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Beyond The Digital Imperative: Strategic Hybridity in Used Car SMES

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Abstract. *This study explores how a used-car Small and Medium Enterprise (SME) in Indonesia navigates the tension between global digital imperatives and local market risks, specifically examining how management constructs their entrepreneurial identity amidst these dual pressures. Employing a qualitative phenomenological design, the research analyzes the lived experiences of key management figures (Director, Sales, and Finance) using Weick's Sensemaking Theory to deconstruct their strategic responses to digitalization. Findings reveal a "Strategic Hybridity" where the firm decouples its digital identity from operational reality. While social media algorithms are strictly obeyed for lead generation (enactment), human intuition is retained as the ultimate filter for credit risk and quality verification (selection). Management rejects full automation, viewing "human touch" as essential to mitigate information asymmetry in a "Lemon Market." The study is limited to a single-case design in Makassar, South Sulawesi, which may restrict generalizability to Tier-1 metropolitan cities with different consumer behaviors and digital infrastructures. This research challenges the narrative of total digital transformation, offering empirical evidence that "selective digitalization" is a form of strategic resilience and rational decision-making rather than technological lag in developing economies. The study uniquely integrates Sensemaking with Akerlof's Lemon Market theory to conceptualize how SMEs rationalize the coexistence of high-tech marketing and low-tech operations to survive financial volatility*

Keywords: *Digitalization; Phenomenological Study; Sensemaking; Strategic Hybridity; Used Car Market.*

1. INTRODUCTION

The exigency of this research stems from the massive, often overwhelming discourse regarding digital transformation, which has evolved into a hegemonic narrative within the global business landscape. The era of Industry 4.0 propagates a powerful premise: that transformation through digital technology is the primary, if not the sole, determinant of organizational success and longevity (Crusoe et al., 2024; Elia et al., 2024; Michelotto & Joia, 2024; Omol, 2024; Vial, 2019). Contemporary management literature consistently frames digitalization not merely as an operational upgrade, but as an unavoidable imperative—a "adapt or die" scenario. The prevailing assumption ingrained in modern business logic is that every business entity, without exception, is, or ought to be, moving rapidly toward full digitalization to survive the rigors of the modern market. However, empirical findings suggest that digital tools like e-commerce are not merely transaction channels but must be integrated as part of a modern strategy to drive significant growth and accessibility (Kinanti et al., 2025).

However, this deterministic perspective, which often views technology as a silver bullet, frequently overlooks the subjective, nuanced dimensions of the business practitioners themselves. Theoretical frameworks often treat digital adoption as a linear progression from analog to digital, assuming that resistance or partial adoption is a sign of failure or lack of capability. Yet, emerging literature suggests a more complex reality. For instance, (Crusoe et

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al., 2024) introduce the concept of "digital transformation decoupling," suggesting that organizations may adopt the *symbols* of digitalization while maintaining traditional structures to preserve stability. Similarly, (Matarazzo et al., 2021) argue that within the context of Small and Medium Enterprises (SMEs), the decision to limit technological adoption is often not a deficiency, but a form of "strategic rationality".

Despite these emerging counter-narratives, there remains a scarcity of empirical research that interrogates how an organization operating within a specific local context and a high-friction industry truly "experiences" and "makes sense" of this digitalization phenomenon. The question of how local managers mentally process the global demand for digitalization versus their local operational realities remains largely absent from macro-level observations.

The automotive industry, particularly the used car trading sector, presents a uniquely complex arena for observing the collision between the abstract demands of technology and the concrete characteristics of a traditional market. Inherently, used car products are characterized by high risks of information asymmetry, classically defined by (Akerlof, 1970) as a "lemon market." In such markets, the seller possesses significantly more information about the quality of the vehicle than the buyer, creating an inherent deficit of trust. Furthermore, automobiles are high-involvement products; they represent a significant financial commitment and carry substantial social and safety implications for the consumer.

This creates a paradox. On one hand, national data and global trends indicate a massive shifting trend where online automotive trading platforms have experienced significant growth, particularly in the post-pandemic era (KONTAN, 2025). Digital platforms offer efficiency, reach, and speed. On the other hand, the nature of the product demands physical validation. Literature on consumer behavior in this sector highlights the phenomenon of *Research Online, Purchase Offline* (ROPO), where digital tools facilitate discovery, but physical interaction facilitates trust (Verhoef et al., 2021). In this digital era, effective interpersonal communication from online frontliners remains vital for building relationships, creating trust, and driving these purchasing decisions (Putri Pahira et al., 2024).

This phenomenon creates immense external pressure for all players in the industry to adapt to digital standards. Yet, a critical, unexplored question arises: Do these aggregate growth statistics necessarily reflect the operational reality at the business unit level? Does the proliferation of digital tools actually solve the "lemon market" problem, or does it merely add a new layer of complexity to the transaction? There is a possibility that macro figures mask underlying frictions—such as the limits of algorithmic trust and the enduring need for human negotiation—that are not captured by quantitative data. The tension between the "digital

imperative" for efficiency and the "human imperative" for trust-building forms the core context of this study. This disconnect between macro-statistics and micro-realities becomes particularly acute when observing regional markets outside of Indonesia's primary economic hubs. In the bustling commercial landscape of Makassar, South Sulawesi, RBID Maharewa stands as a representative case situated at the nexus of these conflicting forces. As an established entity in the local used car market, RBID Maharewa operates in an environment that is simultaneously traditional and modernizing.

As researchers, we are confronted with a "black box." On one side, the external environment relentlessly demands technology adoption: ranging from the use of aggressive digital marketing and marketplace algorithms to financial technology and potential artificial intelligence applications. On the other side, RBID Maharewa continues to sustain its operations and exist within the traditional nuances of the Makassar used car market, a market known for its unique cultural and economic characteristics. To date, it remains unexplored how the management of RBID Maharewa, comprising the Director, Sales leadership, and Finance divisions, responds to these environmental pressures. Do they adopt digitalization enthusiastically, viewing it as a savior? Do they feel threatened by the depersonalization of technology? Or do they possess a distinct, alternative worldview regarding technology that defies the standard definitions of success? We lack an empirical picture of how the concept of "digitalization" is translated into their daily strategic practices. Furthermore, we do not know how they negotiate the internal tensions that may arise between the need for digital speed and the necessity of financial prudence and risk management in a volatile market. Unlocking this "black box" is essential to understanding the resilience of SMEs in developing economies.

A distinct knowledge gap exists due to the scarcity of understanding regarding the phenomenological aspects of technology implementation in this sector. While quantitative studies can tell us what technologies are used, they fail to explain why and how they are integrated into the human fabric of the organization. To address this, this study employs Sensemaking Theory (Weick et al., 2005) as a primary analytical lens.

Weick's theory posits that organizational reality is not something that is "given" or objective, but rather something that is constructed through the meaning-making of actors within it. Sensemaking involves the processes of *enactment* (acting to create an environment), *selection* (interpreting specific cues), and *retention* (storing successful interpretations for the future). By applying this lens, we can explore how the management of RBID Maharewa interprets the ambiguous signals of the digital market and constructs a strategy that makes sense to *them*, even if it contradicts global best practices.

Furthermore, following the logic of (Mlotshwa & Murimbika, 2023), entrepreneurial identity plays a crucial role in this process. How the management views their role, whether as "tech-savvy innovators" or "prudent risk managers", will fundamentally shape their engagement with technology. While many studies focus on the *factors* of technology adoption, very few dig into *how* the phenomenon is lived (*lived experience*) by local business practitioners. Without entering the consciousness of these actors, we cannot grasp the essence of the strategies they employ to navigate the digital era. This study aims to bridge the gap between abstract theories of digital transformation and the concrete, lived reality of automotive retail. The urgency of this research lies in the need for a profound exploration, free from pre-conceived notions, to uncover the operational reality at RBID Maharewa. There is a pressing need to move beyond the binary narrative of "success vs. failure" in digital adoption and instead look at the process of adaptation. This study is not constrained by rigid hypothesis testing but is designed inductively to capture how management responds to the digital wave according to the context they face.

This approach is essential to ensure that findings reflect the internal dynamics of the firm rather than merely confirming general theoretical frameworks. By focusing on the *lived experience* of the key actors, from the strategic decisions of the Director to the daily operational hurdles faced by Sales and Finance, we can uncover the hidden rationalities that govern SME behavior. Theoretically, this study enriches management literature with a phenomenological perspective on technology adoption in developing economies, offering a counter-weight to Western-centric, large-enterprise models of digital transformation. Practically, the results are expected to provide authentic insights into the actual dynamics of the used car business, which may diverge significantly from general theoretical assumptions, offering valuable lessons for policymakers, investors, and other practitioners in the sector.

Based on this background, the research problem is formulated as follows: "How is the phenomenon of digitalization interpreted and constructed within the lived experience of RBID Maharewa's management amidst the dynamics of the Makassar used car market?"

2. LITERATURE REVIEW

This section delineates the theoretical and empirical frameworks underpinning the research. The discussion commences with an exposition of Sensemaking Theory as the primary analytical lens, subsequently navigating through the paradox of digital transformation within the SME context, and culminating in a specific review of trust dynamics in high-involvement product markets.

Sensemaking Theory and Entrepreneurial Identity

To comprehend how organizations navigate the uncertainty inherent in technological change, this study adopts Sensemaking Theory (Weick et al., 2005) as the fundamental analytical framework. Diverging from rational-economic approaches that view managerial decisions solely as outcomes of objective calculations, Sensemaking posits that organizational strategy is forged from how actors "make sense" of and interpret their ambiguous environments.

(Maitlis & Christianson, 2014) elucidate that in disruptive change scenarios, managers do not merely respond to facts but actively construct reality through narratives and collective experiences. In the context of technology adoption, (Sjödin et al., 2020) and (Nambisan et al., 2019) highlight that the acceptance or rejection of digital innovation is often influenced by shared cognition and internal firm heuristics. Furthermore, (Mlotshwa & Murimbika, 2023) emphasize that entrepreneurial identity plays a pivotal role in guiding how business owners respond to external pressures, rather than relying solely on technical cost-benefit analyses.

The Digital Transformation Paradox: Imperatives vs. SME Reality

Strategic management literature often positions digital transformation as an absolute imperative for organizational sustainability (Crusoe et al., 2024; Vial, 2019). However, contemporary academic discourse has begun to challenge this "one-size-fits-all" narrative. (Matarazzo et al., 2021) introduce a critical perspective that within the Small and Medium Enterprise (SME) sector, the decision to not fully adopt technology (digital decoupling) is frequently a conscious strategy regarding resource allocation.

Concurrently, (Chatterjee et al., 2024) emphasize that technological success is heavily contingent upon strategic fit with organizational culture. Empirical studies in developing economies by (Qalati et al., 2022) reveal a pattern where digital technology often functions merely as a catalog or initial marketing tool (lead generation), while final transactions remain dependent on conventional mechanisms. (Michelotto & Joia, 2024) add that imposing technology without considering business model readiness may conversely trigger organizational resistance.

High-Involvement Market Dynamics and Research Gap

The used automotive industry is classified as a market characterized by high information asymmetry, or the "Lemon Market" problem (Akerlof, 1970). Under these conditions, trust serves as the primary currency that is difficult to replace with algorithms. (Vieira et al., 2019) found that the physical presence of salespeople (human touch) plays an irreplaceable role in building interpersonal trust. Consumer behavior in this sector reflects the

Research Online, Purchase Offline (ROPO) phenomenon, where (Verhoef et al., 2021) and (Herhausen et al., 2020) note that physical validation remains a mandatory stage to mitigate quality risk anxiety. Although the aforementioned studies have discussed technology adoption and consumer behavior separately, a distinct research gap remains regarding how these two pressures, the digital imperative versus the need for physical validation, are managed simultaneously by SME management in developing economies. There is a paucity of literature uncovering the cognitive processes (*sensemaking*) behind the "hybrid" decisions made by local business practitioners. This research aims to fill this void by exploring the strategic rationality underlying this phenomenon.

3. RESEARCH METHODOLOGY

Research Design and Theoretical Assumptions

This research is a field-based study adopting a qualitative approach with an interpretive phenomenological design. The selection of this design is predicated on the theoretical assumption that organizational reality is not singular but is socially constructed through inter-actor interactions (Groenewald, 2004). This study eschews positivist approaches that measure numerical variables, focusing instead on exploring the "lived experience" of management in navigating the paradox of digitalization. This assumption is underpinned by Sensemaking Theory (Weick et al., 2005), which postulates that business strategy emerges from collective cognitive processes involved in interpreting ambiguous market environments (specifically, the "Lemon Market").

Study Context and Participants

The research was conducted at RBID Maharewa, a used car business entity located in Makassar, Indonesia. Participants were selected using a purposive sampling technique based on criteria of direct involvement in strategic and operational decision-making. Three key informants (Key Persons) were engaged in this study: Director (Erri): Representing the macro-strategic view (Strategic apex). Sales Team Leader (Inayah): Representing the frontline operational perspective (Customer interface). Finance PIC (Hikmah): Representing the financial health perspective (Financial gatekeeper).

The selection of these three specific roles is designed to capture a 360-degree perspective of the firm’s strategic tripod: strategic, operational, and financial. In the context of a small-scale SME, these participants represent the totality of the key decision-making core. Data saturation in this phenomenological study was achieved when the narratives from these complementary roles converged, providing a "thick description" of the core essence of

Strategic Hybridity without yielding new significant thematic insights. By focusing on these primary actors, the research ensures the depth of the "lived experience" necessary to deconstruct the organization's internal reality

Instruments, Hardware, and Software

Adhering to qualitative research protocols, the primary instrument in this study is the researcher (human instrument), assisted by a semi-structured interview guide. To ensure data accuracy, reproducibility, and validity, specific hardware and software were utilized to facilitate a rigorous systematic coding process: Hardware: Interviews were recorded using digital recording devices to ensure high-fidelity audio capture for precise verbatim analysis. Software: Verbatim data transcription was performed using Microsoft Word (Microsoft Corp). The analytical phase followed a systematic hybrid approach where initial codes were identified utilizing the commenting features in Microsoft Word and subsequently synthesized through theme matrix tabulation in Microsoft Excel to facilitate the clustering of meaning into core themes.

Data Collection Procedure

Data collection was executed through in-depth interviews, with an average duration ranging from 40 to 70 minutes per informant. Interviews were conducted in the Indonesian language to capture authentic emotional nuances. The questions were structured in an open-ended format covering three primary domains: perception of digital technology, response to market pressures, and risk mitigation mechanisms.

Data Analysis

Data analysis adhered to the systematic phenomenological stages outlined by (Moustakas, 1994): Epoche: The researcher engaged in *bracketing* (suspending personal assumptions) to approach the data objectively. Horizontalization: Deconstructing transcripts into equivalent *meaning units*. Clustering of Meaning: Grouping meaning units into core themes using matrix assistance in Microsoft Excel. Essence Description: Synthesizing textual and structural descriptions to distill the "essence" of the firm's hybrid strategy.

4. RESULTS AND DISCUSSION

Research Findings

Based on the phenomenological analysis of the interview transcripts, this study identifies three major themes representing how the management of RBID Maharewa constructs meaning (sensemaking) regarding digitalization. These findings indicate that the company does

not reject technology but engages in a strategic negotiation between digital efficiency and local market realities. An overview of the research themes is presented in Table 1 below.

Table 1. Summary of Meaning Construction Themes Regarding Digitalization

Major Theme	Meaning Making Focus	Strategic Implication
Digital as "Awareness Generation"	Awareness & Psychology	Utilizing algorithms for traffic and urgency creation, not for final transaction.
Transparency as Strategy	Trust	Physical validation (*Human Touch*) is deployed to counter information asymmetry (*Lemon Market*).
Reality of External Barriers	Financial Risk	Rejection of credit automation (*Decoupling*) due to high rejection rates from leasing parties.

Source: Primary Data Analysis by Authors, 2026

Theme 1: Digitalization as "Awareness Generation", Not Transaction

The first finding asserts that management interprets digital platforms—specifically Facebook Marketplace and TikTok—not as final sales channels (closing), but as mechanisms to build urgency and awareness. Contrary to the technical assumption that businesses must possess independent applications, management finds third-party platforms more psychologically effective for their market. Erri (Director) explains how he utilizes digital platforms to manipulate the psychology of supply and demand without requiring complex systems: "For example, we say to customer, 'If you book now or pay the down payment now, we can give a DP of five million rupiah to include title transfer fees', even though that is indeed the price we sell at. That is one of our marketing tricks, how we build urgency to meet the supply and demand of consumer psychology. If not now, another customer will take it. Leverage the psychology of customer needs." (Transcript: Erri, 23:37)

Echoing the Director, Inayah (Sales Team Leader) highlights the functional distinction between TikTok and Facebook Marketplace. She interprets TikTok as a tool to "solicit" questions (*engagement*), while Facebook Marketplace is perceived as closer to purchase intention, although neither can replace direct interaction: "Regarding content, since we only started being active on social media in the last three months after recruiting a content person... Many people have started asking, and the majority are indeed from TikTok, although sales-wise it has not maximized sales like Facebook Marketplace. Most in TikTok are just asking around, different from the marketplace where customers truly intend to buy a car." (Transcript: Inayah, 50:51)

Hikmah (PIC Finance) confirms the validity of this strategy from the financial data perspective, where all factual sales indeed originate from these digital footprints: "Yes, correct, specifically from Facebook marketplace... So consistent with the Director's info, currently 100% of sales are from Facebook marketplace." (Transcript: Hikmah, 27:14)

Theme 2: Transparency as Competitive Strategy (The Power of Trust)

The second emerging theme is the deployment of "honesty" and physical transparency as a primary differentiation against competitors. In a used car market often fraught with quality uncertainty (lemon market), RBID Maharewa's management interprets transparency not merely as ethics, but as a business strategy. Inayah emphasizes that direct consumer education to inspect the physical unit condition is key to winning the competition:

"I even educate the customer that if they are looking for a car in Makassar, most have had some parts or accessories that were replaced and surely not original. I suggest the customers to try visiting other dealers or our competitors' showrooms... We absolutely dare to position ourselves as superior if the customer wants to compare us with competitors. What we sell is we can guarantee the quality, there is no hidden information, there is no intention to deceive them. We are that transparent when communicating to the customers." (Transcript: Inayah, 50:14)

Erri adds that their business model deliberately avoids *trade-in* schemes from individual sellers to maintain price and quality standards:

"We do not do buy-and-sell, only sales. We do not serve trade-ins... because the valuation (taxation) of individual seller units is surely low, so many users offering will object if RBID Maharewa gives too low a price. We try to avoid such disputes." (Transcript: Erri, 01:42)

Theme 3: Reality of External Barriers (Leasing Rejection)

The third theme highlights that limited technology adoption is not solely due to internal factors, but due to external constraints, namely high file rejection rates by leasing parties. Hikmah explains this "high leads but low closing" phenomenon as the primary operational challenge:

"In my opinion, it actually could [drive sales], but indeed the obstacle we face is user/customer files that are not good according to leasing. Because based on experience, many user files enter, but many do not pass... There was once nine users entering, but only one or two users passed." (Transcript: Hikmah, 26:42)

Erri also correlates the decline in sales performance with consumer financial behavior favoring liquid asset retention:

"In my opinion because our market is in a phase where people are holding their funds or money. Now the issue is to save gold, more towards bitcoin investment. So people spending funds for consumptive needs like buying this car is more withheld." (Transcript: Erri, 25:13)

Discussion

The fundamental phenomenological question posed in this study is: How do used car business practitioners characterize their digital identity amidst traditional market pressures? The prevailing narrative in Industry 4.0 literature often portrays digitalization as a linear destination that organizations must reach to survive. However, the lived experience of RBID Maharewa's management reveals a far more complex reality. This study discovers that the firm manages this tension by coordinating dual, seemingly contradictory roles: acting as an obedient "algorithm follower" to generate digital noise, yet simultaneously functioning as a conservative "risk gatekeeper" to ensure financial survival. This dynamic represents a form of "Strategic Hybridity", a conscious decision to decouple digital appearance from operational reality.

Meaning Construction: Between Digital Buzz and Physical Reality

The first dimension of this hybridity involves the construction of meaning around digital tools. RBID Maharewa does not view digitalization as an end-to-end transactional solution, but rather as a mechanism for *enactment*, a core component of Sensemaking theory (Weick et al., 2005), to create a market environment that compels action.

This is evident in how the management manipulates "digital buzz." Director Erri explicitly describes utilizing digital platforms not just to display products, but to engineer "psychological urgency" regarding supply and demand. His strategy of promoting a "DP 5 Million" scheme is essentially a digital performance designed to disrupt the consumer's tendency to "hold funds" in favor of other investments like gold or crypto. Here, technology is interpreted as a "megaphone" to create urgency to counter market stagnation, rather than a channel for genuine transaction.

Furthermore, the study reveals a sophisticated understanding of platform distinctiveness. Inayah (Team Leader Sales) differentiates the meaning of engagement between platforms: TikTok is construed as a space for "questioning" (engagement), while Facebook Marketplace is seen as a space for "intent" (buying). However, despite strict compliance with algorithmic demands, such as the "5-minute response rule" to maintain ad visibility, the firm essentially *decouples* this digital responsiveness from the actual sales process. The moment the customer engages, the "digital mask" is removed, and the interaction reverts to a traditional, high-touch negotiation. This finding challenges the notion that digital tools replace human sales efforts; in this context, the algorithm merely serves as the *bait*, while the human remains the *fisherman*.

Risk Negotiation in the "Lemon Market"

The necessity of this hybrid strategy is most acute when navigating the risks inherent in the used car industry, classically defined as a "Lemon Market" due to high information asymmetry (Akerlof, 1970). In developed markets, technology often bridges this trust gap through data transparency. However, in the context of Makassar, this study reveals that trust remains deeply analog.

The management's reluctance to automate the verification process is not born of technological illiteracy, but of "Strategic Rationality" (Matarazzo et al., 2021). Inayah's description of her investigative process, calling customers to verify occupation and income, highlights a crucial function of the Human Touch: acting as a risk filter that algorithms cannot yet replicate. In a market where customer profiles are often opaque or "dishonest" regarding their financial standing, the human ability to detect nuance in voice and hesitation becomes a vital asset. This confirms that the firm's operational resilience is not a byproduct of digital sophistication, but rather the result of strategic human intervention that closes the information gaps structural algorithms are incapable of bridging.

This is empirically supported by the financial reality described by Hikmah (Finance), who notes a drastic funnel drop-off: where "9 leads enter, but only 1 or 2 pass leasing approval". This high rejection rate validates the management's skepticism towards full automation. If the firm were to rely on automated credit scoring or chatbots, they would likely be flooded with "damaged files" (bad credit risks) that waste operational resources. Consequently, the "success" of RBID Maharewa stems from recognizing that technology serves only as a tool for reach, while human agency remains the ultimate and irreplaceable arbiter of trust and quality verification . Thus, the "Human Touch" here is redefined not just as a service element, but as a rigorous Financial Firewall. The refusal to use chatbots is a deliberate strategy to ensure that negotiation, such as lobbying for a higher down payment when leasing coverage is low, can occur empathetically and effectively.

Strategy Synthesis: Selective Adaptation

Finally, the operational identity of RBID Maharewa is characterized by Selective Adaptation. The management actively rejects business models that do not fit their risk profile, such as the *trade-in* model. Director Erri's explicit refusal to accept trade-ins from individual sellers is a strategic move to avoid "valuation conflicts" that often arise from the gap between digital price expectations and physical reality. This selective adoption demonstrates that for SMEs in developing economies, digitalization is treated as a tactical menu rather than a mandatory diet. They aggressively consume features that drive volume, confirmed by Hikmah

stating "100% sales come from Facebook Marketplace", but reject features that introduce ambiguity or risk (Automated Valuation, Chatbots). This behavior aligns with the entrepreneurial identity findings where the business owner's self-conception (in this case, as a prudent trader) dictates the boundaries of technology use.

To conceptualize how this selective mechanism operates systematically, Figure 1 illustrates the "Strategic Hybridity Funnel" that filters digital market ambiguity into operational certainty.

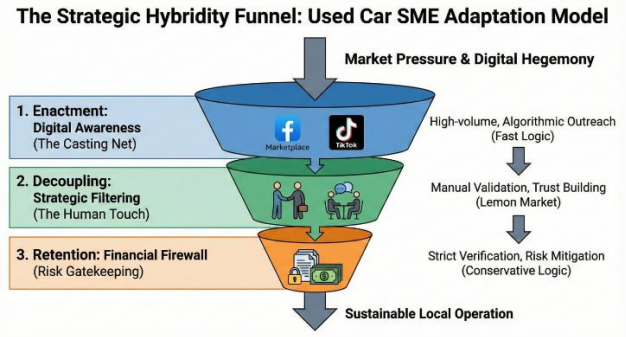


Figure 1. The Strategic Hybridity Funnel (Author's Work, 2026)

As visualized in the model above, RBID Maharewa's journey suggests that the "Digital Imperative" is not absolute. Their success lies in their ability to use digital tools to cast a wide net (Enactment), while relying on traditional, human-centric mechanisms to sort the catch (Selection and Retention). This "Strategic Hybridity" allows them to maintain liquidity and trust in a volatile economic environment where customers are increasingly cautious with their capital.

5. CONCLUSION

This study has successfully addressed the primary research objective: to uncover how the management of RBID Maharewa constructs meaning (sensemaking) regarding digitalization. The principal conclusion of this study is that the identity of a used car business is not defined by the sophistication of its technological adoption, but rather by a Hybrid Strategy that amalgamates compliance with digital algorithms and rigorous human validation. Specifically, the study concludes three key points: Digitalization as a "Casting Net" (Awareness): Technology is interpreted as a tool to generate awareness and psychological urgency, rather than as a substitute for transactional interaction. Resilience based on Physical Validation: Amidst a market characterized by high information asymmetry (*Lemon Market*), "pragmatic ignorance" toward full automation (such as the rejection of chatbots) serves as a form of strategic rationality to maintain trust and mitigate non-performing loan risks. Dual

Identity Dynamics: There is a distinct division of roles where the Sales team (Inayah) operates under a fast-paced algorithmic logic, while the Finance team (Hikmah) operates under a conservative risk management logic. These findings demonstrate that for SMEs in developing economies, digital transformation is not a deterministic end-goal, but rather an instrument that is renegotiated according to local market realities.

The author acknowledges that this research does not encompass all aspects and possesses the following limitations: Methodological Constraints: As a single-case study utilizing a phenomenological design, the findings are highly context-bound to the market culture of Makassar. Consequently, these results cannot be statistically generalized to the entire population of used car dealers in Indonesia. Geographical Constraints: The research locus is situated in a "Tier-2 City" (Makassar). The dynamics here may differ significantly from "Tier-1 Cities" (such as Jakarta or Surabaya), which possess more mature digital ecosystems and consumer behaviors more accustomed to full online transactions. Subjectivity: The analysis relies heavily on the candor of the narratives provided by the three key informants, which may be subject to social desirability bias, potentially presenting an overly positive corporate image.

Based on the aforementioned findings and limitations, the author proposes the following recommendations: Academic Recommendations (For Future Research): It is recommended to expand the research locus to major metropolitan areas (Tier 1) and smaller towns to conduct comparative studies. This is crucial to determine whether the "Hybrid Strategy" is a nationwide phenomenon or specific to regional contexts. Future research could employ quantitative approaches to test the correlation between "Human Touch" variables (physical interaction) and "Leasing Approval Rates," as identified in this qualitative study. There is a need to explore the gender perspective in automotive entrepreneurship, given that female informants (Sales & Finance) played a dominant role in the risk mitigation aspects of this study.

Practical Recommendations (For Practitioners & Policymakers): For automotive SME practitioners, it is advisable not to rush into full automation. Maintaining human interaction at critical touchpoints (negotiation and verification) is essential to reduce the risk of fraud and credit rejection. For financing institutions (*leasing*), it is recommended to develop credit scoring schemes that are more adaptive to informal social media data, considering the significant number of potential prospects that fail during conventional administrative verification stages.

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