

## Social resilience of Puduk Sari Kelapa shop production business actors through digitalization of MSMEs in Gresik

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ARTICLE INFO	ABSTRACT
<p><i>Keywords:</i> digitalization MSMEs production business actors social resilience Puduk Sari Coconut Shop</p>	<p>This research is motivated by the threats that MSMEs face in the digital age and must overcome to remain relevant and sustainable. One of the major challenges comes from the large number of similar business competitors as well as the Covid-19 pandemic, which has drastically changed consumer behavior. The purpose of this research is to determine the social resilience of Puduk Sari Kelapa Shop production business actors through the digitization of MSMEs in Sukodono Village, Gresik District, Gresik Regency. This research uses a qualitative research method with a case study approach. Supported by the theory of social resilience as an analytical tool to explain the digitalization of MSMEs by Puduk Sari Kelapa Shop production business actors. The research results show that there are main aspects in the formation of social resilience of business actors, namely stability, adaptation and transformation. Digitization of MSMEs is not only a means of survival, but also a driver of sustainable business transformation. For example, the implementation of accounting transactions through digital computer methods, payment methods through Qris, and then marketing and selling products through social media and marketplaces. As well as shop renovation efforts that are strengthened by individual resilience, namely the ability to manage emergency fund reserves.</p>

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## Introduction

Pudak snacks, as part of Gresik's cultural richness, reflect social resilience passed down from generation to generation. In this context, research on the social resilience of Pudak Sari Kelapa Shop business actors through digitalization of MSMEs in Sukodono Village, Gresik District, Gresik Regency is relevant because it will reveal their efforts to adapt and maintain their cultural heritage in facing the challenges of globalization and technology. By understanding, realizing social resilience in this context can provide valuable insight into local communities' efforts to overcome change and maintain the sustainability of their cultural heritage such as Pudak. Pudak snacks are part of the diversity of traditional food culture in Gresik, East Java and are also known as Pudak City. Pudak is a typical food originating from Gresik City which is produced by Micro, Small and Medium Enterprises (MSMEs) and is run as a business passed down from generation to generation by local people and is made from rice flour and granulated sugar. Talking about MSMEs, there are quite a lot of MSMEs in Indonesia. The growth of Micro, Small and Medium Enterprises (MSMEs) in Indonesia increases every year.

Based on data from the Ministry of Cooperatives and Small and Medium Enterprises, MSMEs in the country have currently reached 60 million and are predicted to continue to increase. MSMEs can be a solution in overcoming poverty in Indonesia, so that through developing MSMEs there will be quite good potential, this is because the MSME sector has a fairly large contribution in absorbing labor (Supriyanto, 2006). Indonesia's highest poverty rate is located in East Java Province. However, poverty in East Java slowly decreased from 2012 to 2018. The number of poor people decreased from 4,992,7000 people in 2012 to 4,334,638 people

in 2018 (East Java Province Central Statistics Agency, 2019). In 2018, East Java Province had 9,783,920 MSME distribution units (East Java Province Cooperative and SME Service, 2018). This shows the significant contribution of the MSME sector in creating jobs in the province.

The wide distribution of the number of MSMEs can create job opportunities by absorbing the large workforce available. This fact is supported by the existence of 9,783,920 MSMEs which were able to absorb 13,665,632 workers in 2018 (East Java Province Cooperative and SME Service, 2018). By absorbing large numbers of workers, thousands of people can improve their welfare and overcome poverty. Limited employment opportunities are the main factor in the high poverty rate in East Java.

The Micro, Small and Medium Enterprises (MSME) sector makes an important contribution to the growth and development of the Indonesian economy, especially through its ability to absorb labor, so that with the development of MSMEs it can provide new employment opportunities, especially for local communities, especially those who have limitations in the field of education.

In line with this, one of the regions in East Java that experienced quite good economic growth, namely Gresik Regency, recorded success in advancing its domestic economy by developing Micro, Small and Medium Enterprises (MSMEs) which are spread in almost every sub-district. In the 2022 Diskoperindag, Gresik was recorded as having 56,000 MSMEs. In addition, the economic structure of Gresik Regency is dominated by the food processing industry, which is 49.44%.

The processing industry in Gresik Regency in 2022 will reach 34,902,594.82, which is the largest contributor to the economy compared to other industrial sectors. Gresik Regency has a number of superior MSMEs,

one of which is typical snacks, especially in Gresik District which has a typical Gresik food center, namely Puduk. Data from the Department of Cooperatives, Industry and Trade shows that Gresik District is one of the largest youth centers in the region. Indirectly, the competition is quite pronounced among those who are mostly involved in culinary family businesses that have been passed down from generation to generation. Puduk production houses themselves are specifically spread in the Sukodono Village area, precisely on Jalan Sindujoyo. On this occasion, we will show one of Puduk's legendary businesses, namely the Puduk Sari Kelapa Shop production business, founded in 1969 and being the first Puduk shop that still maintains its distinctive quality taste. In contrast to other Puduk MSMEs which mostly promote their products through collaboration with event organizers supported by the district government, as well as selling products through outlets at tourism locations and culinary centers, Puduk Sari Kelapa Shop chooses to run every stage of the business independently, including in terms of promotions and marketing, namely carrying out production in private homes then product sales are carried out at the Puduk Sari.

Overall, MSMEs' income and sales turnover experienced a significant decline during the Covid-19 pandemic, namely around 85-90 percent compared to before. The impact of this pandemic has also given rise to various complaints from MSME players, such as decreased income, decreased sales, and large-scale social restrictions. One of the recommended efforts to be made by MSME players is to increase creativity in digital product marketing (Kase, Babulu & Dewi, 2022). The implementation of this digital system also contributes to increasing business turnover while being able to reach a wider customer network.

Research conducted by Arditya Prayogi and Ikhwanul Kirom shows that MSME players have started to utilize digital technology to develop their business so that they can adapt to the Covid-19 pandemic situation (Prayogi & Kirom, 2022). According to the Secretary General of the Indonesian Micro, Small and Medium Enterprises (MSME) Association, Edy Misero, the latest data during the pandemic shows that around 15 to 20 percent of the total 64 million MSME players have adopted technology. digital. Meanwhile, around 70 to 80 percent of local MSME players have followed the change towards digital. Therefore, the main steps need to be taken so that MSMEs can adapt to digital transformation (Angelica & Prodjo, 2022).

Based on data available in the field, there are still many MSMEs that are not digitally literate. In this case, MSME actors should receive assistance or solutions from the local government regarding this situation. However, in reality, not all MSME actors receive socialization and assistance from the government regarding mastery of digital technology in implementing a business, but most of them are limited to assistance in the form of cash in small amounts. Thus, there is a unique thing that is the attraction of this research related to the efforts of Puduk Sari Kelapa Shop production business actors who actually use digitalization of MSMEs as a form of their resilience. The MSME digitalization initiative is the result of independent innovation by MSME actors. Able to create resilience (resilience) for Puduk Sari Kelapa MSME players in facing business competition in the digital era as well as the problems of MSME players during the Covid-19 pandemic along with the demands of today's digital market competition. Considering that MSMEs themselves have an important role in the local and national economy. This is what makes this study interesting for researchers

to study and interested in conducting research with the title Social Resilience of Puduk Sari Kelapa Shop Production Business Actors Through Digitalization of MSMEs in Sukodono Village, Gresik District, Gresik Regency.

## Method

This research uses a type of qualitative research which is research that explores as much information as possible, as deeply as possible in order to obtain the desired data (Moleong, 2014). The research in question aims to examine an event experienced by the research subject in question, such as roles, perceptions, behavior, actions, descriptively realized in the form of narrative (words and language) in a scientific context. In this case, the research is about the Social Resilience of Puduk Sari Kelapa Shop Production Business Actors Through Digitalization of MSMEs in Sukodono Village, Gresik District, Gresik Regency.

This research uses a case study approach. A case study is an in-depth study to understand an event or individual, a particular village or area, a particular environment, a particular event, a particular community and one other object that takes a relatively long time so that the resulting data is in-depth and complete (Yin, 2006). This research uses a case study approach to explore the social resilience of Puduk Sari Kelapa Shop business actors through digitalization of MSMEs in Sukodono Village, Gresik District.

Findings cannot be generalized due to differences in business and socio-economic contexts in each location. Most Puduk Shops stick with conventional business styles. So that Sari Kelapa business actors have unique characteristics in their way of thinking which is open to developments in business culture and adjustments to the market needs

of today's digital society, thus influencing result including technology skills. Therefore, additional research is needed in other locations before making broader generalizations, because each business has its own way of resilience in facing pressure. The case study that will be carried out by researchers is to collect data in depth to answer and analyze the two problem formulations in this research.

Choosing a case study as a method aims to carry out an intensive and detailed investigation of an event and activity, so that it can draw common threads from the problem being studied by the researcher. In this case, we are able to describe in detail the manifestation of Social Resilience in Puduk Sari Kelapa Shop Production Business Actors through the Digitalization of MSMEs in Sukodono Village, Gresik District, Gresik Regency. The data collection technique is through structured observation, so that the researcher is actively involved in interacting with the subject to gain a deeper understanding. deep. Second, unstructured interviews, where the topics asked flow from the researcher, to obtain depth of information from the relevant informants. Third, open and careful documentation. Next, informants are needed to dig up information about the actual conditions experienced by Puduk Sari Kelapa MSMEs in running their business since the pandemic. Determining informants in this research was carried out using a purposive sampling method, where sample selection was based on certain objectives and considering criteria relevant to the research (Sugiyono, 2017). In this case, the informants chosen by the researcher are informants with certain criteria that are in accordance with the needs of the research to be carried out by the researcher.

## Results and Discussion

The Puduk Sari Kelapa culinary shop is in the center of Gresik City which is the location of the central market for typical food souvenirs in Gresik Regency, East Java. The shop is known for its flagship products in the culinary sector, including *pudak*, *otak-otak milkfish*, processed smoked and presto fish, *jenang jubung*, *jenang ayas*, and various kinds of chips. The prestige of this shop is strengthened by its history which has been established since 1969 and has become a typical Gresik City culinary business that has been passed down from generation to generation.

The owners and initial pioneers of the Puduk Sari Kelapa Shop are Mr. Muta'alim and Mrs. Mukayatun, who have now been passed on by their grandchildren from the third generation of the family. In connection with the naming of the shop by taking the main identity of pudak snacks compared to other snacks, because pudak is the superior product produced and sold at the Puduk Sari Kelapa Shop.

The Influence of Digitalization of MSMEs on the Social Resilience of Puduk Sari Kelapa Store Production Business Actors. The business journey of the Puduk Sari Kelapa Shop is not much different from the conditions of other MSMEs around Gresik Market, where in business there are bound to be obstacles, ups and downs and the like. Bearing in mind that the last 4 years have been the toughest point for most traders, this has happened since the Covid-19 pandemic as well as other factors, namely increasingly tighter business competition among pudak production businesses. Production of Puduk Sari Kelapa also stopped, resulting in layoffs of external employees due to unstable income, resulting in difficulties in providing salaries to employees, which is clear evidence of the obstacles felt by MSME

players. In fact, for 3 full months, shop sales were completely stagnant, so business actors only occasionally received orders at home, because celebrations and all other social activities were limited during the Covid-19 pandemic. As a result, there was a drastic decline in sales of up to 100% because sales completely died. There was a decrease in production numbers, namely from 5000 to 7000 Puduk seeds before the pandemic, to 2000 to 3000 after the pandemic. This has an impact on the decline in income of MSME players, which was previously quite stable. Employees also feel the impact of salary reductions of around 60 to 70% of their previous salaries.

On the other hand, conditions before the pandemic showed that the Puduk Sari Kelapa Shop family's way of thinking tended to be old-fashioned. Being constantly busy serving customers means they don't have the opportunity to develop their business, let alone carry out renovations. The presence of the pandemic forced them to rethink their business strategy. Even though it initially raised concerns about the fate of their businesses, business actors saw this situation as an opportunity to carry out transformation, especially in terms of digitalizing MSMEs. Therefore, they realize that as more and more competitors emerge, they need to adapt and develop new strategies to remain able to compete amidst market changes. In line with previous research conducted by Sherly Septianti Andaki (2019) with the results of research on the resilience of prisoners living in the Pekanbaru Detention Center, it shows that the ups and downs they experience reflect negative experiences while in prison, but seven factors that form resilience, one of which is optimism, helps them endure. Thus, demonstrating the ability to overcome challenges and face problems in a positive and productive way (Andaki, 2019). This is the same as this research, where the

Covid-19 pandemic certainly has a negative impact in various aspects.

In this case, it is actually used as a lesson for them to innovate through digitalization of MSMEs. Thanks to the pressing conditions of the pandemic, they were able to strengthen their initiative to carry out shop renovations until they succeeded in making it happen. The renovation takes the form of providing air conditioning, CCTV facilities, transactions using computers, the Qris digital payment system through various types of platforms, as well as marketing via social media and e-commerce.

According to Keck & Sakdapolrak, three types of capacities are needed to fully understand the concept of social resilience. The three types of capacity are "capacity to overcome disturbances" coping capacities, adaptive capacities, and capacity to change or transformative capacities (Kinseng, 2019). Resilience is the ability to face pressure and difficulties (As quoted in John and Vicky 2013, 393: as quoted in Arifin, 2019). Based on this theory, the condition of the Puduk Sari Kelapa Shop production business is considered capable of facing the pressures and difficulties of the impact of the pandemic, marked by the way business actors responded to the stagnation of production and sales for a total of 3 months which resulted in a decline in income of almost 100%, by relying on emergency funds. from the remaining savings to fulfill their daily needs. The difficult situation experienced by society in general has even changed the way of thinking and perspective in various aspects. Especially during the initial pandemic, it showed a capacity and could even become an ideology.

Social resilience is the ability to build, Engage in, and maintain positive relationships, as well as survive and recover from life stress and social isolation (Cacioppo, Reis, & Zautra, 2011). Adaptive

Capacities includes the ability to adapt to environmental changes and new conditions. This adaptive capacity includes flexibility in policies, infrastructure, technology, or social practices that enable individuals or communities to continue to function well in the face of change (Kinseng, 2019). In line with this explanation, it highlights the concept of resilience as stability in the context of changes experienced by society, especially during the Covid-19 pandemic. The Puduk Sari Kelapa Shop business actors showed an adaptive response to this difficult situation by adopting initiatives with efficient calculations, minimal risks, maintaining physical distance, and managing social interactions. This is in line with the concept of social resilience which refers to the ability of a group to maintain positive relationships, as well as recover and adapt from life stress and social isolation. By implementing digitalization of MSMEs, Puduk Sari Kelapa shows a high adaptive capacity, so that it is able to survive and even improve its situation in the midst and after the pandemic. Thus, the concept of resilience and the concept of adaptation can be applied in the context of MSMEs to overcome the challenges faced during times of rapid change.

Capacity to overcome disturbances (Coping Capacities) refers to the ability of individuals or communities to face, cope with, and overcome stress, conflict, or crisis. This includes physical, social, strategies used to face challenging situations (Keck & Sakdapolrak, 2013). Meanwhile, Reivich and Shatte (2002) stated that resilience is the ability to overcome and adapt to serious events or problems that occur in life. Business actors emphasize the importance of maintaining quality, qualities and services that have been maintained for a long time, as a family legacy. This reflects the aspect of resilience as stability, by maintaining existing foundations while adapting to change.

Along with maintaining traditional recipes passed down from generation to generation. Business actors demonstrate the ability to overcome challenges relevant to their business, as well as improving friendliness in service is also part of the strategy to strengthen relationships and create a good experience for customers.

The aim is to help maintain customer loyalty and expand the network. A strong network between business actors is also very important, considering that as a family business it requires strong ties to each other. Social resilience emphasizes the importance of cooperation and connection with groups, and large collectives as a way to encourage adaptation through new learning and growth (Cacioppo, Reis, & Zautra, 2011). From the experience expressed by the business actor and owner of the Puduk Sari Kelapa Shop, togetherness and attachment between family members in running a business is in line with the concept of resilience.

As emphasized in theory, adaptation is carried out jointly by utilizing the social capital that exists in society, such as close family relationships. Strong networks between business actors, especially in the context of family businesses, are a major factor in the adaptation process. And the continuity of relationships between the MSME community in Sukodono Village is also the key to maintaining the sustainability of their businesses. Social resilience is related to a community's ability to endure, survive, in overcoming threats, which is part of a form of resilience (community self-resilience). The results of this research are strengthened by previous research conducted by Ica Wulandari (2022) showing that the social resilience of farming communities in facing climate change depends on factors such as the presence of formal leaders, diversity of knowledge, and the level of community

cooperation. Siebert (2005) defines resilience as stressing well, making significant and sustainable changes, and maintaining health and remaining strong under stress. It also includes the ability to recover from failure, overcome adversity, confront adversity, face new performance, and abandon old strategies that are no longer relevant.

The capacity to change or transform (Transformative Capacities) refers to the ability to fundamentally change structures or systems by carrying out digital renovations in response to major changes in the environment or social conditions. This includes the ability to completely redesign policies, infrastructure, or social paradigms to address new challenges that may arise. Transforming adversity into growth, new relationships, with creative collective action (Cacioppo, Reis, & Zautra, 2011). The growth of new awareness regarding the concept with the sensitivity contained in it. Business owners adapt to new performance while deepening digital marketing knowledge. They utilize alternative technology to increase competitiveness and attract consumers through price games tailored to customer preferences.

In doing so, they completely redesigned their business strategy to address the new challenges that emerged. They not only recognize the importance of change, but also learn from past experiences and continue to innovate to stay afloat in a rapidly changing business environment. In this way, business owners describe how they adopt resilience as transformation in running their business.

### ***Implementation of the MSME digitalization system sales via Gofood, Grabfood, Shopeefood and WhatsApp***

Digitalization of MSMEs is an effort to digitize the marketing of MSME products

by MSME players. Digitalization of MSMEs refers to the process of Micro, Small and Medium Enterprises (MSMEs) using digital technology as a means of improving operations, productivity, strengthening competitiveness and expanding their reach to a greater extent. From a social resilience perspective, digitalization of MSMEs refers to the ability of MSMEs to defend and recover from external threats or pressures using digital technology. In this case, as a form of adaptation to the Covid-19 outbreak at that time, Pudak Sari Kelapa Shop business actors accessed new markets to maintain stable business income and able to face market competition. One of the main aspects that can be said to be the digitalization of MSMEs is using e-commerce platforms to expand their reach to a greater extent. Thus, reducing dependence on local markets and increasing resilience to regional economic fluctuations. As a form of digitalization, business actors use digital marketing models to maintain their brand awareness considering that Sari Kelapa is a legendary traditional snack center in Gresik. In this case, there are forms of digital marketing that are audio visual in nature, including social media and various e-commerce platforms including: Gofood, Grabfood, Shopeefood and Whatsapp.

Food sales via Gofood, Grabfood and Shopeefood. Having this platform for local stalls and restaurants, especially MSMEs, is very helpful in empowering the local economy by providing access for MSME players to reach a wider market. On the other hand, the impact of the system implemented in this shop, apart from restoring the economy, can also provide more opportunities for online motorcycle taxi drivers to earn additional income, especially during the difficult times of the pandemic. The work flexibility offered in running a business also increases resilience in facing various conditions and situations.

Thus, sales through these three applications not only provide economic benefits, but also play a role in building local social and economic resilience by reaching a wider community.

Resilience is an effort to adapt to stressful situations, so as to be able to recover and overcome difficulties. Resilience is understood as the ability to bounce back after experiencing difficulties, to continue life with better hopes (Rutter, 2006). Social resilience is the ability of a social system to maintain its social integrity or integration, during or after experiencing disturbances, both from within and from outside (Kinseng, 2019). This theory provides a Resilience As Recovery perspective that is relevant to the strategies adopted by MSME players, especially in terms of rebuilding their businesses after experiencing difficulties during the Covid-19 pandemic. The strategy of alternating shifts between shop owners and employees, as well as selling via online platforms, shows their ability to adapt to changing situations and strengthens the resilience of their business. Even though it only contributes 10% of revenue, the existence of online stores expands consumer reach and helps in maintaining business existence during difficult times.

The role of Whatsapp for MSMEs, especially Whatsapp Business, is very important, as a form of social resilience. Referring to this, this application can be used as easy access for customer communication, which makes it possible that even in difficult situations, such as being prevented from meeting face to face with the seller, they can still connect easily. WhatsApp is a platform that can reduce marketing costs and is the simplest promotional media, so that shops can operate at any time. From here, a relationship of mutual trust and loyalty will increase between sellers and



buyers. Thus, sales via Whatsapp Business by Puduk Sari Kelapa Shop business actors not only help their businesses survive in difficult situations but are the right means to strengthen social and economic connections in their community.

### *Renovations, digital payment methods and cashier systems using computers*

In the process of designing shop renovations, they have considered accessibility for all communities, in line with their principle that the facilities they provide can be enjoyed and reach all levels of society. The decision to carry out renovations is very beneficial for all parties. Business actors revealed that the presence of air conditioning is important for buyers to feel comfortable and not hot. Likewise, CCTV is very helpful in solving problems previously experienced by MSMEs related to customers' lost luggage, which of course is the responsibility of the shop owner to resolve it. As a result, from the tragedy before the renovation, the shop was unable to provide solutions to customers in the event of loss and the like, on the other hand, after it was successfully renovated, via CCTV the recording could be played back according to the time of the incident. So that with all problems, this facility is able to prevent unwanted misunderstandings.

Switching from manual calculations using a calculator to a cashier system using a computer has a positive impact in terms of social resilience. This includes increasing the efficiency of using the system in speeding up the transaction process and reducing calculation errors resulting in results more efficient operations. This has the potential for business actors to be more responsive to customer requests, thereby increasing their productivity. Apart from that, they were quickly able to adapt to developments in

integration with digital payment systems. As a family business that coexists with many other MSMEs, it can become a network that introduces innovations related to the use of technology in local communities as inspiration for more advanced business models. This system also allows for better service to customers, which includes tracking purchase history, providing discounts or special promotions while facilitating payments using various methods. So that it can increase customer satisfaction and strengthen social resilience within it.

Based on the analysis in the graph above, it shows that there has been an increase in sales of various types of pudak per item from year to year. This can reflect the effectiveness of collaboration between MSME players in order to increase product visibility as well as smooth market access. The strength of networks and community solidarity in overcoming business obstacles through digitalization of MSMEs when seen from the increase in sales per item allows these businesses to be able to compete in a market with rapid changes. High sales per item may reflect support and involvement from local communities or consumers. This shows that MSMEs are not only considered as product producers, but also as part of a community that is actively supported by loyal consumers. An increase in sales per item can contribute to increasing local economic prosperity by creating jobs, as at the Puduk Sari Kelapa production site, when the demand for the product sold, namely Puduk, increases, they can absorb more employees from outside to work on the Puduk production process which is not short. With most neighbors being employed, this has the potential to increase the household's own income. So that it can move the wheels of the economy at the local community level. Thus, analysis of the increase in sales per item of MSME products

from a social resilience perspective provides an overview of how MSMEs can survive and even develop amidst the challenges they face, as well as how factors such as the implementation of MSME digitalization, good collaboration and innovation support business resilience. and social.

### ***Positive perception of Puduk Sari Kelapa Store production business actors towards digitalization of MSMEs as social resilience***

Resilience is the general capacity for groups, or communities to avoid, reduce, or overcome the negative impacts of adversity (Grotberg, 1995). According to Tugade & Fredrickson (2004), resilience is the ability to continue living after experiencing a tragic event or heavy stress. Digitalization of MSMEs is considered social resilience by Puduk Sari Kelapa Shop business actors because it is their strategy in facing the challenges that arise due to the Covid-19 pandemic. The concept of resilience explained previously represents their ability to face and overcome the negative impacts of the challenges they face, including the current pandemic. Where, before the pandemic, most MSMEs depended on conventional business models without much digital intervention. However, the emergence of the pandemic had an impact on physical sales which fell drastically due to social restrictions and the closure of offline stores. This forced businesses to face an uncertain situation with revenue dropping by almost 100% for several months and causing their operations to come to a complete halt.

The government's minimal role is considered ineffective in aiding that meets the needs of the community in the field, especially the Puduk Sari Kelapa MSMEs. Tools or technology assistance are often inappropriate or do not function well, forcing business actors to look for alternative

solutions. One solution is the digitalization of MSMEs, which involves the use of technology and information systems to respond to emergency conditions and increasingly fierce business competition in the digital era. Puduk Sari Kelapa Shop businesses are accelerating their steps towards digitalization through shop renovations and introducing facilities such as air conditioning, CCTV and digital payments via QRIS and e-commerce platforms. It aims not only to survive in difficult conditions, but also to remain competitively relevant in a changing market. Digitalization, in this case, represents more than just a technological transition, but rather a form of business resilience. In a world that continues to change and is uncertain as a culinary business that offers traditional snacks amidst globalization, the existence of an online shop is a solid foundation for survival and development. Business players also consider that digitalization provides the operational flexibility needed to adapt their business to changes in market demand or customer needs quickly. The presence of an online shop is able to reach a wider market, while strengthening the brand image of MSMEs or their brand awareness, considering that Sari Kelapa is a fairly legendary traditional snack center in Gresik. Which in turn will result in increased customer loyalty and long-term business growth. So, the digitalization of MSMEs deserves to be used as a form of resilience, considering that resilience can be created from the ability of business actors to adapt amidst digital market competition.

## **Conclusion**

This research aims to answer two research questions regarding how the social resilience of Puduk sari coconut shop production businesses is achieved through digitalization of MSMEs and why digitalization of MSMEs

is considered social resilience by Pudak Sari Coconut shop production business actors. This study used qualitative research methods. The research results show that the Pudak Sari Kelapa Shop production business has demonstrated a high level of resilience through digitalization of MSMEs in facing the impact of business competition, especially the Covid-19 pandemic.

First, based on "Resilience as Stability" it shows that business actors are able to face the pressures and difficulties caused by the pandemic, such as a significant decline in income, by responding adaptively and efficiently. They were able to survive, and even improve their business situation by adopting digitalization as an adaptation strategy. The concepts of social resilience and adaptive capacity have proven to be key in maintaining business stability and continuity amidst rapid change.

Second, "Resilience as Transformation" refers to the ability to fundamentally change structures or systems by carrying out digital renovations in response to major changes in the environment or social conditions. Adopting initiatives with efficient calculations, as well as improving product quality, service and customer experience, they have successfully adapted to changes in the market and consumer needs. Apart from that, efforts to maintain cultural values and recipes passed down from generation to generation are also part of a successful adaptation strategy. This confirms that digitalization of MSMEs is not only a tool for survival, but also a driver of sustainable business transformation.

Third, based on "Resilience as Recovery" it highlights the efforts of business actors in recovering their businesses after experiencing difficulties during the pandemic. Through online sales and shift management strategies between store owners and employees, they have succeeded in strengthening business

resilience and supporting the local economy. In this way, business actors not only recover from difficulties, but also build social resilience and the broader economy in the face of ever-evolving change and challenges. Digitalization of MSMEs is considered a form of social resilience by Pudak Sari Kelapa Shop business actors because it is their main strategy in facing challenges arising from the Covid-19 pandemic. Before the pandemic, most MSMEs relied on conventional business models without much digital intervention. The pandemic had an impact on physical sales which fell drastically due to social restrictions and the closure of offline stores, which resulted in a near decline in revenue for several months and a complete cessation of their operations. In facing this situation, digitalization of MSMEs is the right solution. Through digitalization, business actors can expand their market reach and remain relevant in business competition. Store renovations, facilities such as air conditioning, CCTV and digital payments via QRIS as well as sales via e-commerce platforms are concrete steps to accelerate digital transformation. This aims not only to survive in difficult conditions, but also to compete and develop in an ever-changing market. Apart from that, digitalization also provides operational. Thus, digitalization of MSMEs is not just a technological transition, but is also an important form of business resilience. Overall, this research shows that the social resilience of Pudak Sari Kelapa Shop business actors is through digitalization of MSMEs. It can be seen from the main aspects: stability, transformation and recovery. They are not only able to survive and adapt to change but are also able to carry out sustainable business transformation and recover stronger than before.

## Declaration of Ownership

This article is our original work.

## Conflict of Interest

There is no conflict of interest to declare in this article.

## Ethical Clearance

This study was approved by the institution.

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