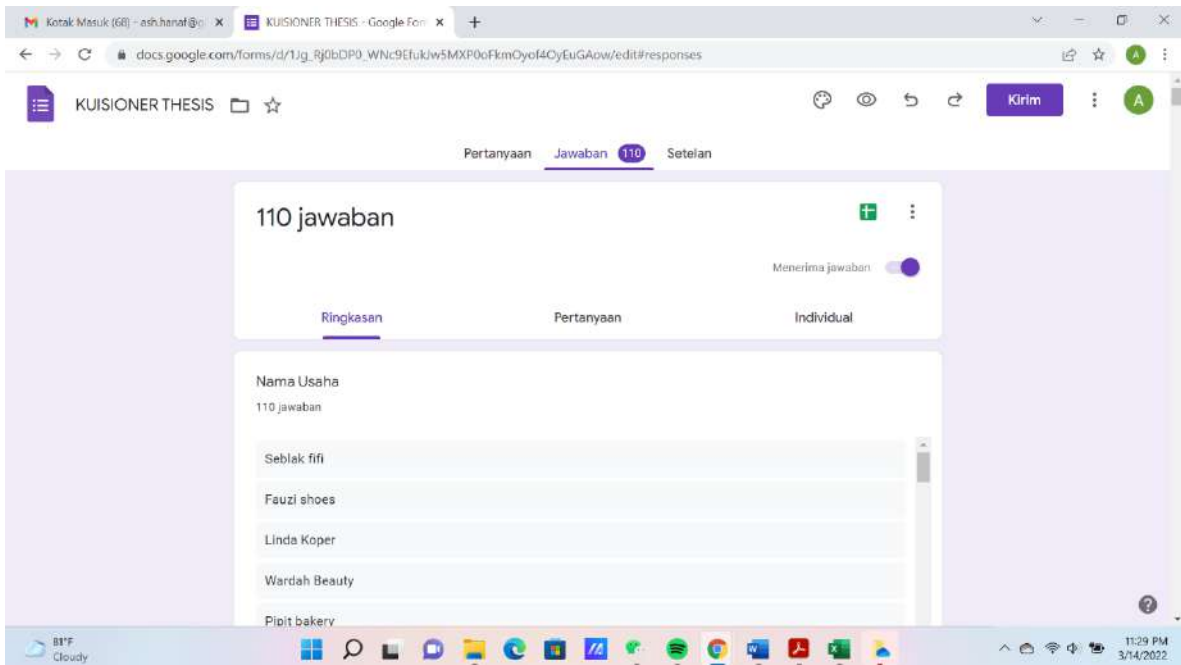### 3. Message History Via Whatsapp To MSMEs

4. Questionnaire Construct
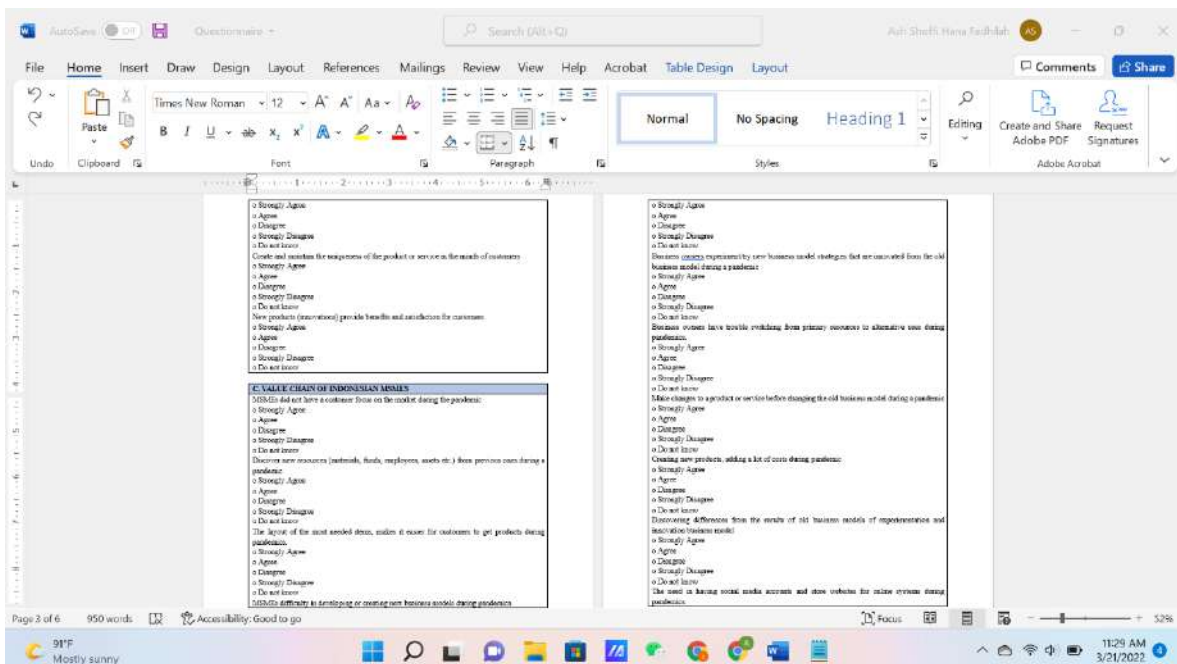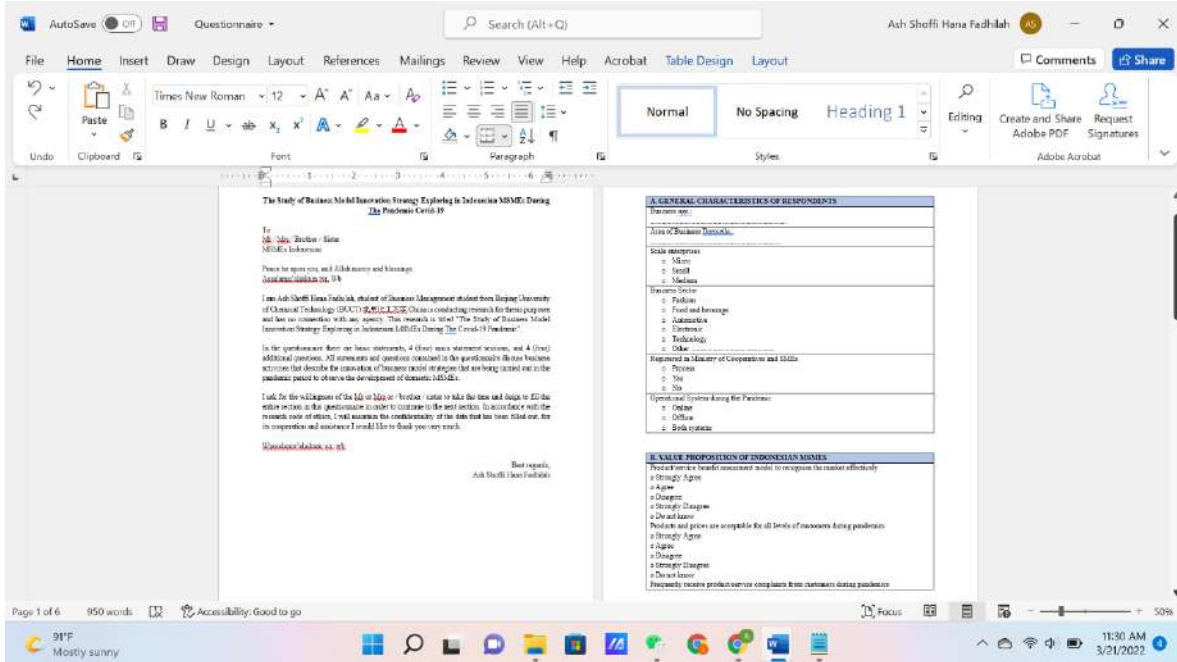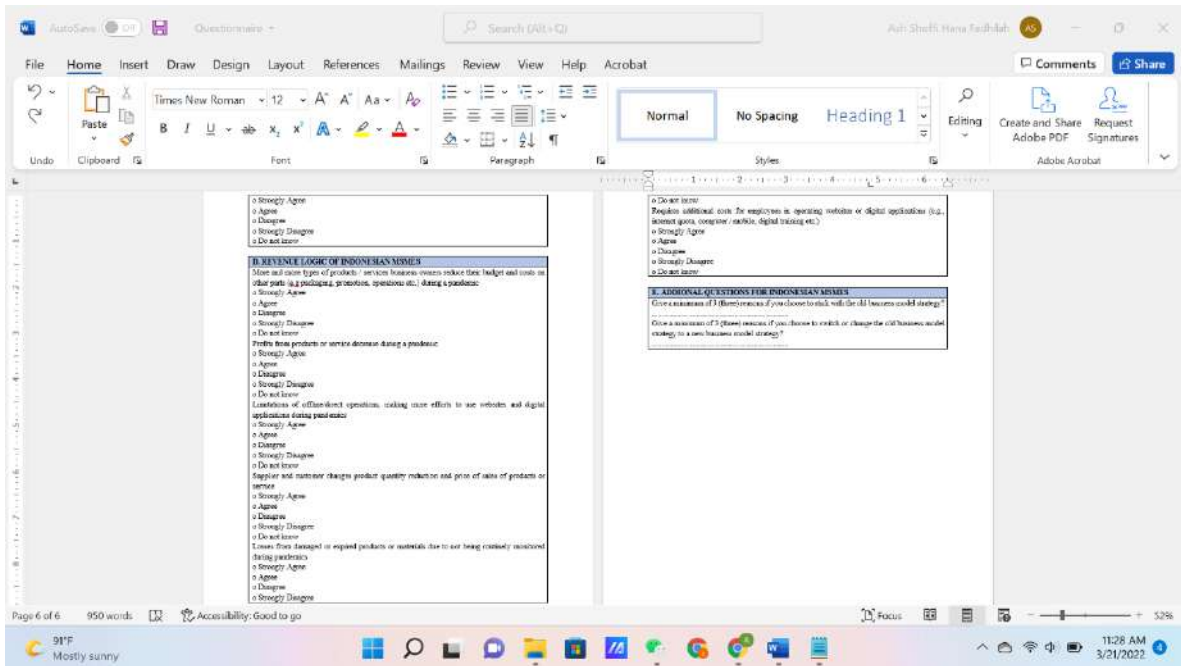
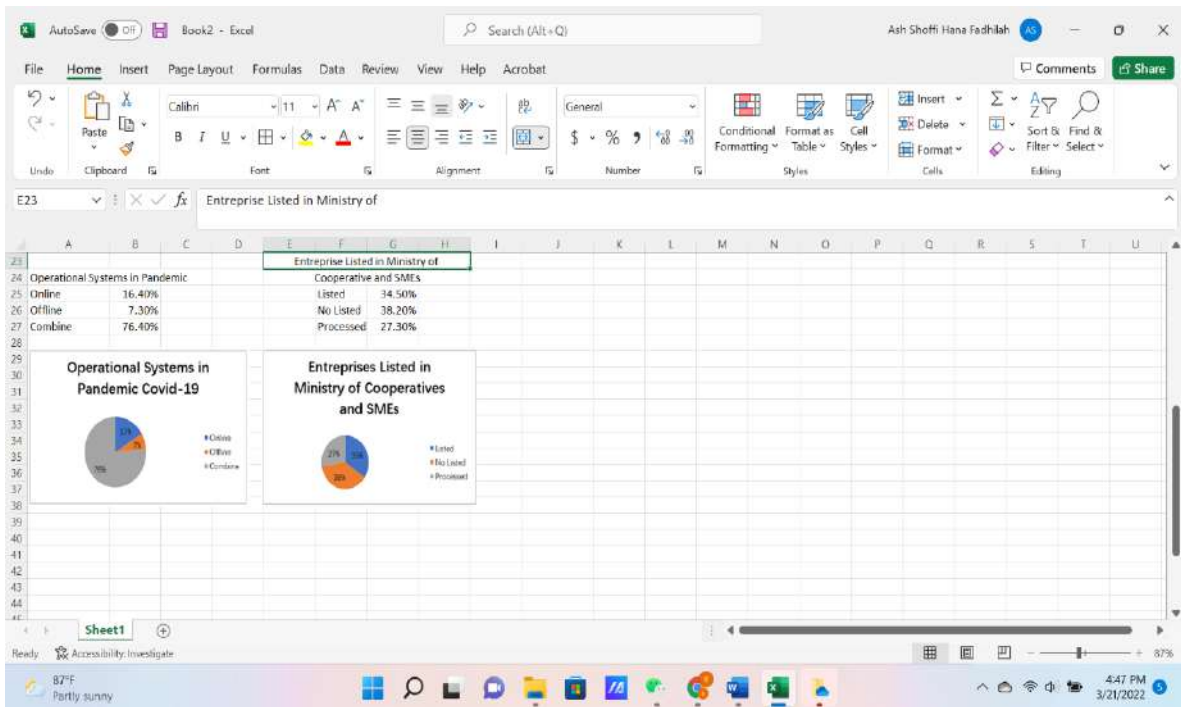## 5. Sharing Questionnaire Through Google Form

6. Data Input and Data Processing

APPENDIX

Operational Systems in Pandemic		Entreprise Listed in Ministry of Cooperative and SMEs	
Online	16.40%	Listed	34.50%
Offline	7.30%	No Listed	38.20%
Combine	76.40%	Processed	27.30%

Operational Systems in Pandemic Covid-19

Enterprises Listed in Ministry of Cooperatives and SMEs

Table 4-4. Descriptive Analysis of Value Preposition variables

Table 4-5. Descriptive Analysis of Value Chain Variables

Table 4-6. Descriptive Statistical Analysis Revenue Logic Variables

7. Data Input and Data Processing with SPSS Software

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I want to thank Allah SWT for providing health sustenance, smoothness, and ease in living this life. I also thank my family, especially my parents who always supported me in completing my studies.

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Dear Indonesian friends, especially Indonesian friends who studied at BUCT as a family while I was studying in China I sincerely wish everyone success.

Introduction to Author and Tutor
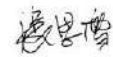
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北京化工大学

硕士研究生学位论文答辩委员会决议书

研究生姓名： **Ash Shoffi Hana Fadhilah**　　　　专业： 企业管理

论文题目： **The Study of Business Model Innovation Strategy Exploring in Indonesian MSMEs During The Pandemic Covid-19**

指导教师姓名：　**孙永磊**　　　　　　职称：　**教授**

论文答辩日期：　**2022 年 5 月 24 日**　　　　地点：腾讯会议　245-297-035

论文答辩委员会成员

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答辩委员会对论文的评语（选题意义、文献综述、论文所取得的成果及水平、学风和论文写作水平、论文的不足之处）：

　　Ash Shoffi Hana Fadhilah 同学的论文探讨了 Covid-19 大流行期间对印度尼西亚中小微企业创新商业模式的影响，具有一定的理论和现实意义。

　　该论文选取不同部门和地区的 110 个印度尼西亚中微小企业为样本，通过问卷调查和实证分析，更深入地探究了印度尼西亚的创新商业模式战略在多大程度上影响了疫情期间中小微企业的商业模式和发展，以及这些影响在决策过程的不同阶段是否有所区别，有利于帮助中小微企业更好地应对疫情危机，实现长期发展。论文观点鲜明，论据充分，文献综述较详实。论文图表格式和摘要表达部分仍需继续完善。

　　Ash Shoffi Hana Fadhilah 同学在答辩过程中，叙述清晰，回答问题基本正确。经答辩委员会讨论、无记名投票，一致同意该同学通过硕士学位论文答辩，并建议授予管理学硕士学位。

对学位论文水平的总体评价	优秀	良好	一般	较差
			√	

　　答辩委员会表决结果：

　　　　同意授予硕士学位 **5** 票，不同意授予硕士学位 **0** 票，

　　弃权 **0** 票。根据投票结果，答辩委员会做出建议授予该同学

　　硕士学位的决议。

　　　　　　　　　　　　　　答辩委员会主席签字：

　　　　　　　　　　　　　　　　　　2022 年 **5** 月 **24** 日