# THE VIGILANCE OF PESANTREN SMES' ONLINE PRODUCTS IN INDONESIA DURING CORONAVIRUS PANDEMIC ERA

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**ABSTRACT**
Attractiveness of products from pesantren SMEs to consumers, comprising identity expressiveness Islamic and product uniqueness. It intends to find out the effects of identity expressiveness and need for Islamic product uniqueness on preference on pesantren SMEs' online products with in corona virus pandemic context where common transactions swift from offline to online. It Applies convenience sampling technique for questionnaire distribution SEM-PLS for data analysis, and follows Malhotra's guideline for sample size. The respondents that have had transaction experiences are contacted online. Pesantren SMEs should embrace online business, by considering factors relevant to pesantren such as Islamic identity expressiveness and Islamic product uniqueness. Factors for pesantren SMEs, this can provide consideration to take into account of factors that pronounce identity and related uniqueness in order to set themselves from common SMEs. Beside new constructs including identity expressiveness and need for Islamic product uniqueness, main contribution of the study lies on relation of social identity and uniqueness theories as antecedents of preference on pesantren SMEs' online products.

**KEY WORDS**
Identity expressiveness, pesantren reputation, need for Islamic product uniqueness.

Distancing and work from home are now common norms. Most office and school activities are carried out online. Health is of utmost priority where online interaction is the only recourse to take. Online service in business has become standard for good governance and comfort for stakeholders and serves as a component of quality.

Digital platform SMEs' development dynamics are interesting to explore because of some factors, including great challenge from bigger companies who have earlier histories in digital platform, their unique products, their contributions to national economy, substantial human resource absorption, and a great resilience against economic crisis.

The present study has interest in pesantren SMEs which are rather new players in digital platform business. The research on pesantren SMEs is rare, and important to help find ways to apt strategies in order to catch up the progress non pesantren SMEs. Besides the research could enrich SME management literature. More importantly, Pesantren SMEs has a great potential yet to explore. Indonesia today has more than 28,000 Pesantren, 80% of which operate their own SMEs. When managed professionally, they can leverage national economy.

The study attempts to design a model for pesantren SMEs amid a great competition from non-pesantren SMEs which have already had longer experiences and improved skill in digital framework accordingly. Even though considered as new players in economy, and possessed underestimated skill in IT and management, they have leverages that their most competitors mostly do not. They might include identity expressiveness and religion-based uniqueness. Identity expressiveness is related to individual' social identity and can be explained by social identity. As widely known, Moslem people constitute the majority of Indonesia's population. More importantly, Indonesia has the largest population in the world. So, it is logical that many Muslim people in Indonesia concern with their social identity, and often perform activities to express their identity, which in this case is religion identity.

Being faced by varied offers of products, they would see products with capability of identity expression as having higher value. The study puts forward identity expression to

refer express consumers' identity. The application of the construct could be the research's novelty, as its role in management is under-researched. Identity-laden products could range from those with symbols, pictures, or writings that refer to fan of certain Islamic figures that are well-known for their contribution to society and Islamic progress, to those that reflect social class or high taste. It covers products like t-shirts, mugs, with pictures of certain figures, like Habib Rizieq, Habib Syeikh, and others, or skull caps of Ainun Nadjib, of Abdul Somad, of Syeikh Abdul Qodir, Gus Dur and others that are available online. Each of them has respective mass. Habib Rizieq, for example, is widely associated with Nahi Munkar voice and has attracted a great mass, while Gus Dur with pluralism and has institutionalized followers called Gus Durian. It also includes T-shirts or products with symbols of certain pesantren that reflect one's affiliation or study background, or ideal social identity like millennial Moslem, young Muslim entrepreneur and the likes.

Moslem wear market for young generation is now growing. Muslim young people are more attentive to Sharia clothing with stylish model. The need to express identities of Muslim and millennial youth has given rise many online businesses. Demand for Halal products also reflects increased awareness of the importance of safety and cleanliness. Pandemic outburst has formed an identity of people who concern with safety and cleanliness. The high art of calligraphy, high quality of prayer rug, fine wall rug and the like also reflect certain identity, especially relate to social status that appreciate special taste. Moslem wears for office, special events, study in college, or leisure time also capture identity consumers might want to express.

The study also puts special concern with product uniqueness, and considers that some Muslim people give higher values to products with uniqueness than those without. UD village Creation in Tuban offers capes from waste clothes. Beside unique design, this product might be viewed as contributing to environment. Other unique products include bamboo-woven capes, gunny capes, fur capes, petiole capes, wood skin capes, Sufi tuft capes, while unique sarong products include pant sarong, Pekalongan batik sarong, painted anime sarong, ethnic sarong, and painted batik sarong, and other calligraphy products include mortar-made calligraphy, bamboo-made calligraphy, tea powder and sawdust-made calligraphy, wood carving calligraphy, batik calligraphy, contemporary calligraphy and others.

As a whole, the present study intends to explore the effects of identity expressiveness and need for Islamic product uniqueness on preference on online products of pesantren SMEs. Since general non-pesantren SMEs could offer the same products; innovation for development of the same products could be a strategic way to pesantren SMEs.

## THEORETICAL FRAMEWORK

Uniqueness was firstly introduced by Snider and Fromkin. According to them, it works as a drive for individuals to be seen as unique, and seek differentness. They avoid similarity, and attempt to set apart from others. It means that individual might have motivation for uniqueness in order to be known better from standing out from others (Vignole et al., 2000). They put forward need for uniqueness theory to refer to "a positive striving for differentness relative to other people" Burns and Krampf in Roehrich (2002) People with high motivation for uniqueness more tend to prefer new products. High motivation for uniqueness could be manifested in consumption (Lynn and Harris, 1997b). Other scholars have recognized the effect of difference feeling on consumer behavior (e.g., Chan, Berger, & Boven, 2012; Simonson & Nowlis, 2000). The fulfillment of being different helps accentuate individual's identity.

Motivation for uniqueness stands side by side with motivation for social agreement (Baumeister, 2012). The later motivation works to fulfill the need for social harmony (Brewer, 2012). Both motivations operate to affect each other, mutually constraining within each own limit. Uniqueness in this context is taken by individuals to present selves as different being, However, as concern as products that relate to social group' scope, motive of uniqueness could strengthen the sense of identity, allowing individuals to reflect their more identity to

public. People will concern more with uniqueness when it comes about identity-related products.

This theory has a base from Henry Tajfel' idea of group membership. Tajfel (1979) argued that people use group membership as source of pride and self-esteem. Group membership provides self-meaning from organizations individuals consider important. By this membership, individuals intend to accentuate who they are to the public. Commonly the drives for relationship to organization come from organization reputation, ideal congruence, or organization contribution, among others. Affiliation to a larger organization, or that which has a wider resonance, describes wider influence, stronger support, and more solid base that individuals could confidently voice that they are, what ideas they cling to, and what ideals they pursue. To this purpose, the positive image of organizations where they affiliate to is important. Even, they could the first defenders against any issue or event that might dent organization image. These social identities, formed by membership to certain organizations, serve as bases for sense of belonging to social world.

In order to put emphasis on the existence of their social identities, they accentuate who are members and who are not. The in-group-out-group process is a part of so-called social categorization and molded according to differences among them and similarities among in-group individuals. Consumerism in products could serve as information to public as to individuals' social identity background.

Some previous works have found relationship between social identity and positive attitude. He et al. (2012), for example, have found the effect of social identity of brand-on-brand loyalty. McGwan et al. (2016) proves the effect of affective social identity on purchase intention. Some products or brands carry identity ingredients and might radiate attractiveness to people who see link between their selves and that identity. Apple products emanate the air of excellence while being different and standing out. Apple's "Think Different" campaign communicated to the public that when you buy an Apple product you are not conforming to others, you are being different (Plummer, 2000). While European automotive producers emphasize on luxury and toughness, Japanese ones emphasize on flexible accommodation on local needs, environmental and technological demands. Ilaw (2014) and White and Argo (2008) confirm the effect of social identity on product attitude.

Identity expressiveness refers to product capability to represent and express identity that has certain attractiveness to some consumers. The present study applies identity expressiveness construct, with purpose to explore its effect on preference on pesantren SMEs' Islamic product uniqueness. The more identity expressiveness a product has, the more attractive product uniqueness should be. Islamic product uniqueness itself contains the aura of specific identity. Thus, it puts forward the following hypothesis:

- *H1: Identity Expressiveness has a significant effect on pesantren SMEs' Online Products.*

Previous works have shown the importance to take account on uniqueness on attitude. Lopez et al. (2017) show that uniqueness motive decreases identification with brand community of big brand, and increases identification with niche brand community. While, Abosag et al (2020) find a negative relationship between uniqueness motive and satisfaction with social network ties. Uniqueness motive decreases the need to make a closer relationship to any organization where many people like to belong to in the form of reduced identification, satisfaction and loyalty to the organization. The present study views that Islamic product uniqueness affects preference on pesantren SMEs' online products. Most people get used to purchase from general SMEs for any products they need. Habitual purchasing on pesantren SMEs reflects departure from common practice. Digital platform itself offers a wider array of products, including those absent in offline store. People always look on online stores for unconventional products, rare objects, which are hard to find or only exist in remote areas. SMEs which make and sell unique products that are beyond common demand usually seek digital platform to reach unidentified consumers who are interested in the products. Purchasing online products from pesantren SMEs is a part of independent behavior. Lopez et al (2017) show the effect of uniqueness on brand loyalty, in the same vein

Kao (2013) confirm that need of uniqueness drives consumers to seek non-mainstream products. Thus, it puts forward the following hypothesis:

- *H2: Need for Islamic product uniqueness has a significant effect on pesantren SMEs' online products.*

Based on the literature review and the developed hypotheses, the study proposes the following research model (see Figure 1).
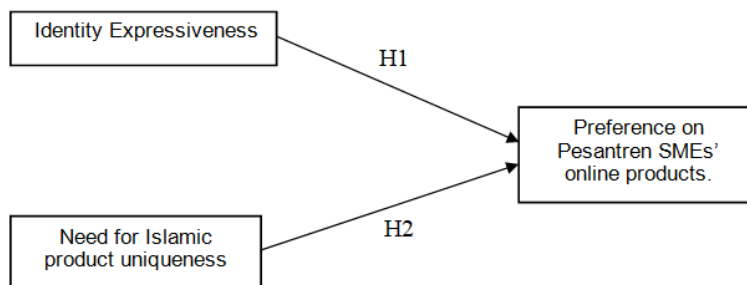


Figure 1 – Research Concept Framework

## METHODS OF RESEARCH

The study's research model has a new construct that is identity expressiveness. For this case, it would explore its dimensions and indicators. It needs content and face validity tests. Content validity test requires expert judgment. Researchers invite relevant experts, consult with them and score their answers regarding dimensions and indicators in order to get the most appropriate ones. Face validity test refers to consultation and indicator score on some segment of respondents (Groth-Marnat, 2009). Dimensions and indicators of need for Islamic product uniqueness construct follow those of need for product uniqueness with some adaptations. The same is also true to Preference on pesantren SMEs' online products construct that follows preference SMEs' online products with some adaptations. The study also would carry out factor analysis to confirm construct validity determined by KMO that set over 0,6 as validity standard (Cronbach, 1951). The study' sampling technique is convenient sampling. Respondents are contacted online. The scope is consumers of SMEs in all pesantren in Indonesia the research reaches respondents by contacting them online based on both SMEs' data and online communication.

Regarding to *sample* size, Malhotra (1993) determines that sample size could follow formulation from 5 to 10 times to indicator number of all variables. The study should set indicators of new construct identity expressiveness first to arrive at appropriate sample size. This new construct becomes one reason to apply Smart PLS for data analysis. The new construct contributes to predictive nature of research (Chin, 2010). The confirmatory analysis (CFA) and path analysis are important to confirm validity and reliability of researches instruments (Hair et al. 2011).

It applies convenient *sampling* as sampling technique. Regarding to *sample* size, it follows Malhotra (1993), who sets out that sample size could be determined by means of formula of multiplication of indicator number to 5 to 10 times. Before contributing questionnaires to respondents, researchers will carry out content validity, face validity, construct validity and pre-test to around 30 respondents. Content validity involves expert *judgment*, while face validity involves judgment some segment of respondents (Groth-Marnat, 2009). Regarding to construct validity, the study applies factor analysis, by looking into KMO value which should be over 0, 6 as standard for validity (Cronbach, 1951).

## RESULTS AND DISCUSSION

The study conceives that identity expressiveness as a significant effect on preference on pesantren SMEs' online product. Everyone has social organization to which they belong. During coronavirus pandemic, almost all have been drawn under surface. People lose

contact with the world, and social life has been vanishing. The want to keep one's tie to social organization is still strong, as long as the social identity concerned has a special meaning to one's values, identity, pride and being. Attempting to maintain these ties is important, as it accounts to individual' sustainability. One way to express this is purchasing products to strengthen reflections of one' social identity to others.

Stores with digital platform are known to be more easily accessible, which is important to find out range of available products. This platform also allows for product exchange in the case of dissatisfaction, with greater flexibility and room for comparison. This platform allows for efficiency and affectivity.

Some products convey part of identities that consumer consider important. Identities could range from place or region, organization, or even religion. People with stronger concern with identities put higher value to products with capability to represent the concern. In tourism, products like handicraft, traditional outfit, and others that picture the destination region have lingering value that make them worth buying. People are also interested in products that reflect their ideals such as quality, reputation, innovation, creativity and others. Apple products for example capture market that concerns with differentiation and specialized quality, Harley-Davidson with freedom and masculinity, some with excellence or continuous innovation. People aspire to these achievements, and their product purchase decisions are largely based on this link, from which they can expect that their ideals are pictured by the cues of the products, and which the product export to other people sights. Product values on their capability of being consumers' ideals to be seen by others. By this way, not only they show support to the ideals, but also, they show spirit to maintain sustainability of the ideals. It is accompanied by the want to maintain identity. The result lends support from Ekinci et al (2017) that prove the effect of social identity on destination brand loyalty within tourism context, He et al. (2012) and McGwan et al. (2016).

Their works confirm that social identity has a significant effect on attitude toward products. Though they put forward different constructs, they arrive at the same point that is the powerful role of identity on consumers' positive attitude toward products in the forms of identification, loyalty, preference, and others. The study also sees that need for Islamic product uniqueness has a significant effect on preference on pesantren SMEs' online products. Uniqueness has been to have certain attractiveness, and one main driver of purchase decisions. Some research applied uniqueness seeking, to represent the role of uniqueness in the mind of consumers. Islamic related products like sarong, koko shirts, kopiyah, and others are common, and Islamic uniqueness products would offer certain benefits such as distinctiveness, conspicuousness, and high taste attaching a certain Islamic-social identity privilege.

Kind of products that carry elements of identity is perceived to have ability to express consumers' certain (social) identity is what Identity expressiveness construct means. Products have different chance of being looked to have identity value. It all depends on cues they dispose in physical appearance and way people perceive them. However, product categories might also be determining. Religious products, tourism products, real estates, clothes, automotive almost all contain identity contents relative to consumer perception and features they dispose. Some are perceived to have heavier identity content to others.

There is a dual purpose of uniqueness pursuance in operation. First, it serves a want to be different from crowd, as a way to capture a wide attention and impression of self-specialty. Second, this might serve as strategy to nuance one's identity. In terms of need for Islamic product uniqueness, uniqueness achievement could function to highlight religion identity and social group where one belongs to. The concerned social group one attempts to refer by uniqueness could that he or she is among few people who appreciates art, possesses high taste and advanced thinking or attitude beyond the crowd, and holds above average quality status.

People with need for Islamic product uniqueness tend to choose pesantren SMEs' products, and they search unique Islamic products in stores with digital platform. This system offers a wide range of product options, including those that possess uniqueness that exude

specific attraction to certain people who appreciate differentiates. These kinds of products are hard to find in offline stores. They are in line with Lopez et al. (2017) and Kao (2013).

This study only presents two constructs serving as strategic paths pesantren SMEs should take to win competition in online sector. Actually, these are not exhaustive; there are still other options to take to win the competitions. Innovation belongs to all businesses and pesantren and non-pesantren SMEs could capitalize them to obtain leverage. The study sets framework of social identity and uniqueness theories as its limits of research. Future research could develop the model by exploring the moderating effects of such as identity expressiveness, demographic factors, or others to relationship between Islamic product uniqueness and preference on pesantren SMEs' product online.

## CONCLUSION

Pesantren SMEs must have strategies to enter competitive online sector which non-pesantren SMEs have played much earlier. One is the emphasis on identity. Several works have proven the effects of identity on loyalty, commitment, and even preference. The present study puts forward identity expressiveness, describing products' ability to reflect certain identity. Beside religion identity, identity could grasp pluralism and democracy represented by Gus Dur figure, intellectuality represented oleh Habib Shihab, philosophy and culture by Ainun Najib, nahi mungkar struggle by Habib Rizieq Shihab, great love to Rosul by Habib Syech bin Abdul Qodir Assegaf, Sufi Islam by Kyai Bisri Mustofa, and others. Products with these attributes could have a certain value to those who approve, or support their ideals. These kinds of products serve to provide information regarding emotional affiliation of an individual to certain figure, especially identity. Owning and applying these products could increase self-image and self-esteem, with a clear-cut positioning accordingly. It also holds to products that presents identity attributes relevant to identities of millennial people, of unity supporters, of love spreader or others.

Products with identity-related uniqueness have high values to certain consumers. Their markets are highly specialized and segmented. Several Islamic products have uniqueness with great prospect market. Pesantren SMEs should concern this as a strategy to compete with common counterparts in digital sector. They should maintain and expand this market with deeper penetration.

SMEs need to develop innovation for deeper identity expressiveness and Islamic uniqueness. This would strengthen positioning and differentiation of pesantren SMEs, to the extent that they form strong mind-set among consumers that online products identity expressiveness and Islamic uniqueness content are the special jurisdiction of pesantren SMEs. Today, the fact is that this market has not been optimally explored by pesantren SMEs.

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