



# THE IMPACT OF COVID-19 ON CONSUMER BEHAVIOUR AND HOW BUSINESS MITIGATES IT: INDONESIAN SMALL TO MEDIUM BUSINESS OWNERS' PERSPECTIVE – AN EXPLORATIVE STUDY

Hardijanto Saroso\*

Binus Business School  
Binus University  
Indonesia  
[hardijanto.saroso@binus.edu](mailto:hardijanto.saroso@binus.edu)

Diena Dwidienawati

Binus Business School  
Binus University  
Indonesia

David Tjahjana

Binus Business School  
Binus University  
Indonesia

Dyah Gandasari

Binus Business School  
Binus University  
Indonesia

M. Faisal

Binus Business School  
Binus University  
Indonesia

\*Corresponding Author email: [hardijanto.saroso@binus.edu](mailto:hardijanto.saroso@binus.edu)

Submitted: 15 November 2021

Revised: 27 December 2021

Accepted: 06 January 2022

Peer-review under responsibility of 7th Asia International Conference 2021 (Online) Scientific Committee

<http://connectingasia.org/scientific-committee/>

© 2022 Published by Readers Insight Publisher,

Office # 6, First Floor, A & K Plaza, Near D Watson, F-10 Markaz, Islamabad, Pakistan,

[editor@readersinsight.net](mailto:editor@readersinsight.net)

This is an open access article under the CC BY license (<http://creativecommons.org/licenses/by/4.0/>).



## ABSTRACT

This research paper aims to examine the impact of the COVID-19 pandemic on consumer behaviour and the strategic adjustment implemented by small to medium-size businesses. The COVID-19 pandemic has caused a significant impact on businesses across different industries. This crisis caught everyone by surprise. The situation was unknown to everyone; it impacted everyone worldwide on a large scale. It has lasted months and changed almost every aspect of people's lives. Consumer behaviour has been altered. It has made organizations react to survive. To understand emerging consumer behaviour, and how organizations mitigate the changes in the environment, a qualitative study on small to medium size business owners was conducted in October-November 2020. An intensive 60-minute, semi-structured interview was conducted with 23 business owners in Jakarta and its surrounding cities. The findings revealed that there are positive and negative impacts of the COVID-19 pandemic on business depending on the industry type. The type of industry also influenced the scale of the effect. Regardless of the impact, most business owners were optimistic about their businesses surviving. Consumer behaviour changed to involving less human interaction, for example going online, and people became more cost-conscious. Business owners mitigated the change with a change in the type of products offered, offering promotions or price reductions and online access. From the business owners' perspective, some of the new behaviour will remain after the pandemic, whilst others will revert to the old behaviour. Those that offer convenience and simplicity will stay.

**Keywords:** *Business Mitigation; Consumer Behavior; COVID-19; Crisis; SME*