

OPPORTUNITIES AND CHALLENGES FOR MSMEs IN INDONESIA IN THE FACE OF RAMADAN

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Abstrak

Bulan Ramadhan memberikan dampak bagi sektor ekonomi Indonesia, terutama pada UMKM. Sebagai contoh, permintaan makanan dan minuman meningkat pada saat buka puasa dan sahur, sehingga usaha kuliner seperti warung makan dan penjual makanan jalanan dapat mengalami peningkatan omzet pada bulan Ramadhan. Namun, UMKM juga menghadapi berbagai tantangan seperti penurunan daya beli masyarakat. Penelitian ini bertujuan untuk menganalisis peluang dan tantangan yang dihadapi UMKM di Indonesia selama bulan Ramadhan, serta upaya yang dapat dilakukan untuk mengoptimalkan peluang dan mengatasi tantangan tersebut. Penelitian ini bersifat kualitatif. Teknik pengumpulan data meliputi menyimak dan mencatat informasi penting untuk melakukan analisis data melalui reduksi data, display data, dan penarikan kesimpulan. Hasil studi ini tiba pada kesimpulan bahwa UMKM di Indonesia memiliki peluang besar selama bulan Ramadhan, terutama dalam sektor makanan dan minuman. Peluang tersebut dapat dimanfaatkan dengan meningkatkan kualitas produk, menjaga persediaan barang, menggunakan media sosial untuk pemasaran, menawarkan diskon dan penawaran khusus, menjalin kemitraan, menjaga kualitas pelayanan, dan memanfaatkan potensi digital.

Kata kunci: Peluang, Tantangan, UMKM, Ramadhan

Abstract

The month of Ramadan has an impact on the Indonesian economic sector, especially on MSMEs. For example, the demand for food and beverages increases during iftar and suhoor, so culinary businesses such as food stalls and street food vendors can experience an increase in turnover during the month of Ramadan. However, MSMEs also face various challenges such as a decrease in people's purchasing power. This study aims to analyse the opportunities and challenges faced by MSMEs in Indonesia during Ramadan, as well as the efforts that can be made to optimise opportunities and overcome these challenges. This research is qualitative in nature. Data collection techniques include listening and recording important information to conduct data analysis through data reduction, data display, and conclusion drawing. The results of this study arrive at the conclusion that MSMEs in Indonesia have great opportunities during the month of Ramadan, especially in the food and beverage sector. These opportunities can be utilised by improving product quality, maintaining inventory, using social media for marketing, offering discounts and special offers, establishing partnerships, maintaining service quality, and utilising digital potential.

Keywords: Opportunities, Challenges, MSMEs, Ramadan

INTRODUCTION

Ramadan is a holy month for Muslims around the world, including in Indonesia where the majority of the population is Muslim. During this month, Muslims are required to fast for a whole month, which may change their daily activities. During Ramadan, Muslims usually worship more intensively and allocate more time for religious activities.

The month of Ramadan also has an impact on Indonesia's economic sector, especially on Micro, Small and Medium Enterprises (MSMEs). For example, demand for food and beverages increases during iftar and suhoor, so culinary businesses such as food stalls and street food vendors may experience an increase in turnover during Ramadan. However, on the other hand, MSMEs also face various challenges such as a decrease in purchasing power of people who experience an increase in the cost of living during the month of Ramadan, as well as changes in people's consumption patterns that affect the demand for MSME products.

In this context, research on "Opportunities and Challenges for MSMEs in Indonesia in Facing the Month of Ramadan" is relevant. This study aims to analyse the opportunities and challenges faced by MSMEs in Indonesia during Ramadan, as well as the efforts that can be made to optimise the opportunities and overcome the challenges. This research can provide a better understanding of the impact of Ramadan on the MSME sector in Indonesia and provide appropriate policy recommendations to improve the welfare of MSMEs during the month of Ramadan.

METHOD

This research uses a literature study methodology, where the researcher does not collect primary data through direct field research. The researcher used various reference sources to ensure the smooth running of the research. The literature used in this study was obtained from digital media and scientific repositories using keywords relevant to the themes discussed, namely opportunities and challenges, MSMEs, and Ramadhan. The authors used a flexible methodology in selecting relevant reference sources, without limiting the scope to specific journals or digital platforms. The authors used a variety of sources, including the journal portals Emerald Insight, ResearchGate, and Elsevier, as evidence for their arguments. The focal point of this article is the opportunities and challenges for MSMEs in Ramadan. We used the technique of emphasising certain keywords to limit the scope of the discussion and ensure coherence. Researchers' search queries focused on scholarly journals, articles, and publications published between 2015 and the present. In the source collection process, we used keywords to conduct searches across various publishing platforms. It should be noted that only papers, journals, and publications that are highly relevant to the topic of opportunities and challenges for MSMEs and their effect on their existence in Ramadan are included, while others can be ignored. This scholarly article includes a total of 11 comprehensive sources.

The current investigation is categorized as a type of qualitative inquiry. The data collection process entails the utilization of diverse techniques, including attentive listening and meticulous recording of relevant information. The aforementioned methods are utilized to aid in the analysis of data, which is achieved through the procedures of data reduction, data presentation, and inference drawing. The overarching objective of this analysis is to acquire a thorough comprehension of the literature review conducted as a component of this research undertaking. In the phase of data reduction, the data is organized, classified, and removed in a way that enables the production of meaningful findings and eases the task of making inferences. The requirement to conduct data analysis during the reduction phase is a result of the extensive and complex characteristics of the data. The reduction phase was executed to ascertain the pertinence of the information to the final aim. At the outset, a cumulative sum of 20 sources were procured. Following the initial process, the numerical quantity was altered to 11. Following that, the information will be exhibited via a visual representation. The present phase constitutes a subsequent step in the process of data reduction, whereby a set of data is systematically arranged in a structured format to enhance comprehension and facilitate the derivation of inferences. The modality of data presentation employed in this particular context is written discourse (in the form of field notes). The manner in which data is organized and arranged in a relational pattern is made more efficient through the utilization of this data presentation. The ultimate stage of the process entails deriving inferences from the gathered data. The ongoing stage signifies the termination of our utilized qualitative data analysis approach, in which we scrutinize the results of data reduction and data display to guarantee congruity with the proposed analysis goals. The aim of this stage is to extract meaning from the collected data through the identification of correlations, similarities, or differences, with the purpose of developing solutions to pre-existing problems. The sources employed are considered dependable for deducing conclusions. The objective of this undertaking is to obtain dependable and accurate conclusions, thereby aiding understanding.

RESULT AND DISCUSSION

Ramadan is a holy month for Muslims around the world. During this month, Muslims fast and refrain from all types of food, drinks, and activities that can break the fast from dawn to sunset.

Apart from being a month of worship, Ramadan also has a significant impact on the business sector in Indonesia, especially on micro, small, and medium enterprises (MSMEs).

MSMEs play an important role in the Indonesian economy, with around 60.3 million MSMEs contributing around 60% of the national Gross Domestic Product (GDP) and absorbing around 97% of the domestic workforce (Ausat & Suherlan, 2021) and (Subagja et al., 2022). Therefore, it is important to understand the opportunities and challenges faced by MSMEs during Ramadan.

A. Opportunities for MSMEs during Ramadan

1. **Increased Consumer Demand:** Ramadan is a time when Muslims strengthen their religious practices, such as increasing their worship, praying more, and doing more good deeds (Aksoy & Gambetta, 2022) and (Al Haq et al., 2016). However, Ramadan is also a time when consumers buy more food and beverage items to eat with family and friends during iftar. Therefore, MSMEs engaged in the food and beverage sector can increase their sales during the month of Ramadan. In addition, Ramadan is also the perfect time for MSMEs that want to expand their products and services. For example, MSMEs that usually only sell food and beverages can expand their products by selling Muslim clothes, religious books, and other religious supplies.
2. **Ramadan Market Activities:** One of the most anticipated events during the month of Ramadan is the Ramadan market. Ramadan market is a place where consumers can buy various types of food and drinks to break their fast (Hasanah, 2020). In addition, the Ramadhan market is also a place to buy daily necessities at a cheaper price. Ramadan markets are usually held at night, so MSMEs engaged in food and beverages can utilise this time to increase their sales. MSMEs can also utilise the Ramadhan market as a medium for promoting and marketing their products.
3. **Discounts and Special Offers:** During Ramadan, many MSMEs offer discounts and special offers to consumers. This is done as an effort to attract more consumers and increase their sales. Special offers such as discounts, rebates, or free gifts can be an effective way for MSMEs to increase their sales during Ramadhan.

B. Challenges for MSMEs during Ramadan

1. **Intense Competition:** As mentioned earlier, Ramadan is a time when many MSMEs offer discounts and special offers to consumers. This makes competition among MSMEs even tougher, especially for MSMEs engaged in food and beverages (Ausat et al., 2022). Therefore, MSMEs must be able to create effective and attractive marketing strategies to attract consumer attention.
2. **Decrease in Consumer Purchasing Power:** During Ramadan, some consumers may experience a decrease in purchasing power due to more spending on religious activities, such as zakat, infaq, and sadaqah. In addition, some consumers may also experience a decrease in purchasing power due to spending more on food and beverages during the month of Ramadan.
3. **Logistical constraints:** One of the challenges faced by MSMEs during Ramadan is logistical constraints. If MSMEs are unable to prepare their inventory well, they may run out of stock when consumer demand increases (Harahap et al., 2023) (Sampe et al., 2022); (Sutrisno et al., 2022); (Subagja, 2023) and (Ausat et al., 2023). Therefore, MSMEs must be able to prepare their inventory well and do careful planning to overcome logistical constraints.
4. **Weather Influence:** During Ramadan, air temperature and humidity may increase in some areas in Indonesia. This can affect the production and storage of goods for MSMEs, especially for MSMEs engaged in food and beverages. Therefore, MSMEs must be able to cope with the influence of the weather and make good preparations to avoid losses.

C. Strategies for Facing Opportunities and Challenges

1. **Improve Product Quality:** To be able to compete with other MSMEs, MSMEs must be able to improve the quality of their products and services. MSMEs can improve product quality by improving raw materials, production processes, and product innovation.

2. **Maintain Goods Inventory:** In order not to run out of stock during Ramadhan, MSMEs must be able to prepare their inventory well. MSMEs can prepare their inventory by estimating consumer demand during the month of Ramadan and preparing enough inventory to deal with it.
3. **Using Social Media for Marketing:** Social media can be an effective medium for promotion and marketing of MSME products. MSMEs can utilise social media such as Facebook, Instagram, and Twitter to promote their products and reach potential consumers.
4. **Offer Discounts and Special Offers:** To increase sales during Ramadan, MSMEs can offer discounts and special offers to consumers. This can attract consumers' attention and increase sales volume. However, MSMEs must also be able to carefully calculate the profit margin generated from discounts and special offers to avoid losses.
5. **Establishing Partnerships:** MSMEs can establish partnerships with other MSMEs or with large companies to expand their market reach and increase sales. In these partnerships, MSMEs can utilise each other's expertise and resources to achieve common goals.
6. **Maintain Service Quality:** In addition to improving product quality, MSMEs must also maintain their service quality. This can affect consumer satisfaction and make consumers loyal to MSME products. MSMEs can improve service quality by providing fast, friendly, and effective services.
7. **Utilise Digital Potential:** In today's digital era, MSMEs can utilise digital potential to increase sales and expand market reach. MSMEs can utilise e-commerce platforms such as Tokopedia, Bukalapak, and Shopee to sell their products online.

In essence, MSMEs in Indonesia have many opportunities during Ramadan, especially in the food and beverage sector. However, MSMEs are also faced with several challenges, such as intense competition, declining consumer purchasing power, logistical constraints, and the influence of weather. To be able to face these challenges, MSMEs can carry out several strategies such as improving product quality, maintaining inventory, using social media for marketing, offering discounts and special offers, establishing partnerships, maintaining service quality, and utilising digital potential. By implementing these strategies, MSMEs in Indonesia can optimise opportunities during Ramadan and increase their sales volume.

CONCLUSION

MSMEs in Indonesia have great opportunities during the month of Ramadan, especially in the food and beverage sector. These opportunities can be utilised by improving product quality, maintaining inventory, using social media for marketing, offering discounts and special offers, establishing partnerships, maintaining service quality, and utilising digital potential. However, MSMEs are also faced with several challenges, such as intense competition, declining consumer purchasing power, logistical constraints, and weather influences. To face these challenges, MSMEs can implement several strategies, such as cooperating with business partners and collaborating, improving efficiency in inventory management and logistics, improving product and service quality, and innovating using technology.

SUGGESTION

In facing the opportunities and challenges during Ramadan, MSMEs in Indonesia need to pay attention to several things, such as: Firstly, improving product quality. MSMEs must always innovate and improve product quality in order to compete with other products. Second, improve service quality. MSMEs must always pay attention to service quality so that consumers are satisfied and return to buy their products. Third, utilising social media and technology. MSMEs can utilise social media and technology to improve marketing and efficiency in inventory management and logistics. Fourth, collaborate with business partners. MSMEs can collaborate with business partners to expand their market reach and improve efficiency in inventory management and logistics. Finally, maintain product and service quality. MSMEs must always maintain product and service quality to remain competitive and retain customers. By doing these things, MSMEs in Indonesia can optimise opportunities during Ramadan and face the challenges more effectively.

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