

The Revolution of Online-based MSMEs Financial Performance: Before, During and After Pandemic

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ABSTRACT

Purpose: This study aims to investigate the financial performance of Online-based MSMEs during the periods before, during, and after COVID-19.

Method: A qualitative descriptive analysis was conducted through in-depth interviews with Online-based MSMEs practitioners in five cities/regencies in Indonesia. Data analysis was performed using selective coding patterns.

Findings: The findings indicate that the financial performance of online business organizations experienced a significant improvement during COVID-19. This improvement was supported by several factors, including changes in consumer behavior, operational activities that were acknowledged to be more efficient, the quality of human resources within the organization, and organizational commitment to IT development. Online businesses must adapt quickly to environmental changes and the rapid advancement of IT. Business closures during COVID-19 were found to negatively impact financial performance.

Novelty/Value: This study provides valuable insights into the financial conditions of online businesses during COVID-19, which contrast sharply with those of other business organizations, particularly during the pandemic. The findings offer lessons for business practitioners on managing operational activities affected by the pandemic and formulating anticipatory measures should similar events occur in the future. Policymakers can also consider implementing policies that enable business organizations to maintain their operations even during crises.

Keywords: Financial Performance; MSMEs; Online Business; Pandemic.



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INTRODUCTION

Research on financial performance during the COVID-19 pandemic has become a highly popular topic, attracting the attention of scholars across various fields. In finance, several studies have demonstrated that the COVID-19 pandemic significantly impacted corporate financial performance worldwide, across all industrial sectors, by categorizing countries based on the quality of their healthcare systems (strong or weak), financial systems (strong or weak), and governance structures (strong or weak) (Hu & Zhang, 2021). Other studies have investigated the role of corporate governance on financial performance during the pandemic, such as the influence of political connections by corporate managers Liu & Zhao (2023) and CEO duality Hassan et al. (2023). Additionally, factors such as the implementation of sustainability activities (Agliardi et al., 2023; Brahmana et al., 2023; Dmuchowski et al., 2023; Gavrilakis & Floros, 2023; Lu & Khan, 2023; Teti et al., 2023; Zhang et al., 2020) and governmental regulations (Agoraki et al., 2023; Labadze & Sraieb, 2023) have been shown to influence the significance of the pandemic's impact.

However, not all industries experienced a decline in financial performance. Some studies found that online businesses and e-commerce were exceptions during the COVID-19 pandemic. In fact, online businesses experienced increased transactions and improved financial performance during the pandemic (Miah et al., 2022). This was largely due to the rising number of people opting to purchase goods and food online to avoid crowds in public places.

Several studies have examined strategies to cope with the challenges of the COVID-19 pandemic, with particular emphasis on digital adoption. For instance, Kurniawan et al. (2023) demonstrate that Indonesian MSMEs adopting digital platforms experienced improved financial outcomes, while Doran et al. (2022) highlight that banking institutions in Central and Eastern European Countries (CEEC) also benefited from digitalization. However, these studies focus on general MSMEs or the banking sector rather than on businesses that operate entirely online. Online enterprises present distinctive financial dynamics, such as reliance on platform fees, algorithm-driven visibility, and logistics or return costs, which remain largely unexplored in existing literature. Moreover, prior research primarily concentrates on performance during the pandemic, overlooking a longitudinal perspective that compares the trajectory of financial performance before, during, and after the crisis. In addition, most existing studies employ quantitative approaches that may not capture the nuanced mechanisms of financial resilience, managing the use of human resources, and adapting business strategies to different economic conditions. Addressing this gap, the present study employs in-depth interviews with online MSME actors to investigate how they navigated financial challenges, adapted their strategies, and sustained performance across different phases of the pandemic. This approach aims to provide a richer understanding of the financial revolution within online business models. Online business refers to entrepreneurial activities conducted through digital platforms, such as e-commerce, social media, or websites, to offer products or services to customers (Rahim et al., 2022). This business model leverages digital technology to efficiently manage transactions, marketing, and customer service (Bytyçi et al., 2021). The advantages of online businesses lie in their operational flexibility, extensive market reach, and ability to quickly adapt to changes in consumer behavior. In the digital era, online businesses have become a solution for many entrepreneurs to reduce reliance on physical locations, thus improving cost efficiency and expanding access to global consumers.

The Covid-19 pandemic posed significant challenges to many business sectors, especially those reliant on direct interaction and physical infrastructure. However, online businesses demonstrated resilience by swiftly adjusting their operational models to new circumstances (Rahim et al., 2022). Social distancing and lockdown policies accelerated the shift in consumer behavior toward online shopping. Under these conditions, online businesses not only survived but also experienced growth by utilizing technologies such as live streaming for marketing, product personalization based on customer data, and collaboration through digital platforms (Anwar & Daniel, 2016). This business model's flexibility allowed companies to continue meeting consumer needs despite physical limitations.

The ability of online businesses to endure the pandemic depended not only on the adoption of technology but also on innovative strategies and effective management of internal resources (Chairaksa & Pankham, 2023). Successful companies during the pandemic were those capable of leveraging customer data to develop relevant marketing strategies, integrating information technology to enhance

operational efficiency, and fostering team creativity to produce engaging content (Singh et al., 2017; Zhen et al., 2022). With a commitment to innovation and adaptability to change, online businesses can not only withstand challenges but also build long-term competitive advantages to thrive in the future. To better understand the financial performance of online businesses during the COVID-19 pandemic, researchers need to adopt a comprehensive approach, such as qualitative methods. Qualitative research can provide in-depth insights into a phenomenon. This study conducted interviews to gain a thorough understanding of the strategies employed by online business organizations to navigate the challenges of COVID-19. Additionally, financial data were collected to illustrate changes in financial performance before, during, and after the pandemic.

Consequently, the current paper seeks to make the following contributions: First, it advances academic discourse by extending prior studies on digital adoption (Kurniawan et al., 2023; Doran et al., 2022) toward the specific context of online businesses, whose financial structures differ significantly from conventional MSMEs. This specificity enriches theoretical understanding of digital entrepreneurship and financial resilience. Second, it introduces a longitudinal perspective by examining financial performance before, during, and after the pandemic, supported by financial data that illustrate concrete changes across these three phases. This approach enables a more robust assessment of whether performance adjustments represent temporary shocks or enduring transformations. Third, it enhances methodological diversity by combining in-depth interviews with financial evidence, thereby uncovering the micro-mechanisms of resilience—such as human resources, digitalization, working hours, business processes—while simultaneously validating these narratives with performance indicators. Fourth, it generates practical and policy-relevant implications: for practitioners, the findings identify adaptive strategies that sustain online business models under uncertainty; for policymakers, the evidence supports the design of more targeted interventions and digital infrastructure programs; and for platform providers, the study reveals structural challenges (fees, algorithms, logistics) that directly affect financial sustainability. Collectively, these contributions strengthen academic theory, provide actionable insights for entrepreneurs, and inform policy directions to enhance the resilience of online enterprises.

LITERATURE REVIEW

Online Business

With the rise of the digital economy, interactions between companies and consumers via online platforms are increasing (UNCTAD, 2019). The platform connects various sides of the market and its transactional variations, including payment processing and delivery arrangements, to realize exchanges between each party. The development of these digital business models provides increased efficiency and global competitiveness, making the transition to online business very attractive for sellers and customers alike (Sergi et al., 2022). Online business, which results from developments in Business 4.0, is a new type of entrepreneurship that involves the increased use of innovative Industry 4.0 technology. Human resources are given a secondary role in the current Business 4.0 concept, which is reduced to the use of technology (Soumyadeb Chowdhury, 2022). Apart from that, this causes the HR criteria that play a role to be more adaptive in managing and applying technology during work.

Research on online business is growing along with the development of digital technology. Research conducted by Carballo et al. (2022) shows that business platforms that increase company visibility can reduce search and matching costs and thus support company exports in Peru. In addition, several studies identify the roles and criteria of human resources in digital business organizations (Sergi et al., 2022; Soumyadeb Chowdhury, 2022). Several other studies examined customer perspectives in the development of online business (Camilleri, 2022; Francis Sudhakar & Syed, 2019; Kanani & Glavee-Geo, 2021; Khoa & Huynh, 2022; Matuszelański & Kopczewska, 2022; Morsi, 2023; Nayak & Rroy, 2022; Stöcker et al., 2021). They found that security, privacy, guarantees, customer service, website information, laws governing the protection of consumer rights in e-commerce influence customer trust. Much research identifies the relationship between online shopping and customers because customers are one of the keys to running online shopping transactions. Because the role of the customer is vital, policies in carrying out online business transactions are very carefully considered. Several other studies have also examined the effectiveness of regulations relating to online businesses (Bytyçi et al., 2021; Cumming et al., 2023). A lot of research identifies the relationship between online shopping and customers because customers are one of the keys to running online shopping transactions.

Because the role of the customer is very important, policies in carrying out online business transactions are very carefully considered. Several other studies have also examined the effectiveness of regulations relating to online businesses (Jin et al., 2022).

Pandemic Phase (pre/during/post)

Within the proposed framework, the pandemic phases—pre-pandemic, during-pandemic, and post-pandemic—are not treated as comparative statistical categories but rather as a contextual setting that structures how financial performance is experienced and narrated by online MSMEs. This temporal lens is essential for capturing the evolving opportunities and constraints that shaped entrepreneurial decision-making across different stages of the crisis.

In the pre-pandemic phase, online businesses operated under relatively stable conditions, where digital adoption was often optional and growth strategies tended to be incremental. This period provides the baseline against which subsequent changes can be interpreted. The during-pandemic phase represents a period of acute disruption. On the one hand, the shift in consumer behavior toward digital channels created unprecedented opportunities for online sales growth. On the other hand, businesses faced significant constraints, such as rising logistics costs, stricter return policies, algorithmic volatility, and increased advertising expenses. The narratives in this phase highlight the survival mechanisms and rapid financial adjustments required to cope with volatility.

Finally, the post-pandemic phase constitutes a transitional context in which online businesses confronted a more competitive and mature digital marketplace. While consumer digital literacy and online demand remained high, cost structures also became more complex, and sustaining margins required more sophisticated capabilities. This phase illuminates whether financial adaptations during the pandemic evolved into enduring transformations or reverted to pre-crisis norms. Thus, by employing the pandemic phases as a contextual framework, the study captures the temporal dimension of financial resilience, showing how online enterprises navigated shifting environments and redefined their financial trajectories.

Although numerous studies have examined online business, none have explicitly identified aggregate external factors, such as the COVID-19 pandemic, as influential variables. Recognizing the impact of such aggregate external factors is crucial for online businesses, as these can drastically alter consumption patterns, customer preferences, and overall market dynamics. The pandemic, as a salient example, accelerated the adoption of digital technologies and online shopping behaviors, resulting in unexpected surges in demand alongside significant logistical and operational challenges. In this context, understanding the effects of external disruptions enables online business actors to respond adaptively, develop sustainable strategies, and mitigate risks associated with macro-level uncertainties. Moreover, the importance of identifying such factors also emerges as a response to a notable gap in previous research, which has largely focused on internal aspects of online business—such as digital marketing strategies, product management, or customer satisfaction—while insufficiently addressing the role of large-scale external pressures, including global health crises or economic disruptions. Expanding the research scope to incorporate aggregate external variables, therefore, offers a more comprehensive and contextually relevant understanding of the dynamics confronting online businesses in a disruptive era. Based on the description above, this study focuses on answering the following research questions:

RF1: How did the financial performance trends of online businesses evolve before, during, and after the COVID-19 pandemic?

RF2: To what extent do aggregate external factors, such as the COVID-19 pandemic, influence the operational dynamics and strategic responses of online businesses?

RF3: In what ways were online businesses able to remain competitive during the COVID-19 pandemic?

RESEARCH METHOD

Design and Sampling

This study employs a qualitative method with an exploratory case study approach. The exploratory

approach was chosen to enable an in-depth understanding of the complex real-life phenomena under investigation, specifically the financial performance of online businesses and their resilience during challenging periods such as the COVID-19 pandemic. This approach is highly valuable in fields such as health research, policy analysis, and social sciences, where it aids in theory development and intervention design. Consequently, the use of an exploratory method allows researchers to collect qualitative data, which is then utilized to gain a profound understanding of the phenomena being studied. Interviews were conducted with MSMEs that engage in online transactions through e-commerce or other digital platforms. To select respondents aligned with the research objectives, specific criteria were applied. First, the interview targets must be MSMEs. Second, the MSMEs must have been operational before COVID-19, or at least established by 2018. Third, the MSMEs must conduct transactions online via e-commerce, websites, social media, or other digital platforms. Following the selection process, seven MSMEs were chosen as research subjects, as detailed in Table 1

Table 1. Respondent Description

No	Code Name	Position	Gender	Location
1	R1	Owner	Female	Tasikmalaya City
2	R2	Owner	Female	Yogyakarta City
3	R3	Owner	Female	Sleman Regency
4	R4	Owner	Female	Bantul Regency
5	R5	Owner	Male	Bandung City
6	R6	Owner	Male	Tasikmalaya City
7	R7	Owner	Female	Tasikmalaya City

Instrument and Procedures

The primary instrument for this study was a semi-structured interview protocol designed to elicit detailed narratives of financial performance before, during, and after the COVID-19 pandemic. The protocol included open-ended questions on revenue streams, platform governance and adaptive strategies employed by online MSMEs. To enhance content validity, the interview guide was subjected to expert review by one academic scholars in entrepreneurship and one practitioner with digital business experience. A pilot test with two MSME owners further refined the clarity, sequencing, and cultural appropriateness of the questions.

Interviews were conducted with informed consent, recorded digitally, and supplemented with financial artifacts where available (sales reports). To ensure procedural reliability, all interviews followed the same protocol, while flexibility was maintained to probe deeper into emerging themes. Field notes were taken to capture contextual observations. Transcription and anonymization were carried out promptly to preserve accuracy and confidentiality. The combination of interview narratives and financial documents allowed for both rich qualitative insights and illustrative financial trajectories.

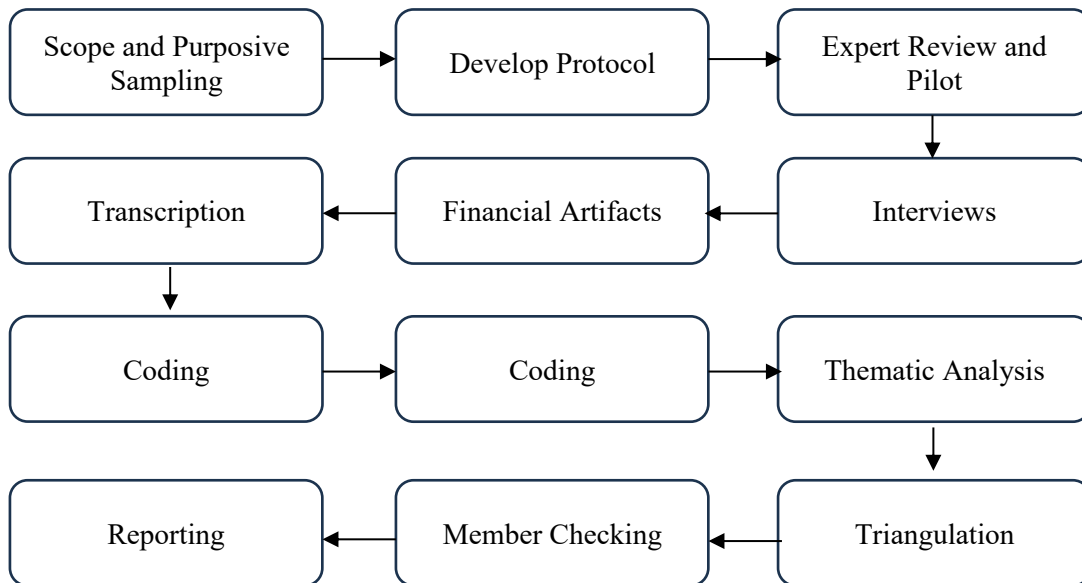
Analysis

The researchers employed an interactive model approach to collect field data, encompassing data collection, evaluation and verification, and drawing conclusions. Data analysis was conducted using a thematic analysis approach, wherein interview results were processed iteratively to gather responses from participants. The interview instrument was designed based on factors potentially impacted by COVID-19 and their influence on financial performance (Table 2).

Interview data were analyzed with the aid of Microsoft Word and Excel, which proved effective for systematically coding unstructured data. Each interview was transcribed into Word format and subsequently transferred to Excel, where the data were inductively coded by multiple researchers independently.

The study employs qualitative coding techniques in its data analysis. Interview transcripts and financial records were systematically coded to identify recurring themes, mechanisms, and contextual variations across the three phases. Coding allowed the researchers to distill rich narrative data into structured insights, ensuring that shifts in financial indicators—such as revenue volatility—were systematically linked to adaptive strategies and contextual conditions. The results were then compared and discussed collaboratively among the researchers.

Figure 1. Research Stage



Tabel 2. A list of questions was used in conducting in-depth interviews to comprehensively and systematically confirm the factors that influence the financial performance

No	Question
Questions about Online Business	
1	When did the business start operating?
2	When did you adopt the online business model?
3	Is your online business conducted through a marketplace or direct online channels such as a website?
4	Has your company started recording and summarizing financial transactions
Questions for the Pre-COVID-19 Period (2018-2019):	
1	What was the company's financial condition before COVID-19?
2	What percentage of profit was earned?
3	How was the business process conducted before COVID-19? (e.g., working hours, production process, packing, shipping)
4	What promotional strategies did the company use before COVID-19?
5	How did you maintain customer trust?
Questions for the COVID-19 Period (2020-2021):	
1	Were there significant changes in your business's financial performance during COVID-19?
2	What percentage of profit was earned?
3	Were there significant changes in business operations? (e.g., working hours, business processes)
4	Did you incur higher expenses for technology investments?
5	Were there significant changes in your promotional strategies?
6	Did you require more skilled and tech-adaptive HR?
7	Did you add or reduce HR?
8	How did you maintain customer trust and loyalty?

Questions for the Post-COVID-19 Period (2022–present):

- 1 What is the financial condition after the implementation of the "new normal"?
- 2 What profit has been earned since the "new normal" was established?
- 3 Were there any changes in business operations? (e.g., working hours, operational activities)
- 4 What promotional strategies are being implemented in the "new normal"?
- 5 Have there been changes in the required HR specifications?

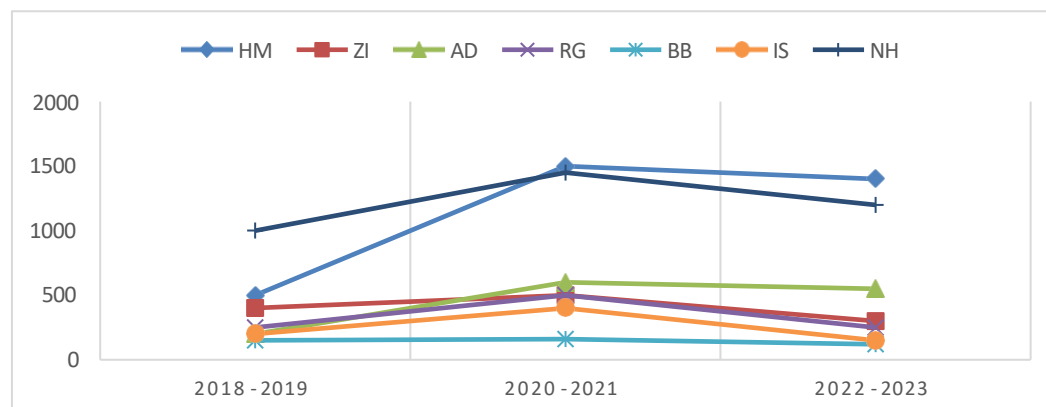
RESULTS AND DISCUSSION

Result

The analysis of the research findings applied selective coding patterns. Toward the conclusion of the discussion, the results of the interviews were used to justify theories about the revolution in online business financial performance across the periods before, during, and after COVID-19. This analysis considered financial, operational, human resource, and IT perspectives. Information and financial data were collected through semi-structured interviews with seven online business operators.

The data analysis mapped the interview results into three main themes and four sub-themes. The themes in this study are: (1) the financial performance of online businesses before COVID-19, (2) the financial performance of online businesses during COVID-19, and (3) the financial performance of online businesses after COVID-19. To further explore the factors contributing to variations in online business financial performance, the researchers developed four sub-themes for identification: financial conditions, operational activities, human resources, and commitment to IT development.

Figure 2. Graph of Financial Performance of Respondents Before, During, and After COVID-19



Based on the financial performance graph, all online business organizations involved in the study experienced increased sales during the COVID-19 period (2020-2021), followed by a declining trend in the post-COVID-19 period (2022-2023). Through in-depth interviews, researchers identified several factors contributing to differences in conditions and trends over time, including changes in operational activities, social media promotional efforts, and commitment to technological development. These factors are discussed within several sub-themes in this section, namely: Financial Performance of Online Businesses Before COVID-19, During COVID-19, and After the COVID-19 Period.

Financial Performance of Online Businesses Before COVID-19

Based on the interviews, the researchers identified several findings that address the study's objectives regarding the financial performance of online businesses before the COVID-19 period, i.e., before March 2020. According to all online business operators, sales trends were generally positive and stable during this period, as expressed by the respondents:

"At the start, it was quite stable, around 250-300 million." (R1.1)

"Initially, it was still easy for me because finances were smooth." (R3.1)

“Back then, exporting goods was smooth because most of the demand came from cafés and antique collectors.” (R4.1)

“It was stable, alhamdulillah.” (R7.1)

“Back then, product prices were competitive, and there were always daily orders.” (R2.1)

“It was very safe; our revenue was around 150 million per year.” (R6.1)

Before COVID-19, online businesses already had their respective markets and customer bases, ensuring a steady sales trend. This positive performance was supported by smooth operational activities that followed regular business routines:

“Before COVID-19, my employees always came to work: the admin, packing staff—everyone showed up.” (R2.1)

Additionally, during this period, respondents had begun preparing for and committing to digital advancements, as indicated by respondents:

“Production started at the end of 2017. Initially, it was just sandals, and I sold them offline to Jakarta. Then my husband encouraged online selling, so we tried Tokopedia, Bukalapak, and Shopee.” (R1.1)

“I used to have a website, but it’s no longer active. Now, I use a marketplace called Rumah 123, and also Instagram.” (R3.1)

“Regarding technology, we were already prepared.” (R4.1)

The adoption of digital technology significantly supported sales trends, as consumer behavior had already begun shifting toward online transactions through e-commerce platforms and social media (De Fano et al., 2022). However, despite recognizing the importance of digital technology, business operators paid less attention to the efficiency of business performance and operational activities before COVID-19. The normal conditions of the pre-COVID-19 era did not necessarily foster operational effectiveness unless accompanied by proper procedures and supervision. R4 admitted that employees lacked work targets and operational control during this period, leading to inefficiency in achieving company goals:

“Back then, employees came to work every day, but sometimes they just smoked and did little work because they were paid daily. So as long as they showed up, they got paid. I think that was quite ineffective.” (R4.1)

Financial Performance of Online Businesses During COVID-19

According to respondents, the COVID-19 period saw a significant surge in demand within the online market. This spike in orders occurred because the products offered were highly aligned with consumer needs during the pandemic. However, some respondents admitted they could not predict the reasons behind this surge, as some products were not directly related to the necessities of the COVID-19 period:

“Before COVID-19, it was normal—at most, 30 packages per day. During COVID, alhamdulillah, we were printing orders: 2,000 during the day and 2,000 at night. We barely got any sleep from all the packing.” (AD.2)

“During COVID, sales really increased—at least threefold. Normally, I would make around 500 million, but during COVID, it could reach 1.5 billion. Honestly, I’m not sure why.” (HM.2)

“For businesses like fruit and frozen food, sales increased. The growth was

100% daily, sometimes even more. These were very promising businesses during COVID, aside from health equipment.” (RG.2)

“It increased, alhamdulillah. In my opinion, one of the business lines that didn’t decline during COVID was hobbies.” (IS.2)

The high demand compelled online business operators to maintain operational activities despite the challenging period. Respondents adopted alternative operational methods, such as day-night shift systems at offices or work-from-home arrangements, as per the directives of the Coordinating Ministry for Economic Affairs of the Republic of Indonesia (2020). Interestingly, these operational adjustments during COVID-19 enhanced efficiency by encouraging employees to work more independently:

“We thought of an efficiency model through partnerships. So, I let the employees be more independent while we provided the necessary facilities.” (NH.2)

“My employees worked in shifts, some during the day and others at night.” (AD.2)

Consistency in operational activities was crucial for maintaining the financial performance of businesses during COVID-19. AD highlighted that even temporary store closures could disrupt sales trends and create difficulties in recovery:

“During Eid, we stopped accepting orders. But I really regret that. My staff asked when they could take a break, so we decided to close the store. After Eid, it was chaos with the backlog of orders.” (AD.2)

High demand during COVID-19 required continuous operational performance. Although technical adjustments in operational activities were necessary, businesses needed to initiate alternative strategies to ensure consistency and efficiency in their operations. Additionally, the commitment of businesses to technological advancements played a key role in sustaining financial performance during COVID-19 (Carballo et al., 2022). Respondents acknowledged allocating more budgets for IT investment and expanding sales through e-commerce platforms during this period. Moreover, the effectiveness of human resources became a critical factor in maintaining smooth operations. To support the increased use of digital technology, businesses required adaptable and creative personnel:

“During COVID, I even bought a new laptop and phone. Now, I use two phones at once for live streaming.” (AD.2)

“Currently, we have a management team, including domestic and export marketing teams. For IT and e-commerce, we use platforms like Facebook, Instagram, TikTok, as well as larger-scale platforms like Tokopedia, Shopee, Blibli.com, and Alibaba. These are still in use today.” (NH.3)

“I emphasize hiring people with creativity who can create content and manage platforms like Shopee and TikTok, because each platform needs someone in charge.” (AD.3)

Financial Performance of Online Businesses During the New Normal Period

After the implementation of the new normal policies, all respondents confirmed a decline in sales. This was attributed to rapidly changing conditions that forced business operators to devise new strategies to adapt. Additionally, mass layoffs during the economic instability of COVID-19 led to an increase in the number of new businesses in the new normal period. Many individuals who had been laid off decided to start businesses during the pandemic, resulting in heightened competition in the business sector. The respondents acknowledged this situation:

“Yes, it has decreased compared to pre-COVID times because, during COVID, many people started businesses.” (BB.3)

“That’s why, now, the fruit business has significantly declined. So, I had to

rethink and innovate, which led to this café established from fruits and frozen food as raw materials." (RG.3)

"Now, it's almost the same as pre-COVID times in terms of turnover." (HM.3)

"These days, it's very quiet." (ZI.3)

"And now, sales have dropped even lower than during COVID." (IS.3)

"Because so many people started businesses during COVID, now we have a lot of new competitors." (IS.3)

Changes in policies and societal conditions during the new normal altered human lifestyles, requiring online business operators to innovate and adjust their operations to meet the new needs and habits of society (Sergi et al., 2022). The significant increase in the use of social media and e-commerce during COVID-19 carried over into the new normal period. These platforms became pivotal for promotions and sales among online business operators:

"Now, we've started livestreaming, but the audience isn't large because we often get banned... We just started livestreaming a month and a half ago. Alhamdulillah, we earn around 40 million per month just from live sessions across all marketplaces." (AD.3)

"We've also started consistently creating video content. Our live sessions even run during night shifts." (AD.3)

The evolving need for adaptive human resources aligned with the demand for digital technology in business operations. In the new normal, business operators emphasized creativity and proficiency in managing social media and e-commerce platforms as key criteria for their workforce:

"Nowadays, I focus more on hiring people who are creative and can create content. They must be able to handle Shopee, TikTok, and similar platforms since each one requires dedicated management." (AD.3).

Discussion

Pre-COVID-19 Period

Before the pandemic, online business organizations in Indonesia experienced relatively stable financial conditions and operational activities that ran normally. Employees worked daily in offices, performing their duties as expected. However, this setting was not necessarily effective, particularly when monitoring and supervision were lacking. At that time, there were no specific criteria for employee qualifications, and the use of IT was still in its early stages. Businesses had just begun engaging in e-commerce and becoming active on several social media platforms.

COVID-19 Period

When COVID-19 entered Indonesia in March 2020, the government implemented social distancing policies across all sectors, including online business operations. In response, business operators adjusted their activities by introducing new measures such as night-and-day shifts or implementing work-from-home (WFH) policies. Respondents noted that WFH practices enhanced business efficiency and effectiveness, as evidenced by the significant increase in sales during the pandemic.

The lockdown and social distancing measures also prompted swift adaptations in marketing strategies. Businesses transitioned to livestreaming on social media and e-commerce platforms, creating diverse content to engage customers. They maximized the roles of these digital platforms and revised their human resource criteria to include creativity and adaptability with IT. Essential skills now encompassed managing social media, operating e-commerce platforms, and producing content for digital marketing. Additionally, there was an increased focus on IT investment to support these new strategies.

Post-COVID-19 Period (New Normal)

The rapid development of IT during the pandemic has had lasting effects on business operations. In the new normal period, social media and e-commerce remain pivotal tools for online sales. However, respondents acknowledged a decline in sales compared to the pandemic period. This decrease is attributed to the significant rise in business competition. The mass layoffs during the pandemic led many individuals to start their own ventures, intensifying competition in the online business landscape.

In response to heightened competition, online businesses have strived to maintain consistent sales trends by adapting to the rapidly changing consumer behavior. Social media has become a central platform, compelling businesses to seek employees skilled in social media marketing and e-commerce operations. Creativity, IT proficiency, and content creation abilities have become essential criteria for new hires. Moreover, businesses continue to prioritize IT investment as a cornerstone of their online strategies. The commitment to leveraging technology and remaining agile in the face of dynamic market conditions is viewed as critical to sustaining competitiveness and ensuring growth in the new normal era.

CONCLUSION

This study explored the financial performance of online businesses across the pre-COVID-19, COVID-19, and post-COVID-19 periods, aiming to uncover how these businesses adapted to unprecedented challenges and changing market dynamics. Through qualitative interviews with seven online business organizations in various regions of Indonesia, the findings revealed a notable surge in sales volume during the COVID-19 period (2020–2021). This increase was attributed to agile operational strategies, such as the implementation of work-from-home policies and rotational work schedules, as well as the strategic utilization of social media and e-commerce platforms for marketing and sales. These practices not only enabled business continuity but also enhanced performance, providing new insight into effective crisis-driven innovation within the online business sector.

A key contribution of this study lies in its identification of the rising importance of technologically adaptable and creative human resources, which became essential during the pandemic and remain relevant in the current business landscape. Additionally, the study underscores the role of technological commitment as a foundational pillar for sustained competitiveness. However, the research also highlights a post-pandemic decline in sales, largely due to increased market saturation and intensified competition, signaling a shift in the competitive landscape that demands renewed strategic agility. While the findings offer valuable insights into the resilience and adaptability of online businesses, the study is limited by its qualitative scope and regional focus, which may affect the generalizability of results. Future research should consider broader and more diverse samples, as well as longitudinal data, to deepen understanding of long-term impacts and evolving strategies in the online business sector. Overall, this study contributes to the growing literature on digital entrepreneurship by providing timely evidence of how external shocks such as pandemics can reshape operational models, workforce needs, and competitive dynamics in the digital economy.

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AUTHORS' CONTRIBUTION

ASK was responsible for conceptualizing the research framework, conducting interviews, and performing qualitative data analysis. ASK also led the drafting of the manuscript and ensured alignment between the research objectives and findings.

RDP contributed to the design of the methodology, supported the data collection process, and provided critical revisions to the manuscript. RDP also assisted in interpreting the findings within the broader

theoretical and practical context.

CONFLICT OF INTEREST

The authors declare no competing interests.

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AVAILABILITY OF DATA AND MATERIALS

Data from interviews are available by emailing the corresponding author stating the purpose of collecting the data.

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