

MSME Marketing Strategy Analysis to Face Competition in Digitalization Era (Study on MSME Traders Clothing at Pasar Johar MAJT Semarang)

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ABSTRACT. Study this aim analyze online strategy marketing based on strengths and weaknesses, opportunities, and threats on trader clothes at Johar MAJT market Semarang to increase power competitiveness and sales. The research study uses a qualitative descriptive approach. Data were obtained from in-depth interviews with key informants. The research place is in Johar MAJT Market, Semarang, and the research informants are merchant clothing at the Johar MAJT market, Semarang. Data collection techniques through observation, interviews, and documents. Technique analysis data use *Miles and Huberman's* model include: 1) reduction,2) presentation. 3) conclusion and verification. Test validity uses credibility tests through technique triangulation technique and source. The results of the study can be concluded that online marketing can increase the power of competitive trader clothes at the Johar MAJT. The online marketing strategy is determined by a combination factor internal and external. In general trader clothes are in quadrant1, progressive strategy is recommended (*Strength-Opportunity* -SO) and the company is in very good condition so there are a lot of opportunities to expand continually, increase growth and achieve progress maximum. Strategy *Strength-Opportunity* (SO) includes: 1) Utilise wholestrength in conducting effective communication with consumers, 2) Expanding network by collaborating with *marketplaces* like Tokopedia, Bilibli, Shopee, and others, so that online sales can increase, 3) Expansion strategy: open *outlet* new, accept many *resellers*, 4) Push the price and give a discount product which often searching for community/new product as promotion,5) Cooperate with a distributor so that stock goods always available.

Keywords: competitiveness; marketing online; strategy; swot

JEL Classification: M21, M31, M39

INTRODUCTION

Today, the Indonesian state has entered the era of the industrial revolution 4.0, various technologies that marked the start of the industrial revolution 4.0 have been applied in several fields. Technology provides many changes in both business and social life exponentially. It is easier for the public to get information so that they become more modern, and structured and have governance that is managed by a digital system.

Digitalization is an important key to increasing productivity by developing digital technologies such as remote sensors, intelligent machines, big data, and real-time communications which can improve the efficiency of a process, product, quality of service, and optimize resource allocation, thereby reducing processing time, leaner operations, and better customer satisfaction (Otajonov & Kurbanov, 2021). Along with the development of digital technology, marketing techniques are entering a new phase, namely digital marketing. Digital marketing is the marketing of products or services using digital technology via the internet, social media, cell phones, or other digital media. With technology, digital marketers can collect and analyze data from different customer behavior or user engagement, and facilitation of more personalized content and advertising towards a clearly defined audience for better engagement and results (Kannan & Li, 2016; Komakech, et al. 2021).

The current massive Covid-19 pandemic has tremendous impact on society, MSME actors, and organizations globally (Nicolaa, et.al, 2020). In particular, MSME players have experienced difficulties in raw materials, production process constraints drastically decreased market demand, decreased turnover, and disrupted the marketing process to a significant point. The resilience of MSME actors has decreased because product sales rely on face-to-face or physical meetings between sellers and buyers (Bahtiar, & Saragih, 2020). Taufik & Ayuningtyas (2020) revealed that the Covid-19 pandemic also has an impact on the internal environment of business entities, and conventional patterns of business activities in the fields of marketing, finance, human resources, and operations.

MSME actors must think about the efforts that will keep the business running, one of which is by adopting digitalization to optimize online marketing and digital marketing as a means of communication with target consumers. Effective digital marketing cannot be separated from marketing strategies ranging from promotion, product quality, attractive packaging, and others because this strategy can expand market reach and promote and sell products through various online media (Arromba, et al., 2021; Awali & Rohmah, 2020; Rahadi, 2017). With online media, marketing will be more effective and more efficient in terms of operational time and costs (Santoso, 2020). Digital technology provides benefits for consumers because it is easier to buy the desired goods and can communicate with business actors to obtain information related to the goods purchased. This will increase the credibility of the business so that customer satisfaction and loyalty will increase.

The phenomenon due to the COVID-19 pandemic has also been experienced by MSME actors in the city of Semarang. The decline in sales will continue in line with government policies to limit activities and maintain physical distance which threatens business continuity. Social distancing policies change consumer behavior to the extreme, consumers are accustomed to shopping or doing activities with minimal physical contact and carrying out health protocols. The pattern of consumption of goods and services from offline to online is increasing, forcing MSME actors to adapt to conditions and transform digitally. MSME actors make several efforts to maintain their business conditions, by taking efficiency measures such as: reducing the production of goods and services, reducing working hours, and the number of employees, and adding marketing channels as part of their survival strategy. However, the COVID-19 pandemic also provides business

opportunities for MSME actors who can adapt and innovate, the impact of which has made significant progress for MSME actors.

Impact pandemic covid-19 was also felt by trader clothing at the Johar MAJT market, Semarang, so that capable survival, business actors, try to adapt to the changes that occur. Changes in business patterns that lead to this digitalization process required a lot of preparation, business actors must have the ability about digital devices and the internet. This condition is a challenge but also a promising business opportunity for SMEs perpetrator. Studies preliminary conducted on trader clothes succeeded identify various problems faced by actors to develop their efforts. These problems are related to 1) human resources those who have less ability in digital technology, information management, and markets; 2). Security of conducting transactions online; 3). Many business people sell products similar; 4) consumers from various backgrounds are different, and sometimes can't be cooperative; 5) maintain loyal customers.

A perpetrator should do an effective strategy to increase sale-related technology digitization that is marketing online so that SMEs can endure in the covid-19 pandemic era. The effort must be more creative, and innovative and pay attention to changes in the business environment. The current state of the business environment changes many opportunities and threats in running a business and leads to every effort for efficient and effective so that capable compete. The strategy to increase sales is to improve the skills and creativity of human resources, innovate in the online marketing process, and efficient time (Nurhayati, 2014). To strengthen marketing strategies and business competitiveness, business actors must have superiority competitive and be capable compete with perpetrators effort other.

Based on studies preliminary which has conducted with an approach from various theoretical studies and research that have been carried out, the research that will be conducted to analyze the strategy of marketing trader clothes at the Johar MAJT market in Semarang in the digitalization era is for formulating strategy marketing on line on MSME to support the development of MSME as well as input for perpetrator MSME in apply marketing on line in the process his business.

METHODS

The research study uses a qualitative descriptive approach. This research method is a process of exploring and understanding the meaning of individual or group behavior, describing social problems or humanitarian problems. The research process includes making research questions and procedures that are still tentative, collecting data in participant settings, analyzing data inductively, building partial data into themes, and then providing an interpretation of the meaning of the data. Research informants clothing trader at Johar MAJT market Semarang, several employees, and clothing consumers. Data collection techniques were through observation, interviews, and documents. Observations were made at the research location. Interviews were conducted on key informants consisting of clothing traders. Data analysis techniques using Miles and Huberman's model include 1) data reduction 2) data presentation 3) conclusion drawing and verification. The data validity test uses credibility tests through triangulation techniques and data sources.

RESULT AND DISCUSSION

The research objects of clothing traders at the Johar MAJT market in Semarang. The clothing trader sells various convection products, such as women's clothing, men's clothing, prayer equipment, bed sheets, and various other types. Merchandise by way of wholesale and retail on demand.

The Covid-19 pandemic has accelerated the digital era and forced almost everyone to transform

all their activities to digital platforms. Likewise medium, micro, and small businesses, the best solution to maintain their business is to switch to online methods. For this reason, business actors must have insight into online marketing strategies to help increase awareness and turnover of products sold. Online marketing strategies help business actors occupy a leading position in offering their products so that they can compete in the market. Online marketing is one of the effective ways and will have a big impact on increasing sales (Schwarzl and Grabowska. 2015, Wang et al. 2020, Widiastuti et al. 2021).

The strategy built by the company has a significant impact on the success or failure of a company as well as on the bankruptcy or survival of the company in the market (Nawakowska, 2009). To determine the right strategy, environmental analysis is needed to find out the current conditions and the picture in the future to achieve the company's goals. Environmental analysis is a systematic process used by a strategic planner to monitor environmental conditions that affect the company. The environmental analysis consists of an analysis of the external environment and the company's internal environment. Internal environmental analysis helps a strategic planner to see the company's strengths and weaknesses. While the analysis of the company's external environment helps a strategic planner to see the opportunities and threats that will be faced by the company. By analyzing the internal and external environment, companies can formulate the strategies needed to deal with various kinds of problems in their business activities (Riyanto, 2018).

The results of in-depth interviews can be concluded that internal factors consisting of the strength of clothing traders in the Johar MAJT market Semarang include: 1) competitive and affordable prices by consumers, 2) updated fashion models, many choices of colors, models, and sizes are offered (Wahyuningrum, 2018), 3) very high-quality products and very clear online product descriptions (Puji Lestari, 2018; Sholeha et al. 2018), 4) clear and contactable addresses and contacts, 5) special discounts for wholesale purchases, 6) special prices for resellers and provide dropship facilities for resellers. While the weaknesses include: 1) lack of innovation in creating online catalog content and design, 2) products are not widely known by the public, 3) product order handling is not efficient and effective, 4) product delivery accuracy and speed, do not match the promised time and lack of safety and security in product delivery, 5) marketing via WA, Instagram and Facebook are still limited to friends, 6) do not have an e-commerce website that can be indexed on google.

The results of in-depth interviews can also conclude that external factors consist of opportunities that include: 1) the credibility of the store will become a consumer reference, 2) increasing online purchasing power, 3) more and more social media users such as Facebook, WA, Instagram, 4) more resellers as co-workers, 5) modern lifestyle has been attached to society, especially the upper-middle class, 6) fashion products are always a trend and quickly popular. Threats that must be faced include: 1) more and more online shop competitors presenting the same product, 2) several online shop competitors selling products at lower prices, 3) Competitors making advertisements/content that are more attractive to consumers, 4) strategies business is easy to imitate, 5) the rise of offline shop (conventional) boutiques that offer cheaper prices, with good quality and branded 6) online applications may be hacked by hackers.

To formulate the internal strategic factors of the strength and weakness framework, table 1. IFAS (Internal Factor Analysis Summary) is prepared below.

Table 1. IFAS Matrix (Internal Factor Analysis Summary)

INTERNAL FACTORS	Amount	Rating	Weight (%)	Rating
				x Weight
A. STRENGTH				
1. Competitive prices and affordable for consumers	25	4	0,09	0,36

2. Updated fashion models, many choices of color, models and sizes are offered.	25	4	0,09	0,36
3. Very high-quality products and very clear online product descriptions	23	4	0,08	0,32
4. Clear and contactable address and contact	25	4	0,09	0,36
5. Special discount for wholesale purchases	22	3	0,08	0,32
6. Special price for resellers and provides dropship facilities for resellers	23	3	0,08	0,32
AMOUNT A	143		0,49	2,00
B. WEAKNESS				
1. Lack of innovation in creating online catalog content and design.	28	1	0,01	0,01
2. Clothing products are not widely known by the public	24	1	0,08	0,08
3. Handling product orders have not been efficient and effective	22	2	0,08	0,16
4. The accuracy and speed of product delivery, are not by the promised time, and lack of safety and security in product delivery	25	2	0,09	0,18
5. Marketing via WA, Instagram, and Facebook is still limited to friends	21	2	0,07	0,14
6. Don't have an e-commerce website that can be indexed on Google	28	1	0,10	0,10
AMOUNT B	148		0,51	0,68
AMOUNT A AND B	291		1	2,68

From the results of the analysis in table 1. Matrix IFAS (Internal Factor Analysis Summary), the strength and weakness factors have a total score of 2.68. Because the total score is above 2.5 indicates that the company's internal position is strong. To formulate the internal strategic factors in the framework of opportunities and threats, table 2. EFAS (External Factor Analysis Summary) is prepared below. From the results of the analysis in table 2. EFAS (External Factor Analysis Summary) matrix, the opportunity and threat factors have a total score of 2.74. Because the total score above 2.5 indicates that the external position of the company is strong.

In table 1. the IFAS matrix shows that the strength factor score is 2.00 and the weakness factor score is 0.68 so the total score in the IFAS table is 2.68. While in table 2. The EFAS matrix shows that the opportunity factor (opportunity) has a score of 2.08 and the threat (threats) score is 0.66 and the total score of the EFAS table is 2.74. So it can be seen the value of the strength (strength) above the value of weakness (Weakness) difference (+) 1.32 and the value of opportunities (opportunities) and threats (Threats) difference (+) 1.42.

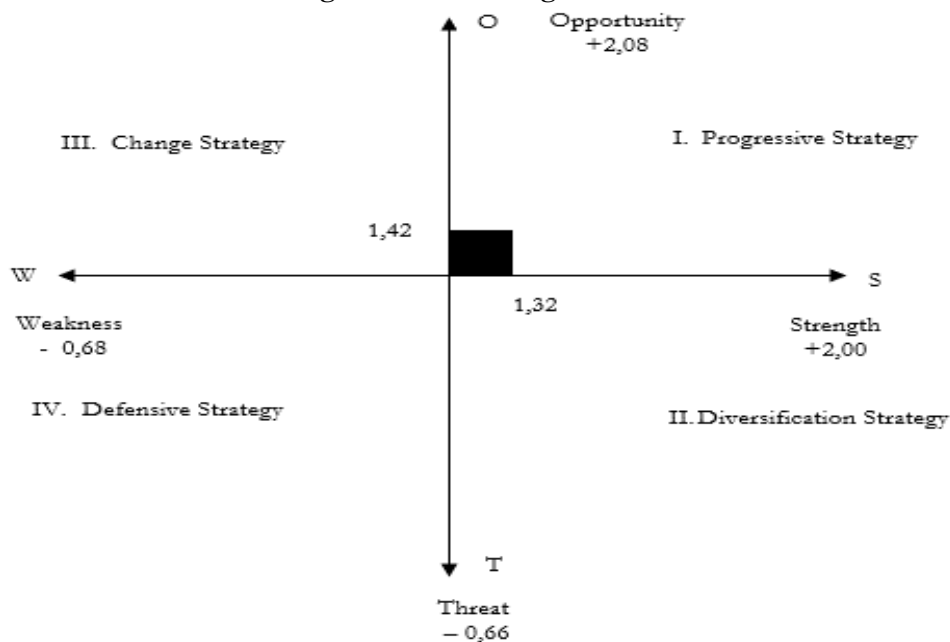
Table 2. EFAS Matrix (External Factor Analysis Summary)

EXTERNAL FACTORS	Amount	Rating	Weight (%)	Rating x Weight
C. OPPORTUNITY				
1. Store credibility will be a consumer reference	28	4	0,09	0,36
2. Increased purchasing power online	28	4	0,09	0,36
3. More and more social media users such as Facebook, WA, Instagram,	28	4	0,09	0,36
4. Many resellers as co-workers	24	4	0,07	0,28
5. The modern lifestyle has been attached to society, especially the upper-middle class	28	3	0,09	0,36
6. Fashion products are always a trend and quickly popular	28	3	0,09	0,36
AMOUNT C	164		0,52	2,08

D. THREAT					
1.	The more competitors online shop that presents the same product,	28	1	0,09	0,09
2.	Several online shop competitors who sell products at lower prices,	26	1	0,08	0,09
3.	Competitors create ads/content that attract consumers	25	1	0,08	0,08
4.	Easy to imitate the business strategy	22	1	0,06	0,06
5.	The rise of offline shop (conventional) boutiques that offer lower prices, with quality good and branded	26	2	0,08	0,16
6.	Online applications can be hacked by hackers	28	2	0,09	0,18
AMOUNT D		127		0,48	0,66
AMOUNTS C AND D		263		1	2,74

The results of the identification of these factors can be described in a SWOT analysis diagram, as shown in Figure 1. Based on the picture above, shows that the focus on developing an online marketing strategy is in quadrant I at the point (x=1.32; y=1.42). This position shows that clothing traders are in a strong and potential condition. The strategic recommendation given is Progressive, meaning that the company is in a very good condition so it has the opportunity to continue to expand, increase growth and obtain maximum progress.

Figure 1. SWOT diagram



Source: Processed data

SWOT analysis allows companies to identify factors that influence both positive and negative from within and from outside the company. A key role of SWOT is to help develop a full awareness of all the factors that can influence strategic planning and decision making, goals that can be applied to almost any aspect of the industry.

Based on the analysis using IFAS and EFAS matrices, it is known that the strategy that can be applied by clothing traders is to maintain and maintain the current market/customer. The results of the IFAS and EFAS analysis were then developed using SWOT analysis, where the results obtained are the condition of the company in quadrant I, namely the company's strengths are better than existing weaknesses, and the company still has opportunities or opportunities that are wider than the threats that will arise. faced. Therefore, the recommended strategy that can be

applied to clothing traders is a progressive strategy (Strength-Opportunity/SO), namely strategies that allow the company to expand its market, as well as increase its growth and production, by utilizing its strengths to take advantage of external opportunities that arise. still wide. Some of the Strength-Opportunity (SO) strategies adopted by clothing traders include 1) Utilizing all strengths in effective communication with consumers, and 2) Expanding the network by collaborating with marketplaces such as Tokopedia, Blibli, Shopee, and others so that online sales will increase. increasing, 3) Expansion with strategies: opening new outlets, accepting many resellers, 4) Pressing prices and providing discounts on products that are often sought after by the public/new products as promotions, 5) Cooperating with distributors so that stock items are always available.

Online marketing makes it easier for business actors to provide information and interact directly with consumers, expand market share, increase awareness and increase sales (Febriyantoro and Arisandi, 2018; Appel Gil et al. 2019; Dwivedi et al., 2021, Kussujaniatun et al. 2022). Carry out value proposition designs, prepare media for digital transactions, request feedback from consumers, and expand with strategies such as opening new outlets, accepting many resellers, reducing the price of products that are often sought after by the public/new products as promotions, giving big discounts every year-end or big holidays, in collaboration with quality web developers are several things that increase online sales (Fikri, 2019; Sarastuti, 2017; Keller W et al, 2019).

CONCLUSION

Based on the description above, the conclusion that can be drawn in this study is online marketing is in quadrant 1. A Progressive strategy is recommended to be applied (Strength-Opportunity/SO), namely strategies that allow companies to expand the market, and increase their growth and production, by utilizing their strengths to take advantage of the still wide external opportunities. The Strength-Opportunity (SO) strategy of online marketing includes 1) Utilizing all strengths in effective communication with consumers, 2) Expanding the network by collaborating with marketplaces such as Tokopedia, Blibli, Shopee, and others, to increase online sales, 3) Expansion with strategies: opening new outlets, accepting many resellers, 4) Pressing prices and providing discounts on products that are often sought after by the public/new products as promotions, 5) Cooperating with distributors so that stock items are always available.

From the results of this study, it can be recommended related to a) Intensify stakeholder involvement (government, universities), to increase the knowledge and ability of business actors to use digital technology to facilitate online marketing; b) the need for professionals who are experts in running online marketing; c) periodically evaluate the system to add to the system requirements for adding new products to be marketed, changes in product prices or additional discounts provided; d) adding design innovations in creating content so that it can attract more customers; e) it is necessary to increase the use of delivery services and bank transfer payment features so that they can cover a wider area and customers have more choices.

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