

Digital Marketing as a Strategy to Defend MSMEs in the Covid-19 Pandemic

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Abstract – MSMEs actors are deemed to lack resilience and flexibility in facing the Pandemic due to several things such as the low level of digitization, difficulties in accessing technology and a lack of understanding of survival strategies in business. Basically, MSMEs actors must be able to survive and adapt to existing business developments because businesses that can survive are businesses that are responsive to the times. The use of digital marketing by MSMEs players has the potential to help MSME players in marketing their products during a pandemic. Digital marketing intends to initiate and circulate online information about the user's experience in consuming a product or brand, with the main goal of engaging the community. In doing digital marketing, MSMEs players are required to always learn and think openly to increasingly developing technology. Of course, digital marketing also considers using suitable media and the right way of communication that is tailored to the selected segment or market share. So that marketing will be more effective and not wrong target.

Keywords: Digital Marketing, MSMEs, Covid-19 Pandemic

Introduction

Currently, Indonesia is dominated by MSMEs which form the backbone of the national economy (Pakpahan, 2020). MSMEs is a business activity that is able to expand employment opportunities and provide broad economic services to the community, and can play a role in the process of equalization and increase in community income, encourage economic growth, and play a role in realizing national stability. In addition, MSMEs are one of the main pillars of the national economy which must obtain the main opportunity, support, protection and development as widely as possible as a form of firm siding with the people's economic business groups, without neglecting the role of Large Enterprises and State-Owned Enterprises (Rachmawati, 2018).

During the Covid-19 pandemic the MSME sector was shaken quite badly due to the Covid-19 pandemic. The Covid-19 pandemic that occurred in Indonesia since the beginning of March 2020 has forced most people to limit their activities so that the spread of the corona virus can be prevented (Rosita, 2020).

Covid-19 or what is known as the corona virus is an infectious disease caused by the acute respiratory syndrome coronavirus2 (severe acute respiratory syndrome corona virus 2 or SARS-coV-2). Corona virus causes respiratory infections, such as flu, MERS (Middle East Respiratory Syndrome), and SARS (Severe Acute Respiratory Syndrome). This coronavirus was first discovered in Wuhan, Hubei, China in 2019 (Rosita, 2020). The study made by the Ministry of Finance shows that the COVID-19 pandemic has negative implications for the domestic economy, such as a decrease in public consumption and purchasing power, a decline in company performance, threats to the banking and financial sectors, and the existence of MSMEs (Santoso, 2020).

MSMEs players have experienced a drastic decrease in income due to the application of physical distancing and the application of Large-Scale Social Restrictions (PSBB). Restrictions on community activities affect business activities which then have an impact on

the economy. Customers close themselves and keep their distance and have an impact on business activities.

MSMEs actors are deemed to lack resilience and flexibility in facing the Pandemic due to several things such as the low level of digitization, difficulties in accessing technology and a lack of understanding of survival strategies in business (OECD, 2020). Basically, MSMEs actors must be able to survive and adapt to existing business developments because businesses that can survive are businesses that are responsive to the times.

Chaffey & Chadwick, (2016) stated that the use of the internet and other digital media and technology to support modern marketing has led to a series of labels and jargon created by academics and professionals. The label or jargon in question is like digital marketing, internet marketing and web marketing. Digital marketing which usually consists of interactive and integrated marketing facilitates interaction between producers, market intermediaries and potential consumers. On the one hand, digital marketing makes it easy for business people to monitor and provide all the needs and desires of potential consumers, on the other hand, potential consumers can also search for and get product information simply by browsing the virtual world so that it makes the search process easier (Purwana et al, 2017).

The number of digital marketing used by companies, proves that digital marketing has many advantages and benefits that can be obtained (Oktaviani & Rustandi, 2018). Digital Marketing is the most widely used and desirable marketing system for business people who offer products or services. services and for buyers who enjoy the product or service. In the current era, digital marketing is considered to be more effective than other systems. This is because digital marketing provides convenience, convenience, versatility, and is faster than others. This not only makes it easier for consumers, but also an effective tool for marketers in reaching their target market. (Iram & Chopade, 2018). Digital marketing as a promotional medium aims to convey or disseminate or market a product so that it can influence consumers to buy it.

Digital Marketing can be defined as a marketing activity including branding that uses various web-based media (Sanjaya & Tarigan, 2009). E-Marketing or digital marketing is defined as the use of digital technology to achieve marketing goals and efforts to develop or adapt the marketing concept itself, to be able to communicate on a global scale, and to change the way companies do business with customers (Ali, 2013). Digital marketing is marketing using digital technology applications. One form of digital marketing using electronic media or the internet is internet marketing (e-marketing). E-Marketing is a marketing process that uses electronic communication technology, especially the internet.

The role of digital marketing strategy can be important in following the development of digital technology and developing plans to attract consumers and direct them to a combination of electronic communication and traditional communication (Chaffey, Chadwick, Mayer, & Johnston, 2009). According to Heidrick & Struggless (2009) the development of digital marketing through the web, mobile phones and gaming devices offers new access to advertising that is not heralded and is very influential. So why don't marketers all over Asia shift the use of budgets from traditional marketing such as TV, radio and print media towards new technology media and more interactive media.

Based on the background and problem formulation above, the purpose of this problem is to find out how to implement digital marketing strategies for SMEs during the Covid-19 pandemic. Digital marketing becomes effective, related too with people's high use of the internet, this encourages rapid development rapidly in the world of digital marketing. Digital marketing has many advantages, including: The costs incurred are quite affordable, the publications are extensive with a long time span short so that it can attract many consumers at one time. Below with explain on the related literatures.

1. Digital Marketing

Digital marketing can be defined as marketing activities including branding using various web-based media (Sanjaya & Tarigan, 2009). The role of digital marketing strategy can be important in keeping up with digital technology developments and developing plans to attract consumers and direct them to a mix of electronic communication and traditional communication (Chaffey, Chadwick, Mayer, & Johnston, 2009). Digital marketing is not a concept that focuses on technology, but on humans (marketers), namely how to understand understanding humans (marketers), how to use technology in building relationships with other humans (customers) to build and significantly increase sales (Ryan, 2014).

The decision to implement digital marketing as a business strategy must be adjusted to the characteristics of the business being run as a basis for confirming the level of need for implementing the strategy. In simple terms, there are two types of business characteristics that must be recognized in deciding to use digital marketing, namely (Ryan, 2014):

- a. Recognizing the characteristics of customers/prospective customers In this case, there are two types of customer characteristics, namely customers who have been active in online activities, or customers who will be active in online activities. If the customer is a party who uses digital technology in finding or buying the products and services offered, then the use of digital marketing is the best choice. On the other hand, if the customer does not require the use of digital technology, then there is no need to use a digital marketing strategy. However, customers who have not used it do not mean they will never use it and can become potential customers in the future, therefore, the use of digital marketing still needs to be considered as a marketing strategy with long-term targets.
- b. Recognizing the suitability of product/service/brand characteristics with digital marketing Almost all types of products/services/brands can be sold online. This principle underlies the argument that there is no need for special characteristics to be able to sell goods through a digital marketing strategy. The main concern is only on the customer factor, as in point 1 (one) above, that if there is an online interaction with the customer, all types of goods/services can be offered through the implementation of digital marketing strategies.
- c. Customer identification Customer identification is carried out by analyzing several aspects, including clarity about who the customers are, what customers want, target customers, how customers use digital technology, methods of using digital technology to reach customers.
- d. Identification of business targets Determining business targets is very important as a benchmark and a source of motivation to improve in order to reach the level of achievement according to the target. Therefore, in order to be able to determine the most appropriate digital marketing strategy, it must be known with the specific business targets to be achieved. Identification of business targets, in this case, needs to analyze several aspects, including what results to achieve from the implementation of digital marketing strategies, and clarity of measurements and realistic results.
- e. Identification of progress One of the advantages of digital marketing is the ease of measuring the results obtained compared to other marketing strategies. Every activity and progress achieved in digital marketing can be traced and adjusted to the set targets to determine the level of achievement obtained. Identification of this progress can be done by analyzing several aspects, including the preference for digital channels that are more profitable (the advantage in this case is traffic/visitor density), the reasons that make a digital channel more crowded than other channels, and the impact of increased traffic on value. business tangibles

2. MSMEs

The role of the community in national development, especially in economic development, is Micro, Small and Medium Enterprises. The position of Micro, Small and Medium Enterprises (MSMEs) in the national economy has an important and strategic role. The development and growth of MSMEs is also quite good from year to year. Almost every government emphasizes on empowering MSMEs. The government is seriously paying more attention to this business sector. The reason is that these small businesses are the backbone of the provision of manpower, because large companies emphasize the use of technology rather than human labor. MSMEs are able to become stabilizers and dynamists of the Indonesian economy. As a developing country, it is very important for Indonesia to pay attention to MSMEs, because MSMEs have better performance in a productive workforce, increase high productivity, and are able to live on the sidelines of big businesses. MSMEs are able to support large businesses, such as providing raw materials, spare parts, and other supporting materials. MSMEs are also able to become the spearhead for big businesses in distributing and selling products from big businesses to consumers.

MSMEs have quite a variety of meanings. The Indonesian Cooperative Council (DEKOPIN) provides an understanding of MSMEs as economic business actors who are often categorized as small-scale companies, use traditional technology, and are managed simply. (Laena, 2010). The Organization for Economic Co-operation and Development (OECD) states that MSMEs are independent companies that employ less than a certain number of employees. This limit varies between countries, where the most common MSMEs are companies employing less than 250 employees, such as in the European Union. In some other countries a limit of less than 200 employees is set. In the United States, companies including SMEs are companies with fewer than 500 employees. Small businesses are generally businesses that employ less than 50 employees, while micro businesses are businesses that employ a maximum of 10 employees, even in some cases only 5 employees. (OECD, 2005)

The Concept of Micro, Small and Medium Enterprises (MSMEs) In Chapter I Article 1 of Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs), what is meant by Micro, Small and Medium Enterprises are:

- a. Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises as regulated in this Law.
- b. Small Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or not branches of companies that are owned, controlled, or become part either directly or indirectly of Medium Enterprises or Large Businesses that meet the Business criteria. Small as referred to in this Law.
- c. Medium Enterprises are productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part either directly or indirectly with Small Businesses or Large Businesses with total net assets or annual sales proceeds as regulated in this Law.

3. Covid-19 Pandemic

Corona virus or also known as Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2) is a new virus that infects the respiratory system of infected people, this virus is commonly known as Covid-19 (Lai et al., 2020). WHO declared COVID-19 on March 12, 2020 a pandemic. WHO issued six priority strategies that the government must carry out in dealing with the COVID-19 pandemic on March 26, which consist of Expand, train and deploy health care workers; Implement a system for suspected cases; Increase test production and improve health services; Identification of facilities that can be converted into coronavirus health

centers; Develop a plan to quarantine cases; and Refocus on government measures to suppress the virus (WHO, 2020)

This outbreak has been declared a global health emergency. This virus has hampered all human daily activities. Quarantine alone may not be sufficient to prevent the spread of this COVID-19 virus, and the global impact of infection with this virus is one of increasing concern (Sohrabi et al., 2020). In Indonesia, isolation is not carried out on a state scale, only on a district or city scale. The isolation carried out is by means of Large-Scale Social Restrictions (PSBB) or lock down (Mungkasa, 2020). PSBB brings several impacts for logistics needs in Indonesia. PSBB has a policy of excluding freight transportation, so that logistical needs are not too hampered by the existence of this regulation. The effects of the pandemic are also being felt by various transportation service providers.

Research Method

This study uses a qualitative method with a descriptive analysis approach, namely qualitative approach to understand and describe the meaning of the rules of analysis contained in the digital marketing strategy for MSMEs. Researchers use this methodology to emphasize an event or the most important thing from a phenomenon in the form of an event or even the phenomenon under study. This research method emphasizes more on qualitative descriptive analysis techniques, namely discussing problems in facts because qualitative methodologies emphasize that the nature of one problem will be different from the nature of other problem cases. The purpose of this research methodology is not a generalization but an in-depth understanding of the research being studied.

The research method used is descriptive research, which is a research method aimed at describing existing phenomena that are taking place today. Descriptive research aims to create a systematic, factual and accurate description of the facts and characteristics of a particular research object. Based on the analysis of the two characteristics above, it can be decided to implement a digital marketing strategy with the stages of determining the best strategy and the first step in laying digital foundations in the form of identification of businesses, competitors, customers, business targets, and progress (Ryan, 2014).



Figure 1. Stages of Determining a Digital Marketing Strategy (Ryan, 2014)

Results and Discussions

MSMEs that are able to survive in the midst of the Covid-19 climate include MSMEs that are already connected to the digital ecosystem by utilizing marketplaces in Indonesia. And MSMEs that are able to survive in the era of the Covid-19 pandemic are MSMEs that are able to adapt their business with innovative products (Rosita, 2020).

The use of digital marketing by MSMEs players has the potential to help MSMEs players in marketing their products during a pandemic. Digital marketing intends to initiate and circulate online information about the user's experience in consuming a product or brand, with the main goal of engaging the community. In doing digital marketing, MSMEs players are required to always learn and think openly to increasingly developing technology. Of course, digital marketing also considers using suitable media and the right way of communication that

is tailored to the selected segment or market share. So that marketing will be more effective and not wrong target.

In a business context, people engagement can lead to profit creation. The digital marketing strategy is very important because it can provide knowledge to MSMEs players about the ways and stages of expanding consumer networks through the use of social media in marketing their products so that they can increase competitive advantage for MSMEs themselves.

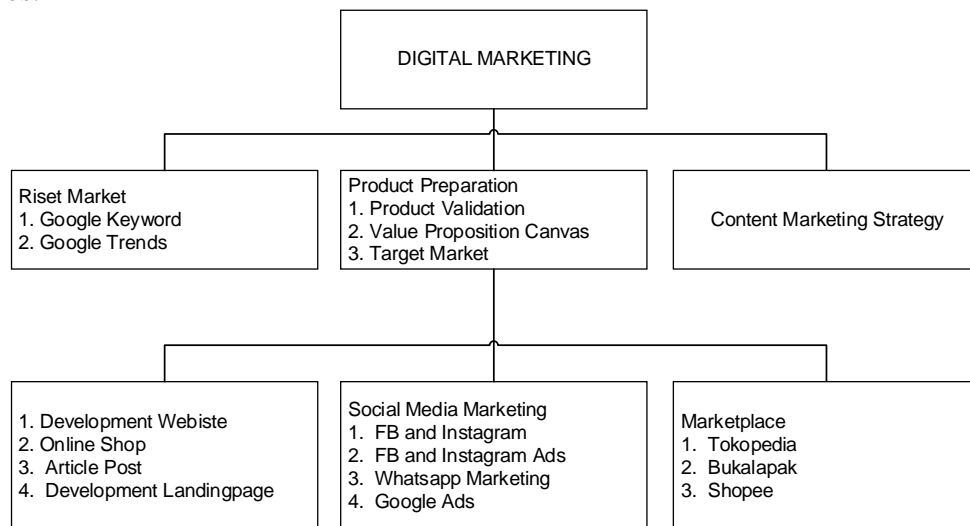


Figure 2. Digital Marketing Strategy

The concept of this strategy is a new breakthrough for marketing MSME products to be able to introduce MSME products and increase sales of these products even with applications using a mobile platform to expand the marketing area. With the strategy offered, it is hoped that it can help Indonesian MSME producers in marketing their products not only domestically but also abroad. The digital marketing concept above utilizes a wide area of media where the media will provide infographics about various products marketed by the company, especially the emphasis on the brand of a product or service.

Here are some of the advantages of digital marketing that are compiled: 1). Speed of Spread, a marketing strategy using digital media can be done very quickly, even in seconds. In addition, digital marketing can also be measured in real time and precisely. 2). Ease of Evaluation, by using online media, the results of marketing activities can be immediately known. Information such as how long your product has been watched, how many people viewed your product, what percentage of sales conversions are from each ad, and so on. After knowing such information, then you can evaluate which ads are good and bad. So you can improve for the next period. 3). Wider reach. the next advantage is the broad geographical reach of digital marketing. You can spread your brand or product around the world in just a few easy steps by using the internet.

According to statistical data for 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, 2020). The use of social media as the starting point for digital marketing in marketing products must pay attention to the provisions in marketing so that the results are maximum in attracting consumers and making transactions. The step to win the competition is

to implement a marketing strategy that is right on target both in terms of quality, price, and competitiveness of the products it produces. (Maskarto, 2021).

In several studies of the existing literature, especially scientific journals, there are several discussions and analyzes regarding the implementation of digital marketing in the purchasing decision process. The existence of an online market in the digital era has many positive sides, business people can be closer to consumers, making time more effective, and social media optimization strategies greatly influence consumer purchasing decisions (Wardani, P. S., & Sanica, I. G. 2020). MSME actors who use digital marketing are expected to always learn and think openly to technology that continues to develop. Digital marketing users must consider the appropriate media and the right way of communicating the selected market segmentation, so that digital marketing will be more effective and not misdirected.

Conclusions and Recommendations

The current condition of the COVID-19 pandemic is indeed a tremendous concern, especially in Indonesia. COVID-19 causes continuous problems in various sectors of life, one of which is in the MSME sector. The use of digital marketing by UMKM players has the potential to help MSME players in helping MSMEs survive the COVID-19 pandemic. Digital marketing intends to initiate and circulate online information about the user's experience in consuming a product or brand, with the main goal of reaching the community. The role of digital marketing strategies can be important in following the development of digital technology and developing plans to attract consumers and direct them to a fusion of electronic communication and traditional communication.

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