



Analysis of Marketing Strategy in Efforts to Increase the Competitiveness of SMEs

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ABSTRACT

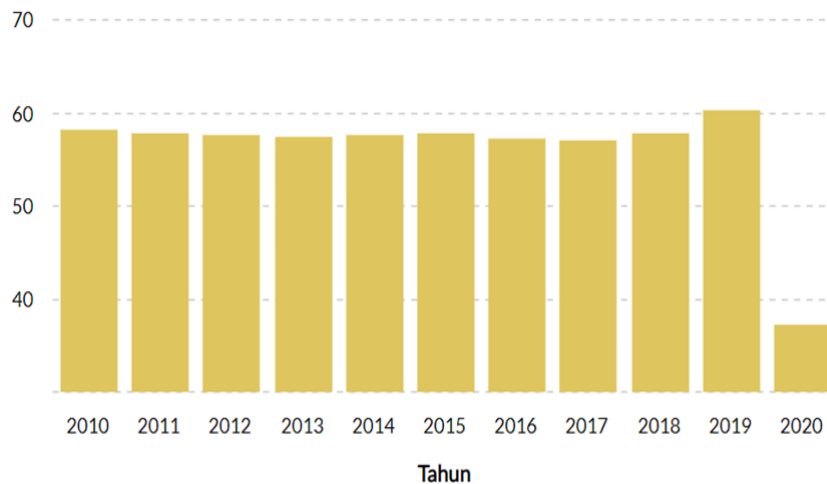
Marketing strategy plays an important role in small, medium and micro businesses. The important role of the right marketing strategy will be able to increase the competitiveness of the products produced by MSMEs. Developing a marketing strategy requires complete information about the market, consumers and the products they need. The lack of understanding of MSME actors in using technology in the Industrial Revolution 4.0 era as a marketing strategy certainly makes it more difficult for SMEs to compete. The purpose of this study is to analyze the application of marketing strategies in an effort to increase the competitiveness of SMEs, to analyze the development of marketing strategies in an effort to increase the competitiveness of SMEs. The results of this study are the marketing strategy carried out by MSME actors in Tebing Tinggi City, it was found that 60% of MSME actors did not understand the use of the marketplace as a means of marketing products on a wider scale. This is due to the limited understanding of MSME actors and the product packaging and types of products being sold cannot sell through the marketplace. However, as many as 87% of MSME actors have used social media as a forum for market development and promotion. Utilizing technological developments as a means of promoting and selling strategic products on the SWOT matrix. MSME actors do not fully use and utilize the currently available technology to the fullest. Selling products through the marketplace and social media provides many advantages, especially the unlimited marketing area and being able to get a large number of consumers.

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1. Introduction

Indonesia is a developing country with the majority of its people earning income from trade, so the level of Micro, Small and Medium Enterprises (MSMEs) in Indonesia is very high and plays a very important role in the Indonesian economy, which was seen in 1997 where MSMEs contributed to increasing economic growth and finally in 2019 The contribution of MSMEs to Gross Domestic Product (GDP) reached 65% or Rp. 2,394.5 trillion in revenue, up 5% from last year's GDP income of 60% (www.money.kompas.com). However, in 2020 the contribution of MSMEs to the national GDP experienced a very significant decline as shown in the following figure:



Source : www.lokadata.beritagar.id

Figure 1. Contribution of SMEs to GDP, 2010-2020

Figure 1 shows that the contribution level of Micro, Small and Medium Enterprises (MSMEs) to Gross Domestic Product (GDP) has decreased very significantly, where the contribution level to GDP is below 40%. The decline in the contribution of MSMEs to GDP that occurs is not proportional to technological developments that are increasing at this time. With the development of technology in the era of the Industrial Revolution 4.0, it can be an opportunity for MSME actors to expand the marketing area of their products, especially to districts / cities that do not have tourist attractions so that they do not have an attraction for tourists to visit. Like the City of Tebing Tinggi which is one of the cities in North Sumatra Province which does not have tourist sites and only serves as a crossing between cities (www.lokadata.beritagar.id).

MSME actors in Indonesia in general and in the city of Tebing Tinggi in particular are still largely dependent on traditional concepts both in terms of marketing and production, indirectly this greatly affects the success of MSMEs. Increasingly complex competition and rapid technological developments make business actors also have to be quick to adapt to these changes (Syifa Rahmiani Arifen, Virda Dwi Purwanti, Dhesta Aprilla Suci and Agustian 2019). Tebing Tinggi City is a crossing city where most of the residents of Tebing Tinggi city who have businesses depend on buyers who stop/transit or visit. The city of Tebing Tinggi with an area of 31.00 km² and a population of around 174,323 people with a population density of 5,623 people/km² focuses on providing goods and services due to the limited geographical conditions that the city of Tebing Tinggi has only a small part of which can be used as agricultural land, tourism and industrial areas. So that the population of Tebing Tinggi city is very dependent on the MSME sector. (www.tebingtinggikota.go.id).

With the current very high competition and favorable demographic conditions, MSME actors must be able to formulate a good strategy to increase product sales and survive during the Covid-19 Pandemic that is happening throughout the country which has a negative impact on sales and economic growth. so we need the right marketing strategy to deal with this. (Sofjan Assauri 2017) Marketing strategy is basically a comprehensive, integrated and unified plan in the field of marketing, which provides guidance on the activities that will be carried out to achieve the marketing objectives of a company. In other words, Marketing Strategy is a set of goals and objectives, policies and rules that provide direction to marketing efforts from time to time, at each level and its references and allocations. Analysis of Marketing Strategies in Increasing Competitiveness and Sales of MSME Products in Tebing Tinggi City in the Industrial Revolution 4.0 Era."

From the description of the theory and research background, the formulation of the problem in this research is 1. How is the application of marketing strategies in an effort to increase the competitiveness of SMEs. 2. How to develop a marketing strategy in an effort to increase the competitiveness of SMEs.

Referring to the background and formulation of the research problem, the objectives of this study are 1. To analyze the application of marketing strategies in an effort to increase the competitiveness of SMEs. 2. Analyzing the development of marketing strategies in an effort to increase the competitiveness of SMEs.

2. Research Method

2.1 Research Approach

The approach used in this study is a descriptive approach with a qualitative method. The descriptive approach is the approach used to examine the condition of natural objects where the researcher is the key instrument (Sugiyono 2015). While the qualitative method is research that intends to understand the phenomenon of what is experienced by the research subject holistically and by way of description in the form of words and language, in a special natural context and by utilizing various natural methods, (Moleong 2011).

2.2 Population and Sample

The population in this study were all MSME actors in Tebing Tinggi City. The sample in this study is representative of MSMEs in each field in all sub-districts of Kota Tebing Tinggi including: Districts of Padang Hulu, Padang Hilir, Rambutan, Tebing Tinggi Kota, Batipe.

2.3 Types, Sources and Techniques of Data Collection

The data used are primary data and qualitative data taken from data sources obtained directly from business owners who can explain business conditions in detail.

2.4 SWOT Analysis

SWOT analysis is an analysis in strategic management that is based on finding out the opportunities, threats, strengths and weaknesses of SMEs through analysis of observations of the internal and external environment. SWOT analysis is a systematic procedure for identifying MSME opportunities that are seen from strengths and weaknesses as internal factors, and opportunities and threats as external factors.

3. Results and Discussion

The results of this study can explain the target of marketing MSME products for high cliffs are tourists who pass through the city of high cliffs by opening outlets on cross roads that are passed by tourists. In addition to opening outlets, MSME actors also sell their products through marketplaces such as Shopee, Tokopedia, Bukalapa and others, as well as through social media such as Facebook, Instagram and others. The results of this study also found that 60% of MSME actors did not understand the use of the marketplace as a means of marketing products on a wider scale. This is due to the limited understanding of MSME actors and the product packaging and types of products being sold cannot sell through the marketplace. However, as many as 87% of MSME actors have used social media as a forum for market development and promotion.

From the results of the analysis carried out on MSME actors in the City of Tebing Tinggi, a marketing strategy can be selected that can be used as an effort to increase competitiveness. The following are the results of the analysis which are described as follows:

3.1 Strength and Opportunities (SO) Strategy

The SO strategy is carried out by combining Strength and Opportunity to take advantage of the strengths and opportunities of MSME actors, in order to capture the opportunities of MSME actors in Tebing Tinggi City.

- a. Maintaining product quality to increase consumer loyalty. The strategy is determined after analyzing S1, S2, S3, O2, O3 on the SWOT matrix. Consumers, of course, have their own tastes in regards to a. Consumers if they have found a product that suits their tastes then the purchase decision will be taken. Product quality is one of the important factors for a product. When associated with consumer tastes, it can be concluded that a consumer has obtained a product that is in accordance with the expectations and expectations in the minds of consumers so that it can build consumer loyalty.
- b. Maintain product prices to increase consumer loyalty. The strategy is determined after analyzing S1, S2, S3, O2, O3 on the SWOT matrix. Price is a determining factor of the number of products to be sold. If we refer to the law of demand which reads: if the price goes up then the demand will go down and vice versa if the price goes down then the demand will go up. The price of MSME products in the City of Tebing

Tinggi is very affordable and every price change is in accordance with the quality provided so that it can directly build consumer loyalty.

- c. Establishing mutually beneficial cooperation to expand the marketing area of the strategy is determined after analyzing S1, S2, S3, O2, O4 in the SWOT matrix. Based on the results of the interview, it can be seen that the home industry owner of Tunas Banana chips objected to the payment system for their products. Cooperation that does not burden one party is certainly a mutually beneficial cooperation. Before collaborating, of course, must discuss all matters agreed terms have emerged. Of course in the negotiations must provide mutual benefits to all parties. From the results of interviews, MSME business actors are very interested and greatly helped by mutually beneficial cooperation, especially in terms of expanding market share.

3.2 Strength and Treats (ST) Strategy

This ST strategy is the use of the strengths of MSME actors to deal with threats from competitors that may be faced by MSME actors in Tebing Tinggi City.

- a. Increasing the amount of production before the long holiday period, the strategy is determined after analyzing (S4, S5, T1) on the SWOT matrix. The competitiveness of SMEs can be seen from the products produced. Products that have good quality of course have superior competitiveness. Products that have low prices have their own hot power. However, products that have good quality and low prices are not enough to win the competition. So this is where the importance of the number of products that can be produced by an MSME to complement the advantages it already has.
- b. Carry out product innovations so as not to cause a sense of saturation, the strategy is determined after analyzing S2, S3, T2 on the SWOT matrix. If we associate with consumer behavior there will be a new discussion. Consumer satisfaction with a product will decrease as consumers often consume a product because of the emergence of a sense of saturation. In line with the product life cycle, the product will have a period when the product is no longer in demand by consumers, so product innovation is needed so that the level of consumer loyalty is maintained and attracts new consumers.

3.3 Weakness and Opportunities (WO) Strategy

This WO strategy is used when there are opportunities for MSME actors in Tebing Tinggi City to overcome threats that may occur.

- a. Utilizing technological developments as a means of promoting and selling products, the strategy is determined after analyzing W2, W4, O2, O3, O7 in the SWOT matrix. MSME actors do not fully use and utilize the currently available technology to the fullest. Technology here is meant to use marketplace and social media in order to promote its products. Social media can also be used for product sales activities. Selling products through social media will of course provide many advantages such as not having to pay taxes, unlimited marketing areas and being able to get consumers in large numbers.
- b. Making changes to the appearance of the product so that it can attract consumer interest, the strategy is determined after analyzing (W1, O2, O3, O4) on the SWOT matrix. Along with the development of technology, the design and form of packaging for a product can be made as attractive as possible to attract buyers. All factors in an effort to increase competitiveness, of course, must be complemented, one of which is by changing the packaging design, of course, it can attract more consumers' attention.
- c. After analyzing W2, W3, W5, O2, O3, O4, O7 in the SWOT matrix, it is determined to add commercial capital to expand the strategic marketing area. Of course the expansion of the field of marketing requires substantial funds. For example, in the process of product delivery, if there are orders from other places, these activities will certainly cost more. This is the importance of increasing capital in expanding the field of marketing to increase the competitiveness of small, medium and micro enterprises.

3.4 Weakness and Treats (WT) Strategy

This WT strategy is used by MSME actors in Tebing Tinggi City in terms of overcoming the weaknesses of the business unit in order to avoid the business threats that will be faced.

- a. Expanding the marketing area and conducting promotions to attract consumers, the strategy is determined after analyzing S2, S5, T2 in the SWOT matrix. Expansion of the marketing area can be done in various ways. From the results of interviews and pre-surveys conducted by MSME actors in Tebing Tinggi City by using marketplace and social media as a means of expanding market share and facilitating the delivery of goods by collaborating with shipping service companies that have been provided by marketplace.

4. Conclusion

Based on the results of the discussion above, the following conclusions can be drawn:

- a. The marketing strategy carried out by MSME actors in Tebing Tinggi City was found as many as 60% of MSME actors did not understand the use of the marketplace as a means of marketing products on a wider scale. This is due to the limited understanding of MSME actors and the product packaging and types of products being sold cannot sell through the marketplace. However, as many as 87% of MSME actors have used social media as a forum for market development and promotion.
- b. Utilizing technological developments as a means of promoting and selling strategic products on the SWOT matrix. MSME actors do not fully use and utilize the currently available technology to the fullest. Technology here is meant to use marketplace and social media in order to promote its products. Social media can also be used for product sales activities. Selling products through the marketplace and social media provides many advantages, especially the unlimited marketing area and being able to get a large number of consumers.
- c. Strategies that can be used by MSME actors in Tebing Tinggi City in an effort to increase competitiveness based on the SWOT matrix are by establishing mutually beneficial cooperation, expanding the marketing area. Maintain quality, continue to innovate in form and taste, utilize marketplace and social media.

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