

Using Digital Marketing for Small and Medium Enterprises (SMEs) in Bumdes Remboko Sumberrejo Village Sleman Regency

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ARTICLE INFO

Article history

Received : July, 2021
Revised : February, 2022
Accepted : March, 2022

Keywords

Digital marketing
Social media
Small-medium enterprises

ABSTRACT

Background: This community service aims to assist and empower the small and medium enterprises (SMEs) of the UMKM Bumdes Remboko to have highly digital marketing in Yogyakarta. Also, it focuses on maximizing the use of the internet specifically social media and the marketplace for branding, promoting, and selling its products. This study emphasizes that SMEs need to embrace digital technology in performing their business.

Contribution: Empowerment is important because it upgrades the small and medium enterprises to face competition with others.

Method: Several activities including creating a social media account, photography training, webinar, and registering of Go-Food were used to increase the SMEs' abilities in using the internet.

Results: The results showed that these activities help SME partners of Bumdes Remboko use digital marketing through social media and the marketplace.

Conclusion: In conclusion, it is expected that small and medium enterprises increase their business by using digital methods.

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INTRODUCTION

Indonesia has the largest number of small and medium enterprises (SMEs) which reached 62.9 million in 2018 [1]. In 2007/2008, SMEs not only support the economy of the lower and middle class but also deal with recessions [2]. These small and medium enterprises serve as a source of income because they provide employment opportunities for people [3]. Therefore, SMEs become one of the factors that determine the economic growth of a country [4].

This situation makes the Indonesian government use the internet and social media to promote and develop small and medium enterprises in the community. In 2019, the country was rated as one of the top 10 with the largest digital users in the world [5]. Small and medium

enterprises need to use the internet specifically for marketing to survive and develop during the industrialization era. This enables mobile phones and the internet to become part of human activities including shopping for primary, secondary, and tertiary needs.

In Indonesia, social media is one of the instruments or tools people used not only to communicate but also to buy and sell their desired products. Therefore, SMEs need to take advantage of this technology in conducting promotions and making transactions with consumers.

Several studies showed the use of e-commerce and the problems facing the small and medium enterprises in the Special Region of Yogyakarta [6], [7], [8]. This study focuses on SMEs in Bumdes Remboko, Sleman Regency which was formed in 2018 on the Krasak river using a float from a used car tire known as "tubing". In mid-2020, the government causes this regency to undergo a management change by increasing the investment capital. Bumdes Remboko developed business activities into units including Taman Murdhaningrat, food court, fresh tilapia, processed fish, religious tourism, village asset usage, and waste processing. This study focuses on the food court unit which has different types of culinary such as dumplings, fried meatballs, and grilled fish.

The results showed the SMEs of Bumdes Remboko failed to maximize the use of social media and marketplaces including Go-Food or Grab-Food in promoting their products. Therefore, government empowerment focuses on increasing the use of digital marketing in the community. The following are the problems faced.

1. The limited ability of partners to use social media and marketplaces.
2. Partners failed to have internet promotion.
3. Partners failed to know how to build branding for their products.

The main purpose of this community service is to ensure the SMEs of Remboko Bumdes increase fierce market competition using the internet.

METHOD

Small and medium enterprises are required to change their marketing strategy from conventional to digital methods specifically during the pandemic. According to the former Minister of Tourism and Creative Economy, Wishnutama, there are four main obstacles facing SMEs because it is not easy to change or turn an offline business into a digital form. These obstacles include lack of digital literacy and knowledge in running online businesses, inaccuracy in marketing products, as well as unpreparedness of experts or support staff [9]. Therefore, the internet specifically social media and marketplaces are expected to help the MSMEs actors in increasing their competitiveness in a wider way.

This service activity is performed at the Bumdes Remboko which is located in Sumberrejo Village, Sleman Regency. However, the activity was held for one month from January 16 to February 15, 2021. This service uses the following implementation methods to help SMEs in using digital marketing.

Observation

Observations are carried out to map and assess the partners' problems and potential. This method is to ensure that the new resource people are provided the right assistance in line with their needs.

Socialization

This method is used to convey information related to the things performed during the mentoring. The purpose is to enable partners to fully understand and become more familiar

with the available plans.

Training

Training is used in many ways because it helps in increasing the partners' understanding and ability to use social media and the marketplaces during mentoring. This method ensures new resources people are not only given material but also assisted in using WhatsApp Business, Facebook, and the techniques for taking product photos.

Webinars

This method is carried out in tandem with the available training to provide an overview of the business and the use of digital marketing. The webinar is performed by inviting resources from practitioners to provide understanding and knowledge to SME partners who use the internet in running their businesses.

Pre-test and post-test were performed to measure the effect of these implementation methods on the partners' knowledge and abilities. The post-test results are better than the pre-test indicating the success of the training performed in this service.

Generally, the partners' condition is indicated in two aspects including (a) geographical and (b) institutional consisting of governance and owned resources.

Geographical Aspect

This service is performed at the Bumdes Remboko which is located in Sumberrejo one of the 86 villages in Sleman Regency. The area is about 292 ha consisting of 98 hamlets with a total of 47 Neighborhood Associations and 22 Residents. Meanwhile, the northern boundary of Sumberrejo Village is Turi District, while the southern is Ngluwar, Central Java. The eastern part is Seyegan District, while the western is Sleman Regency. Furthermore, the topography of the village is dominated by highlands or mountains. The Bangunjiwo Village's orbit includes the following.

1. To the District with 3.7 Km
2. To the Regency Capital with 7.3 Km
3. To the Capital City of DIY with 16 Km

However, the location of the community service is about 18.1 KM from the Yogyakarta Muhammadiyah University Integrated Campus. The distance from UMY to partner locations takes approximately 28 minutes using a private vehicle. Figure 1 shows the distance of the location to the Yogyakarta Muhammadiyah University Integrated Campus.

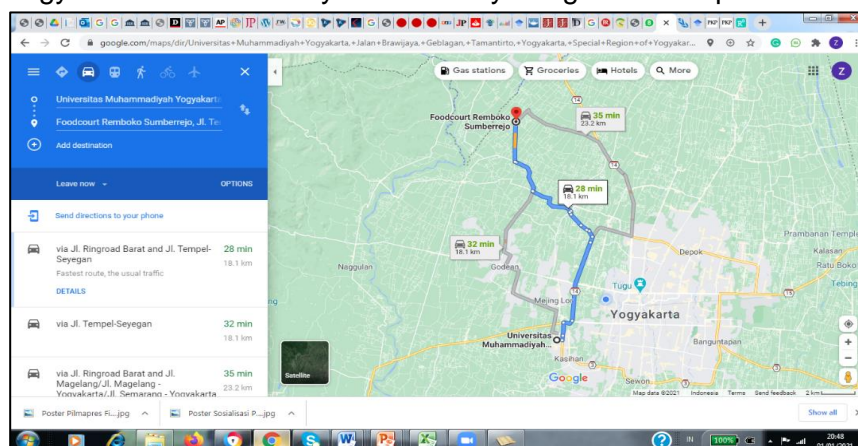


Figure 1. The Distance from the Integrated Campus of Universitas Muhammadiyah Yogyakarta to the location of community service.

Institutional Aspects

SMEs partners who are assisted institutionally become part of the Remboko Bumdes led by Dra. Mardiana Irawaty, M.Sc. Tubing tours and food courts become one of the businesses managed through this regency. However, the community service is performed to change the food court and other products from conventional to digital methods.

RESULTS AND DISCUSSIONS

This service aims to assist small and medium enterprises in using the internet as a marketing tool to promote their products. Also, it encourages SME actors to survive in fierce business competition and acquire several potential through the use of social media in the community.

Digital marketing or e-commerce such as Yahoo was first introduced in the early 1990s to promote products. In Indonesia, the emergence of Yahoo become an early sign of the internet [10] due to its help in branding activities using websites, email, Adwords, and social media [11]. Marketing and digital technology are strongly related because they allow people to become active internet users in the buying and selling process.

Digital marketing enables SME actors to evaluate and adjust sales targets in line with demographic, location, and lifestyle factors. Also, it is advantageous by allowing product costs to be cheaper than the conventional due to the establishment of communication with consumers and a wider market that tend to be accessed at any convenient time [12]. According to Citing Kotler and Achmad *et al.*, digital marketing allows customers to find and buy products in the comfort of their homes or office [13]. People perform their activities from home and only go to the office when there is an urgent need for it specifically during the pandemic. This affects human shopping patterns because it allows them to buy everything needed online as much as possible. Meanwhile, the policies issued by the government during the pandemic are undeniably influential for small and medium enterprises. This is because the implementation of Community Activity Restrictions (PPKM) to stem the spread of Covid-19 makes it difficult for SMEs to find buyers [14]. Therefore, small and medium enterprises need to use digital technology as a means of promotion and sales.

Based on observations, the use of social media and marketplaces failed to become a priority for the Remboko Bumdes SMEs. Meanwhile, marketing and sales use different village activities and promotions through WhatsApp groups that comprise business actors. Marketing and sales through conventional means are important but not effective enough to increase or build a brand identity for the products [15]. Therefore, this service offers different agendas to help partners solve problems and obstacles they face. The following are the dedication agendas.

Product Branding

This is an effort to give identity to a product to enable consumers to compare it with others before choosing their needs [16]. Also, this agenda which is commonly performed by business actors includes packaging, logo and sticker designs, as well as attractive photos. The products of Remboko Bumdes failed to attract consumers because partners provide simple logos and stickers, as well as not having precise packaging. Therefore, this type of agenda helps the new resource people to brand their products to become attractive in the community.



Figure 2. Observation and Assessment, and Product Branding Photos

Photography Training And Practice

Photography training and practice are one of the basic skills needed by SMEs to support the promotion and marketing of their services on social media. Therefore, taking good and interesting pictures tend to support product branding and make it more attractive to increase the 'selling power' [17]. The consumer makes a second purchase if they enjoy the taste of the food because the service quality becomes the key to success in sales. However, the SME actors need to display attractive photos to enable customers to have an interest in their products.

This photography training is carried out regularly using tools such as smartphones that are appropriate because it is easy to use. Also, mobile phones have enough features to perform simple editing processes including adding or subtracting light and a few words to the image. This tool enables SME actors to directly post the edited photos to Facebook, Instagram, and WhatsApp, as well as their marketplace accounts.



Figure 3. Photography Training

Social Media Creation

Social media is important for the sustainability of small and medium enterprises because it is created to promote products [18]. Previously, the SME partners of Bumdes Remboko relied heavily on promotion and sales models through conventional methods. This indicates that the small and medium enterprises failed to use Instagram despite having it. Moreover, the Bumdes Remboko located in Sumberrejo Village, Sleman Regency which oversees different SMEs has no social media accounts. Consequently, the government should create Instagram, WhatsApp

Business, and marketplaces such as Shopee as one of the service programs to develop marketing strategies and sales of products. Currently, visitors or customers tend to access the social media accounts of the Remboko Bumdes SMEs via Instagram (@foodcourt_remboko). This study conducted brief training including how to make interesting captions and hashtags to enable the small and medium enterprises effectively use this account to continue to develop better.

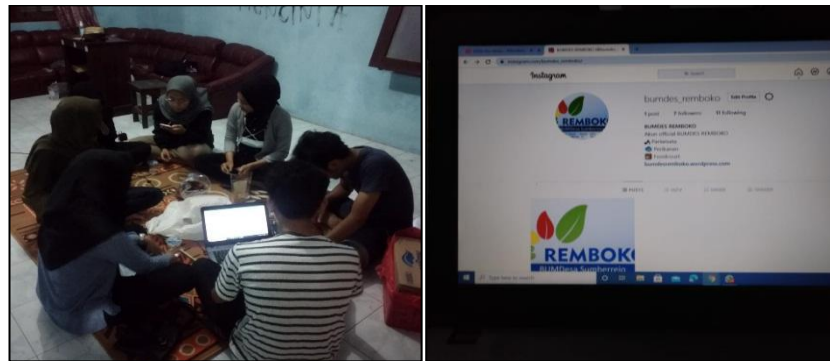


Figure 4. Partner Social Media Creation

Webinars

This study holds webinars twice during the service period to support the transfer of knowledge from actors of small and medium enterprises to partners. The first webinar took place using digital technology by the Muhammadiyah University who were members of the SMEs Expo. Meanwhile, the second is specifically related to how to use social media such as Instagram and WhatsApp Business, as well as the Shopee marketplace. This webinar is conducted by actors who have started an online business for 6 months but were able to increase their sales and get five stars from shopee for that short period. Selecting a new SME actor through the internet is appropriate because it helps in increasing product sales. Therefore, the methods and strategies provided by the resource persons are easier to understand and follow by partners. This is because the actors' profile is expected to motivate partners to be serious and consistent in running a business through the internet.



Figure 5. Webinars

Help Create Go-Food Accounts

The Go-Food service is an online platform that is widely used by the public to expand its market and sell products. Indraswari and Kusuma, Prapti, as well as Rahoyo showed an increase in sales turnover for culinary business actors after joining this platform [19], [20]. This encourages the service program performed at the SMEs Bumdes Remboko to create and manage account registration to Gojek. For the past two weeks, buying and selling process was

done through the Go-food because the partner's account is active. The only obstacle is that sales through this application are still limited despite the daily transactions because only a few customers were aware of the product. However, this study emphasizes that the partner of small and medium enterprises tends to maximize the benefits of this platform over time.



Figure 6. Go-Food Account Creation Process

CONCLUSIONS

This study's results showed that the internet is influential on the community's economy including small and medium enterprises (SMEs) who are members of the Remboko Bumdes during covid-19. However, the service performed focuses on the use of digital methods for marketing and selling products. This study carried out different programs with SME partners for the development of product sales through the internet. These programs include branding, photography training, webinars, social media, and creating Go-Food accounts. This service is expected to provide understanding to SME partners in using digital technology specifically social media and marketplaces to sell their products. Furthermore, it is believed that the new resource people tend to continue their business through the use of the internet.

ACKNOWLEDGMENTS

The authors thank the University of Muhammadiyah Yogyakarta for providing support, specifically through the KKN-PPM service grant scheme.

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