The Rise of Food & Beverages MSMEs During COVID-19 Pandemic in Tanjungpinang, Kepulauan Riau: A Motivational Perspective

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Article Info

Abstract

Purpose: This study aims to explore the entrepreneurial motivation behind food and beverage MSMEs in Tanjungpinang during the COVID-19 pandemic.

Method: This study adopted a qualitative method. A total of 11 food and beverage MSMEs owners in Tanjungpinang that started their businesses in 2020 and 2021 were interviewed. Thematic analysis was used to analyze the data gathered.

Result: The result of this study shows that financial rewards, independence, personal satisfaction, as well as the existence of opportunities as the driving forces behind a person's decision to become an entrepreneur in the food and beverages industry in Tanjungpinang during the COVID-19 pandemic. This finding hopefully may give insight into the motivation behind an individual decision to become an entrepreneur in the food and beverages industry and why the number of food and beverages MSMEs is increasing.

INTRODUCTION

COVID-19 started spreading in Indonesia in 2020. The virus affected not only the health system, but also the economic system in Indonesia (Rahmadia & Febriyani, 2020). Personally, the impact of COVID-19 includes changes in income received, and changes in daily expenditure patterns (Sayuti & Hidayati, 2020). Business-wise, some sectors, such as wedding organizers, make-up artists, as well as some factories cannot continue their activities due to the pandemic (Widjaja et al., 2021). The COVID-19 pandemic has also caused many companies to lay off their employees (Putri et al., 2021). The impacted employees cannot rely anymore on diminishing job opportunities due to the pandemic (Kusasih et al., 2020). Thus, to be able to survive, some of those laid off-employees chose to become online motorcycle taxi drivers and some become an entrepreneur by starting their own businesses from scratch which can be classified as Micro, Small, and Medium Enterprises (MSMEs) (Faizi et al., 2022). Apart from being an effort to overcome the problem of unemployment, entrepreneurship can also be considered as a source of personal income (Nengseh & Kurniawan, 2021). This condition is probably one of the causes of the increase in the number of MSMEs in Indonesia during COVID-19 pandemic, including in Tanjungpinang, Kepulauan Riau.

DOI: 10.24123/jeb.v4i2.5478

E-ISSN 2721-706X
In Tanjungpinang, there was a rise in the number of MSMEs in general during COVID-19 pandemic (BPS Kota Tanjungpinang, 2021). However, sector-wise, the increase in food and beverages industry is more significant compared to other industries. MSME’s in food and beverages industry increased from 2,617 MSMEs in 2019 to 2,804 MSMEs in 2020, while MSMEs in other industries combined rose from 1,228 in 2019 to 1,276 in 2020 (BPS Kota Tanjungpinang, 2021). The data indicates that there were many new entrepreneurs were born in the time of the pandemic.

According to Longenecker et al. (2016), entrepreneur is a person who launches, builds, and/or operates a new or an existing business, to create value while assuming both the risk and the reward for his or her efforts. To become an entrepreneur, an individual needs motivation. Motivation may make a person to have several motives that will serve as encouragement to achieve certain goals or success (Ningrum et al., 2023). According to Riggio (2018), motivation is a force that directs, energize, and keep a certain behavior going, while according to (Colquitt et al., 2019), motivation is a set of energetic forces form within and outside of a person that initiates work-related effort, determines its direction, intensity, and persistence. In other words, motivation is a force that push an individual to do certain action or behavior and keep that behavior consistent.

Aside from the survival purpose discussed above, there are many other factors that can be the reason and motivation for a person to become an entrepreneur. For example, Longenecker et al. (2014), mentioned that in general, there are 4 (four) types of entrepreneurial motivations which are personal fulfilment, personal satisfaction, independence, and financial rewards. Meanwhile, past researches have variety of results in terms of entrepreneurial motivation. Chinyamurindi (2016) found that opportunity out of struggles, opportunity for development, and opportunity for service as the motivation to become entrepreneur among black people in South Africa. While according to Hrehová (2019) who analyzed University Students, motivation to become entrepreneur include opportunity to realize vision, opportunity to make decision on life, opportunity to manage own work, opportunity to improve position, opportunity to earn more, opportunity to apply creativity, opportunity to self-realization, opportunity to manage the work of others, and have not yet found a job. In a study specific to woman, Austhi (2017) found out that increased revenue, independence, recognition, challenge, excitement, growth, and assured future as the motivation to become entrepreneur. The motivations mentioned above can be further classified into internal (intrinsic) and external (Extrinsic) motivation (Gimmon et al., 2018). McShane & Von Glinow (2018) believe intrinsic motivation occurs when people seek need fulfillment from doing the activity itself, while extrinsic motivation occurs when people are motivated to receive something that is beyond their personal control for instrumental reasons. For example, the results of a study conducted by Katapi et al. (2021) found that there are internal and external factors that motivate a person to become an entrepreneur. The internal motivation include needs of achievement, independence and freedom, needs of recognition, needs of happiness, family security, and passion; while the external motivation includes family support, environment, and financial rewards.

However, despite various findings regarding motivation (intrinsic and extrinsic) to become an entrepreneur have been identified, there is still limited study on a specific industry such as food and beverage MSMEs. Moreover, Carsrud & Brännback (2011) in their study suggested that there is a need to look into the motivation of different type of entrepreneurs. Thus, this study aims to explore the motivation (intrinsic and extrinsic) of the entrepreneur behind food MSME’s in Tanjungpinang, especially in time of COVID-19 pandemic.

RESEARCH METHODS

This research adopted qualitative method. The sampling technique adopted in this study was purposive sampling. According to Sugiyono (2022), purposive sampling is a non-probability sampling technique where the samples in a study are chosen based on particular considerations or conditions. Samples in this research were chosen based on the location of the business, which is in Tanjungpinang.
City, and the year that the MSMEs started operating, which was limited to the year 2020 and year 2021 to give a better understanding of the entrepreneurial motivation in the COVID-19 situation. A total of 11 (eleven) entrepreneurs/owners of food and beverage MSMEs in Tanjungpinang were interviewed as informants for this research. The participants were then given codes P1 to P11 to help in data analysis and presenting the result of the study.

In this study, the researchers acted as human instruments in collecting data. Semi-structured interview was chosen as data collection method. A set of interview guidelines was prepared prior to the interview. The questions were developed by referring to Longenecker et al. (2014) ideas regarding motivation to become an entrepreneur. All interview processes were recorded using a voice recorder. Data gathered through interviews were analyzed using thematic analysis approach. Thematic analysis is an analysis technique where the researcher identifies the themes “told” by a participant from interviews conducted (Creswell & Poth, 2018). The aim of thematic analysis is to identify relatively broad themes which summarize the content of the data (Howitt, 2016). In this research, thematic analysis was used to identify the motivation to become entrepreneur theme. The tools that is used to help in thematic analysis was NVIVO 11.

RESULTS & DISCUSSION

The findings will be separated into two sections. The first section will discuss informant characteristics, and the second section will discuss the findings of this study to identify the motivation to become an entrepreneur for food and beverages MSMEs entrepreneurs during the COVID-19 pandemic in Tanjungpinang.

Informant Characteristics

The characteristics of the informants involved in this study can be seen in figure 1 and figure 2 below:

![Figure 1. Gender of The Informants](source: Interview Results (2022))

![Figure 2. Year of Business Establishment](source: Interview Results (2022))

There are a total of 11 (eleven) informants interviewed in this study. Based on figure 1, from a total of 11 informants, there are 7 female entrepreneurs and 4 male entrepreneurs interviewed. Meanwhile, in terms of the year the business started, there are a total of 6 businesses started in 2020, and 5 businesses started in 2021 as can be seen in figure 2.

Motivation to Become Entrepreneurs

Based on the thematic analysis conducted, there are four themes found out to be the motivation to become entrepreneur among food and beverages MSMEs entrepreneur in Tanjungpinang.
Table 1.
**Thematic Analysis of Motivation to Become Entrepreneur**

<table>
<thead>
<tr>
<th>No</th>
<th>Excerpts/ Coding</th>
<th>Sub-Theme</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>…help my family's financial situation [P1]</td>
<td>Supporting</td>
<td>Financial Rewards</td>
</tr>
<tr>
<td>2</td>
<td>Due to economic factors to increase income… [P4]</td>
<td>family financial situation</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Because this Dua Lima business adds income to my family [P5]</td>
<td>Building stable financial income</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>To help family's economy, since my husband is a casual worker…[P8]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Playing a role in helping my family's economy…[P9]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Because I'm no longer working, it means there's no more income, while some of my children are still in their final semester of college…[P3]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>At first, I opened this business because I wanted to find a more stable income…[P6]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>…can manage own time [P1]</td>
<td>Time Flexibility</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>one of the freedoms that you get in terms of time, like you can work while looking after your child… [P2]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>we as owners organize and run all activities that we want to run with a more flexible time span [P5]</td>
<td>Being Own Boss</td>
<td>Independence</td>
</tr>
<tr>
<td>11</td>
<td>One of the freedoms that you get is in terms of time, like you can work while looking after your child [P8]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>…because I am not responsible to anyone, only to my family [P2]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>I feel free because I only work when there is order [P4]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>…I think because this is my own business, my own place, I am my own boss, and I am selling it myself so there are no rules from other parties [P9]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>… I have the right to choose the appropriate location [P7]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Yes, I'm happy. Because I feel I can express the things I like… [P6]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>…when I was still working in Batam, I liked to eat crispy baby crabs [P1]</td>
<td>Passion &amp; Hobby</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>I am very happy to become entrepreneur like this because my hobby is cooking… [P2]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>…the motivation that drives it might just be a hobby, I happen to have a hobby of cooking and making snacks at home [P6]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Because, my hobby is cooking… [P8]</td>
<td>Personal Satisfaction</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Because I myself like to eat dimsum, I like to buy dimsum… [P9]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>My family like to consume mutton… [P11]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>especially from this dimsum I can realize what I want [P9]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Yes, from the beginning I liked it, so passion became a hobby[P10]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>a woman has the right to develop the ability to be an entrepreneur, in order to increase the potential and self-quality of a woman. Especially, in this modern era, women are required to be independent…[P5]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Because I think that snacks are still in great demand even during a pandemic. So I just tried to sell… [P6]

Opportunities in the field of food are greater because food is a primary need for humans [P4]

Because the capital is not much, it's easy to make and many people like it… [P3]

in Tanjungpinang, no one has open the baby crab business, so there are quite a lot of opportunities for businesses to grow and competitions is also not that great… [P1]

because I see that in there are only a few people who open tokebbi businesses in Tanjungpinang [P7]

Food from goats are rarely seen in Tanjungpinang culinary market [P11]

..because we raised goats and understand how to process it. [P11]

<table>
<thead>
<tr>
<th>No</th>
<th>Excerpts/ Coding</th>
<th>Sub-Theme</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>Because I think that snacks are still in great demand even during a pandemic. So I just tried to sell… [P6]</td>
<td>High Demand</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Opportunities in the field of food are greater because food is a primary need for humans [P4]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Because the capital is not much, it's easy to make and many people like it… [P3]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>in Tanjungpinang, no one has open the baby crab business, so there are quite a lot of opportunities for businesses to grow and competitions is also not that great… [P1]</td>
<td>Availability</td>
<td>Existence of Opportunities</td>
</tr>
<tr>
<td>31</td>
<td>because I see that in there are only a few people who open tokebbi businesses in Tanjungpinang [P7]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Food from goats are rarely seen in Tanjungpinang culinary market [P11]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>..because we raised goats and understand how to process it. [P11]</td>
<td>Supply</td>
<td></td>
</tr>
</tbody>
</table>

Source: Interview Results (2022)

From Table 1, it can be inferred that there are 4 (four) themes that emerged which are financial rewards, independence, personal satisfaction, and the existence of opportunities. Those themes can be further classified into intrinsic and extrinsic motivation, similar to what McShane & Von Glinow, (2018) suggested in their theory and support the findings of Gimmon et al. (2018) and Katapi et al. (2021) in their respective studies. Internal motivation consists of independence and personal satisfaction themes, while external motivation consists of financial rewards and existence of opportunities.

Financial Rewards

The first theme form thematic analysis conducted in this study is financial rewards. 8 out of 11 participants in this study mentioned that financial reward is one of their motivations to become entrepreneur. Participants in this study mentioned that they became entrepreneurs to gain financial rewards to support their family financial situation, and to get more stable financial income.

5 out of 8 participants mentioned that they became an entrepreneur to support their family’s financial situation. They open their businesses to add more income to the family. P8 mentioned “To help family’s economy, since my husband is a casual worker”, while P4 mentioned “Due to economic factors to increase income…”. From the responses, it can be inferred that the business of the participants is not the main source of the income in the family, rather, they open their business to support the financial situation of their family.

Meanwhile, 3 out of 8 participants become an entrepreneur to build stable financial income. 2 out of 3 participants mentioned that they become an entrepreneur to earn stable income to pay for their children’s schooling. P3 mentioned “Because I’m no longer working, it means there’s no more income, while some of my children are still in their final semester of college”, while P2 mentioned “Yes, the economic factor is one of my motivations to open a business. One of them is for children’s school fees, you have 4 children who are still in school.”.

Financial rewards theme is in line with what Longenecker et al. (2014) believed. Becoming an entrepreneur can be seen as a way to make ends meet and to fulfill basic human needs. Moreover, in the time of COVID-19 pandemic where employees lay-off may be unavoidable due to force majeure (Muslim, 2020), many affected employees choose to open their own business (Faizi et al., 2022). Becoming an entrepreneur is one of the right option to pursue depending on one’s potential (Harding et al., 2021). The result of this study also support what Aziz et al. (2013) found in their research in Kyrgyzstan where the desire to earn money is one of the motivation to become an entrepreneur, especially when the individual need to earn to survive.
Independence

The second theme emerged from thematic analysis conducted in this study is independence. 8 out of 11 participants in this study also mentioned that one of the reasons they became entrepreneurs is the freedom they get in doing their work. By becoming entrepreneurs, they have time flexibility, being their own boss, and have freedom of expression.

4 out of 8 participants mentioned time flexibility is one of the motivations to become entrepreneurs. Ability to manage own time is one of the advantages to become entrepreneurs. P5 mentioned “we as owners organize and run all activities that we want to run with a more flexible time span”. Time flexibility may not be available to a person who works in an office that is tied to office hours. In addition, time flexibility allows entrepreneurs to manage other daily things well, for example babysitting their children. P2 and P8 mentioned that they are able to work while looking after their children. P8 mentioned “One of the freedoms that you get is in terms of time, like you can work while looking after your child”.

Next, 4 out of 8 participants mentioned that able to be their own boss is what attract them to become entrepreneur. They are responsible only to themselves and their family, they set their own rules, and able to make their own decision. Those things mentioned are offered limitedly if they work in an office. P2 mentioned that one thing that makes him happy in becoming an entrepreneur is because he is not responsible to anyone. In the interview, P2 said “because I am not responsible to anyone, only to my family”. Being able to set own rules and make own decisions are the reasons why the participants became entrepreneurs. P7 mentioned “… I have the right to choose the appropriate location”, while P9 mentioned “…I think because this is my own business, my own place, I am my own boss, and I am selling it myself so there are no rules from other parties”.

Lastly, 1 out of 8 participants mentioned that she is happy to became an entrepreneur because she is able to express herself in her work. P6 mentioned in the interview “Yes, I’m happy. Because I feel I can express the things I like”.

Independence theme is also in line with what Longenecker et al. (2014) have suggested in terms of the motivation to become entrepreneurs. The freedom and control that individuals get from becoming entrepreneur such as making own decision regarding the business and having time flexibility is rewarding them. By becoming an entrepreneur, there is a sense of having more creative freedom, higher self-esteem, and sense of control over peoples’ own lives (Dorowoju, 2014). The result in this study also supported research findings conducted by Hrehová (2019) that suggested opportunity to manage own work is one of the factors that motivate a person to become entrepreneur. In times of COVID-19 pandemic where office workers fate may be affected by the lay-off and retrenchment by the employer (Muslim, 2020), entrepreneurs are able to make their own decision regarding their business and their lives.

Personal Satisfaction

The third theme emerged form thematic analysis conducted in this study is personal satisfaction. 8 out of 11 participants mentioned that they feel personal satisfaction by becoming entrepreneurs. This is because the food and beverages MSMEs business that they are running is in line with their hobbies and passion. In addition, they feel a sense of achievement by becoming entrepreneur.

7 out of 8 participants mentioned that they running the business because it is their hobby. 4 out of 7 participants mentioned that cooking and making drinks and dishes are their hobby. For example, P6 mentioned int the interview “…. the motivation that drives it might just be a hobby, I happen to have a hobby of cooking and making snacks at home”, while P2 mentioned “I am very happy to become entrepreneur like this because my hobby is cooking...”. Meanwhile, 3 out of 7 participants mentioned that the like to consume the products that they are producing and selling. P1 mentioned “….when I was still working in Batam, I liked to eat crispy baby crabs”, and P11 mentioned “My family like to consume mutton...”. This finding is similar to what Katapi et al. (2021) found out in their study that passion/hobby, not only to
entrepreneurial activity, but also to the product or services managed, can be a motivating factor to push an individual to become an entrepreneur.

1 out of 8 participants mentioned that they feel a sense of achievement by becoming an entrepreneur. This sense of achievement emerged because she feels that she is developing as an independent woman who lives in modern world. P5 mentioned “a woman has the right to develop the ability to be an entrepreneur, in order to increase the potential and self-quality of a woman. Especially, in this modern era, women are required to be independent…” The sense of achievement sub-theme is similar with what Austhi (2017) has found out that growth and self-development can be one of the factors that motivate a person to become an entrepreneur. This similarity is probably because of the subject of the study by Austhi (2017) and P5 in this study is a woman. The subjects in both studies may feel empowered when they become entrepreneur and develop themselves.

Longenecker et al. (2014) believed that personal satisfaction is one of the factors that motivate an individual to become an entrepreneur. The feeling of satisfaction may come from working with particular products or services and being good at it, form the challenges they faced, or form the recognition and respect they gained in the process.

Existence of Opportunities

The final theme emerged from thematic analysis conducted is the existence of opportunities. Existence of opportunities become one of the themes resulted from thematic analysis conducted. 6 out of 11 participants doing their business because there are opportunities arise and the participants in the study were able to identify those opportunities, for example identifying that certain products are in high demand, or in limited availability in Tanjungpinang.

3 out of 6 participants mentioned that they started their business because they identified that food and beverages business is always in demand, especially during COVID-19 pandemic. For example, P6 mentioned “Because I think that snacks are still in great demand even during a pandemic. So I just tried to sell…”, while P4 mentioned “Opportunities in the field of food are greater because food is a primary need for humans”.

Next, 3 out of 6 participants mentioned that they started their business because their products availability is still limited in Tanjungpinang. The situation then seen as opportunity by the participants and they decided to open the business to provide those limited products. For example, P1 who sells baby crab snacks mentioned “in Tanjungpinang, no one has open the baby crab business, so there are quite a lot of opportunities for businesses to grow and competitions is also not that great…”, while P11 who sells lamb fried rice mentioned “Food from goats are rarely seen in Tanjungpinang culinary market”.

Lastly, a participant mentioned that he also started his business because he has the supply of main ingredients to be used in the business. P11 mentioned “…because we raised goats and understand how to process it.”. Becoming own supplier of main ingredients can be seen as strengths that can be utilized in competing with other business.

Existence of opportunities is more of environmental factors compared to other themes such as independence and personal satisfaction that were also found in this study. However, not everyone may sense an opportunity and decide to utilize it. Dorowoju (2014) mentioned that if a person possesses entrepreneurial skills, then that individual will more likely able to identify a genuine opportunity. This may explain why only a number of people like the participants are motivated by the existence of the opportunities while the opportunities are actually there for everyone to grab.

CONCLUSION

The thematic analysis resulted in four themes explaining what motivates a person to become an entrepreneur in food and beverage MSMEs. The themes include financial rewards, independence, personal satisfaction, and the existence of opportunities. In the COVID-19 pandemic times, financial rewards may be one of the vital reasons why a person becomes an entrepreneur; however, the role of
personal satisfaction in terms of doing what they love and are passionate about also become a factor in the increase of food and beverages MSMEs in Tanjungpinang. This finding also confirms that intrinsic and extrinsic motivation play a role in motivating a person to become an entrepreneur in the food and beverage industry.

Theoretically, the implication of this research is to motivate a person to become an entrepreneur; we may emphasize the financial rewards, independence, and personal satisfaction. In addition, helping a person identify existing opportunities also helps in pushing a person to become an entrepreneur. People may be motivated by the financial rewards and independence that they may gain by becoming entrepreneurs; however, knowing what to do may play essential roles in taking the first step into entrepreneurship. Practically, the implication of this research is the government may use this finding to design a module in entrepreneurship training to encourage people to become entrepreneurs.

Future research may look into entrepreneurial motivation in a different industry to give a more comprehensive understanding regarding the force behind an individual decision to become an entrepreneur.

ACKNOWLEDGEMENT

This research can be completed because of the help of various parties such as the participants/owners of the food and beverages MSMEs who were willing to give their time as well as information used in this study, and the verbatim team who help in transcribing the interview. The researchers would like to thank them for the support and good cooperation.

REFERENCES


