

BUSINESS in DEVELOPING SMEs IN INDONESIA

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e-MARKETING: BUSINESS in DEVELOPING SMEs IN INDONESIA

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Abstract-- SMEs is one of the sectors that provides great benefits for both the region and the community, with its ability to absorb a large workforce, this sector responds to the imbalance between the growth of the productive age population and the availability of jobs, besides SMEs also have a positive contribution in increasing the GDP of a region. The problem that is often found in the development of the SMEs sector is the marketing problem. The development of the internet age is increasingly widely known by the people of Indonesia in particular. E-Marketing is any business that is carried out to market a product or service using the Internet media. In its development the internet has become one of the most effective media in promoting a product that can ultimately support the sale of a product. With descriptive methods and using secondary data obtained from relevant agencies, this study is expected to provide an illustration that e-marketing is an alternative marketing with market opportunities that are still very broad.

Keyword: E-marketing, entrepreneurship, internet

I. Introduction

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The Micro, Small and Medium Business Sector (SMEs) is an important part of the national economy and development. The growth of the SMEs sector at this time seems encouraging. The role and business activities of the SMEs sector have seen an increase since the economic crisis hit our country. Considering that SMEs are the driving force of the economy and national development, there is a need to empower the sector.

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One of the problems that is often faced by entrepreneurs in this sector is the problem of marketing. The lack of networks and channels ultimately impeded the development of the SMEs sector, the majority of which are still managed simply.

On the other hand technological advances have increased the trend of internet use both in Indonesia and in other countries. Thus the internet becomes an alternative medium in marketing SMEs products, especially in promotional activities. By utilizing internet media, it can expand the marketing network of SMEs sector entrepreneurs.

II. Discussion

Development of SMEs in Indonesia

SMEs is one of the most promising business sectors. In the years 97-98 this sector was able to survive and could even be said not to be affected too much by the impact of the crisis, this was due to the small scale of the business and most of the businesses that were run were businesses that involved human basic needs, must be fulfilled and must still be consumed.

The development of the SMEs sector continues to increase, the development of the SMES sector can be seen from the following table,

Table 1. Development of the number of SMEs in Indonesia

Business Unit	Total (unit) year 2017	Total (unit) Year 2018
Micro Business	62.106.900	63.350.222
Small Business	757.090	783.132
Medium Business	58.627	60.702
Total	62.928.077	64.199.606

Source: Ministry of Cooperatives and SMEs, 2020 (processed)

The number of micro businesses greatly dominates the development of SMESs in Indonesia. The number reached 62.106.900 in 2017 and made up 98,70 percent of the total SMEs in Indonesia, even reaching 99.9 percent of the total types of businesses in Indonesia, where large businesses only filled 0.01 percent of the total types of businesses in Indonesia.

In addition, SMEs is also one of the labor-intensive sectors, where this sector absorbs a lot of labor. So that with its development it is expected that the SMEs sector can answer the problems that occur in every developing country, especially in Indonesia where the rate of growth of the productive age population is not matched by an increase in the number of employment opportunities, so that raises the problem of increasing the number of unemployed. The following table shows the workforce that can be absorbed by the SMEs sector in Indonesia.

Table 2. Employment absorption

Business Unit	Total (labor) year 2017	Total (labor) year 2018
Micro Business	105.509.631	107.376.540
Small Business	6.546.742	5.831.256
Medium Business	4.374.851	3.770.835
Total SMEs sector	116.431.224	116.978.631
Big Business	3.828.953	3.619.507
Total	120.260.177	120.598.138

Source: Ministry of Cooperatives and SMEs, 2020 (processed)

Thus it appears that the SMEs sector can absorb labor far more than large businesses. The SMES sector can absorb labor as much as 96.82 percent in 2017 and 97.00 percent in 2018 of the total number of workers absorbed in the world of work. In this case the micro-enterprise ranks first in the number of labor absorption, which is as much as 87.73 percent in 2017 and 89.04 percent in 2018.

In addition to its role in increasing labor absorption, the SMEs sector is also one of the biggest revenue contributor sectors for the region. The following table will describe the amount of GDP from the SMEs sector and its comparison to the large business sector.

Table 3. DPB at current prices

Business Unit	Total (Billion Rp) year 2017	Total (Billion Rp) year 2018
Micro Business	4.827.398,9	5.303.075,7
Small Business	1.234.334,1	1.347.104,3
Medium Business	1.758.549,6	1.923.715,4
Total SMEs sector	7.820.282,6	8.573.895,3
Big Business	5.020.576,4	5.464.703,2
Total	12.840.859,0	14.038.598,5

Source: Ministry of Cooperatives and SMEs, 2020 (processed)

¹² Based on the data above it can be seen that the SMEs sector contributed 60,90 percent in 2017 and 61,07 percent in 2018. The cumulative SMEs sector is still superior compared to the large business sector which contributed 37,59 percent in 2017 and 37,77 percent in the following year.

From the data above, it shows that the SMEs sector has a role both in the regional economy and individually. So that it takes a management that is quite intense and continues to manage the SMES sector, so that in the future the SMES sector can provide even more benefits for the regional economy and society.

Promotion of SMEs products

One of the problems faced by the SMEs sector is the product marketing problem. Marketing is simple and intuitively an interesting philosophy. This concept states that the reason for socio-economic existence for an organization is to satisfy the needs of consumers and desires in accordance with company goals.

The lack of channels and relationships can parse the marketing performance of the SMEs sector, so it needs a marketing concept for SMEs that makes it easy for SMEs sector businesses to open marketing networks, especially in an effort to inform and promote their products.

Promotion is a form of marketing communication, in which there are marketing activities that try to spread information, influence, persuade, remind the target market to be willing to accept, buy and be loyal to the products offered (Tjotono, 2008; 219).

Taking an approach with consumers and communicating about the value of a product, what distinguishes it from other products and giving arguments about the reasons for buying the product becomes very important because humans manipulate thoughts and mind control from hearing words or sentences (Reilly, 2010; 89).

¹¹ Zerihun et al (2011) in his research concluded that e-marketing carried out with various promotional-related activities has a positive and significant effect on the marketing dimension relating to the components of customer philosophy, strategic

planning efficiency, good marketing information and marketing organizations that are interrelated. This research found a positive and significant impact on marketing efficiency.

Pradiani (2017) In his research concluded the results that digital marketing is very influential on the sale of home products it manages. Its sales volume increased very significantly since implementing e marketing.

Primadona (2012) in her research found that promotion can remind consumers of products that are informed and promotions also motivate consumers to consume the product being informed. The use of advertising media in the form of print and electronic media as well as sales promotion in the form of discounted prices is considered more effective in promoting a product.

Promotion is an effort to increase consumers 'understanding and perception of the products offered by increasing consumers' understanding and perception of a product, thus affecting the amount of money that is willing to be used to consume the products offered (Rini; 2012).

The process of developing a promotion in order to run effectively and efficiently requires three stages of analysis, namely:

1. Determine the purpose of promotion. Before promotion is carried out it is necessary to determine the purpose of the promotion, in marketing the AIDA model (Attention, Interest, Desire, Action) is known. The model can be directed at developing the expected response. Attention reflects the cognitive, interest and desire stages are a reflection of affective stages and actions are a reflection of contingent stages. Thus it can be determined for what promotion is carried out and which stages will be targeted from the promotion.
2. Creating effective themes and messages.
3. Creating an effective message regarding the four questions related to promotion namely,
 - 1) What is the contents of the message to be conveyed, this is related to the attractions of the message. There are three attractions in creating a Unique Selling Proposition, namely rational appeal, emotional appeal and moral appeal.
 - 2) How to make a logical message structure.
 - 3) How to create interesting message symbols, this involves headlines, taglines, color illustrations and sounds.
 - 4) Who will deliver the message, this is related to the selection of a creditor or figure who will be the ambassador of a product.

Tjiptono (2008; 532-533), revealed that an effective message has three main characteristics, namely desirability (preferred by customers), exclusiveness (unique and relatively not owned by competitors), believability (trusted customers).

E-Marketing

Internet Marketing or e-marketing is any effort made to do a product or service marketing through or using media. The word e-marketing means electronic (electronic) which means that the marketing activities in question are carried out electronically via the Internet or cyber networks.

Internet marketing activities generally revolve around matters relating to making advertising products, finding prospects or buyers and writing marketing sentences or copywriting. Internet marketing or e-marketing generally includes the

activities of making web design (web design), advertising using banners, promotion of companies through information search engines (search engines), electronic mail or e-mail (e-mail), advertising via e e-mail (advertising advertising), affiliate marketing (affiliate marketing), interactive advertising (interactive advertising), etc.

Development of Internet Promotion

The internet is a new breakthrough for the business world which includes economic, social, cultural and educational aspects, where with the internet interaction between people can run more easily. With the presence of the internet the company can run its business more efficiently, and make it possible to communicate quickly even in different locations. While for the public, the internet can make it easier to find information, work, and carry out other activities.

Internet users in Indonesia have experienced significant developments over the years. The following graphic illustrates the development of internet users from 2001 to 2012.

Figure 1. Internet user data (million)



Source: www.kominfo.go.id

In 2001 there were only 15,000 internet users, increasing to 38,330 the following year and continuing to increase in 2007 by 778,770 users. Statista 2019 data shows that internet users in Indonesia in 2018 were 95.2 million, growing by 13.3% from 2017 which was 84 million users. In the following year internet users in Indonesia will increase with an average growth of 10.2% in the 2018-2023 period. In 2019 the number of internet users in Indonesia is projected to grow 12.6% compared to 2018, which is 107.2 million users. With such a large number of internet users creating a very broad market. Actually, the use of the internet cannot reach consumers as a whole. That is, not all people use the internet in their daily lives. In a case study in

the United Kingdom, 72% of people use the internet to send email, 63% of internet users to do research, 58% for education, and 53% of people use the internet to find information about goods or services.

III. Conclusions

SMEs is one of the barometers of the national economy. Empowerment of SMEs is a strategic step in improving and strengthening the economic life base of the majority of the Indonesian people, particularly through providing employment and reducing inequality and reducing poverty.

To realize one of the Millennium Development Goals (MDGs) that is to overcome poverty and hunger can be done by empowering the people's economy in this case the empowerment of SMEs, one of which is to expand the marketing network of SMEs products. In this case the synergy of all parties involved is needed to create a program to educate and inform SMEs entrepreneurs about maximizing the function of the internet as a promotional medium.

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