

RESEARCH FINAL REPORT

**MARKETING MIX STRATEGY IN BUILDING MSMEs
COMPETITIVENESS IN INDONESIA**



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ABSTRACT

Micro, small and medium enterprises are the largest group of economic actors in the Indonesian economy and have proven to be a safety valve for the national economy during a crisis and a driver of economic growth after the economic crisis. The Competition of Micro, Small and Medium Enterprises (MSMEs) follows various types of marketing strategies based on the demand of the target market. The purpose of this study is to examine the marketing mix strategy in building the competitiveness of MSMEs in Indonesia. This type of research is a case study research with a qualitative approach. Respondents in this study were SMEs in the Cirebon area. Data collection techniques using interviews, observations and documents. The data analysis technique uses research data processing with data reduction, data presentation, conclusion drawing and verification. The results of this study are that with the marketing mix strategy in building the competitiveness of MSMEs in Indonesia, MSME management seeks to determine strategies based on consumer needs. Marketing strategy to design an integrated marketing mix consisting of four Ps (product, price, place, promotion). Mix strategy has an effect on purchasing decisions and has an impact on increasing sales volume. The purpose of this strategy is to attract consumers to use the products and or services provided by MSMEs. If MSMEs are unable to maintain a marketing mix strategy, then it is likely that they will not be able to survive and even lose money. To survive, develop and be able to compete, MSMEs must be able to maintain a marketing strategy that is based on the level of consumer satisfaction.

Keywords : Marketing mix, Competitiveness, MSMEs

CHAPTER 1

INTRODUCTION

As an economically developing country, Indonesia is not spared from development planning in an effort to encourage economic growth and people's welfare (Hariyono & Indriani, 2010). In development planning, stakeholders in each region can identify a strategic preparation process that will be carried out in a participatory manner. In accordance with the provisions of Law no. 25 of 2004 concerning the national development planning system, the community is an important part of the existing stakeholders. The community is involved as a form of environmental mapping planning because the community is most aware of environmental conditions.

The more developed a country, the more educated people and it is possible there is a shortage of jobs due to the inability of the government to provide the field. Therefore, it is hoped that the community can help the development of the Indonesian economy by opening an entrepreneurial business. The importance of the entrepreneurial world because the government's capacity is very limited, so with the support of entrepreneurs, economic development will be more stable. Therefore, entrepreneurship is a development potential, both in number and in the quality of entrepreneurship itself. With an intention or desire for entrepreneurship, it will be a step at least as a hope for the realization of equitable development and community welfare (Putra, 2016). One of them is entrepreneurship, namely Micro, Small and Medium Enterprises (MSMEs).

Micro, small and medium enterprises are the largest group of economic actors in the Indonesian economy and have proven to be a safety valve for the national economy during a crisis and a driver of economic growth after the economic crisis. Indonesia had to pay a heavy price in 1997, having learned from the economic crisis, an economic structure dominated by large companies with very fragile performance. There are several lessons to be learned from the economic crisis. First, economic development that does not rely on its own strength, but relies on debt and imports, is easily influenced by changes in external factors. Second, the economic structure dominated by large corporations is not sufficient to produce a strong socio-economic structure, although it is very fragile in times of crisis. Third, small, medium, and micro enterprises, as capable business groups, are a tangible manifestation of society that relies on its own strength to carry out economic activities (Singgih, 2007).

MSMEs are an alternative choice for the community because the invested capital is still affordable in opening the MSME business. According to information in the field, MSMEs can be used to help improve the welfare of the surrounding community, because the community can open up job opportunities for themselves and the surrounding community. Micro, Small and Medium Enterprises (MSMEs) are one of the community entrepreneurs with a tendency to survive and even increase in number even during the monetary crisis (Putra, 2016)

The characteristics of the scale of business, micro and small businesses do not require too large a capital. However, these MSME actors have problems faced by MSMEs such as declining sales/demand, difficulty and expensive raw materials, hampered operational distribution, capitalization, and hampered production (Ashari, 2006). In addition, the increasing number of MSMEs in Indonesia requires management to be more careful in determining strategies to win the competition faced by MSMEs. Therefore, the competition between MSMEs that occurs has a different strategy by considering the dynamic and increasing community activities as well as the desire and convenience to meet consumer needs. The purpose of this strategy is to attract consumers to use the products and or services provided by MSMEs.

Currently, MSME competition follows various types of marketing strategies based on the demand of the target market. (Sofjan, 2010) explains that one of the strategies that marketers can use to face competition is to apply a reference strategy / marketing mix consisting of: product strategy, pricing strategy, distribution distribution strategy, and promotion strategy, which are strategies that must be carried out by the company. related to determining how the company presents its product offerings in the marketing mix which is the core of the marketing system. Meanwhile, according to (Abdurrahman, 2015) to create value for customers and build strong and profitable customer relationships, a reliable marketing strategy is needed to design an integrated marketing mix consisting of the four Ps (product, price, place, promotion).

Based on the importance of MSMEs in helping national economic development, they need a marketing mix (mix marketing), so this study aims to examine the marketing mix strategy in building the competitiveness of MSMEs in Indonesia.

CHAPTER II

RESEARCH METODOLOGY

This type of research is a case study research with a qualitative approach. Respondents in this study were SMEs in the Cirebon area. Data sources are divided into 2, namely primary data sources and secondary data sources. Sources of primary data obtained through interviews and observations with respondents. Meanwhile, secondary data sources are obtained through documentation from the literature/library review related to existing problems or constraints. Data collection techniques using interviews, observations and documents. The data analysis technique uses research data processing with data reduction, data presentation, conclusion drawing and verification.

CHAPTER III

RESULT AND DISCUSSION

Micro, Small and Medium Enterprises (MSMEs) occupy a strategic position to accelerate structural changes in order to improve the standard of living of many people and are a place for joint business activities for producers and consumers. Economic development can be defined as every activity carried out by a country in order to develop economic activities and the standard of living of its people (Arsyad, 2017). The Indonesian economy will have a strong foundation if MSMEs become the main productive and competitive actors in the national economy. For this reason, the development of micro, small and medium enterprises needs to be the main priority of national economic development in the long term (Setiawati, 2009).

According to (Abdurrahman, 2015) to create value for customers and build strong and profitable customer relationships, a reliable marketing strategy is needed to design an integrated marketing mix consisting of the four Ps (product, price, place, promotion). The following is a marketing mix strategy that can be applied by MSMEs in building economic competitiveness in Indonesia.

Products, products offered with good quality. Product quality provides a sense of satisfaction so as not to disappoint consumers who have used their products. The satisfaction is an accumulation of physical, psychological, symbolic satisfaction, and the service provided by the producer. The product can be one aspect that is used as the value of customer satisfaction. Satisfaction is not only limited to satisfaction with the physical form of the product but also concerns the satisfaction of the product buying process and the benefits of the product (Nuraeni & Harnanik, 2017).

Price, Although price is not the main thing in this case, the competitive factor in terms of price is also one of the factors that is quite strong. If MSMEs cannot maintain production cost efficiency, the company will not be able to survive and even lose. To survive, develop and be able to compete, the company must be able to maintain the level of customer satisfaction. There are various ways to maintain customer satisfaction, one of which is to always improve the quality of the products sold, and always pay attention and as much as possible not increase the price of the products sold (Anwar & Satrio, 2015).

According to (Fure, 2013), the indicators used to measure prices include 1) Prices according to benefits, 2) Perceptions of prices and benefits, 3) Affordable prices for goods, 4)

Price competition, 5) Price suitability with quality.

Place, the place or location used must be in a strategic area. In an effort to achieve the company's goals and objectives in the field of marketing, each company carries out distribution activities. Distribution of product delivery activities into the hands of consumers or users at the right time (Nuraeni & Harnanik, 2017).

Promotion strategy is one of the success factors of a marketing program. Promotion aims to provide information on the products offered so that consumers are interested in buying/using them. According to (Nuraeni & Harnanik, 2017), regardless of the quality of a product, if consumers have never listened to it and are not sure that the product will be useful for consumers, then consumers will never buy it. Promotional strategies can be done through free media, such as: Search Engine Optimization (SEO) or appearing on the first page of Google searches, maximizing customer opinions on the market place and utilizing social media, such as Instagram, Facebook and others.

Furthermore, the existence of a marketing mix on products, prices, places and promotions will affect purchasing decisions (Wangko, 2013). This purchase decision is the desire or encouragement of consumers to buy/use goods and services (Subianto, 2007). According to (Hidayah et al., 2021) the 4P marketing mix strategy can affect the increase in sales volume. Therefore, with the marketing mix strategy in building the competitiveness of MSMEs in Indonesia, MSME management seeks to determine strategies based on consumer needs. Because the mix strategy has an effect on purchasing decisions and has an impact on increasing sales volume.

The purpose of this strategy is to attract consumers to use the products and or services provided by MSMEs. If MSMEs are unable to maintain a marketing mix strategy, then it is likely that they will not be able to survive and even lose money. To survive, develop and be able to compete, MSMEs must be able to maintain a marketing strategy that is based on the level of customer satisfaction. Customer satisfaction is one of the important factors for the success of a company. Achieving customer satisfaction, companies must know when and how consumers are satisfied with their products and services (Ahmed & Rahman, 2015)

CHAPTER IV CONCLUSION

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