



Optimizing the Utilization of GoFood System Application as an Income Enhancement at Rungkut Surabaya MSME

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ABSTRACT

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In the digital age, technological developments are moving very fast and changing the lifestyle of humans in general. The technological system in the Digital Age attracted the interests of culinary MSME entrepreneurs in Indonesia to do business with an online sales system. One of the online food delivery service applications in Indonesia is GoFood, this study aims to find out how SMEs in Surabaya as GoFood partners can increase their income by optimizing the use of the GoFood application. This study uses a qualitative method. Data analysis in this research is descriptive qualitative. Criteria for selecting informants using purposive sampling techniques. The interview results state that the GoFood application tends to be easy to use, but some partners regretted the lack of training which resulted in sales not meeting expectations. Quality, Quality, Promo Price, and timeliness of food processing to food delivery to consumers is a strategy for GoFood merchant partners to optimize their sales turnover.

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INTRODUCTION

In the digital age, technological developments are moving very fast and changing the lifestyle of humans in general. The technological system in the Digital Age attracted the interest of MSMEs in Indonesia to do business with an online sales system. An increasingly mushrooming online application is the GoFood system, the GoFood online food application is the largest food delivery service and works with 550,000 merchants in various cities in Indonesia.

Quoted in Hastuti (2020), "GoFood is one of the main services of Gojek with increasingly solid growth. Loyalty to GoFood is one of the long-term supporters of Gojek's business growth," said Gojek Co-CEO Kevin Aluwi. GoFood customers doubled in 2019 to 20 million. GoFood merchant partner growth increased 17 times to 500 thousand merchants, food menu choices on GoFood reached 16 million items.

Culinary sector MSMEs in Surabaya showed great interest in collaborating to sell online with GoFood. Through this application, not only MSMEs benefited but the GoFood application was also easy for users to choose and buy food without having to travel. Micro, Small, and Medium Enterprises (MSMEs) in Indonesia are the backbone of the national economy. Data taken from the Ministry of Cooperatives and MSME shows that the contribution of MSME in GDP in 2017 reached 60.34%. Meanwhile, according to the Coordinating Minister for Economic Affairs, there are 116 million workers in the MSME sector. (Haryanti & Hidayah, 2019).

According to Oktaviana, Syah, & Abdillah (2016) research that the GoFood application is very useful for the community both young and old, the GoFood application ranks second in the Gojek application whose intensity of use is 26.9% after GoRide. Gojek contributes IDR 49 billion per year to the economy in Surabaya through income as an MSME partner. 57.5% of respondents registered recorded an increase in turnover by 10% while a significant increase in turnover by 27.66%. From the answers of the respondents, 60% of MSME partners joined as Gojek partners to adopt technological developments. As many as 73.86% of respondents can reinvest from GoFood's income (Candi, 2018). This phenomenon is believed to be progressing rapidly along with the development of technology. On this basis, researchers want to know

how MSMEs in Surabaya as GoFood merchant partners can increase their income by optimizing the use of the GoFood application.

LITERATURE REVIEW

GoFood Application

PT. Aplikasi Karya Anak Bangsa founded a Gojek application in which there are various service application features. The company was founded by Nadiem Makarim in 2010 in Jakarta. Currently, Gojek has been available in 50 cities in Indonesia. GoFood is one of the features of the very popular and efficient Gojek application as a 24-hour non-stop online food ordering. This application was created by the nation's sons and strengthened the Indonesian economy by recording revenues reaching IDR 19 trillion in 2018. In this application, 550,000 merchant partners have registered to offer a variety of food and beverage choices ("Kenapa GoFood?", 2020).

According to Hong & Wang (2016), online food delivery service is a platform that has many restaurants, various menus at the restaurant are displayed to attract consumers. Food ordered by consumers will be delivered to their destination in a short time. Information Technology Readiness for MSMEs in Indonesia must be supported by IT development, MSMEs can utilize information and communication technology with IT readiness to build a series of strategic, organizational, and structural features (Spinelli, Dyerson, & Harindranath, 2013).

Income

Revenue is one of the elements that exist in the income statement, income as a result of the sale of an organization both individuals and companies. According to Rudianto (2012) revenue is the result of sales recognized as an increase in company wealth in the business activities of a company. According to (Rahardjo, 2009) income is the amount charged as a result of the sale of goods or services to customers. According to Kasmir (2012) income in the income statement is divided into two types, namely income or income from the main business activities and side businesses of a company.

The high or low factor of an income can be identified by the increase in goods consumed, the quality of the goods will also be increasingly

considered so that it will affect the income (Soekartawi, 2012).

Income characteristics according to Hery & Lekok (2012):

1. Revenue is the result of the company's main activities in seeking profits
2. Management controls the main activities of the company that generates revenue, revenue is recurring

Factors that affect the volume of income in the company (Mulyadi, 2010):

1. Conditions and sales capabilities
2. Market conditions
3. Capital
4. Company operational conditions

Some factors that can affect income are:

1. Product, one of the main tasks of sales management is the product design
2. Price, the amount of money that consumers must pay to get something
3. Distribution, intermediate goods from producers to consumers, broad distribution will affect sales promotion.
4. Promotion, an activity carried out by a company that aims to inform, influence, and remind consumers to choose the program given by the company.

The relationship between income and consumption is something that can affect economic problems. The level of income affects the level of public consumption. The facts show that the higher the consumption, the income will increase and high and low expenditure for consumption both high and low depends on the ability of families to manage their income or income (Danil, 2013).

MSME

The law governing MSMEs in Indonesia is Law No. 20/2008, the Act explains that Micro Business. Small and Medium Enterprises aim to grow and develop in the context of building the country's economy based on a just economic democracy. The definition of MSMEs stated in Law No/20 of 2008 is as follows (Usaha Mikro, Kecil, dan Menengah, 2008):

1. Micro businesses are productive businesses owned by individuals and/or business entities that meet the criteria according to the Law,
2. Small business is a productive economic business that stands alone both by

individuals and / or business entities that are not subsidiaries or non-branch companies that are owned, controlled, or become part of the direct or indirectly of Medium-sized Enterprises or Large Enterprises that meet the criteria of Business according to the law,

3. A medium-sized business is a productive economic business that stands alone either by an individual and / or business entity that is not a subsidiary or is not a branch of the company that is owned, controlled, or becomes a direct or indirect part of a Medium-sized Business or Large Business with a net amount or annual sales results as stipulated in the Act.

From the above understanding, it can be concluded that MSMEs are productive businesses that are owned and managed by individuals and business entities with a certain amount of wealth and income from these business activities. MSMEs have a proportion of 99.99% of the total business operators in Indonesia, MSMEs contributed significantly to the National GDP of IDR 4,321.8 trillion or 58.05% while in 2012 it increased by IDR 4,869.5 trillion or 59.08%. The MSME economic sector has several business units namely (LPPI, 2015):

1. Agriculture, Animal Husbandry, Forestry and Fisheries (48.85%);
2. Trade, Hotels, and Restaurants (28.83%);
3. Transportation and Communication (6.88%);
4. Manufacturing Industry (6.41%);
5. Services (4.52%);
6. Finance, Leasing and Corporate Services (2.37%);
7. Buildings (1.57%);
8. Mining and Quarrying (0.53%);
9. Electricity, Gas, and Clean Water (0.03%).

Table 1.Criteria for MSMEs in Law No.20 of 2008

Business Size	Criteria	
	Asset (Excludes land & buildings for businesses)	Turnover (in 1 year)
Micro Business	Maximum IDR 50 million	Maximum 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
Large Enterprises	> IDR 10 billion	> IDR 50 billion

METHOD

This study uses a qualitative method. Data analysis in this research is descriptive qualitative. The data sources of this study include primary data and secondary data, namely from survey results for primary data and GoFood application for secondary data. The selection of informants in this study is based on certain characteristics using purposive sampling techniques and as many as 11 MSMEs in the Surabaya Rungkut Region that meet the criteria. The criteria for selecting the informants by grouping the culinary sector MSMEs in the Rungkut Surabaya region are registered as merchant partners in GoFood, merchant partners who are members of GoFood <1 Year, and merchant partners that generate higher turnover compared to before adopting the GoFood online ordering system.

The informants in this study are GoFood merchant partners who start businesses and implement online purchases through the GoFood <1 Year application so that conclusions can be drawn about how new GoFood merchant partners optimize their sales business strategies by utilizing the GoFood application. The focus of this research is the MSMEs in the Rungkut Surabaya area who adopted the GoFood application as online food delivery.

Triangulation data collection techniques are through interviews, observation, and documentation. Interviews in this study include 2 (two) stages, the first stage is a semi-structured interview regarding the use of the GoFood application system and the second stage is an interview with an open questionnaire. After the interview is conducted, the researcher makes observations and documentation with the owner of the MSME. Observation is done directly to see the location where GoFood Partners sell and indirectly by observing the design of images in the GoFood Application. Documentation is done by taking pictures with business owners, besides looking for information as a merchant partner on GoFood.

RESULT AND DISCUSSION

The city of Surabaya is the second-largest city in Indonesia from the economy and its population. Surabaya has become a metropolis with various components of society. The city of Surabaya is one of the cities that became the center of trade in the eastern part of Indonesia, besides

that Surabaya is also a center of business, commerce, industry, and education.

The city of Surabaya is the capital of East Java Province, the development of various business sectors in the city of Surabaya moving rapidly. The culinary business or culinary MSMEs is one of the fastest growth rates in the City of Heroes because of its promising interests and market potential. But the increasingly rapid culinary entrepreneurs also impacted with increasingly fierce business competition.

There is a lot of potentials that can be explored in the city of Surabaya, Surabaya city government is trying to increase tourist visits to Surabaya, one of the things that can attract tourists is the culinary sector. The development of business technology through the internet network is one of the important roles to increase the MSME revenue in the culinary sector, many studies that explain the positive impact of the use of technology-based business on efforts to increase business revenue. In Indonesia there are 2 (two) dominant online application features, they compete with each other to attract the user's market share. In a survey conducted by the Demographic Institute of FEB UI, it was noted that 55% of MSME respondents experienced an increase in turnover classification since adopting online-based sales using GoFood, 72% of GoFood merchant partners experienced a turnover while 93% experienced an increase in transaction volume. The research shows the positive side of the prospect of online-based culinary business (Movanita, 2019).

The results of research by Yeo, Goh, & Rezaei (2017) explain that the online food delivery platform can be a strategic tool for business competitiveness, competitiveness includes customer volume and delivery time. Online food delivery is also very useful for users related to the convenience and usability of using this platform to receive food from home. Consumer perceptions become positive when users do not have to sacrifice physically to travel to get the food they want. summarizing from much of the food literature that is distributed online there are several influencing factors namely: food quality, food safety, and availability (Akkerman, Farahani, & Grunow, 2010).

In this research, several GoFood merchant partners are starting to get acquainted with technology and can use it for their business

purposes. Even for designing, some MSMEs hire design services so that their food menu draws the interest of customers to buy. But several merchant partners are not calling the development of the GoFood application. GoFood merchant partners with the initials BAL, started its business using the GoFood Application for 7 months, BAL in one day made more than 20 food purchase transactions online through GoFood.

"Yes, the Gojek application can be set according to criteria, we want to put any menu above according to our preferences according to our wishes"

According to interviews with BAL business owners, the GoFood application tends to be easy to use as desired by the seller. The layout and design of images can be set manually by GoFood merchant partners. As with several other business owners, DOO restaurant owners give their hopes to the GoFood application to make it easier to adopt the application and provide training to merchant partners about the features in the GoFood application. The DOO restaurant owner also explained about the promo menu that could not be collaborated between menu 1 and menu 2. Whereas according to observations by researchers on the GoFood application some merchant partners had collaborated several menus into one so that the promo strategy that the seller wanted could be as expected.

"hopefully, ee, the application is easier, eee added the menu, what we have made is a promo that can be combined between this menu, because so far it's only a promo for one menu, so we can't combine two menus, menu A and menu B are combined and later there will be a saving package so we can't yet, just a promo for one app, just one item hehe"

Some GoFood merchant partners do a promo strategy on the GoFood application so that the image of the restaurant food menu directly appears on the promo menu in the user's app Highlight, according to information from the informant if the restaurant uses a promo strategy, then the food menu display will be directly displayed in the top position or the promo menu directly displayed by the application. The response from GoFood merchant partners with the initials NCS explained the strategy of optimizing promotions for its restaurant menus.

"I did the promo to attract the attention of customers too and this was to be in the top position so that the GoFood customer opened the GoFood application directly to see my restaurant. There are lots of ways if you go to the food for the highlights, the promo price is made if in the supermarket you put it on a shelf, it's almost the same difference between the physical goods, huh?"

Awareness and ability to use the GoFood application by merchant partners are very diverse, some merchant partners use design services for their restaurant food menu. According to Van Biljon, users will be aware of using technology that starts with the process of being able to accept technology and being able to adopt technology and the results of using technology (Premkumar & Bhattacharjee, 2008). According to DA merchant partner informants, the strategy to capture and retain consumers is food quality,

"It is very important to maintain quality and improves quality, improves service fast on-time. Honestly, I'm better off raising prices than reducing quality, even the bad material, we don't want it, this is not because this interview is true our SOP"

Various ways are done by merchant partners to attract customers so that consumers order food online at his restaurant. Sales strategies that are widely mentioned by merchant partners as informants are food quality and timeliness of service to process food until delivery to consumers. Merchant partners can see consumer complaints after consumers receive online food orders from the GoFood application. Criticism and suggestions from consumers are very helpful for MSME activists who join as GoFood merchant partners.

According to (He, Han, Cheng, Fan, & Dong, 2019) the use of the AOFOM model that is customers, restaurants and online food orders decision making by agents in online food orders is divided into 3: 1) favorite restaurant preferences / online menu deals with high utility; 2) quality and location-estimation strategies and optimization mechanisms, and; 3) Platform agents who collect all market information and ensure customers receive takeaway orders within a reasonable time.

Lots of research on GoFood merchant partner turnover increases after joining GoFood. Sales turnover increased after adopting the Go-Food Service compared to before joining the Go-Food Service, this is because Go-Food promotes the food it produces, this research was conducted in the city of Semarang (Prapti NSS & Rahoyo, 2019). The

results of the study in Malang City of Indraswari & Kusuma (2018) factors of price, several orders, and length of operating hours simultaneously have a positive and significant effect on income and there are differences in income after and before using the Go-food application. Other research in Malang was also conducted by Syarif Hidayatulloh (2018) The existence of Online Transportation has a significant effect either partially or together with income in increasing the Culinary Business Turnover in Malang City. In this study, all informants stated that there was an increase in turnover, even though there were two merchant partners who experienced a 5-10% increase from other informants. NCS is one of the merchant partner informants who said their sales turnover increased fivefold after participating in online-based sales with the GoFood application.

"Online... the comparison huh? how much can it differ? Yes, it can be 5 times bigger between online and offline, bigger than online."

Other studies that support the results of this study in addition to the island of Java, namely in the city of Banjarmasin conducted by Hasan, Artiningsih, & Wicaksono (2019), that after using the GoFood application the restaurant's revenue increased, there was even one restaurant that said the income increased 66 %.

CONCLUSION

The ability of merchant partners to adopt the Go Food application is very diverse, in the interview results of several merchant partners comparing training in Jakarta and Surabaya, merchant partners devote their hopes for training from GoFood to merchant partners in Surabaya. Overall, GoFood system support services can meet the needs of merchant partners as online food vendors. GoFood applications tend to be easy to use for most of the merchant partners in this research. Quality, quality, promo price, and timeliness of food processing to food delivery to consumers is a strategy for GoFood merchant partners to optimize their sales turnover.

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