

## E-MARKETING STRATEGIES MSMEs IN INDONESIA

Dihin Septyanto\* and Ignatius Joko Dewanto\*\*

**Abstract:** *e-Marketing strategy in MSME's in Indonesia the desire of Small Medium Enterprise. The Internet development improve the way of doing business from traditional to electronic, no denying that the economic activity leading to the marketing of electronic. MSMEs are the spearhead of Indonesian entrepreneurs need some improvement, especially in strategic planning, marketing and e-marketing. The research methodology used is : situation analysis, marketing survey, and e-marketing strategy planning. Results of the research is to produce a design strategy e-marketing MSMEs in Indonesia, and the sustainability of this research is to build a portal e-marketing MSMEs with waterfall model and Object Analysis Development and further to facilitate MSMEs in increasing sales and eventually can strengthen the macro economy in Indonesia as a whole.*

**Keywords:** *e-Marketing strategy, MSMEs, situation analysis, marketing survey, object analysis development.*

### 1. PRELIMINARY

In the field of trade globalization is a process of increasing the flow of goods, services, money and information cross country the creation of a market and cross- national policy (Totonchi & Manshady, 2012). In the journal on to say also that with the development of communication technology will impact the growth of significant activity. Based on the information department of cooperatives and SMEs, in the period 2011-2015, the export value of Indonesia continues to decline each year of 203,496.60 million US\$ to 150,252.50 million US\$ in 2015 ago. It can be concluded, from the years 2011-2015, the decline in export value amounted to 26.16%.

MSMEs are an important part of the economy of a country or region, as well as the state of Indonesia. MSMEs has a very important role in the speed of the economy. MSMEs are also very helpful state/ government in terms of creating new jobs and through MSMEs too many units to create new work unit that uses new personnel

---

\* Fakultas Ekonomi & Bisnis, Universitas Esa Unggul, Jl. Arjuna Utara No. 9, Tol Tomang, Kebon Jeruk, Jakarta 11510. Email: [dihin.septyanto@esaunggul.ac.id](mailto:dihin.septyanto@esaunggul.ac.id)

\*\* Magister Teknik Informatika, STMIK Raharja, Kampus Modern Jl. Jendral Sudirman No. 40, Modern-Tangerang, Banten 15117. Email: [jokodewanto@raharja.info](mailto:jokodewanto@raharja.info)

to support the household income. Apart from that MSMEs also have high flexibility when compared to the business larger capacity. MSMEs need special attention and supported by accurate information, to enable the business directional link between small and medium businesses with elements of business competitiveness, the network of market.

Indonesia's trade balance began to experience a reinforcement in 2009 and 2011, but the following year in deficit until 2013, while in 2014 an increase. The trade deficit caused by the weakening of export activities in those years. But the dominant cause others affected by the decrease in imports. The trade deficit is also influenced by growing non-oil exports and a decline in import growth in Indonesia.

Furthermore, MSMEs are businesses engaged in various business sectors, and roles and contributions in non-oil exports (among other agricultural products, plantation, fishery, textile and garment, furniture, product processing industry, and art). The criteria according to Law No. 20/2008 on MSMEs of the Ministry of Cooperative and SMEs Republic of Indonesia on estimates for 2012 totaled approximately 56,534,592 Units. Big business with the criteria of having a net worth/year is greater than 10 billion with the sale of greater than 50 billion are 4968 units (0.01 %). Sized of medium businesses with a net worth/year more than 500 million – 10 billion and the sale of more than USD 50 billion – 250 billion there are 48,997 units (0.09%). Small businesses with a net worth/year is greater than 50 million to 500 million \$ and sales revenue is greater than \$ 300 million – 2.5 billion there are 629 418 Units (1.11%) on Micro business with net assets/year.

If the terms of the proportion of the business units in the economic sector MSMEs that have the largest proportion of the business unit is sector 1). Agriculture, Livestock, Forestry and Fisheries, amounting to 48.85 %; 2). Trade, Hotels and Restaurants, the amount of : 28.83 %; 3). Transportation and Communications, the amount of : 6.88%; 4). Manufacturing amounting to : 6, 41%; 5). Services amounted to 4.52 %

## **2. LITERATUR REVIEW**

Analysis of market opportunities is one important factor is the basis and reference for a manager and entrepreneur in running or starting a new business or to help grow the business, which aims to identify an opportunity that can be potentially high in a business and form an essential element of business (Rayport & Jaworski, 2003:73).

In the analysis of market opportunities there are 7 stages to be able for analyze the market opportunities that are shown in Figure 1. (Rayport & Jaworski, 2003: 83).



Figure 1. Market Opportunity Analysis (Rayport & Jaworski, 2003: 83)

Based on the Four P's of Marketing Mix Philips Kotler and Armstrong (2004). Components of Product : product Type, quality, design, characteristics, brand name, packaging, size, performance, warranty. In Components of Place : channels, scope, options, location, supply, transportation, logistics. In component Price : inclusion price, discounts, allowance, periods, payments, credit limit. The last component is Promotion : advertising, sales, personnel, promotion, sales and public relations. Even at this moment there is an increase in the marketing mix at e-Marketing with 3P : people, process and physical evidence.

Good brand also became the basis for building a positive company image, according Simamora (2003), the benefits of a positive brand image, the company can develop its product line by leveraging the positive image which has been formed to brand old products.

According to Strauss and Frost (2012), electronic marketing (e-marketing) is the use of information technology in the process of creating, communicating, and delivering value (value) to the customer. He also said that e-Marketing is the result of information technology is applied in traditional marketing. The purpose of e-Marketing is divided into two, namely : first, improve the efficiency of e-marketing in the traditional marketing function, secondly, the technology of e-marketing change a lot of marketing strategies. In designing the look of the customer or the customer interface using 7C : context, content, community, customization, communication, connection and commerce.

### 3. RESEARCH METHODOLOGY

Conducted the data collection : interviews, questionnaires and observation. Analysis Method of SWOT analysis, survey of marketing and e -marketing survey. The design is done : (1) Frame work market opportunity; (2) Business model; (3) Interface customers. Identifying SDLC and OOAD. Designing a customer view with 7C; (4) Market communication and branding; (5) Implementation; (6) Measurement.

Framework of market opportunities using e-Marketing Planning method uses seven steps Strauss and Frost (2009), situation Analysis, e-marketing strategic planning, Objectives, e-marketing strategy, the implementation plan, budget, evaluation plan. Further support for the special theory such as : quality of information such as customer requirements, design quality, control over the process, storage, inspection of materials, shipment, package and delivery according to Xu and Koronios (2014), the quality of the website by Hasan and Abuelrub (2011), as well as quality of design.

Observations strategies performed on several sample MSMEs such as : SME Semarang effort "Kerupuk Udang Yuni" and "Bakpia Patok Yunah", SMEs Yogyakarta effort "Sanggar Batik Jumputan Maharani", "Kerajinan Bambu Fachrozi." Kota Gede and leather craftsmen "Sekar Sedhep Arum" and SMEs Purwokerto effort "Sanggar Batik Aji" and manufacture of slippers with the basic ingredients of tires "Toko Sandal Sukses Collection", through the analysis of the strategy, survey marketing and e-marketing survey. The retrieval of data is performed, among others : (a) SWOT Analysis, (b) Interview Information Department of Cooperatives and small enterprise (via the relevant website) and observations of researchers; (c) The interview data on profiles, business processes, marketing and e-marketing; (d) Field observations MSMEs.

The research instruments used were: (1) Situation Analysis, (2) Instrument Research Institute of Development Services, (3) Instruments Marketing and e-Marketing. Data Analysis: (1) Descriptive Analysis and (2) Analysis of SMEs that have been observed

### 4. RESULT AND DISCUSSION

Total non-oil sector by the trend's 2012-2014, heightened micro business = 4.95 %, medium business = 12.78 % and a decline in small business = 1:41 %. (Source Ministry of Cooperatives and SMEs). The contribution of non-oil processing industry to gross domestic product (GDP) is expected by 18.5 percent. In 2014, the actual contribution of the industrial sector reached 17.87 percent. Special to the third quarter of 2015, the achievement contribution reached 17.82 percent. This figure is higher than the

same period in 2014 amounted to 17.42 percent. Special to the third quarter of 2015, the achievement contribution reached 17.82 percent. This figure is higher than the same period in 2014 amounted to 17.42 percent.

In nominal terms, exports of industrial products (industrial processing of non -oil) until August 2015 amounted to USD 72.21 billion. Meanwhile, imports of industrial commodities amounted to USD 72.49 billion

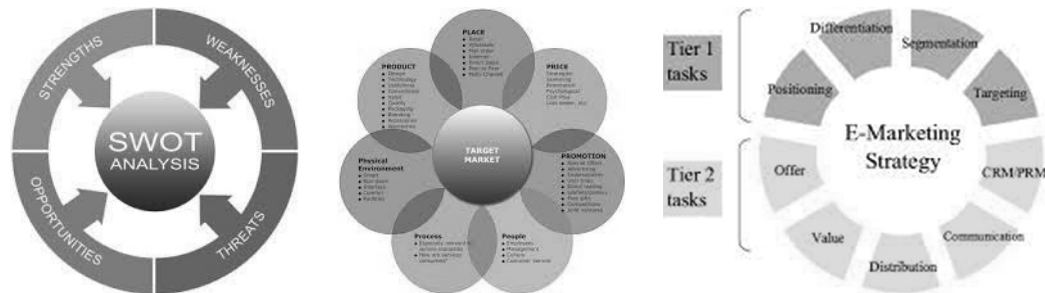


Figure 2. Building Model e-Marketing

Identification of MSMEs SWOT divided into two (2) categories:

1. **Micro business:** SWOT Analysis: **Strength:** good reputation, word of mouth; **Weaknesses:** capitalization, technology, information and marketing, partners, product development (quality, design and packaging); **Opportunity:** the exhibition and promotion of MSME products, relationship of marketing; **Threats:** support Department of Industry and Trade, support Ministry of Cooperatives and SME.
2. **Small and Medium Enterprises:** SWOT Analysis: **Strength:** brand, good reputation, marketing mix, support for e-marketing; **Weaknesses :** the variety of products, human resources management, capitalization, marketing, weather; **Opportunity :** the exhibition and promotion of MSME products, increase e-marketing; **Threats:** the implementation of e-marketing, changing market strategies

Identification of the problems SMEs for micro-businesses: (1) capitalization, (2) information technology, (3) information and marketing, (4) partners, (5) product development.

As for the small and medium enterprises: (1) capitalization, (2) Competition, (3) Information and marketing, (4) the implementation of e-marketing, (5) trade intermediaries, (6) the diversification of products, (7) community marketing.

Development of MSMEs Marketing done in 2 ways: General to do: (1) Exhibition & Promotion of MSME products in the Mall, Center for Marketing,

(2) Smesco Festival, Smesco Fashion and Accessories, Smesco Food and Packaging, (3) Exhibition of MSMEs in the State, (4) Festival, (5) Development and capitalization and, (6) Development of the Department of Cooperatives and SMEs. While the Special actions: (1) Online Marketing; (2) Marketing community: Facebook, Twitter, Instagram, WhatsUp; (3) Intermediary, such as : websites advertising, marketing, SME marketing transactions; (4) Support e-commerce and (5) SEO.

Based on observations of MSMEs in small and medium enterprises showed that maintenance MSMEs understand the business processes that can improve corporate profits, marketing is an integrated activity of customers, employees, organizational, social, global environment, understand the market, conduct marketing strategy, building customer relationships.

MSMEs also understand that the market coverage of the needs and desires of customers, the market supply, increase the value (value), exchanges and market or customer. MSMEs also understand marketing management, MSMEs understand the market orientation of the product, place, promotion, price, people, process and physical evidence

To develop e-marketing MSMEs can be done by: communicate and enhance customer value, changing the marketing strategy, using the information, communication and promotion, manufacturing processes of goods and services, achievement of customer relationship management (CRM), assist in the case: attract customers, providing online distribution, developing strategy and tactics of customers, creating customer satisfaction, collect customer feedback, promotional support, contact strategy, internal optimization, and online integration.

While the micro-business marketing capabilities, e-marketing still below know. Observation notes the development of e-Marketing SMEs needed: support SEO (search engines optimization), Web standards Project, Visual Web in accordance Brand and Image, Support analysis 7c, the quality of information systems, web sites and support web design, web analytic, ability to evaluate the market, and business intelligence.

MSME development in the future, developing a micro SMEs: (1) Documenting MSME micro, (2) Support the Ministry of Industry and Trade, (3) Support the Ministry of Cooperatives and SMEs, (4) Credit infestation Micro. As for small and medium SMEs: (1) Development of ASEAN SME competitiveness and Global, (2) development of MSME creative product, (3) Development of MSME strengthening the management of food crops, (4) development of MSME organic agro products. Development Plan e-Marketing Portal next step is to use the SDLC and OOAD.

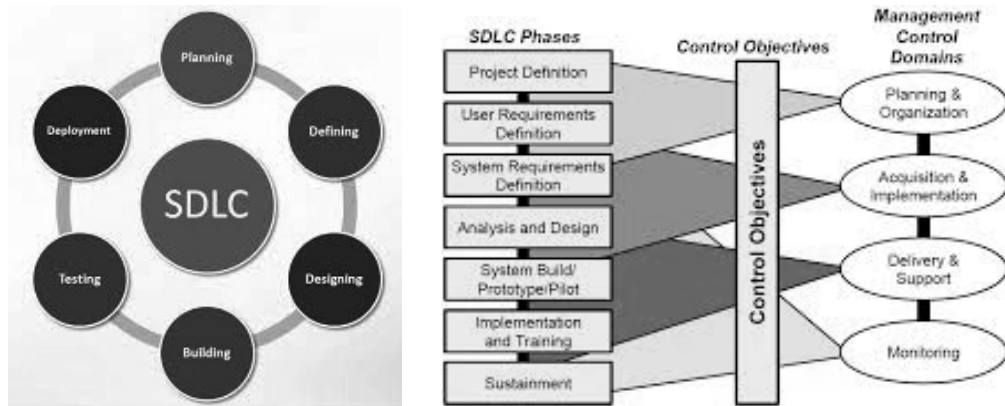


Figure 3. Figure SDLC and OOAD

As well as support the development of customer design to 7C, quality of information and websites quality.

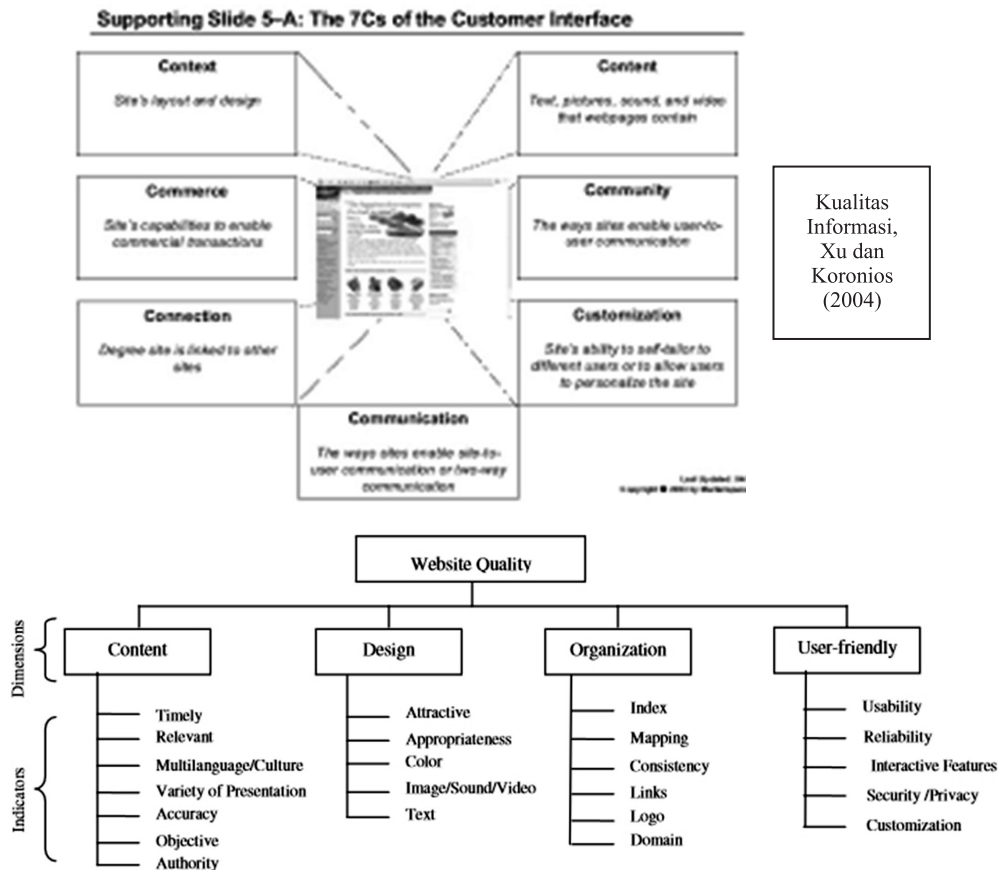


Figure 4. 7C Customer Design, Information Quality and Website Quality

## **5. CONCLUSION**

1. Generate a sample analysis of the situation of SMEs in Indonesia
2. Generate observation marketing and e-marketing SMEs in Indonesia
3. Produce a model strategy of MSMEs in Indonesia
4. Produce marketing model MSMEs in Indoneisa
5. Produce models of e-marketing MSMEs in Indonesia
6. Support for MSMEs generate models with mapping support the use of e-commerce, online advertising, e-business and e-business processes.

## **6. SUGGESTION**

1. Implementation of further research directed to the development of systems with SDLC approach, OOAD, e-marketing design 7C, quality of information, websites design.
2. Centre MSMEs need the support of provincial town centers MSMEs District.
3. Support the private party business links as business intermediaries (business partner).
4. Development of e-Marketing of MSMEs according to the needs of the district.
5. Increased competence of e-Marketing MSMEs.
6. Development of MSMEs to support social community marketing.

## **Acknowledgments**

This research can take place either because it was financed by the Directorate of Research and Community Service (DP2M) - DIKTI, therefore we would like to thank DP2M - DIKTI on research funding.

## ***Reference***

- Aydin, Erdal and Burcu Kilinc Savrul. 2014. The Relationship between Globalization and e-Commerce Turkish Case. International Strategic Management Conference. Procedia - Social and Behavioral Sciences 150. Page : 1267-1276.
- Al-Hakim, Latif. 2007. Information Quality Management Theory and Application. Quesland : Idea Group Publishing.
- Hasan, Layla and Emad Abuelrub. 2011. Assessing the quality of web sites. Applied Computer Informatics. 9. Page : 11-29.
- Kotler, Philip. 2004. Manajemen Pemasaran: Analisis, Perencanaan, implementasi dan Kontrol, Edisi Sebelas. Alih Bahasa, Hendra Teguh. Jakarta : Penerbit PT. Prenhallindo.



- Pressman, Roger. 2010. *Software Engineering. A Practitioner's Approach*. 7<sup>th</sup> Edition. USA : McGraw Hill.
- Satzinger, John W., Jackson, Robert B., Burd, Stephen D. 2012. *Introduction to System Analysis and Design : an Agile, Iterative Approach*. 6<sup>th</sup> Edition. Canada : Course Technology.
- Simamora, Bilson. 2003. *Aura Merek*. Jakarta : Gramedia Pustaka Utama.
- Strauss, Judy dan Frost, Raymond. 2012. *E-Marketing edisi Internasional ke 6*. London : Pearson Education
- Rayport, J. F., & Jaworski, B. J. 2003. *Introduction to e-Commerce*. New York : McGraw-Hill/Irwin.
- Xu, H. J., & Koronios, A. 2004. Understanding information quality in e-business. *Journal of Computer Information Systems*, 45 (2), Page : 73-82.

