

DIGITAL MARKETING STRATEGY FOR MSMEs IN THE VUCA ERA (Volatility, Uncertainty, Complexity, and Ambiguity) (Case Study of Snacks MSMEs "The Kriuk")

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Abstract

Economic growth in Indonesia currently driven by various sectors, one of which is the micro, small and medium enterprise (MSME) sector. However, the biggest problems faced by MSMEs in Indonesia today are capital (51.09%) and marketing (34.72%). In today's VUCA era, business situations are volatile and lead to uncertainty. The emergence of the COVID-19 pandemic is a manifestation of the VUCA situation, so the business world is required to be able to survive in situations that reduce people's social mobility. Therefore, the role of digital marketing is very much needed at this time and is an important part in tackling greater losses for MSMEs. The digital marketing strategies that can be applied by MSME actors include creating a google business account, promoting their product through social media, collaborating with KOL or influencers (endorsement), and email marketing.

Keywords: Digital Marketing, MSMEs, Strategy, VUCA.

1. INTRODUCTION

Economic growth in Indonesia is currently driven by various sectors, one of which is the micro, small and medium enterprise (MSME) sector. It is undeniable that MSMEs have a big role in national economic development, this can be seen from the large contribution of MSMEs which reached 60% of the total Gross Domestic Product (GDP) of Indonesia in 2017. MSMEs are the largest business actors reaching 99.9% of the total players. business in Indonesia. Central Bureau of Statistics data shows that in 2017 the number of micro, small and medium enterprises in Indonesia reached 62.922.617 business units (BPS, 2017).

The empowerment of MSMEs has proven to be a driving force for the national economy with its contribution and role in absorbing more workers reaching 97% compared to other business entities. This proves that MSMEs are able to reduce unemployment and poverty in Indonesia (Gunartin, 2017). The large potential of MSMEs in supporting the Indonesian economy is also inseparable from the various problems faced, both internally in the form of limited capital and technology, as well as externally related to licensing issues, raw materials, marketing to efforts to integrate into regional and global production chains (Ashariyadi, 2016).

This is supported by the results of research by (Yunani et al., 2020) which show that the biggest problems faced by MSMEs in Indonesia today are capital (51,09%) and marketing (34,72%). The weakness of Indonesian MSME marketing in competing can be seen in the weak branding and promotion activities as well as the penetration of local and foreign markets (Zulianti & Aslam, 2022). The current market opening requires MSME actors to be able to adapt to various changes that occur. In addition, to be able to survive

in the current era of competition, Indonesian MSMEs need to focus on increasing knowledge and skills as well as utilizing technology and innovation (Ashariyadi, 2016).

The development of digital technology has changed the form of conventional marketing into digital-based marketing or what is known as digital marketing. Facing the VUCA business era (Volatility, Uncertainty, Complexity, and Ambiguity) where an era that describes a business situation that is volatile and leads to uncertainty (Troise et al., 2022). The emergence of the COVID-19 pandemic is a manifestation of the VUCA situation, so the business world is required to be able to survive in situations that reduce people's social mobility. The limited social interaction between communities resulted in changes in people's behavior patterns in meeting their daily needs. Consumers today are very dependent on online purchasing patterns to buy various goods they need.

Changes in consumer behavior that occur today indirectly require business actors to be able to adapt by utilizing digital media in their business processes (Wulandari & Anwar, 2021). This condition is considered to be a trigger for the acceleration of the use of technology for business actors, including MSME business actors. MSMEs as one of the pillars of the Indonesian economy are certainly expected to be able to adapt their current business processes by utilizing technology to maintain business continuity. Zaglago (2019) reveal that the current development of the business world has a significant impact on the MSME sector to be able to apply the use of appropriate technology as an effort to compete effectively by producing products that suit consumer needs.

The use of technology in MSMEs certainly provides various advantages, namely first, business people can get feedback about products directly. Second, social media is able to provide real-time data on market trends and consumer needs. Third, business people can observe whether their products really match the lifestyles of consumers and can learn about the types of products that consumers are interested in (Srinivasan & Lohith, 2017; Srinivasan & Kunjangad, 2019). The use of technology can also enable MSMEs to increase market share, reduce marketing costs, increase sales, and have better relationships with consumers (Mokhtar et al., 2017).

The development of current technology has resulted in internet penetration continuing to increase from year to year to reach 143.26 million people in 2017. The ratio of internet users in Indonesia is recorded at 54.68% of the total population of Indonesia and 49.2% of users are aged 14-35 years who have a great opportunity to become a target market for MSME business players (APJII, 2017). The high penetration of the internet in the community can open up great opportunities for both small and medium-scale business actors to contribute to entering the online market, resulting in increasingly fierce competition.

This opportunity, in fact, has not been utilized properly by MSME business actors. This can be seen from the data of people who use the internet to purchase goods online currently reaching 32.19%, but the use of the internet to sell goods is only 8.12% (APJII, 2017). This condition is also supported by Kominfo data which shows that of the 59 million MSMEs in Indonesia currently only around 7.7% of MSMEs use the internet for marketing (Kominfo, 2018). MSMEs can grow faster if they can involved in the digital economy by utilizing technology in their business operations, both through electronic business (e-commerce), social media, and others mobile phone platforms. This growth is not only limited to income, but also contributes to the provision of employment opportunities and can encourage MSMEs to be more innovative and competitive in facing various types of competition. World Bank research results show that increasing digital involvement of MSMEs can increase Indonesia's annual economic growth by 2%

(Economics, 2015). The low use of technology for MSMEs in Indonesia currently encourages the Government through the Ministry of Communication and Information to carry out facilitation activities for 8 million MSMEs through the movement "Let's Sell Online SMEs". This opportunity must be utilized as well as possible by MSME business actors to be able to switch from an offline marketing system to an online marketing system so that MSME actors can develop their business in the future (Satrio & Muhardono, 2022).

One type of food MSMEs that are popular in Bandung City is snack food MSMEs sector. Snacks are one of the food products that are in great demand by consumers today. Based on Mondelez's research, it is known that the average Indonesian people consume snacks 3 times a day (Lili, 2022). The high consumption of snacks in Indonesia can be seen from the growth of snack food consumption per capita per year which continues to increase until 2018. as a means of product marketing, one of which is digital media. The Kriuk is one of the snack food SMEs in the city of Bandung. The Kriuk sells various snacks such as cassava chips, banana chips, sticks, glass chips, basreng, various crackers, various pastries, wafers, dry seblak to packaged meatballs. However, The Kriuk still uses personal whatsapp and facebook channels to promote their products.

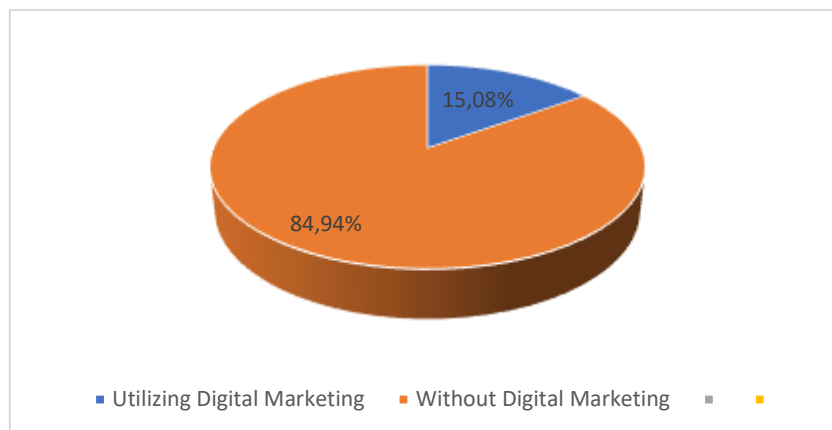
2. RESEARCH METHODS

This study uses primary data and secondary data. Primary data was obtained from the author's direct interview with the internal party of The Kriuk, namely Bagus Anggara as the owner of The Kriuk. Meanwhile, secondary data was obtained from several literature studies, books related to research topics, internet sites, articles, and previous studies as a comparison material.

3. RESULTS AND DISCUSSION

Data on the Utilization of Digital Marketing by MSME Actors According to statistical data for 2019 (BPS, 2019) the Indonesian Central Statistics Agency has recorded 3.504 e-commerce users in 101 regions in all provinces in Indonesia. From these data, it can be concluded that only about 15.08% of the total use e-commerce businesses. This is inversely proportional to the heads of families who do not use e-commerce businesses, which are 84,92% (Fadly & Sutama, 2020)

Referring to the findings above, it can be concluded that e-commerce businesses in Indonesia are still relatively small. Many MSME actors are still comfortable with running their conventional businesses, even though in the current pandemic era there is a need for a business breakthrough where conventional businesses are turned into online businesses. Fashion businesses such as clothing, hijabs, shirts are still in great demand as online businesses with a percentage of 22,11% even though with the use of this information technology, micro, small and medium enterprises can enter the global market. (Sedyastuti, 2018).



Source: Indonesian Central Bureau of Statistics (BPS, 2019)

Figure 1. Digital Marketing Users

The online marketing system is considered to be able to improve people's welfare considering the number of internet users in Indonesia is increasing every year. MSMEs who maximize the use of digital marketing can increase sales and profits. To survive in the midst of the Covid-19 pandemic, business actors can work around this by starting to focus on digital marketing through websites that are used as e-commerce, social media and search engines (Wella & Chairy, 2020). What also needs to be taken into account is that, in general, consumers today have become users of social media, especially young consumers. As for the results of research on the effect of digital marketing strategy on consumer buying interest based on a case study on the online shop Azzam Store, it is known that digital marketing strategy and consumer buying interest are considered quite good with a total average score of 336.67 for online marketing strategy and 343, 33 for consumer buying interest.

From this research, it can also be concluded that the coefficient between online marketing strategy and consumer buying interest has a very close relationship. If the sellers and consumers here have a good relationship, then this can be a major factor in increasing purchase interest in MSME actors.

3.1. Digital Marketing Strategy

Based on the results of interviews, currently the owner of The Kriuk MSME only markets their products through personal WhatsApp and also personal Facebook. This is considered less than optimal considering that currently there is a WhatsApp business and also a Facebook fanpage in order to facilitate the promotion process. In addition, there are many other digital channels that have not been used by the owner of The Kriuk. Here are some digital marketing strategies that The Kriuk can do in building their business:

1. Creating a Google Business Account

Business is a free feature to display the name and location of your small business on the internet. For example, the owner sells pastries for Eid hampers, the owner can create a Google Business account so that people can find your shop address on the Google page. They can also add an assessment about the products and services the owner provides during shopping. The information contained in Google Business reassures potential buyers that the store is not a fictitious store.

2. Promotion through Social Media

Based on the data, Instagram, tiktok and Facebook are among the three social media that are widely used to promote business digitally today. There are 2 types of promotions that business owners can do, namely organic (free) and paid advertising.

- a. Social Media Organic (Free) Organic promotion means publishing content in the form of text, photos, and product videos on your business social media accounts for free. It aims to increase brand awareness and interaction with prospective and regular customers. By regularly uploading content, business owners can gain the trust of followers to shop at your store.
- b. Social Media Ads (Paid Ads) Paid advertising on social media allows business owners to reach the demographics of potential customers that best match the product being sold. Business owners can determine the target market based on gender, age, place of residence and hobbies. Then place the ad via their social media homepage. To advertise on Facebook and Instagram, a balance of 20 to 100 thousand rupiah per day is required. This figure can be adjusted to the budget and the number of customers the business owner wants to achieve.

Those who have never advertised before, the Facebook Blueprint guide is available for free study. The material can be accessed online, in Indonesian, and consists of several classes, such as: how to set marketing goals, how to create interesting content, to effective advertising strategies to increase sales.

3. Cooperation with KOL or Influencers (Endorsement)

If the goods being sold are specific and only used by certain groups, try working with a Key Opinion Leader (KOL). In the real world, they are experts in a field or profession, so their opinions are definitely heard and can be trusted. Examples of KOLs who actively use social media include: doctors, child psychologists, and chefs. If the item is an educational toy for toddlers, then the right KOL to promote it is a child psychologist.

On the other hand, products that are general in nature and can be used by all groups are more suitable to be promoted by Influencers. Because their work focuses on creating and developing entertainment content to increase the number of followers. The content that Influencers usually display is usually about lifestyle and travelling. Examples of products that can be promoted by Influencers include; snacks, shoes, clothes, bags, perfumes, or accessories.

4. Email Marketing

When shopping on the website, customers will include their email address as complete data. Email serves to notify the status and process of delivery of goods. Sellers can take advantage of Email Blast Service (EBS) to send messages automatically. Examples of widely used EBS software are: Mailchimp, GetResponse, and Senditblue.

Through email, sellers can also promote discounted products, share vouchers, and send birthday greetings. Email marketing is a way to stay connected with customers. That way, they feel cared for and loyal to your product and business brand.

3.2. Advantages of Using Digital Marketing for MSMEs

A digital marketing strategy is considered a solution for MSME players in facing competition in the VUCA era, this is because digital marketing has several advantages, namely:

1. Being able to connect producers and consumers through cyberspace. Digital marketing can connect without the need to do face-to-face, even without the need

to know who the consumer is contacting. It is the digital record that will store consumer data for further management by MSME actors.

2. Generate a higher level of sales because the use of digital marketing further minimizes distance and time constraints. There is no need for consumers to spend time visiting the store, only with their fingers, product purchases can be made right away.
3. Digital marketing costs are much more efficient than advertising in other media such as print, television, or radio. With more efficient costs, digital marketing is able to reap more benefits than using advertising in other media.
4. Digital marketing allows sellers to serve their customers in real time. Connecting MSME actors with consumers through smart phones anywhere and anytime. SMEs do not need to stay in one place or continue to be in the store to serve customers.
5. Generate profits whose nominal value is greater than the promotional costs that have been incurred. This is one of the main things that SMEs get from using digital marketing. The use of ads with minimal prices can generate multiple profits
6. Helping SMEs stabilize the position of a brand in the eyes of consumers from other brands or the like as competitors, because the higher traffic buying a product will automatically increase the brand on the internet.
7. Helping SMEs to compete with large companies without having to have a large capital or place.
8. Provide wider opportunities for MSME actors to brand their products so that they are known more widely and get their own place in the hearts of consumers.

4. CONCLUSION

The development of digital technology has changed the conventional form of marketing into digital-based marketing or what is known as digital marketing. Facing the VUCA business era (Volatility, Uncertainty, Complexity, and Ambiguity) where an era that describes a business situation that is volatile and leads to uncertainty. The emergence of the COVID-19 pandemic is a manifestation of the VUCA situation, so the business world is required to be able to survive in situations that reduce people's social mobility. Therefore, the role of digital marketing is very much needed at this time and is an important part in tackling greater losses for MSMEs. The digital marketing strategies that can be applied by MSME actors include creating a google business account, promoting it through social media, collaboration with KOL or influencers (endorsement), as well as email marketing.

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