

INCREASED COMPETITIVENESS OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) ANDAS ANDIS SHOES IN E-COMMERCE

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Abstract

The increasing number of MSME in Indonesia is followed by the increasing of competitiveness, particularly in online sales. Community Service to MSME which has been conducted by a team from the Faculty of Economics Universitas Pakuan, aims to provide an understanding of online Product Marketing Strategies through E-Commerce. The method used consist of transfer knowledge, coaching, monitoring and evaluation and have been done gradually. The result of this Community Service is expected to increase knowledge and to be applied in their business which in turn rise the sales number of MSME products. This paper can be a reference for other MSME.

Keywords: e-commerce, marketing, MSME, brand.

I. INTRODUCTION

The BUMN Creative House is one of the programs launched by the government in an effort to support MSME which functions as a medium for education, development and digitization of Small and Medium Enterprises through collaboration between Small and Medium Enterprises with designated BUMN (rkb.id [1]). The goal of the BUMN Creative House is to improve the quality of Small and Medium Enterprises and have a positive impact on their progress so as to create a good Digital Economy Ecosystem (tribunnews.com [2])

One of the BUMN participating in the BUMN Creative House program is Bank Mandiri with coverage for forty regions throughout Indonesia. The number of MSME in Bogor that collaborates with the BUMN Creative House does not necessarily result in an effective collaboration because there are several problems that become obstacles, especially in terms of improving the quality of MSME. These obstacles include the lack of education on MSME related to business development strategies, marketing, financial management and inventory management.

Higher education institutions have a mission called the tridarma of higher education, namely (1) Education and Teaching, (2) Research and Development and (3) Community Service. According to the law on higher education, community service is an activity of the academic community that utilizes science and technology to advance community welfare and educate the nation's life.

Community service can be one of the solutions that Pakuan University can offer to BUMN Creative Homes as a form of contribution to MSME. Its implementation is by providing training and mentoring which is beneficial for their business development in the hope that it can improve the quality of Small and Medium Enterprises and have a positive impact on their progress. One of the obstacles faced by the BUMN Creative House is the lack of knowledge about supply management and E-Commerce for some of the Small and Medium Enterprises that they assisted (rkb.id [1]).

One of the MSME Partners assisted by the BUMN Creative House, namely the Andas Imah Kulit shoe business, which is a family business that has now begun to do more in the last three months. Armed with an initial capital of 20,000,000 Rupiah, Rifky as the owner of the Andas business started his business at a production house which is located at Jl Kampung Bungur, Cijeruk and already has a warehouse near Mall Botani Square. Every month, Andas can produce thousands of pairs per month for all categories of shoes/sandals. The number of each category is 500 pairs of sandals and 100 pairs of shoes. Andas serves B2B and B2C. Prior to the pandemic, for the B2B segment, Andas had collaborated with several shoe retail stores. In total there are 6 stores in the B2B segment.

Prior to this pandemic, Andas's shoe business only relied on the Offline Store, namely the B2B segment. B2C customer segmentation is not optimal because time and attention is very much spent on B2B segmentation. So that Andas has not done online

marketing due to limited human resources even though there have been social media accounts created, namely on Instagram and the Shopee market place. However both accounts were barely active so no sales were generated from either of them. After the pandemic, B2B sales activity decreased significantly and forced partners to adopt e-commerce.

The main problem for partners at this time after the pandemic is a lack of knowledge in marketing products through e-commerce. The purpose of the service carried out by the Community Service team is to provide understanding in the form of training or knowledge transfer and coaching to partners in terms of product marketing through e-commerce.

II. METHODS

The method used in this Community Service is training or transfer of knowledge to partners and followed by coaching (direct practice and guidance) and monitoring of the results obtained after getting an understanding from the Community Service team. The process of knowledge transfer is a process of reciprocal exchange between sources of knowledge and recipients of knowledge, which is influenced by the characteristics of each person involved (Szulanski, [3]). The knowledge transfer process is not a mechanical process, but an interactive process and is attached to every capability possessed by both the information source and the recipient of the information, and is related to the social relations between the two (Treviño-Rodríguez [4]). After all the stages are carried out, then the final stage is evaluation to see the effectiveness of the knowledge transfer that has been carried out and planning for further community service.

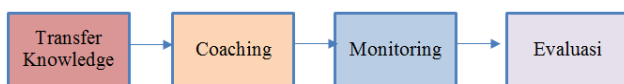


Figure 1. Community Service Methods

III. RESULTS AND DISCUSSION

The implementation of this Community Service begins with the collection of materials or training materials that are suitable and acceptable to partners. Then the team members carry out internal coordination. The training we provide to partners is about how marketing management with the use of technology can work optimally through the explanation in the PPT, how marketing management improves the shoes and sandals business and how to make production results attractive, all of which are explained through PPT both online and offline meetings .

The first meeting with partners was held on February 22, 2020, at a Café in Bogor. This meeting was to discuss the technical implementation of

Community Service. Then the first training activity was carried out by inviting partners as well as seeing the production situation. This training was carried out well and smoothly on Monday, August 10, 2020, at the Pakuan University Campus. In this training, partners are given training materials on the basic concepts of e-commerce and basic things around online sales.



Figure 2. Transfer of Knowledge / Training first with partners

In this training, we provide ways on how to maximize business development technology through e-commerce. The second training was carried out through a zoom meeting taking into account the pandemic situation which has increased the spread of covid 19.

Before the pandemic occurred, Andas Andis' sales were dominated by B2B, namely being a supplier to medium-sized shoe shops in the Bogor area. Now the demand for shoes from stores has decreased significantly and forced Andas Andis to shift its focus to B2C sales through E-Commerce.



Figure 3. Transfer of second Knowledge/ Training to partners via zoom

The following is the strategy that the Community Service team provides when transferring knowledge to Andas andis partners:

1. Market Place Marketing
Selling products to several market places, namely Shopee and Tokopedia.
2. Social Media Marketing
Promoting products through Instagram and Facebook
3. Increase women's specific products and reduce the production of men's shoes
The reason is that the demand for women's shoes is higher in this pandemic

Table 1. Instagram Social Media Marketing Material

No	Promotion	Information	purpose
1	Carousel Organic Advertising	Creating educational content that is related to consumers and related to products in the form of images and eye-catching displays so as to attract potential consumers to read and share and even buy because they are already engaged with the brand	To increase Brand-Engagement (Pandrianto & Sukendro [5])
2	Follower Number Addition	The number of followers is one indicator of a successful online shop or not. How to add followers can be done in various ways, either through regular carousel posts or the use of endorse selegram	To improve the store image, trust potential customers and increase traffic on the account
3	Endorsement	Endorse celebgrams from a small scale, namely celebrities with only thousands of followers who set prices that are not too high for each of their posting statuses.	Increase Brand exposure to potential consumers through celebgram updates and increasing followers Celebrity Endorsement also increases Brand Equity (Kumar & Ramana [6])
4	Instagram Ads Promote	Paid promotions that are carried out by registering on a Facebook account and then choosing the target consumer. Product ads will be visible only to these targets so they are more effective.	Increase customer coverage and brand awareness (Belch & Belch [7])
5	Instagram Hashtag #	The use of hashtags is very important in Instagram. Users often search for products using hashtags to make it easier and narrow their search to only specific products. The more specific the hashtag is, the easier the partner's product will be to find. Examples of hashtags for Andas Andas include #shoes #soes	Increased Product Search Possibility which in turn increased the number of potential customers who made landing pages on Andas Andis's account.
6	Daily Regular Posting	Create content to be posted every day at least two to three times a day via Newsfeed or Instagram Stories	Brand-reminder for consumers and increase engagement rates

Table 2. Material for Facebook Social Media Marketing

No	Promotion	Information	purpose
1	Facebook Ads	Paid promotions are the same as Instagram Ads but with a much wider consumer coverage. Partners only need to register their account and products on Facebook Ads for free then choose the targeted segmentation based on demographic criteria. Payments will be charged per click on the landing page made by target consumers	Increase customer coverage and brand awareness (Belch & Belch [7])
2	Facebook Pixel	The use of the Facebook pixel makes it easier for partners to track the conversion rate of the results from Facebook Ads and then optimize the ad. Conversion rate occurs when a customer not only enters the landing page but also ends up making a purchase (clicks to buy and then pays)	Optimizing Conversion Rate
3	Facebook Regular Daily Posting	Creating content for regular posting updates is the same as on Instagram	Brand-reminder for consumers and increase engagement rates

Table 3. Market Place Marketing Strategy

No	Promotion	Information	purpose
1	SEO keywords	The use of the right keywords to make it easier for potential customers to find partner products	Product Brand Awareness (Karisma, Putra & Wiranatha [8])
2	Reviews	Good testimonials or positive reviews are a component of consumer purchasing decisions as well as several other factors. Partners can generate good reviews by means of fast-response to every comment that consumers give on the platform	Increase Brand Image and maintain Customer-Relationship so that it fosters consumer trust for repurchase (Chakraborty, U., & Bhat, S. [9])
3	Good Quality Photo Product	Good visuals will determine the attractiveness of the product. Photos are very crucial and determine consumer purchasing decisions. Partners can work with photographers who are experts in product photography	Increase Brand Awareness and Brand Image (Bonera & Corvi, [10])
4	Market Place Top Rank Placement	Each Market Place has a paid promotion scheme to place online sellers at the top of consumer search results based on keywords (SEO). This can be learned in each respective market place.	Increase traffic and landing page clicks

An e-commerce marketing strategy is mandatory for delivering value propositions to target consumers (Murphy & Narkiewicz [11]). Strategy those proposed by the Community Service team are described in the following table which then becomes training material for partners.

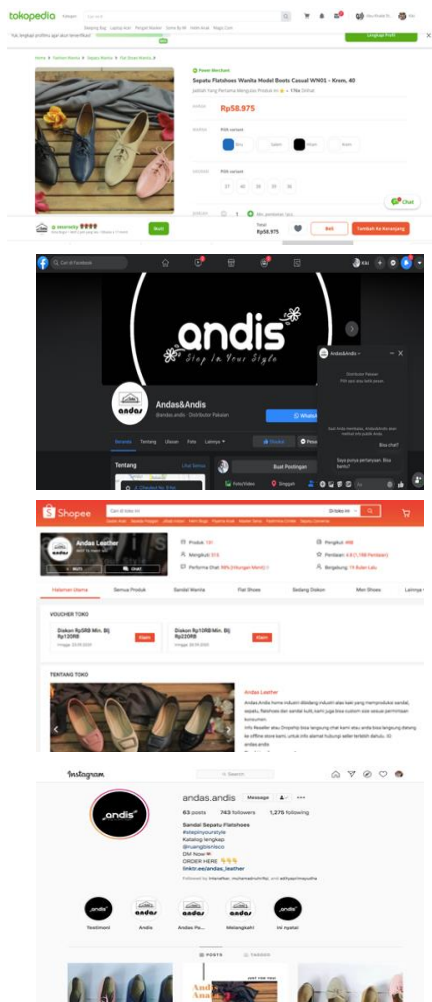


Figure 4. Andas-Andis E-commerce Store

After several meetings for transferring knowledge to partners, the Community Service team continues to accompany and monitor the development and application of the e-commerce business strategy that has been given. The mentoring process is carried out continuously every month through various communication media both online and offline so that when partners encounter obstacles and obstacles, the Community Service team can immediately provide solution options that can be used by partners. Assistance and Monitoring includes:

1. Observing the development of Andas Andis's market place account for three months since the implementation of Community Service

2. Observing the development of Andas Andis social media accounts for three months since the implementation of Community Service
3. Observe the effectiveness of digital marketing that has been done and associate it with increased sales figures
4. Provide direction in every obstacle and obstacle faced by Andas Andis
5. Observing consumer reviews and testimonies of Andas Andis
6. Provide feedback and reviews every three months since the Community Service is carried out.

IV. CONCLUSION

As a dynamic science, marketing management is always evolving and updating according to the times. Business people, especially small and medium business owners, must constantly upgrade their knowledge on the latest marketing tricks. The phenomenon of the current pandemic has resulted in a global economic downturn. However, currently, business people are challenged to think “out of the box” to be more creative in marketing their products, especially through e-commerce. Marketing of products through e-commerce or online is of course different from offline. E-commerce consists of various components that are interconnected with one another. It is hoped that the knowledge of marketing strategies that is always updated can help MSME players to be able to compete with competitors both at home and abroad, especially China. The Community Service Program by providing knowledge transfer on marketing techniques is one way for MSME players to be updated and then apply it in their business. It is time for local Indonesian products to prevail in their own country. Community service can then be continued with different themes but within the same scope, namely e-commerce marketing strategies and to different MSME industries.

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