MEET-EX : THE EXPLORATORY STUDY OF SUSTAINABLE BUSINESS STRATEGY MODEL INITIATION IN IMPROVING MSMES CAPABILITY TO MEET CONSUMER EXPECTATIONS

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ABSTRACT

Objective: Consumers expect MSMEs to adopt sustainable strategies but realizing there is a gap between business sustainability practices and consumer expectations. This research aims to identify sustainable business strategies to be integrated into business practices. Research Design & Methods: This research uses exploratory qualitative methods. The data collection technique uses an interview method. The sampling design used non-probability sampling (snowball). The analysis technique is through data collection, data reduction, data presentation, and concluding because it can explain, assess, and visualize superior MSMEs empowerment modeling. Findings: The results of this study indicate the technology-based sustainable business strategy must be the primary role model to increasing the MSMEs competitiveness. A successful sustainable business strategy has four core dimensions: innovation, collaboration, communication, and commitment. Digital businesses can be used as a medium to achieve their vision of sustainable practices in competitive advantage, brand loyalty, risk mitigation, and cost reduction. Researchers prove that the sustainability can lead to an increase in the market value of MSMEs. Implications & Recommendations: MSMEs who proactively make the core of business strategy sustainability will encourage innovation and generate enthusiasm and loyalty from employees, customers, suppliers, communities, and investors. Implementation of integrated digital business strategy should include guidelines for understanding consumer behavior, accessing market data more easily, and using social media as a form of continuous communication that shows the proximity of MSMEs to customers. Contribution & Value Added: Empirical research to measure the relationship between proposed sustainable business practices and consumer expectations holds excellent opportunities for future research.

Keywords: business strategy; capability; competitiveness; sustainability.

JEL codes: L1, L8, Q01, Q56

Article type: research paper

INTRODUCTION

The Covid-19 pandemic is accelerating an unprecedented economic downturn, and small businesses are likely to bear its brunt. Mandatory restrictions and social distancing forced many small businesses to shut down, costing millions of people their jobs and driving down sales. According to Thaha (2020), various business actors face different problems with a certain loss level, such as decreased demand, supply chain disruptions, cancellation of export orders, shortage of raw materials, and transportation disruptions. The dramatic and sudden loss of demand and income for MSMEs has dramatically affected their business performance. In addition, from the consumer side, they experience...
loss of income, fear of contagion, and increased uncertainty, which ultimately reduces spending and consumption. MSMEs tend to be more vulnerable to policy restrictions on activities in the community because their conventional-based business performance is hampered due to their lack of ability to adapt to apply technological sophistication. MSMEs face many challenges, such as logistical disruptions, labour mobility restrictions, and a decline in market order. Because of dwindling demand, MSME players have been struck (Aljazzazen & Schmuck, 2022; Fadila, 2020).

Economic growth in the last two decades has lifted more than 690 million people out of poverty and has raised the income levels of millions more. As emerging markets develop, the size and growth of the wealthy class in these markets also increase. However, development comes at the expense of the environment and people with low incomes. This growth pattern has left hundreds of millions of people lacking access to electricity, 890 million malnourished, and 790 million without access to clean and safe drinking water. This unbalanced development has presented too many environmental and social challenges (Fadila, 2020). Developing countries are newly industrialized economies, and their infrastructure and economic, social, and environmental systems are not yet ready to deal with these challenges. Therefore, we can say that development is not running according to population growth and limited resources. On the other hand, today's executives deal with complex and unique social, environmental, technological, and market trends (Ash’a’Ari & Daud, 2017). Executives are still hesitant to put a sustainability strategy at the core, as they believe the costs outweigh the benefits.

This erroneous belief contrasts with the benefits and academic research on sustainable business practices. Sustainability practices have a positive influence on business performance. Consumers are also becoming aware of the ecological pressures that their reckless consumption creates. So they also pay attention to the products and services they like. In addition to consumers, companies also feel the heat of social media users and non-governmental organizations (NGOs) oriented towards environmental welfare (Assauri, 2016). Thus, the concept of "sustainability" has received much attention from researchers and practitioners. Sustainability is a symbolic concern of the modern world as there is a constant concern about conserving resources for the present and future generations. Protecting the environment is a significant responsibility because companies are the dominant institutions on the planet. They must honestly address the social and environmental problems that beset humankind (D’Souza et al., 2013). Sustainability is the path to future success but calls it 'frustrated ambition' because the rewards are less than the effort. Many companies have successfully integrated sustainability principles into their business practices. However, they were not sure about the measurable value created from it. Today, companies invest heavily to save energy, develop environmentally friendly products, retain employees to achieve long-term growth and create business value (Dirisu et al., 2013). On the other hand, there is increasing pressure from consumers and other stakeholders about rising expectations. Research shows that business investors and consumers do care about sustainable business practices. Sustainable company performance can be a decision-maker in consumer buying behaviour.

Choudri et al. (2017) explained that adopting a sustainable strategy creates a win-win situation that will benefit the environment and the company. However, the relationship between sustainability strategy and business value is still not measurable. Any company’s main challenge is creating value for consumers and investors. Consumer buying considerations for sustainable brands depend on how businesses improve their quality of life. Gopaldas (2015) points out that post-recession, consumer priorities have changed. The report shows a high correlation between the company’s sustainability performance and fulfilling consumer expectations. The company’s sustainability efforts are successful when consumers accept the perceived value during the buying decision process. Business is a beacon for innovation and value creation, moving society towards sustainable consumption. Research on fulfilling consumer expectations should use exploratory studies to obtain optimal results and describe current phenomena. Exploratory studies are also considered an appropriate measurement tool for analyzing company and consumer behaviour. If using quantitative analysis, it will produce limited research. Based on the explanation, consumer purchasing decisions depend on the perceived value derived from the product or service. So this study aims to initiate a sustainable business strategy for business value creation. Companies must include four factors to integrate the vision of sustainability
into business strategy successfully. These factors are innovation, collaboration, communication, and commitment. This strategy will make consumers believe in the benefits of sustainable consumption.

The proposed sustainable digital business strategy model will contribute its relationship with value creation to help MSMEs focus on consumer expectations without compromising business value. To address consumer and business concerns, the urgency of this research is to provide input on potential sustainable business strategies by targeting consumer expectations through value creation as a basis. Businesses have great potential to promote sustainable propaganda and encourage sustainable lifestyles that contribute to business profits. Consumers believe in sustainable business practices and expect businesses to address them, but their purchasing decisions reflect contrasting practicalities (Dangelico & Vocalelli, 2017). Development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. Academic interest in sustainability began in the 1990s, particularly in micro and macroeconomics, environmental accounting, psychology, sociology, and policy. Most of the research on sustainability is conducted in China and other developing Asian countries. However, sustainability as a business strategy had taken a top position post-2005, when Hargroves & Smith (2005) identified business sustainability principles, including community participation in planning, commitment to best practices, continuous improvement, and good governance. The Triple Bottom Line model in Figure 1 changes companies to assess organizational success based on sustainability performance (Kuncoro & Suriani, 2018).

Figure 1. Triple Bottom Line Model
Source: Hung & Dung (2022)

LITERATURE REVIEW

Developing sustainable strategies depends on a range of facilitating contextual factors and drivers. This help creates the opportunities necessary for sustainable approaches to be successful and motivate businesses to design and enact new sustainable strategies. External and systemic factors are explored first after which factors linked to the internal dynamics of enterprises are considered. The global capitalist system and the markets it includes cause many sustainability issues, including widening inequality, exploitative labour practices and environmental issues. They also create opportunities for a sustainable strategy to succeed. An example of a semiconductor chip, the production of which is associated with junk, represents 100,000 times its weight (Cohen & Winn, 2007). For instance, the industrialization of economic activity and associated consumption levels create apparent environmental problems. Current production techniques are related to low levels of efficiency in many markets, represented by the high amount of waste created by many industrial processes (Hart et al., 2005).

These market inefficiencies provide the space for improvements. Sustainable strategies often target these improvements through, for instance, eco-efficiency strategies. These can reduce business costs, which we will examine in the next section. The capitalist system is also associated with widening inequalities, creating opportunities (or the need for) strategies linked to resource ownership and
community development. Current markets also create externalities. These are the consequences of business activities, which affect stakeholders such as local communities but are not reflected in the price of the product or service. They can be positive or negative – we focus on the harmful kind, where producers and users avoid the costs of the externality, placing them instead of communities and the environment. Within the current system, businesses should externalize as many costs as possible, whether through carbon emissions into the atmosphere, dumping wastes into local rivers or paying local workers the lowest wages possible. The existence of externalities creates opportunities for sustainable strategies, such as the development of new technologies that reduce externalities. These can generate reputation improvements for firms or take advantage of regulations to stop externalities (Baumgartner & Ebner, 2010).

The generation of a business case for sustainability has implications for the competitiveness strategy of a business. The degree to which a sustainability strategy enhances or detracts from the era of economic value can be described as the 'fit'. For instance, the best fit would involve the sustainability strategy being an essential component of the overall business strategy. This would enhance the generation of economic returns – positive from a business perspective and achieve more comprehensive sustainability outcomes. Poor sustainability strategies will create conflicting goals between competitiveness and sustainability, enhancing the likelihood that the design is dropped. Early thinking on sustainable design saw that firm performance is predicated on the resources available, including those of the natural environment. This line of thinking is known as the realistic resource-based view of the firm. Three interconnected basic strategies are recommended: 1) pollution prevention, where wastes are reduced through production changes (rather than end-of-pipe applications); 2) product stewardship and the use of tools such as life-cycle assessment to reduce the impacts of a product over its whole lifetime; and 3) sustainable development, where the business considers the impacts on and engages with stakeholders in this developing world (Fowler & Hope, 2007).

These strategies are path-dependent, product stewardship efforts depend upon its prior capability in pollution prevention, and its sustainable development efforts depend upon its ability in pollution prevention and product stewardship. The concept of shared value creation emerged later and was instrumental in moving sustainable strategy into the more mainstream business consciousness. A shared value creation perspective proposed that business performance can be enhanced (alongside solving reputational issues) by increasing the share of value for everyone. Creating economic value by creating societal value can occur in three ways. First, by reconceiving products and markets and producing products that help to solve societal problems. Society gains because businesses will often be more effective than governments at solving societal issues. The sustainability strategy has three core dimensions. These include an economical size, containing activities required for a business to function in the market. Innovation, collaboration or knowledge management are critical business functions in developing economically valuable products or services. With this element, companies can finance themselves and ultimately go bankrupt (Schaltegger & Wagner, 2011). The ecological dimensions concern environmental activities that cause or prevent environmental impacts, including recycling, biodiversity, or waste management. These processes help mediate the relationship between the business and the physical or natural environment. These aspects can help sustainable strategies contribute towards sustainable economic growth in terms of environmental dimensions. The current increase is associated with unsustainable production and consumption, but integrating sustainable systems can help ensure that development is decoupled from material consumption and exploitation. The social dimension of a sustainable strategy has internal and external dimensions. Internally, aspects such as corporate governance and employee health and safety are essential – they can improve productivity, enhance the attractiveness of a business as an employer and ensure that internal policies are ethical. These aspects are critical for targets concerned with good, safe, just and fairly paid livelihoods. Externally, social dimensions focus on how the business relates to external stakeholders and its more comprehensive ethical behaviour in the community (Zahra et al., 2009).

As noted, companies can integrate sustainability strategies into a business's more comprehensive approach to a greater or lesser extent. This has implications for the sustainability strategy effectiveness...
as well as the broader competitiveness strategy of the company. Initial sustainability strategies will likely be light touch, involving minor changes to management systems. As drivers increase and businesses become more adept at integrating sustainability, strategies become more mature. The most effective sustainability strategies are fully integrated into a firm's overall strategy and will involve adjustments to the underlying organizational logic (Blok et al., 2015). Park & Chang (2022) pushes social and ecological issues into business strategy because social business has become integral to business rhetoric and scientific literature. Sustainable business is a new addition to comprehensive business development. Sustainable business includes environmental business, green business, and social business. Researchers regard it as a more ethical business that advances without straining the environment and still meets the needs of present and future generations. Grubor & Milovanov (2017) define sustainable business as "the process of planning, implementing, and controlling the development, pricing, promotion, and distribution of products in a manner that meets the following three criteria (1) customer needs are met (2) organizational goals are achieved, and (3) the process is following the ecosystem". Sustainable business requires a long-term orientation on relationship building rather than the conventional short-term focus on transactions in modern business (see Figure 2). According to them, all business processes must have a sustainability vision, from market research to identifying customer needs to building loyalty.

![Figure 2. Modern Sustainable Business Scheme](source: Panawan & Peerawat (2022))

Consumers' interest in alternative environmentally friendly products has increased drastically, with their expectations of improving entrepreneur services. Although there is an attitude-behaviour gap, there is an inconsistency between consumer attitudes and buying behaviour (Noersasongko et al., 2022). Any indoctrination cannot mislead Maury (2018), the new generation of consumers. However, Osman et al. (2016) consumers look for companies and brands that they feel genuinely committed to environmental and social issues. Companies can only create business value by bringing together their vision of sustainability and the expectations of 21st-century consumers. Millennial consumers growing up economically and empowered by new technology and social media drive new hopes for all societal institutions, especially industry. Today's consumers expect immediate benefits from products and services but also want to improve people's health and well-being. In addition, due to the global recessionary economic cycle, consumers are becoming more 'Mindful'. Consumers no longer find pleasure in excessive spending and reckless consumption. Their buying patterns reflect the new trend of 'Attentive Consumption'; consumers buy fewer products and fewer brands and consider their choices more (Moravcikova et al., 2017).

Embracing a sustainable business strategy demands a holistic business model business transformation because it demands the involvement of many stakeholders without compromising consumer expectations. Given that consumers are at the centre of business activity and businesses are accused of relentlessly exploiting the planet's resources, the role of business managers is critical. As such, the path for businesses to adopt sustainable business practices is still tricky. This view of investors and companies demonstrates the urgent need to demonstrate a more direct relationship between sustainability and business value. Organizations are still sceptical about how crucial business sustainability is to industry (B2B) and end-users (B2C) (Papadas et al., 2019). Customers only care about price, delivery, and product functionality. However, marketers of the new era argue that sustainable business should be part of the company's business mix to reduce wasted time spent in the operational and delivery phases. This will help the company handle customers better and get value for the business. Sustainable business is an inclusive approach and is not the responsibility of a business department alone. An inclusive approach recognizes the actions of everyone in the organization involved in decision-making (Pappas et al., 2018).
Organizations don't just want their investment in sustainable business practices to be a politically correct discourse. Companies and investors also want to generate business value from it. The scope of the research is to decide whether a dollar investment in a sustainability initiative returns more or less than a dollar of benefits to the company and investors (Nandini, 2016). Companies and investors need specific approaches/techniques that measure the value of sustainability to businesses and society. Companies with better environmental and social performance receive a better position against competitors. If the sustainability strategy is appropriately executed, it will result in cost savings, efficiency, and increased organizational performance (Putra et al., 2020). Innovation in the production process requires a significant investment, but a continuous process is much better. Sustainability in production, packaging, distribution, and promotion processes reduces costs and increases efficiency (see Table 1). This is the only approach in a highly competitive market to create differentiation (Eneizan et al., 2016).

Table 1. The Differences between Traditional Business Mix and Sustainable Business Mix

<table>
<thead>
<tr>
<th>Traditional Business Mix</th>
<th>Sustainable Business Mix</th>
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<tbody>
<tr>
<td>Product</td>
<td>Customer Solution</td>
</tr>
<tr>
<td>Price</td>
<td>Customer Price</td>
</tr>
<tr>
<td>Promotion</td>
<td>Convenience</td>
</tr>
<tr>
<td>Place</td>
<td>Communication</td>
</tr>
</tbody>
</table>

According to Qushou & Saleh (2018), published in the Huffington Post, consumers view environmentally friendly and sustainable products or services as 'more expensive and less effective'. This can justify this perception, with many sustainability business strategists focusing solely on sustainability, ignoring cost, efficacy, and quality. Due to the dynamics in consumer behaviour, the "traditional 4P" business mix (product, price, place, promotion) is essentially being replaced with the "4C" sustainable business mix, including customer solutions, customer costs, convenience, and communication. Rao & Rajeswari (2020) presented a study to explain the relationship between customer value creation and sustainability practices. His theoretical framework identifies the three pillars needed to understand sustainability practices: collaboration, communication, and innovation.

khemchand Verma (2021) seeks to explore the impact of sustainable business practices on brand equity and consumer behaviour. Consumers highly value companies that engage in sustainable business practices. But research can't show the real impact of this practice on consumer purchasing decisions.

The study concludes that consumers are aware of social and green business ideas but are unsure whether these practices influence their purchasing decisions. Businesses must use multiple communication platforms to create awareness about issues such as human rights. This has a positive influence on customer decisions. Product/service development is an essential component that contributes to the value of sustainability and thus communicates its commitment to sustainability to employees, customers, suppliers, and other stakeholders. Setiowati et al. (2015) explain that when companies enjoy an ethical business, consumers feel valued and develop brand loyalty. The company's concern for society and the environment has changed consumer behaviour, increasing brand equity. Consumers choose products based on available information. Sustainable business plays an essential role in strengthening awareness about society. Evidence shows that consumers are willing to pay a premium when they recognize the importance of sustainable products and services.

**METHODS**

This type of research uses exploratory qualitative. Qualitative research is intended to gather information about the status of an existing symptom, namely the state of symptoms according to what they were at the time of the study. Therefore, qualitative research can reveal phenomena in a subject one wants to study (Igwenagu, 2016). The data type is primary data with data collection techniques using the interview method. The sampling design uses non-probability sampling (snowball), a method used to identify, select and take samples in a network or continuous chain of relationships. The samples were 64 MSMEs obtained directly from Central Java SME departments (Semarang City, Surakarta City, Pemalang City, Pekalongan City, and Grobogan City). We used all of them to provide...
an alternative solution more effectively. MSMEs are defined to include micro firms (<10 employees), small firms (10–49 employees) and medium-sized firms (50–249 employees). This research interviews MSME owners assessed and classified by Central Java SME departments as having technological infrastructure readiness, stable financial conditions, availability of employees according to operational standards, and the ability to implement sustainable digital business programs. They were also selected to ensure the provinces serve as a role model to other provincial governments in implementing immediate economic recovery plans. Our interview questions were designed to give more prominence to the case than the interviewee while acknowledging that the way the interviewee sees the case operating is essential knowledge, and we found out the interviewee's background to understand their interpretations as well. The collecting data method was through face-to-face and in-depth online interviews, while data analysis was assisted by Atlas.ti. The list of interview questions asked (see Table 2)

Table 2. The In-Depth Interview Questions

<table>
<thead>
<tr>
<th>Categories</th>
<th>Questions</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment</td>
<td>How does technology affect your business performance?</td>
<td>Miocevic (2021)</td>
</tr>
<tr>
<td></td>
<td>How does technology support the sustainability of your business?</td>
<td></td>
</tr>
<tr>
<td>Collaboration</td>
<td>How does the environment affect your ability to meet consumer expectations?</td>
<td>Libo-on (2021)</td>
</tr>
<tr>
<td>Communication</td>
<td>What social media accounts does your business have?</td>
<td>Blok et al. (2015)</td>
</tr>
<tr>
<td></td>
<td>How do you use technology to attract millenial consumers?</td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td>What are your reasons for implementing technology in your business for the long term?</td>
<td>Rao &amp; Rajeswari (2020)</td>
</tr>
</tbody>
</table>

Data were coded and analyzed in a four-stage process. First, data were manually coded by the first author and checked by the co-author to identify initial, broad categories relevant to exploration, exploitation and classification. Second, the relationship between first-order concepts is explored and classified into second-order themes. Themes and patterns of adoption, barriers to exploration, exploitation and barriers to achieving consumer expectations are left to emerge. Third, cross-case comparisons were performed using standard cross-case analysis techniques. The themes and patterns in each case that emerged in the second stage were compared, aggregating similar themes and patterns into an aggregated dimension. Fourth, the theoretical framework for adopting a sustainable business strategy that explains previous findings and literature to advance understanding of meeting consumer expectations, exploration and exploitation in SMEs is developed sustainably.

FINDINGS

The collaboration of MSME owners with government agencies significantly influences consumer decision-making and supports overall sustainability efforts. Consumers are satisfied when the business cares about fixing the problems of developing countries and providing sustainable investments for those countries. Correspondingly, Müller (2019) states that if an organization incorporates and highlights the importance of sustainability, it will likely influence customer decisions in favour of a product or service. Also, the research results conducted by Aqmala & Putra (2023) found a positive correlation between customer motivation to use brands and MSMEs who create awareness about sustainability. Uninterrupted communication between various stakeholders and MSMEs creates transparency and ultimately helps to develop a brand liking. The function of modern business is to build a strong brand through innovation with a customer-centric approach. Organizations with sustainability initiatives invest in and offer more innovative products than those not adhering to sustainability values. Innovation helps organizations improve their sustainability efforts and create better products and services. Innovation should be a user-centred design (UCD) which is more likely to influence customer decision-making. MSMEs need to combine business, social and environmental innovation to gain a competitive advantage. Here, technology has a key role to play. Organizations must quickly turn to technological advances to deliver higher operational efficiencies, reduce costs and create competitive advantages. However, MSMEs need to be aware that products/services will get sustainable value when they meet consumer expectations.
Implementing a sustainable business strategy for MSME owners must go through a long journey, so this becomes a challenge to implement optimally. Stages by stages are comprehensively prepared so that modelling can be achieved in an ideal and applicative manner so that other MSME owners can apply for this program in all provinces of Indonesia. Five stages must be systematically passed by MSME owners.

Understanding Education Phase
This phase is a process of updating the knowledge possessed by MSME owners so that they indirectly carry out updates in internal and external aspects to become a solution to the problems they face (see Table 3). The emphasis at this stage is the search and processing of information needed in the program adoption process. Mastery of these two aspects can minimize uncertainty in the decision-making process in carrying out its adoption.

Understanding the Initiation Phase
This phase is the initial preparation for implementing a sustainable business strategy for MSME owners. Internal factors show self-awareness in the adoption process where all the information used in the adoption process, such as information technology readiness, business quality and quantity, and ability in financial management. In contrast, external factors include the availability of government policies, market potential (market share), and industrial competitiveness. The selection of appropriate information can provide input on how this adoption process can be carried out to expedite business activities.

Decision-Making Phase
This phase is a decision-making process that will be taken by MSME owners based on various considerations such as ease of product marketing, easy access to data, and expanding market share. The hope is that the greater the benefit, the more business actors can implement it.

Implementation Result Phase
This phase is the result that can obtain if the MSME owner succeeds in implementing a sustainable business strategy. One of the advantages offered by this program is the transformation from conventional to digital management to overcome management constraints with high adoption costs. The ease of searching for the desired product through the internet network is an added value of the program, so consumers only need to enter keywords for their business products on the search page.

Follow-Up Phase
This phase contains a form of evaluation and adjustments to the program optimization design by MSME owners with digital technology updates to increase the number of orders, effective promotional media, convenience in capturing consumers, and even exporting abroad.

MSME owners need to continuously demonstrate commitment to sustainable practices by empowering employees and other stakeholders. Sustainable business practices should be considered an essential element rather than an optional add-on. Sustainable business success often depends on the commitment of MSMEs to consumer welfare because communication through social media can encourage consumers to choose their products and services repeatedly. The solid media and
entertainment business influence the expectations of today's generation. Their expectations reflect material needs more than rational needs. This situation is problematic for MSMEs who wish to adopt a sustainable strategy. Consumers are prepared to pay different prices if they believe in the benefits derived from consumption. However, as discussed earlier, there is still a large gap between investor attitudes and the real business value resulting from sustainable business practices. Consumers expect more from their spending on the products and services they get. If this feeling is not achieved, it can worsen consumer confidence that MSMEs have failed to meet their expectations. MSMEs must apply innovation, collaboration, communication, and commitment as a sustainable business strategy (see Table 4) to offer better value to consumers and secure a digital competitive advantage (see Figure 3).

Figure 3. Sustainable Digital Business Strategy Initiation Model to Improve MSMEs Capability Meet Consumer Expectations
Source: Authors analysis, 2022.

Table 4. Four Dimensions of the MSMEs Sustainable Digital Business Strategy Model

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>Product/Process/Business (with advanced technology)</td>
</tr>
<tr>
<td>Collaboration</td>
<td>NGOs/Government/other organizations; Environmental protection campaign</td>
</tr>
<tr>
<td>Communication</td>
<td>Continuous communication with stakeholders and upholding transparency</td>
</tr>
<tr>
<td>Commitment</td>
<td>Constant involvement with consumers and business division</td>
</tr>
</tbody>
</table>

**DISCUSSION**

A successful sustainable business strategy has four core dimensions: innovation, collaboration, communication, and commitment. First, MSMEs must encourage innovation in all business fields. To meet broader consumer needs and align with business values, MSMEs must incorporate product, service, and process innovation. Consumers develop deeper relationships with MSMEs if innovation improves people's lives, health, and welfare. These innovations should lead to efficacy and cost savings for consumers and organizations. Second, MSMEs can develop greater trust and loyalty if they work closely with NGOs/Governments and other supply chain partners. This collaboration validates the organization's sustainability claims and goes far beyond legal requirements. Third, MSMEs must constantly keep their customers engaged through proper communication. MSMEs should regularly update consumers on their social responsibility and environmental mitigation efforts. Consumers are unaware of the organization's social, ethical, and environmental performance. Consumers want to know more about the claims of sustainable practices of MSMEs. The wider use of business communications and PR strategies helps create a real impact on consumers' perceptions of brands. Fourth, MSMEs must demonstrate an ongoing commitment to sustainability practices, employees, and consumers to gain public trust.
How does technology affect your business performance?

Identifying technology’s influence on business performance can be seen from the three central answers given by respondents. In general, the technology applied by MSMEs comes from word of mouth between MSMEs to encourage each other to improve business performance.

- It started with a business partner, who often comes and orders, providing recommendations for using digital technology that is cheap and easy to process payments. (F/Owner/30th)
- Friends advise me about digital business technology; I run a digital business, then get good customer responses, such as regular requests and increasing the number of customers. (J/Owner/31th)
- Initially, I knew about digital technology from the results of training and increasing self-competence, and then I found that the benefits of technology can streamline promotion costs. (K/Owner/35th)

Based on the three answers above, the belief that technology is crucial in improving business performance begins with information obtained from external factors, namely business partners and fellow entrepreneurs. The business environment provides knowledge and trust to develop a business using digital technology, ultimately stimulating MSMEs to implement it. The implications of the influence of technology on MSME business performance are felt by respondents after obtaining requests from digital customers regularly, increasing the number of customers, efficiency in promotional costs, and ease of payment processes.

How does technology support the sustainability of your business?

Using the latest technology not only encourages MSMEs to increase profits and market share more broadly to foreign countries, but the existence of advanced technology also supports business continuity and updating long-term business models. All respondents agreed that implementing advanced technology could support existing businesses more sustainably, evidenced by the reduced uncertainty they face. Some leading indicators are ease of use, transaction, low-cost requirements, and a significant profit and market share increase.

- Since owning and using digital technology in buying, selling, and promoting, profits and market share have increased significantly because the infrastructure supports it in the following years. The existence of my business is more secure, and the operational costs are also lighter. (F/Owner/30th)
- I already know much information regarding the benefits of technology that are useful for carrying out market penetration on an ongoing basis, facilitating transactions and their use. (J/Owner/31th)

Identifying the current market situation is also why MSMEs adopt and implement advanced technology. Through this answer, it is emphasized that MSMEs have experienced success in implementing technology used for market penetration, expanding market share, and increasing profits so that this condition can support the sustainability of business existence in the industry.

How does the environment affect your ability to meet consumer expectations?

Respondents have realized that the importance of advanced technology for business continuity should be continuously implemented and updated, especially on environmental factors, which are also the pivot for long-term success and business existence in the future. Several environmental factors that significantly influence the ability of MSMEs to meet consumer expectations consist of the internal and external environment.

- First, so that the marketing implications are broader, people don’t need to come to the store to find out about our products; consumers can open our social media and an online shop to access them anytime and anywhere immediately. Second, digital technology helps MSMEs maintain relationships with suppliers, associations, and consumers. (F/Owner/30th)
- Since the first place online advertisements on Indonetwork and similar sites, which are free of charge because of the many responses from netizens, we decided to create our website, which aims to facilitate consumers to interact with each other (word of mouth) and share information on social media. (J/Owner/31th)

MSMEs can use a domain or the like to convince consumers, resulting in online communication and transactions. Government support for “MSMEs upgrading the class” also provides more massive access to exist in the digital market. (K/Owner/35th)
The results of the respondents' responses indicate that the internal environment (suppliers, human resources, social media, customer relationship management programs) and the external environment (associations, government support, word of mouth, reference groups) are crucial supporting factors mastered by MSMEs to be able to meet consumer expectations effectively and efficiently.

What social media accounts does your business have?

Respondents have realized that social media's contribution to expanding market share and business continuity should be continuously updated, especially in creating digital content as a promotional medium to achieve long-term success and business existence in the future.

I have Instagram, Facebook, and WhatsApp business social media, which are managed with the help of a friend from Jakarta because he is an expert in digital content, and the fees are free because of a business partner. I also have a national target market, so professionals must assist with content and engagement management; it will be overwhelming if managed alone. (K/Owner/35th)

My social media business is created and managed by professional services such as Instagram, Facebook, WhatsApp Business, and Telegram. Even though I was previously able to develop it myself, to expand market share and increase sales, I collaborated with professional services in the digital content sector. (M/Owner/38th)

On average, MSMEs actively use social media such as Instagram, Facebook, WhatsApp business, and Telegram, which are managed independently or with professional services, because digital business should be routine and sustainable in managing content, thereby minimizing business problems, increase the market share and competitive advantage.

How do you use technology to attract millennial consumers?

The phenomenon of online shopping behaviour of the millennial generation is strengthened by the government's seriousness in increasing digital business growth and competition, thus encouraging MSMEs to make more efforts to maximize digital content marketing, which ultimately has an impact on millennial interest in the products that MSMEs offer on digital platforms.

My IT expert friend assisted me in implementing technology that focuses on creating interactive digital content, mass discounts (discounts), and increasing product variations. So usually, I convey the concept, then my friends will take care of the design and the resulting content. But when an order comes in, I still manage the production process because there is already a separate system. (K/Owner/35th)

At first, I had difficulty finding the right concepts and techniques in designing interactive and massive digital marketing to attract the millennial generation market. However, in the end, I found the right strategy by updating the physical type of digital technology infrastructure (broadband network and access point) and advertising on Google Ads Services, Adnow, and MediaNet, which have an impact on increasing millennial consumers from time to time. (J/Owner/31)

I depend on the fate of my digital market (millennial generation) in the hands of other people who have been professionals for the near term because they often change strategies. However, to meet long-term millennial consumer expectations, I learned and improved my skills in search engine optimization (SEO) and interactive content creation. Apart from that, I also found an effective strategy to attract the millennial generation's interest with endorsement services, both famous artists and celebrities on social media. (M/Owner/38th)

For MSMEs facing changing competition in the digital industry, the Smart Content Digital Marketing (SCDM) formula is suitable to be applied because it can accommodate the characteristics of millennial consumers. SCDM's most prominent advantage is the ability of MSMEs to use SEO, Google Ads Services, and Endorsements to attract millennial consumers significantly.

What are your reasons for implementing technology in your business for the long term?

After implementing digital business strategies, MSMEs experience various benefits to meet consumer expectations, especially the millennial generation. Respondents believe that digital technology and business must be followed by digitally aware consumer segmentation so that the MSME business can continue to exist in the industry sustainably.
The existence of this technology such as Whatsapp, Instagram, and Facebook will help me to grow my business in the future because access is easy and the promotion costs are cheap (S/Owner/57 years old)

In my opinion, technology is indeed perfect for my business in the future because it has a broad market reach, it's easy to market, and my profits have also increased significantly (W/Owner/59th)

The existence of advanced technology is beneficial in the long term for my business because it is more easily recognized by local, national, and even international markets. Then the next benefit is that we don't have to work hard because technology helps us establish more business networks. (M/Owner/31 years)

Based on the respondents' answers, they considered that the long-term benefits of using technology to meet consumer expectations are the ease of marketing products, efficiency of promotion costs, broad market reach, more business networks, and high sales increase nationally and internationally.

Digital businesses can be used as a medium to achieve their vision of sustainable practices in competitive advantage, brand loyalty, risk mitigation, and cost reduction. Researchers prove that the sustainability practices adopted by MSMEs can attract more investors to MSMEs. This can also lead to an increase in the market value of MSMEs. The social performance of an MSME actor still tends to reduce the financial performance of an MSME actor. More research is needed to prove a positive correlation between the two. The recent economic, financial, and environmental crises demand more sustainable social development than economic growth. Businesses can direct this sustainable development with social responsibility, environmental mitigation, and targeted strategies. With public concerns, growing environmental concerns, stricter regulations, and sustainable business practices are unavoidable. Marketers must adopt sustainable practices to avoid criticism from stakeholders, but they are still unsure about consumer purchasing decisions and the business value gained. A sustainable business strategy can generate revenue when MSMEs frame their 4P business in a way that makes consumers feel empowered when using products/services. Businesses need to demonstrate clear goals and build trust to create long-term customer engagement. Internal and external stakeholders view sustainable business practices that lead to more reliable business value. Meanwhile, MSMEs are still wondering how to implement a sustainable business strategy to gain the trust of stakeholders, consumers, and society. Therefore, the role of marketers is to communicate the sincere commitment of MSMEs to responsible and sustainable business practices. MSMEs also need to act as 'collaborators' inside and outside the organization to ensure promises about sustainable business are respected.

The multiplier effect caused by the Covid-19 pandemic has impacted the business performance of MSME owners in Central Java, such as the number of customers, income, profits, or production capacity. Therefore, the success of this strategy will depend heavily on the commitment of stakeholders in implementing the program. In the current era, the various operational needs of micro and small businesses require the support of information technology and the digital world to become more effective and efficient in carrying out each transaction, so an appropriate strategy is needed, such as a commitment to increase investment in developing digital skills by MSME owners. If it is necessary to implement new technology prototypes, learning by doing and exploring forms of collaboration with industry, academia, and the community are needed. There are two categories in this recovery program: startup training intended for MSME owners less than a year old and scaleup training for MSME owners who are at least three years old. The results of this study can contribute to the development of technology-based strategic management science. For entrepreneurs, this research can be used to determine policies so that later they can run smoothly, facilitate business operations, and help MSME owners improve their competitiveness and existence in the business world.

The result from J. Y. Park et al.(2022) shows that sustainability as an issue and a concept is here to stay. Only time will tell if climate change will be as damaging as Greta Thunberg's warnings suggest. But there is already evidence in India that climate change and other environmental hazards are genuine and that businesses must respond. Since all signs point to species loss, diminished food and forest production, growing health problems associated with polluted air and water, stronger storm events that damage infrastructure, and a rising tide of social conflict, the businesses that survive these challenging conditions will be the ones that are prepared to adapt to change. Another result from Kumar et al. (2012) shows that sustainability strategy not only results in added value to customers but also builds long-term relationships, which benefit business, society, and ecology. Therefore, there is a concept of
4C’s Customer solution, Customer cost, Convenience, and Communication. The result from Mishra & Mahalik (2019) shows that the entire corporation has been claim to establish a sustainable strategy. Still, it is only a short-term or incremental approach, where compliance with legal and regulatory authorities is a priority. For some companies with a sustainability strategy, it is linked to their overall business strategy, including supply chain and customers. In the case of companies like the Green Giants, their sustainability strategy is their business strategy.

CONCLUSION

The results of this study illustrate that sustainability is a mainstream issue and cannot be separated from business strategy. MSMEs who proactively make the core of business strategy sustainability will encourage innovation and generate enthusiasm and loyalty from employees, customers, suppliers, communities, and investors. MSMEs need to understand that they and society are inherently interdependent. This mindset that does not focus solely on short-term economic benefits, as is common in most non-sustainable/conventional businesses, enables sustainable businesses to meet the needs of today’s customers without compromising the needs of the future generation. It will always attract consumers to a brand they trust, different from others, innovative, emotional appeal, and intelligent. The implications of the influence of technology on MSME business performance are felt by respondents after obtaining requests from digital customers regularly, increasing the number of customers, efficiency in promotional costs, and ease of payment processes. MSMEs have experienced success in implementing technology used for market penetration, expanding market share, and increasing profits so that this condition can support the sustainability of business existence in the industry. The internal environment (suppliers, human resources, social media, customer relationship management programs) and the external environment (associations, government support, word of mouth, reference groups) are crucial supporting factors mastered by MSMEs to be able to meet consumer expectations effectively and efficiently. The digital business (social media) should be routine and sustainable in managing content, minimizing business problems, and increasing the market share and competitive advantage.

Thus, the proposed sustainability business strategy can help MSMEs get maximum business value from their sustainability initiatives. Empirical research to measure the relationship between proposed sustainable business practices and consumer expectations holds excellent opportunities for future research. The proposed model is based on the existing literature and can predict new phenomena. The proposed framework can be operationalized and tested to increase generalizability and validity. However, the specific weakness of this program is that it only focuses on digitizing business strategies without integration into other elements. Suggestions for implementing an integrated digital business strategy should include guidelines for understanding consumer behaviour, accessing market data more easily, and using social media as a form of continuous communication that shows the proximity of MSMEs to customers.

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CONFLICT OF INTEREST STATEMENT

The authors declare that they have no conflict of interests regarding this article.

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