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The Impact of Entrepreneurship Insight to Go-Food's Innovation in Makassar, Indonesia

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Abstract: The development of Small and Medium Enterprises (SMEs) in Indonesia has made a significant contribution to the national economy. The capacity of MSMEs to absorb labor has increased by an average of 2-3% per year from 2021 to 2023. This aligns with economic growth and post-pandemic recovery, as well as government efforts to support the MSME sector through digitalization programs and improved market access. In 2023, the number of workers absorbed by Micro, Small, and Medium Enterprises (MSMEs) in Indonesia reached approximately 117 million people. Furthermore, technological advances bring so many sector changes that have an impact on the development of quality of life and also the human standard of living. In the era of the industrial revolution 4.0, technological advances are changing people's habits from conventional to digital base. The same goes for Go-jek, an online delivery app that provides food delivery ordering with Go-Food subservices. There are 766 SMEs in Makassar that cooperate with Go-food in 21 categories. These partners have a star rating of 4.5 or higher with price criteria between 40,000 and 100,000 (IDR). This study aims to examine and analyze the influence of business vision on innovation among entrepreneurs who have partnered with Go-Food. This study was conducted in Makassar city, in South Sulawesi province and involved small and medium enterprises in cooperation with Go-food as a model. The time of the study started from March to June 2024. A purposive random sampling approach with 100 Go-Food partners as respondents used in this study. The effect test between entrepreneurship insights on innovation was carried out with a linear regression test using the SPSS 20. The results of the study showed that entrepreneurship insight among Go-Food partners had a significant effect on innovation (Sig. <0.05). Thus, one can conclude that the more entrepreneurship is understood, the better the innovation.

Keywords: Entrepreneurship Insight, Innovation, Small and Medium Enterprises, Go-Food.

A. Introduction

The growth of SMEs in Indonesia has contributed significantly to the national economy. In 2023, the number of SMEs was estimated at 73.38 million units and the majority were micro enterprises (98.73%).

Growth of small and medium-sized enterprises in the period 2021-2023 reached 8.71%, of which the highest growth rate was of medium-sized enterprises, at 8.7% (Bappenas, 2023). During the same period, the labor absorption capacity of



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SMEs continued to increase at an average rate of 2.55%. In 2023, the number of SME employees reached more than 66 million people (Bappenas, 2023).

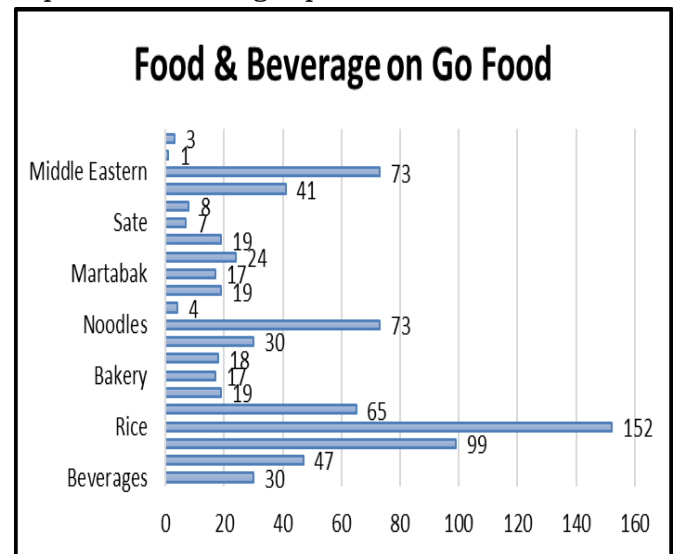
Technological progress brings many changes in each industry that affect the development of quality of life and also people's standard of living. In the era of the industrial revolution, the advancements of 4.0 technology are changing people's habits from the conventional base to the digital one. Digital technology has changed the landscape of the global economy. This is included in the concept of switching behavior. This switching behavior is suspected to be due to service dissatisfaction under the pretext of improving the service for the better (CalvoPorral & LévyMangin, 2015), (Njite, Kim, & Kim, 2008), (Stan Mack, 2018)). The movement of human behavior occurs almost in all lines, including cuisine.

Makassar, as the eighth largest city in Indonesia, also entered the ranking of cities in Indonesia that have experienced a change in behavior in the food and beverage industry and have even been dominated by medium and large enterprises (makassar.antaranews.com, 2010). In addition to becoming a lifestyle trend, the digital economy, especially with online transactions, has an impact on the growth of the food sector. This condition certainly makes the economy improve year by year, especially overcoming the employment problem. The positive impact of all of them is used as an opportunity for online transportation businesses to be able to synergize with culinary industries from small, medium to large in terms of providing ease of ordering and promotion (Fahri, 2014).

The online transportation application created by Indonesians, Gojek is no different from the online transportation application of the world's forerunners like Uber and Grab. Gojek has created commercial

transportation for small and medium enterprises in several cities in Indonesia. Gojek with a side service called "Gofood" makes the food industry feel as supported as a delivery ordering app. Figure 1 explains the GoFood partner in Makassar based on a 4.5-5 star rating and has an average price of IDR 40,000-100,000.

To enhance SME innovation, SMEs can take a number of measures. "Key motives for the internationalization process of small and medium-sized enterprises" writes that in order to disrupt the competition, it is necessary to prioritize aspects of the entrepreneur's ability to transact with customers and increase sales (Kubičková, Votoupalová, & Toulouva, 2014). The problems of SMEs related to the problem of entrepreneurship are the inability of entrepreneurs to attract human resources to work in SMEs as well as the inability to produce good culture (Jaka Perdana, 2017). Development of SMEs can be realized through the spirit of entrepreneurship in aspects of ensuring aspects of human life.



Source: Gojek Apps, 2019-2023.

Figure 1: Go-Food Partner in Makassar, 2019-2023

The success of SMEs cannot be separated from the role of innovation as a

key bridge to improve the performance and competitiveness of the SME sector. The dimensions of the marketing channel, marketing innovation, product segmentation and customer insight approaches based on Consumer Culture Theory (CCT) and TAM Theory (Technology Acceptance Model Theory), are the right choice in measuring innovation for SMEs businesses today. Innovating new products and continuously improving service aspects, using the company's own products in the company's internal environment for the purpose of motivating other consumers, trying every positive opportunity and try to participate in a broader marketing channel such as e-commerce, minimizing the directional pressure on quality and quantity (Limaj & Bernroider, 2019).

More specifically, it is shown from the results of research presented by Rajapathirana & Hui (2018) in his study entitled "Relationship between innovation capability, innovation type, and firm performance". Rajapathirana, et., Al (2018) revealed that the success factor of innovation for business is taken from several important aspects, innovation capability, innovation type, innovation performance, market performance and financial performance. The measurement of market innovation is based on the perception of promotion aspects and promotion techniques across technological means and the placement of online sellers to track the movements of sales activities (Rajapathirana & Hui, 2018). The next aspect followed by Rajapathirana (2018) is original product development, increasing the value of the original product by adding functionality to the original product.

Gojek Indonesia **Gojek**

Gojek is an Indonesian technology company that provides transportation through a motorbike taxi service. The company was founded in 2010 in Jakarta by

Nadiem Makarim. Currently, Gojek is present in 50 cities in Indonesia, Gojek also has a digital payment service called Gopay. Gojek first received funding from NSI Ventures in June 2015 for an undisclosed amount. In October 2015, Gojek again received funding from Sequoia Capital and DST Global was also not mentioned in the count. In August 2016, Gojek officially announced funding of 550 million USD or around 7,2 trillion IDR from KKR, Warburg Pincus, Farallon Capital, and Capital Group Private Markets and other previous investors. With this funding, Gojek is officially the first unicorn in Indonesia, a startup with a valuation of more than 1 billion USD. At that time, Gojek's valuation had reached US 1.3 billion USD (approximately 17 trillion IDR).

In January 2018, Google through its official blog site announced that it had provided funding for Gojek. This is Google's first investment in startups in Asia. The funding is part of a series of funding which was followed by Tencent, JD, Temasek, and Meituan-Dianping, that reached 1.2 billion USD (16 trillion IDR). Starting with transportation services, now the Gojek application has more than 20 services which are solutions for everyday challenges. Gojek became one of the largest technology platforms that serve millions of users in Southeast Asia by developing three Super-apps: for customers, for driver partners, and merchant partners.

Gojek started our journey in 2010 with our first service, which was to book motorbike taxis through the call center. In 2015, Gojek grew rapidly after launching an app with three services, GoRide, GoSend and GoMart. Since then, Gojek's growth has caught up and continues to grow into a leading technology corporation serving millions of users in Southeast Asia. Gojek's three pillars are speed, innovation and social impact.

Go-food Makassar

There are 766 SMEs in Makassar that have partnered with Go-food, a food delivery service provided by Gojek. Several food categories also emerged, 21 categories of Go-food partners are revealed (Tabel 1).

B. Materials and Methods

This research site was conducted in Makassar City, South Sulawesi Province, which involved SMEs that partnered with go-food as a sample. The time of the study starts from March - June 2023. Population of the study is SMEs using alternative digital marketing activities as Go food partners in Makassar. A purposive random sampling approach with a sample size of 100 Go-Food partners is used in this study. Each respondent was selected from all Go-Food categories, 21 categories. The population and sample of the study are as follows.

Table 1: Go – Food category, population and sample.

Food Category	Population (N)	Percentage (%)	Sample (n)
Beverages	30	3,92	4
Snacks	47	6,14	6
Sweets	99	12,92	13
Rice	152	19,84	20
Chicken & Duck	65	8,49	8
Fast Food	19	2,48	2
Bakery	17	2,22	2
Japanese	18	2,35	2
Bakso & Soto	30	3,92	4
Noodles	73	9,53	9
Korean	4	0,52	1
Coffee	19	2,48	2
Martabak	17	2,22	2
Pizza & pasta	24	3,13	3
Chinesse	19	2,48	2
Sate	7	0,91	1
Western	8	1,04	1
Seafood	41	5,35	5
Middle Eastern	73	9,53	9
Thai	1	0,13	1
Indian	3	0,39	1
TOTAL	766	100	100

C. Result and Discussion

Result

Results of the study showed that majority of the respondents are female 57% while others are male. Most of the respondents are adult that have an age range between 34 and 41 years old. The description of respondent's demography is shown in the table below.

Table 2: Respondent's demography

Demography	Category	Percentage (%)
Gender	Male	43
	Female	57
Age range	18 – 25 years old	15
	26 – 33 years old	15
	34 – 41 years old	53
	42 – 48 years old	14
	>48 years old	3
Marital status	Single	40
	Married	60
Educational background	High school	43
	Diploma	8
	Bachelor	22
	Master	23
	Doctoral	4

This study explored the Entrepreneurship Insight as an X variable and Innovation as Y variable applied by Go-Food merchants. Entrepreneurship Insight consists of two dimensions, namely Transactional Entrepreneurship (TE) and Authentic Entrepreneurship (AE). While, Innovation consists of four dimensions, that are Marketing Channels (MC), Marketing Innovation (MI), Product Segmentation (PS) and Customer Insights (CI). Each dimension of Entrepreneurship Insight has four items. In addition to innovation, MC consists of four items, MI three items, PS one item and CI has five items to study. Every item measured by five-Likert scale that scores from strongly disagree (1) to strongly agree (5). This table below witnesses an overview of the distribution of each dimension.

Table 3: The distribution of each dimension

Variable	Dimension	Percentage (%)				
		1	2	3	4	5
Entrepreneurship Insight (X)	Transactional Entrepreneurship (TE)	0	0	9	56	35
	Authentic Entrepreneurship (AE)	0	2	8	68	22
Innovation (Y)	Marketing Channels (MC)	0	3	15	57	25
	Marketing Innovation (MI)	0	3	11	48	38
	Product Segmentation (PS)	1	1	16	46	36
	Customer Insights (CI)	0	2	8	45	45

Each item in the study transform into a compound dimension that eventually recode into these grade, very weak (1), weak (2), moderate (3), good (4) and very good (5). Table 3 showed that the majority of SME's have a good transactional entrepreneurship (56%) and good authentic entrepreneurship (68%). The similar grades are shown on every dimension of innovation that has good grade in each dimension. Furthermore, the resume of entrepreneurship insight and innovation are shown below.

Table 4: The distribution of X and Y variable, and its regression result

Variable	Percentage (%)					Regression	
	1	2	3	4	5	R square	Sig.
Entrepreneurship Insight (X)	0	0	6	70	24	0,147	0,000
Innovation (Y)	0	0	6	71	23		

Based on table 4, it can be concluded that Go-food partner in Makassar have a good Entrepreneurship Insight (70%) and good innovation (71%). These two variables then analyzed with linear regression by using SPSS 20. The independent variable

(Entrepreneurship Insight) has a contribution of 14,7% to the Innovation. This means that 85,3% is influenced by other factors outside the X variable. Moreover, the study exists that entrepreneurship insight has a significant effect on innovation (Sig. < 0,05). Hence, it could be concluded that the better the entrepreneurship insight the better the innovation would be.

Entrepreneurial insight is the reference that distinguishes an entrepreneur from others, this insight will also determine the direction of innovation he will develop for his product and company in the short term. and long term. The personality of today's entrepreneurs is increasingly complex because the competitive model and its extent also participate in changing the model and status of the company itself. Good business is not only a profit but it also brings intangible added value to all parties (workers, consumers and society).

These ideas are linked to business ideas such as employee motivation, material and immaterial rewards. Second, leaders must provide positive influences on their employees. In addition, humanoid leaders have good intelligence and ability, helping them to work productively, effectively, with direction and also systematically. Ultimately, a leader's personality reflects his authority.

Generally, innovation in e-commerce business is supported by capabilities of massive promotion which makes the product easily sought by potential buyers. This method can be moved by selling using social media or social-commerce because it is a positive alternative for today's creative industry. Therefore, it is expected in advertising on social media for example by using several well-known figures as a product endorsement that can be used for products that are easier for potential customers.

Achieving knowledge-based innovation of entrepreneurship requires the

entrepreneur to know all the details of the items before selling them in the market. It aims to reassure consumers about the product. At that time, the continuous evaluation to improve the quality of the product is a mandatory task. Consistency in maintaining good quality products gives consumers confidence both now and in the future.

Related to winning business competition today, a good businessman is not only able to sell a lot of products, but is also demanded to be able to educate consumers or potential customers. Regarding entrepreneurship insight, a reliable businessman is those who understand the product segmentation they sell. In other words, the seller must understand that the products they sell have certain segments and consumers because not all products are suitable for anyone.

A supporting system in gaining the success of innovation for businesses based on digital operations requires innovation in products that are in line with the times. Data protection and privacy security is very important to consider for whom only those who sell in online media for example in terms of quality control, and accuracy in responding to customer complaints because in businesses relying on online business operations, excellent service is the key that they must implement, because as consumers, they need good service and responsive responses from a seller.

In conclusion, the entrepreneurship insight has a positive and significant effect on Innovation, which means that the increase in entrepreneurship in SMEs will affect the increase in innovation. This shows that entrepreneurship play a role in new ideas, innovations, experiences, and productive processes that can create products, services or processes on new technologies.

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