

The Role And Optimization Digital Marketing On MSMEs During Pandemic Covid-19

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ABSTRACT: During the pandemic, MSMEs experienced many problems in their performance processes, such as production to distribution. This is due to declining sales during the pandemic. However, with Digital Marketing being carried out in marketing their products, it will help MSMEs survive during the pandemic. This study uses the document study method. The documents obtained are from previous studies and related data. Digital marketing needs to be done by MSMEs during the pandemic. Digital marketing can help MSMEs in marketing products where digital marketing can be targeted right at the target consumer.

KEYWORDS: Digital Marketing, Pandmic COVID-19, MSMEs

I. INTRODUCTION

The World Health Organization (WHO) on March 11, 2020, stated that the world is experiencing a Global Pandemic Coronavirus Disease-19. The COVID-19 virus was detected in the territory of Indonesia in early 2020, to be precise, in February. This has had a significant impact on the state of Indonesia. Various aspects such as health and economic factors are disrupted due to this phenomenon. This virus has hurt Indonesia and other countries. The massive spread of this virus has exacerbated the situation, especially in terms of health and the economy.

It was reported that the economy in Indonesia at the beginning of the 2020 pandemic weakened until a recession occurred. The weakening of economic growth in Indonesia occurred in the second quarter of 2020, which was minus 5.32 per cent, and continued in the second quarter of 2021, which was minus 3.49 per cent (BPS, 2020). As a result of the recession, there was a decline in the capital market, an increase in the number of unemployed, many people's businesses were losing money, and so on. The recession caused by these pandemic impacts, among other

things, Small, Micro, and Medium Enterprises (MSMEs).

The recession due to the COVID-19 pandemic also impacts the existence of MSMEs in Indonesia. Most of the MSMEs scattered in Indonesia feel the negative impact of the spread of the COVID-19 virus, one of which is the decline in turnover that MSME actors often experience. In addition, during this COVID-19 pandemic, MSME actors also experienced difficulties in obtaining raw materials and capital. Other things, such as the declining number of customers and hampered distribution and production, are also obstacles for MSME actors during the COVID-19 pandemic. The existence of government policies regarding restrictions on community activities such as the Work From Home policy has resulted in them spending more time at home, which has a destructive impact on MSMEs.

The COVID-19 pandemic has also caused various life activities to become chaotic, especially economic activities that have become sluggish since implementing policies and restrictions to prevent the spread of the COVID-19 virus. The COVID-19 pandemic has also resulted in companies experiencing a decline in producing goods and services. Not only that, but the COVID-19 pandemic also affects the decrease in utilization and absorption of labour, affecting the level of income and unemployment. This is what triggers the recession in Indonesia.

Due to the massive spread of the COVID-19 virus, the government has issued a policy of limiting community activities. Due to the government's prohibition on creating large crowds, restrictions on community activities have caused many employees to be laid off. This is because many companies cannot continue their business productivity and have to do layoffs. The Indonesian Ministry of Manpower data recorded up to 2.8 million layoff victims in the COVID-19 pandemic. Not only big companies but the MSME sector is

also affected by the COVID-19 pandemic. Based on data from the Ministry of Cooperatives and Small and Medium Enterprises (KEMENKOPUKM), the number of MSMEs reached 64.2 million, contributing to a Gross Domestic Product of 61.07 per cent with the number Rp. 8,573 .89 trillion.

In this condition, the MSME sector needs to be given special attention because MSMEs are the largest contributor to GDP and can be a mainstay in absorbing labor, substituting the production of consumer goods or semi-finished products. The obstacles faced by MSMEs during the COVID-19 pandemic were the difficulty obtaining raw materials capital, declining customers, hampered production distribution, and changes in consumer behaviour. You can use a digital marketing optimization strategy to deal with these problems.

You can use a digital marketing optimization strategy to deal with these problems. Digital marketing is defined as a marketing activity that uses internet-based media (Wardhana, 2015). By utilizing digital marketing, MSMEs can expand their market without being hindered by space and time. The use of digital marketing will also make it easier for MSME actors to market their products in restrictions on community activities so that economic activities will continue to run.



Figure 1 Online Shopping Activities

The picture above explains that in 2020, as many as 93% of Indonesian internet users make the process of disbursing goods or services via the internet, 90% of internet users visit online stores, 88% of internet users make online transactions through various types of devices (laptops and smartphones), 25 % of users make transactions via PCs or laptops and 80% of users make online transactions via smartphones. MSMEs have an essential role in the country's economy, especially job creation. The existence of MSMEs is expected to spur the country's economy in Indonesia's economic recession due to the COVID-19

pandemic. The use of digital marketing is expected to provide hope for MSME actors to develop their business so that MSMEs can become the centre of economic power.

II. LITERATURE REVIEW

1. Definition of MSMEs

In-Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs), it is explained that MSMEs are productive businesses owned by individuals and or individual business entities that meet the criteria for Micro Enterprises as regulated in this Law.

MSMEs are productive economic businesses that stand-alone, which are carried out by individuals or business entities that are not subsidiaries or not branches of companies that are owned, controlled, or become part either directly or indirectly of medium-sized businesses or large businesses that meet the criteria of Small Business. as referred to in this Law.

2. Digital Marketing

Digital marketing is a marketing activity that includes branding using several web-based media such as blogs, adwords, and email. The use of social media is also included in digital marketing (Ridwan Sanjaya and Josua Tarigan, 2004). Utilizing digital marketing channels will provide benefits for MSMEs in marketing, reducing operational costs, especially those budgeted for promotion. The discussion of the journal raised by the author above has something in common with the author, namely where it discusses the use of digital marketing for MSMEs. The difference is that the digital marketing channel used in the journal above is the use of digital marketing using website channels, social media, online advertising, and mobile applications. In contrast, the authors in this study used a digital marketing strategy to optimize digital marketing for MSMEs.

III. RESULT AND DISCUSSION

Marketing is an overall system of business activities aimed at planning, pricing, promoting and distributing goods, services, ideas to target markets to achieve organizational goals (Wiliam J Stanton and Charles Futrell, 2013). COVID-19 is a pandemic that attacks the entire world community, including Indonesia. During a pandemic, people in Indonesia must comply with government regulations to implement social distancing to break the chain of the spread of COVID-19, this is certainly very impactful for the MSME sector. Some MSMEs have had to stop their operations indefinitely because this pandemic is still uncertain

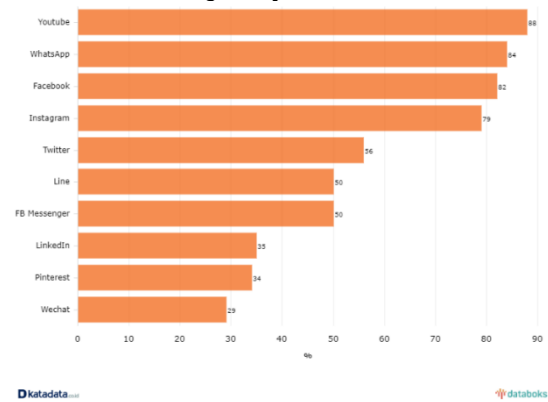
when it will end. In response to this condition, MSMEs must revamp their marketing strategy as an effort to answer the problems that are currently being experienced by consumers where consumers have difficulty getting the products they need due to the pandemic. MSMEs must be able to find new marketing concepts that can help their business survive.

The pandemic that limits people's activities has changed the consumption style of some people from direct purchases to purchases using online shopping applications (Siti Nur Fatoni; et al., 2020). This change in consumption style is based on a government regulation that limits people's activities in public spaces to reduce the spread of the COVID-19 virus. In meeting needs such as buying clothes, home supplies, to food, people can take advantage of delivery orders through online shopping applications. People are encouraged to stay at home.

The rapid development of technology, the digital world and the internet will also affect the world of marketing. Marketing trends have shifted from conventional (offline) to digital (online). The digital era is indeed impossible to avoid. Marketing expert Yuswohadi revealed that if you want to survive, MSME actors must maximize the benefits of digital development (Maulana, 2017). The digital marketing strategy will make the marketing of MSME products more optimal during the pandemic. Digital marketing is promoting an item or service using internet media. The use of digital marketing will facilitate interaction between producers and consumers without having to meet in person. Digital marketing will help MSME actors to be able to provide for consumer needs and desires. On the other hand, consumers can also find and get product information more quickly. Digital marketing can reach all people without being hindered by space and time.

Digital marketing or digital marketing is a medium for promotional tools that are considered effective and efficient (Theresia Pradani, 2017). There are more digital marketing actors than conventional marketers (Tety Elida and Ari Raharjo, 2019). Everyone who uses electronic devices and is connected to the internet can contribute to digital marketing. Digital marketing can span across regions.

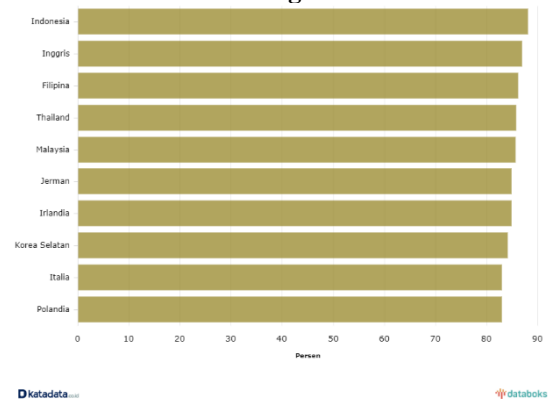
The ten frequently used social media



Source: Katadata (2020)

According to Solis in Rudi Yacub and Wahyu Mustajab (2020) is social media is an important component of sales, service, communication, and marketing strategies. One way in digital marketing is to use social media such as Instagram, Whatsapp, Facebook, and Youtube. According to the data above, the Youtube platform dominates the use of social media. The percentage of users who access Youtube reaches 88%, followed by Whatsapp at 84%. Facebook by 82%, and Instagram by 79%. Promotion using social media can increase and positively affect brand awareness. This can attract consumers to buy products marketed through social media.

The ten countries with the highest percentage of e-commerce usage in the world



Source: Katadata (2021)

In addition to using social media, digital marketing can also be done through e-commerce. Data from Katadata (2021) shows that as many as 88.1% of internet users in Indonesia have used e-commerce services by buying certain products in the last few months. Indonesia ranks first compared to other countries such as the UK, the Philippines, Thailand, and other countries. With this, e-

commerce can be used as an opportunity to market products from MSMEs in Indonesia.

Digital marketing through promotions on social media and e-commerce needs to use a strategy. Strategies are used to optimize digital marketing. Digital promotion strategies can be in the form of online advertising. Advertisements can explain the products of SMEs to the public. With promotion using advertising, MSME products can be known by the public. Ghose and Todri (2015) state that advertising can increase the tendency of consumers to look for appropriate brands and products and have a positive influence on product sales.

Advertising also affects consumer behaviour. Online advertisements than women more easily influence men. In addition, other factors are essential factors for advertising in determining consumer behaviour, namely age and income (Athma, 2018). With this, MSMEs need to analyze the target market in marketing their products using advertisements to be right on target.

There are several types of advertisements, including direct and self-service advertisements (Tery Elida and Ari Raharjo, 2019). MSME owners can place advertisements on online advertising service providers in direct advertising. These ads can be in the form of images, text, videos, or a combination of these. The size of the ad depends on the agreement between the MSME owner and the online advertising service provider. Whereas in self-service advertisements, the advertising material, ad placement, and display of advertisements are adjusted by MSME owners. This work is done online so that the appearance of this ad needs to be considered many times after it is uploaded to have a more attractive appearance. For ads to attract attention, they need to be designed with exciting content. Engaging content can use the word virally. The use of the term viral is a visualization of how the messages conveyed in online advertisements can be delivered quickly (James R Situmorang, 2010).

Online advertising can also use the services of influencers. Influencers have a large number of followers and a strong influence. Influencers can influence consumer buying interest. Submission of influencers on social media in explaining products well to attract consumers usually uses video presentations, audio, and text. Digital marketing using influencers can increase sales and display a good brand image to consumers (Suci, 2021).

Besides content, MSMEs must be able to respond to market demands. According to Daniel Minardi in Katadata (2020), if market demand is

not responded to, consumers are less likely to buy products from MSMEs. To anticipate this, a team within MSMEs is needed to answer questions and requests from the market submitted through online media. Good online media services will give consumers confidence in products and SMEs and repurchase them.

IV. CONCLUSION

MSMEs must revamp their marketing strategy to answer the problems currently being experienced by consumers where consumers have difficulty getting the products they need due to the pandemic. The pandemic that limits people's activities has changed the consumption style of some people from direct purchases to purchases using online shopping applications.

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V. RECOMMENDATION

The author can provide recommendations to MSME owners to optimize digital marketing

1. MSMEs must choose the right strategy according to their business.
2. Can choose the right media for promotion.
3. Can analyze the market.

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