

Impact of Covid-19 Pandemic on Revenue of Car Washing Services In Kuta Selatan Tourism Area Badung Bali

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Abstract. The tourism industry is one of the great potentials in Badung Regency and can contribute to regional income and employment as a source of community income and can stimulate other productive sectors. The Covid-19 pandemic has caused a decrease in tourist visits from both the tourism and non-tourism sectors. This study aims to describe and analyze how the community's economic impact on the tourism environment in the South Kuta area, Badung Regency during the pandemic, especially in the field of car wash service income before and during the pandemic. The analysis in this study uses descriptive qualitative data reduction methods, data presentation and conclusions that can compare the income of a car wash service business before and during the pandemic. The results of the research analysis show that during the Covid-19 pandemic since the beginning of March, car wash revenue has decreased significantly compared to last January before the pandemic took place.

1 Introduction

Economy is one of the important factors for human life. The existence of an economy can provide opportunities for humans to be able to meet their daily needs such as food, drink, shelter, clothing, and so on. The Covid-19 pandemic that is currently happening has an impact on various sectors. One of them is in the tourism sector which is also not free from threats. Data compiled from the Central Bureau of Statistics explained that in 2019 travelers from China who came to Indonesia touched the figure of 2.07 million travelers or 12.8% of the total number of foreign tourists throughout 2019. The Covid-19 pandemic caused tourists to come to Indonesia to decline. Supporting sectors for tourism, namely restaurants, hotels and MSME entrepreneurs, have also been affected by the Covid-19 pandemic. Hotel profits have decreased by up to 40%, which has an impact on hotel operations and threatens its business continuity. The decline in foreign visitors also affects the income of restaurants or hotels whose customers are more dominant than visitors from abroad (Block, 2017). Weak tourism growth also has an impact on MSMEs in South Kuta Badung because in that area most of the people earn a living from the tourism sector. If foreign visitors who visit decline, it is certain that micro, small and medium enterprises will also decline (Saidi et al, 2017).

At the global economic level, the Covid-19 pandemic has a very significant impact on the domestic economy of the nation-state and the existence of MSMEs. Pakpahan (2020) states that there are three implications for Indonesia regarding the Covid-19 pandemic, namely the tourism, trade and investment sectors. Indonesia, which is dominated by the existence of Micro, Small and Medium Enterprises (MSMEs) as the backbone of the national economy, is also seriously affected not only in terms of total production and trade value but also on the number of workers who have lost their jobs due to the pandemic. Data from the Ministry of Cooperatives and Small and Medium Enterprises (KemopUKM) illustrates that 1,785 cooperatives and 163,713 Micro, Small and Medium Enterprises (MSMEs) actors were affected by the corona virus pandemic (COVID-19). Most of the MSMEs most affected are in the service sector.

Bali Province is one of the 33 (thirty three) Provinces which has the potential to contribute to economic growth in Indonesia. Bali Province has an important role in growing tourism and small businesses such as micro, small and medium enterprises (MSMEs) in Bali Province. The contribution of the MSME sector to the economic growth of Bali Province is very large, and is one of the leading sectors. These MSMEs are able to absorb a large number of workers.

MSMEs in the national economy have an important and strategic role in economic growth, not only in developing countries like Indonesia but also in developed countries. In Indonesia, the role of MSMEs, apart from having a role in economic growth, also has a very important role in overcoming unemployment. The growth and development of small and medium enterprises makes it a growth opportunity for employment and social welfare. Realizing the importance of the role of MSMEs, the efforts to empower UMKM are in the context of accelerating regional and central economic development and increasing the competitiveness of MSME products.

Badung Regency is one of the nine regencies / cities in Bali Province. The total area is 418.52 km² (7% of the area of Bali), consisting of six sub-districts, 46 villages and 16 sub-districts. Total population of 578,275 people (a dominant 6.4% growth by migration). The economic potential in Badung Regency includes the tourism industry, people's handicraft industry and agriculture. Badung Regency Gross Regional Domestic Production (GRDP) is one of the highest in Bali, but the GDP from the trade sector is slightly low. The BPS of Bali Province (2018) recorded that in 2014, the contribution of the trade sector in Badung district was 8.41%, then increased to 7.29% in 2018. Meanwhile in the same year the tourism sector contributed 37.92% and respectively. 34.26%. The GDP comparison figure of the two sectors clearly shows that the tourism sector occupies a high position. This is because in 2018 domestic and international tourist visits have increased significantly so that the population has shifted to the tourism sector.

The population data census conducted by the Central Statistics Agency of Badung Regency illustrates that in addition to the tourism industry which has the highest sector, there is also the trade in goods and services sector, which ranks second as a livelihood for the population after tourism. So that MSMEs that are established in Badung Regency, especially in the tourist area of South Kuta, are very dependent on the existing tourism sector, because those who will use products both in terms of goods and services produced by MSMEs are tourists and local residents who are involved in the tourism industry.

During a pandemic like now, the problems faced by MSMEs are influenced by the tourism sector which was affected by the Covid-19 pandemic so that many hotels and restaurants have closed and laid off their employees. This makes the economy in the UMKM industry, especially in the tourist area of South Kuta Badung, experience paralysis because there is no purchasing power for products in the form of goods or use of services. One example of service MSMEs affected by the Covid-19 pandemic is a car wash business located in the tourist area of South Kuta Badung. Before the pandemic, the car wash

business was very profitable and was a promising business. This is because in South Kuta there are many hotels, villas, and restaurants that provide accommodation services in the form of transport cars for tourists who come there, so this car wash business has a positive impact whose services are very salable. In addition, the large number of residents in the tourist area of South Kuta who have motorized vehicles makes car washing businesses more popular and mushrooming. However, with the current situation, many MSMEs have gone out of business because the tourism sector in the tourist area of South Kuta is paralyzed, so researchers are interested in looking for more in-depth information regarding the impact of the Covid-19 pandemic on income for MSMEs, especially car washing businesses in the tourist area of South Kuta. Badung. This study aims to determine how the income of a car wash business in the tourist area of South Kuta Badung before the pandemic and during the pandemic.

2 Method

The method used in this research is descriptive qualitative method, that is, data obtained and collected from the research process are presented in the form of sentences. Bogdan and Taylor (Moleong, 1975: 5) define a research approach that produces descriptive data in the form of written or spoken words from people and observable behavior. This approach is directed at the setting and the individual as a whole. Then according to Bogdan and Taylor (1992: 3) suggests that qualitative research is a research procedure that produces descriptive data in the form of speech or writing and the behavior of the people being observed. So in an effort to find scientific facts and data, the researcher decided to use a descriptive study with a qualitative approach to the problem under study. Descriptive qualitative research results contain quotations from the data. These data include interview transcripts, personal and official documents, memos, pictures and other official recordings (Emzir, 2012).

In addition, due to the limited time and material related to this study, the researcher only collected a few related articles and then drawn conclusions from these articles. Furthermore, this type of research is used in order to provide an in-depth understanding and interpretation of the impact of the pandemic on the income of car washing SMEs in the tourist village of South Kuta Badung.

3 Result and Discussion

Since its appearance at the end of 2019, the Covid-19 virus has spread throughout the world. With the rapid spread of Covid-19, the effects of the global economic slowdown are starting to be felt at home. Starting from falling petroleum prices, free-falling stock exchanges, and palm oil are also expected to be pulled down if demand does not recover immediately (Kompas, 11 March 2020). The tourism industry is one of the industries affected by the spread of this virus. The sluggishness of the tourism sector has a dominant effect on the MSME sector. Based on data processed by P2E LIPI, the impact of the decline in tourism on MSMEs engaged in medium-sized service businesses was 0.07% and small businesses by 1.77%. In fact, micro, small and medium enterprises have a very important role in the Indonesian economy.

So far, MSMEs have proven their ability to survive in difficult economic situations. Most of the MSMEs have not had direct contact with the domestic financial sector, let alone global. This situation has enabled MSMEs to withstand the global financial crisis such as in 1998.

The impact of the Covid-19 pandemic caused low income from car wash businesses in the tourist area of South Kuta Badung, which in turn led to a negative trend.



Fig. 1. South Kuta Badung Car Wash Business Income

Based on the data from the car wash business income chart in the tourist area of South Kuta Badung, there is a very significant decrease in income from before the Covid-19 pandemic to the time of this pandemic. This will have a very bad impact on the economy of the surrounding community and tend to be that some of these MSME businesses are prone to going out of business so that it will cause more employees to be laid off.

One of the ways that MSMEs can do so that they do not go bankrupt is by designing social and digital strategies. Developing this strategy is considered by researchers to be very appropriate because this method can move customers, who are mostly from the tourism industry in the surrounding area, to a wider area far from the tourism industry so that the economy will be more stable than in the tourism area. Implementing this digital and social strategy can use existing social media such as Facebook, Google, Instagram and other mobile applications. The presence of the digital era online market does not only have a bad impact but also has many other positive sides that are closer to consumers or customers, in order to quickly promote a product or service to the public. There is no market limit to reach all corners of the world connected to the internet, and the accuracy and speed of service are the main needs of consumers in the era of globalization.

4 Conclusion

Based on the discussion described in the study, the following conclusions can be

1. The condition of MSMEs in the midst of a pandemic like this will continue to experience a reduction in capacity, starting from production capacity to decreasing income.
2. There is a need for policies to protect MSMEs so that they can remain competitive despite the Covid-19 pandemic.

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