

OPTIMIZATION OF ECONOMIC LESS CONTACT THROUGH DIGITAL MARKETING TECHNIQUES IN MSME INDUSTRY AT SIMO DISTRICT, BOYOLALI REGENCY

Topan Setiawan¹, Fanny Hendro Aryo Putro²

^{1,2}) Faculty of Communication, University of Boyolali
Correspondence : massetiawan111@gmail.com

ABSTRACT

The actual contemporary reality of the economy in Indonesia, one of which is the low purchasing power of the people as a result of the COVID-19 pandemic. When traditional marketing requires physical interaction as a manifestation of economic activity, during a pandemic, physical interaction is so limited, and even then, health protocols must be carefully considered. On the other hand, it must be acknowledged that the MSME industry is one of the economic sectors affected by the pandemic, even though this sector can actually survive in a crisis. Marketing of the results of the MSME industry so far has tended to be conventional, so that the pandemic period is felt to be a hindrance for active and dynamic business processes in the industry. An exit strategy must be developed so that economic activities in the MSME sector can gradually move towards normal reality and are expected to develop rapidly. One way is to implement a less contact economy, where economic transactions are no longer with massive and intense physical interactions, but with mediation vehicles by technological instruments.

In this research, one of the MSME industries affected by the COVID-19 pandemic or the corona virus is the MSME association in Simo sub-district, Boyolali district. The association called Focus (Micro, Small and Medium Enterprises Forum - Simo Tangguh) has 40 business units, which currently cannot work optimally. The purpose of this study is to describe the use of digital marketing techniques to market MSME products in Simo sub-district, Boyolali district. Besides that, he also wants to try to optimize the use of digital marketing techniques for MSMEs in the industrial area. This research was conducted with a qualitative method. The qualitative method is expected to be able to produce an in-depth description of the speech, writing, and observable behavior of an individual, group, community, or organization in a particular setting context which is studied from a complete, comprehensive and holistic point of view. This study observes and describes the understanding of the use of digital marketing media in the development of MSME marketing in Simo sub-district, Boyolali.

Keywords: MSMEs, digital marketing, economy, less contact.

INTRODUCTION

The COVID-19 pandemic has had a huge impact on all aspects of human life. In the economic field, for example, the reality that we can see is that the level or purchasing power of the people has fallen drastically, which in turn weakens exports and investment. This is because one of them is that economic contact is physically tightly restricted. The government finally pushed for the establishment of a minimal physical contact economy. Minister of Research and Higher Education Bambang Soemantri Brodjonegoro, said that in the midst of the Covid-19 pandemic, it is necessary to develop an economy that has little contact with other people. The less contact economy can reduce the spread of the corona virus from the hyper connectivity economy which brings together many people like in traditional markets¹.

In the past, Micro, Small and Medium Enterprises (MSMEs) were able to survive in the uncertain economic climate. More than that, it can become a sector of economic recovery in the midst of the monetary crisis that hit almost our country. Now due to the COVID-19 pandemic, which is not yet known for sure when it will end, the MSME sector is also seriously affected. Let alone during this pandemic, even during pre-pandemic conditions, the elementary problem faced by MSMEs is marketing patterns with conventional methods. This pattern requires high costs, for example the need to open new branches, participate in exhibitions, distribute pamphlets, install exhibition posters and so on. Now it has become very limited to do, so that a representative marketing approach is needed in this context. In this case, the real problems faced by MSMEs are the spatial conditions that do not support conventional marketing due to the COVID-19 pandemic, and the technical marketing itself. Therefore, the economic activity that is supported by MSMEs is an active movement that relies on less contact. In this case, the economy that is compatible with the concept of less contact is the digital economy through an e-commerce platform. The minimal contact economy must be equipped with payment and capital system infrastructure.

In this way, the MSME industry as one of the pillars of the national economy can grow or at least survive this global downturn. One of the MSME industrial units affected by the COVID-19 pandemic is the MSME industry association located in Simo sub-district, Boyolali. The association, which is a member of the **Focust** (Micro, Small and Medium Enterprises Forum - Simo Tangguh) Simo sub-district, consists of about 40 business units, which independently develop businesses, starting from the process of providing raw materials, production, to marketing. However, the results obtained are also not optimal². The purpose of this study is to describe how the use of digital marketing techniques in an effort to market MSME products in Simo district. In addition, it is also to look for efforts to optimize digital marketing techniques in the MSME industry in Simo Boyolali sub-district. The urgency of this research lies in the importance of fulfilling the actual needs regarding the marketing of digital-based MSME industrial products, considering that conventional marketing efforts are still not optimal. This is as emphasized by the chairman of the Simo sub-district UMKM association, Jumiyanti, who said that the reach and marketing were also limited only to the surrounding Simo area³.

THEORETICAL FRAMEWORK

Digital Marketing

Digital technology must be recognized as having changed the way people communicate, act, and design decisions. Economic activities, especially marketing, are not free from the strong influence of digital communication and information technology. Digital marketing terms or terminology have changed from time to time. Initially digital marketing was an activity of marketing goods and services with digital channels, then towards a broader understanding as the process of acquiring customers or consumers, building and developing consumer preferences, promoting brand strength, maintaining consumer loyalty, and increasing sales volume.

Basically, digital marketing terminology comes from the internet and also search engines on pages or sites. When the use of the internet medium expanded rapidly in 2001, the market share was tightly dominated by corporations such as Google and Yahoo as a search engine optimization (SEO) system instrument. The use of searching through the internet grew in 2006 and in 2007 the use of mobile devices increased dramatically which also increased the use of the internet and people from all over the world began to connect with each other through social media⁴.

The definition of digital marketing according to the American Marketing Association (AMA) is the activities, institutions, and processes facilitated by digital technology in creating, communicating, and delivering value to consumers and other interested parties⁵. Digital marketing is also defined as marketing activities that use internet-based media⁶. The internet is a very influential instrument in the business world. The internet has the following characteristics: 1. Interactivity, the ability of technological instruments / devices to facilitate communication activities between individuals such as face to face. The communication process is very interactive so that the participants can communicate more accurately, effectively, and satisfactorily. 2. Demassification, communication messages can be easily exchanged to the participants involved on a large scale. 3. Asynchronous, communication and information technology has the power or ability to send and receive messages at the desired tempo of each participant interaction. Practical social media allows business actors (especially in this case MSMEs) to reach consumers and build more private/personal relationships.

MSME

Now it is increasingly becoming a necessity, so that conventional promotions and marketing based on direct interaction are getting strengthened. MSMEs According to Law (UU) No. 20 of 2008 concerning Micro, Small and Medium Enterprises, MSMEs are defined as stand-

alone productive economic activities, which are carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or become a part, either directly or indirectly, of a medium or large business, and meets the following criteria: net worth of Rp. 50 million to Rp. 500 million excluding land and buildings for business premises, or having annual sales of Rp. 300 million to Rp. 2.5 billion⁷.

As for micro-enterprises, where the business is a productive business owned by individuals or individual business entities, and meets the criteria, among others: net worth of at most Rp. 50 million, or having a total turnover of at most Rp. 300 million per year. And lastly, medium-sized businesses, namely, independent productive economic businesses, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become part of either directly or indirectly with small businesses or large businesses. And meet the criteria, among others: a net worth of Rp. 500 million to Rp. 10 billion, or have annual sales results of more than Rp. 2.5 billion to Rp. 50 billion⁸. The SME sector is part of the urban and rural economic system that has not received economic assistance from the government or has not been able to use the assistance that has been provided or has received assistance but has not been able to develop⁹.

The SME sector in Indonesia generally has the following characteristics: Business activities are not well organized, due to the emergence of business units that do not use available facilities/institutions, do not have business licenses, irregular patterns of business activities both in terms of location and working hours, In general, government policies to help the economically weak do not reach this sector. In general, SMEs in Indonesia are still faced with various problems that hinder their business activities. These various obstacles include marketing difficulties, financial limitations, limited quality human resources, raw material problems, technology limitations, supporting infrastructure and low government commitment¹⁰.

METHOD

This research approach is descriptive qualitative. A qualitative descriptive approach is one of the types of research that conveys a full picture of the social situation or the relationship between the phenomena studied¹¹. Qualitative methods are expected to be able to produce an in-depth description of speech, writing, and observable behavior of an individual, group, community, or organization in a particular setting context which is studied from a complete, comprehensive and holistic point of view¹². This study observes and describes the understanding of the use of digital marketing media in the development of MSME marketing in Simo sub-district, Boyolali.

Primary data were obtained from interviews with MSME actors as informants, in this case the chairman of the MSME Association of Simo sub-district, Mrs. JumiYanti and its administrators, as well as local MSME actors with the criteria (1) using digital media for

marketing their products (2) digital media users with the greatest frequency , (3) digital media users with the smallest frequency. Secondary data is obtained from various scientific literatures, both from books, scientific journals, and other sources. This is done to get a complete picture of the problems that will be answered in this study. The data obtained will be analyzed qualitatively, namely the analysis is carried out by understanding and compiling the data that has been collected and compiled systematically, then conclusions are drawn. In qualitative research, the conclusions generated are generally not intended as generalizations, but as interpretive descriptions of reality or phenomena that are studied holistically in certain settings¹³

RESEARCH RESULT

The History of Digital Media Use in the FOKUST Association

FOKUST is an acronym for the Simo Tangguh Micro, Small and Medium Enterprises Forum. Established as an organizational forum for MSME actors in Simo sub-district, Boyolali Regency. As a forum that is community in nature, FOKUST has around 40 members spread across the territory of Simo sub-district, Boyolali Regency. These MSME actors produce various types of merchandise according to their respective expertise. According to Jumiyanti, General Chairperson of FOKUST, this organizational platform is important for sharing information between members, so that there are opportunities to advance together.

Awareness of the importance of broader marketing, these MSMEs try to utilize web-based digital communication technology to support the marketing aspects of these products. This is also taken to strengthen the conventional marketing model which is also run by the owner. Conventional marketing by depositing merchandise to various food vendors in traditional markets in Boyolali has been carried out to fulfill the desired sales.

The history of using digital media to help marketing began when in 2016 a website in the form of a website with a free domain owned by blogspot.com was created. The website is located at: <http://balketsimo.blogspot.com>. The description of the website can be seen by directly visiting the website. From the digital data presented, the website has been actively updating its content in only two years, namely 2016 to 2017 only.

Pandemic Impact: Depends on Resellers

SMEs in the Simo Boyolali sub-district admitted that they had been significantly affected by the COVID-19 pandemic. A producer of processed food for balung kethek in Temon, Simo, for example, said that his net income fell to only 3 million per month from an average of 7 million per month before the pandemic. This condition is almost massively experienced by producers of processed food and other products in the Boyolali area.

According to the experience of Jumiyanti (the main informant in this study), marketing is not as busy as it was before the corona pandemic, where direct access to buying and selling goods with free physical meetings occurred. Food traders can take their merchandise to the place of production at any time, or receive shipments of goods freely. The mobility of people/traders is one of the markers of active and dynamic trade.

It is undeniable that Corona has limited human interaction in various aspects of life. The economic cycle that is based on the direct interaction of buyers and traders becomes very stagnant. The only option in this reality is to implement a minimal physical contact economy or often called a less contact economy. In that concept, one thing that should not be underestimated is the presence of technology. Digital technology to help marketing becomes a lifeboat in pandemic times like today. Likewise with the SMEs in the village of Temon Boyolali. Economic realities like this force SMEs to identify the media - media marketers of their products and then make good use of them.

These SMEs then try to actively contact the resellers who have worked well together so far so that they can be stronger in transmitting the promotion of the food on their digital media. This is a marketing strategy that must be taken at a time when conventional marketing models based on physical interaction are massively limited by the corona virus as it is today. Dozens of resellers from various cities have been contacted to help with this digital marketing.

Digital Medium Optimization for Marketing Strengthening.

It is known that the government has planned that the concept of the less contact economy should be well developed as an ideal marketing model in the future. In the context of this research, we will look at the possible weaknesses of digital media that have been used by UKM balug kethek. One that stands out in this context is the use of the website as a digital marketing medium.

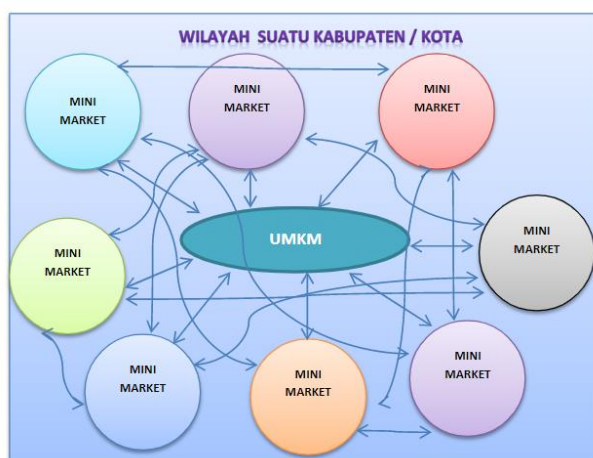
Criticism or analysis of weaknesses that can be given on the website which is located at: www.balketsimo.blogspot.com is:

1. Still using a website platform with a free domain, namely blogspot.com which can be considered to represent the "class" of the business unit being run. The use of a free platform like this in the future can be replaced with a paid domain, and with the concept of a website in the form of an online store.
2. Content that is not updated with always new displays of current activities, angles for taking product photos, consumer testimonials and other information such as market area that has been achieved, product exhibitions that have been carried out to successfully penetrate the modern retail market so far. If you pay attention to the up dating web site only until 2017, even though the web was built in 2016.

Actually, it's a shame, the medium that has been built is not used to sell properly. To solve this problem, there must be someone who is an account admin so that the positive dynamics of SMEs can always appear in cyberspace.

Another reality that may be a side that needs to be improved is the lack of management of the dozens of resellers. The organization of this business partner is important because it is indirectly a "freelance salesperson" for a business unit. It's not easy to carry out this function, it's just that efforts to tidy up the management of business partners/partners are a good thing to start from now.

The lack of communication with community-based modern retail marketers may need to be reduced, so that business units have the opportunity to market their merchandise/products in the modern market. The modern retail market has an extensive network, even on a national scale, so it is hoped that it will have a strong impact on market expansion. What's more, they also have a digital platform that can be accessed by potential consumers widely, anytime and anywhere.



Networking of Modern Retail Based Community

The picture reflects how the products of the MSME business unit are marketed in the modern retail market network based on territory. As stated above, this is possible because the existence of minimarkets or modern retail markets is not separated from the location where they are established to run their business. Especially if the local government can encourage the implementation of a good cooperation by being behind the MSMEs in their area so that their products are marketed through the modern retail market network. MSME institutions with their various products become the source center for certain goods/services which are then distributed to the modern retail market network in accordance with certain standards set by the retail company.

CONCLUSION

The coronavirus pandemic has had a huge economic impact on human life. The sectors that demand high physical social interaction and that constitute the economic line are almost stagnant, static which in turn spurs negative economic growth. The empirical reality that has rocked the economy has also occurred in the MSME sector. MSMEs in Simo Boyolali sub-district are lucky enough to have sensitive technology to help their product marketing activities. The use of digital technology is ultimately able to provide first aid to the marketing crisis experienced by MSMEs.

In the case of this research, although it has made a positive contribution to the marketing of the products produced, the management is not optimal, so it is necessary to develop further technical management. Optimization of the use of digital media to increase product sales can be done by modifying web pages, using paid domains which are expected to improve image, managing resellers who have digital-based marketing accounts and marketing by utilizing community-based modern retailer networks.

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