

IMPLEMENTATION OF DIGITAL MARKETING IN MAINTAINING MSMEs DURING THE COVID-19 PANDEMIC

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ABSTRACT

According to the Organization for Economic Cooperation and Development, the pandemic has harmed up to 82.9% of MSMEs (OECD). The goal of this study is to find out how digital marketing can help MSMEs survive a pandemic. The data for this study was gathered in three ways: active participatory observation, semi-structured interviews, and document analysis, all using a descriptive qualitative approach with purposive sampling. Source triangulation and technical triangulation were used to validate the data, and interactive model analysis was used to analyze it. According to the study's findings, MSMEs can survive the Covid-19 pandemic by implementing digital marketing in terms of knowledge and its application through participation in seminars, training, and talk shows, as well as knowledge information sharing (knowledge sharing). Digitalization and its application in e-commerce advertising (ads). Innovation, particularly its application in the creation of social media content and the increase of brand awareness.

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1. INTRODUCTION

Coronavirus Disease 2019, also known as Covid-19, is a global issue that affects more than 200 countries (Sarfika et al., 2021). Covid-19 had a significant impact in Indonesia, with the Case Fatality Rate (CFR) standing at 8.9% at the end of March 2020. (Olivia et al., 2020) As a case of a national pandemic, if not a global pandemic, the spread of Covid-19 has been so rapid that it has become the main topic of discussion in every region. It is being discussed not only in the health sector, but also in the global economy (Ssenyonga, 2021).

MSME, or micro, small, and medium enterprises, have the greatest impact on the current global economic sector (Sun et al., 2022).

According to data released by the Ministry of Cooperatives and SMEs in a press release in May 2021, the total number of MSMEs in Indonesia currently stands at 64.2 million, with a contribution to the Indonesian economy of 61.07% worth 8 trillion rupiah (Pers, 2020). The Organization for Economic Cooperation and Development (OECD) also stated in its report that MSMEs had a significant impact on the condition of Covid - 19 (UKM, 2020). According to the survey findings, the majority of MSME business actors.

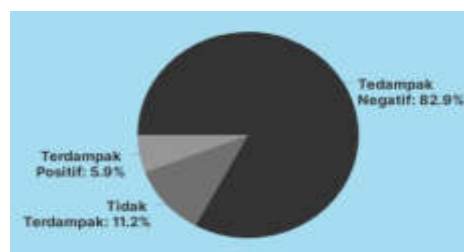


Figure 1. Data UMKM terdampak Pandemi

This is due to a decrease in turnover, a decrease in orders/orders, a decrease in income, and other constraints related to business activities, specifically the production process, marketing process, and distribution process (Anugrah, 2020).

MSME business actors are currently required to be able to quickly adapt to business developments during this PPKM period, because businesses that are able to survive in this difficult situation are businesses that are fast and responsive to keep up with the times (Masriansyah, 2020). Today, the entire world has entered the digital era, where internet networks and information technology can be easily accessed from anywhere (Sestino et al., 2020). Because of the rapid advancements in technology that are currently taking place, business people are being forced to make quick changes in terms of strategy and goals (Quinton et al., 2018). The existence of digital technology today undoubtedly has a significant impact on business people (Moeini Gharagozloo et al., 2021). Digital technology also makes product approaches from business people simple, quick, and secure for consumers (Loebbecke & Picot, 2015). Digital technology is also used to market, promote, and sell products to customers (Eller et al., 2020).

Digital marketing in Indonesia is starting to emerge and develop in tandem with advances in Science and Technology (IPTEK) and the use of global gadgets around the world (Moeini Gharagozloo et al., 2021). The existence of digital marketing necessitates business people being able to adapt to the changes in today's all-digital world, namely jointly beginning to use information and communication technology in order to survive and support the success of the course of business activities that are managed (Bouwman et al., 2019). Changes in business patterns in the digitalization process do not present too many serious obstacles for large companies because they have adequate resources, but the digitization process presents obstacles for MSME business people and, of course, requires extensive preparation and good resources. (Knickrehm et al., 2016) The challenge that MSMEs must face today is competition by producing various innovations and services in order to survive in the local market and compete in the international market. MSMEs must innovate in order to gain and maintain a competitive advantage (Liborio Zapata et al., 2021).

Digital marketing is an appropriate effort to deal with the situation of MSME business players in the midst of this pandemic (Moeini Gharagozloo et al., 2021); Liborio Zapata et al., 2021; Bouwman et al., 2019). Don Tapscott proposed the concept of digital marketing as an economic activity based on internet digital technology.

The digital marketing in question is based on information, innovation, and creativity to increase economic potential. Don Tapscott defines digital marketing as having nine distinct characteristics or characteristics: knowledge, digitalization, virtualization, internet networking, disintermediation, convergence, innovation, globalization (globalization), and division (discordance). Tapscott (1996) (1996) Digital marketing is a driving force for SMEs and a driver of economic growth based on technological innovation (Rachinger et al., 2019). MSMEs have used the same finding that the application of digital marketing in marketing strategy and marketing mix in businesses to increase current digital business opportunities (Capri, 2017). During this pandemic, the expansion of digital marketing has become the primary driver of economic growth, particularly for MSMEs (Setyaningsih & Sukardi, 2020).

The study was carried out at Littlemissmoss, a Depok-based SMEs. This MSME is in the fashion industry, selling a variety of children's Muslim clothing, headscarves, and accessories. It has been in operation since 2015. Littlemissmoss is here to bring new life to children's Muslim clothing. Littlemissmoss' sales have declined since the pandemic. This drop in sales was caused by a lack of optimal digital marketing implementation during the pandemic. This study aims to investigate more thoroughly how to implement digital marketing optimization in maintaining MSMEs during the Covid-19 pandemic, which is based on the dimensions of knowledge, digitalization, and innovation.

This study can be useful and contribute to future research on digital marketing dimensions in the maintenance of MSMEs during a pandemic. As a result, the findings of this study can be used to develop better policies to assist MSMEs.

2. LITERATURE REVIEW

Digital marketing

Digital marketing is an economic activity that uses information, innovation, and creativity to increase economic potential. Tapscott (1996) (1996) Don Tapscott claims to be the first to propose the concept of digital marketing, or economic activities based on internet digital technology. Don Tapscott defines digital marketing as having nine distinct characteristics: knowledge, digitized, virtualized, internetworking, disintermediation, convergence, and innovation (discordance).

Digital marketing is a market based on digital technology that facilitates the trading of goods and services via e-commerce. As an online platform, and economic activities on the platform, or what is

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commonly referred to as the modern economy, today's economy. The way small and medium-sized enterprises (SMEs) create and capture value is changing as a result of digital transformation. (OECD, 2012). According to another definition, digital marketing is the most important driver of innovation, competitiveness, and growth, and it has enormous potential for MSME business owners. Duchamp and colleagues (2018) Based on the various expert definitions provided above, the researchers concluded that digital marketing is a market based on digital technology, specifically digital technology and information-based economic activity.

Characteristics of digital marketing

According to Don Tapscott, digital marketing has nine distinct characteristics, which include:

- 1) Information.
The most important skill that business owners and employees must have is knowledge of digital marketing. Superior innovation through the latest opportunities to create superior and competitive opportunities for business competitors is the knowledge role's strength.
- 2) electronic (Digitized).
The use of digitalization technology in digital marketing is referred to as being digitized. This technological advancement also allows us to easily and quickly exchange information via e-mail, which can be sent to any part of the world, making the process of sending and exchanging the types of information obtained easier.
As a result, if a product or service can be represented digitally, the company can easily, quickly, and affordably offer its products and services to customers all over the world through digitization.
- 3) fictitious (Virtualized) In this virtualization.
Consumers only need to use the internet to communicate and transact with a company, and many business partners easily see advertisements and are interested in collaborating between business owners.
- 4) Network for Internet access (Internetworking)
No business can succeed in the world of digital marketing unless it collaborates with other countries. General parties, such as content partners, merchants, and suppliers, are frequently used as partners.
- 5) The elimination of middlemen (Disintermediate).
Disintermediation reduces the number of facilitators who act as transaction intermediaries between suppliers and customers.

3. METHOD

The descriptive qualitative method was used in this study. According to Sugiyono, qualitative research is a study that seeks to discover, investigate, and comprehend the significance of individuals/groups of humans affected by social problems (Sugiyono, 2019). According to another definition, qualitative research methods are a rich source of explanations for local processes. This qualitative data can be used to trace and comprehend the chronological progression of events, assess causes from the local community's social domain, and provide useful explanations (Miles & Huberman, 1994).

Data was collected using three methods: observation, interviews, and documentation. The data was validated using source and technique triangulation. Purposive sampling was used to collect data. Purposive sampling is a sampling technique for data sources with specific considerations, namely informants who are thought to be the most knowledgeable about the social object/situation under study (Sugiyono, 2019).

At the research site, Miles and Huberman's model analysis technique, namely interactive model analysis, was used, in which activities in qualitative data analysis are carried out interactively and continuously until completed. This project

4. RESULT AND DISCUSSION

Knowledge

The knowledge dimension is applied to benefit the MSME when business people and MSME employees can increase their sales and survive in all conditions. This is accomplished by communicating digital marketing knowledge to colleagues, acquiring additional knowledge through participation in seminars, training, and talk shows, and sharing knowledge information with colleagues. The benefit is that business people and coworkers in MSMEs will have increased knowledge from an external perspective, namely after attending seminars, training, and talk shows, and they will be able to expand business

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relations, as well as share knowledge information (knowledge sharing.) with each other on the internal side.

Coworkers can reduce failure and have a significant impact on the improvement and progress of the business from a community standpoint in terms of socialization. According to these findings, implementing one of the dimensions of digital marketing,

Digitization

During a pandemic, e-commerce is used to bring the digitalization dimension to MSMEs. That is, all types of digital marketing activities are carried out online via an application, which includes product buying and selling, product marketing, and the delivery of communicative information about these MSME products. For MSMEs, the best option is to apply digital marketing to the digitization dimension. This is evident in the use and development of various e-commerce apps such as Shopee, Tokopedia, Instagram, WhatsApp, Facebook, TikTok, and others. According to the findings of the researchers, the platforms with the greatest influence on sales are Instagram and Shopee because they can introduce products to potential customers more easily, effectively, and efficiently. MSMEs can also communicate information to potential customers more quickly thanks to supporting features such as advertisements (ads) (ads). The most popular insight chart from the Instagram platform and UMKM shop.

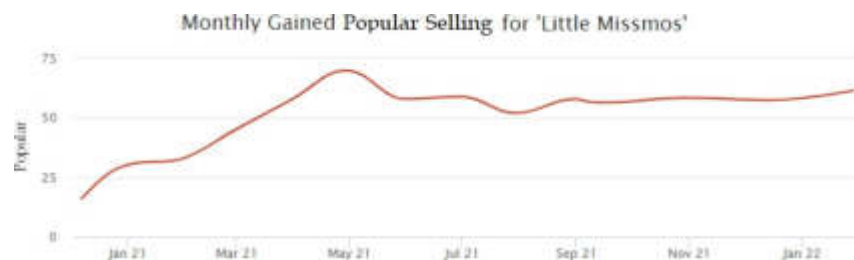


Figure 2. Graph of littlemissmos MSME sales insights

Researchers obtained this graph by accessing the Littlemissmos UMKM shopee account for a year, from January 2021 to January 2022. The graphic results show the implementation of digital marketing strategies in the digitization dimension by e-commerce shopees experiencing an increase in sales demand compared to January 2021, the start of the pandemic transition period. That means MSMEs will be able to survive and grow during the pandemic.

Based on these findings, applying one dimension of digital marketing, namely digitalization through advertising (ads) on e-commerce, is considered the most effective use by MSMEs because product information can be quickly conveyed and spread to all prospective buyers and all e-commerce users, allowing MSMEs to survive and increase sales demand during the pandemic. If a product can be represented digitally, MSMEs can do so easily,

Innovation

During a pandemic, MSMEs can leverage the innovation dimension by creating useful and relevant content on social media. Product descriptions, consumer tips and testimonials, product review content endorsements MSMEs are leveraging digital marketing innovations on online platforms to encourage the creation of positive outcomes, which can increase the number of viewers and interest in purchasing MSMEs. Potential buyers from all walks of life can be enticed by the content strategy. MSMEs frequently create social media promotional content, such as free shipping, buy one get one free, or other discount vouchers that have proven to attract potential customers.

The primary goal of MSMEs in creating content is to increase brand awareness for littlemissmos MSMEs. To maintain consistency in their brand awareness efforts, MSMEs continue to vary their content. Attempts to vary this content can broaden the audience's reach (explore), increasing potential buyers' interest. MSMEs benefit greatly from content selection for digital marketing because prospective buyers respond positively.

5. CONCLUSION

Digital marketing is viewed as the appropriate effort to deal with the situation of MSME business players in the midst of this pandemic by implementing the most recent marketing through digitalization,

namely creating competitive and creative advantages and being able to see opportunities as a strategic plan. The goal of this research is to describe and investigate how digital marketing can help MSMEs survive a pandemic. According to research, MSME owners use digital marketing to stay in business, especially during a pandemic. This is examined using innovation, digitization, and knowledge. Participation in seminars, training, and talk shows, as well as sharing knowledge information (knowledge sharing) with colleagues, are all examples of MSMEs' efforts to implement knowledge. As a result, businesspeople will be well-versed in both external and internal information. Furthermore, MSMEs consider digitization, specifically the use of various types of e-commerce applications such as shopee, tokopedia, Instagram, WhatsApp, Facebook, Tiktok, and e-commerce advertisements (ads), to be the most effective method of implementation because product information can be quickly conveyed and spread to all potential buyers and all e-commerce users. Innovation is implemented through the use of social media content, such as the creation of useful and relevant content in the form of product descriptions, tips and testimonials.

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