

# Small and Medium Enterprises (SMES) in The Era Digital Marketing Technology



Aries Kurniawan, Suwarno, Beni Dwi Komara, Ismi Rajiani, Agus Prasetya

**ABSTRACT:** The way of marketing products or services for now has changed. Currently marketing does not have to be done by meeting in person. Simply by using the digital marketing application, entrepreneurs can make sales without being limited by space and time.

However, the development of digital technology is not accompanied by the development of utilization by Micro, Small and Medium Enterprises. This means that not all entrepreneurs, especially micro and small entrepreneurs, utilize this technology. So that small and medium entrepreneurs use the old pattern of running their business, especially in the marketing sector. Based on this, researchers conducted research using qualitative research methods to find out how these micro and small entrepreneurs run their businesses in the era of rapidly developing digital marketing technology.

**Index Terms:** Small and Medium Enterprises, digital marketing, technological changes barriers

## I. INTRODUCTION

Indonesia experienced an economic crisis In 1998, this crisis resulted in the stagnation of large-scale business activities, many of the large companies went bankrupt in the wake of the crisis. However, bankruptcy was not experienced by most SMEs. Why SMEs are so strong because SMEs do not bear a high debt burden, especially in foreign currencies, so the crisis does not have an impact on the conditions of their business.

While large businesses have a high debt burden and are dominated by foreign debt in dollars. The crisis caused a surge in the dollar exchange rate due to the weakening of the rupiah so that it automatically raised the amount of their debt to many times.

In terms of resilience to crisis, SMEs also have a very large contribution to employment. In 2015 SMEs were able to open more than 123 million jobs, compared to large businesses which were only able to absorb a maximum of around 4 million workers.

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\* Correspondence Author

**Aries Kurniawan\***, Program Entrepreneur Studies, Universitas Muhammadiyah Gresik, Gresik, Indonesia.

**Suwarno**, Accounting Study Program, Universitas Muhammadiyah Gresik, Gresik, Indonesia.

**Beni Dwi Komara**, Program Entrepreneur Studies, Universitas Muhammadiyah Gresik, Gresik, Indonesia.

**Ismi Rajiani**, Post Graduate Program Management Studies, Universitas Muhammadiyah Gresik, Indonesia.

**Agus Prasetya**, FKIP, Universitas Terbuka, Indonesia.

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Large employment absorption illustrates how Small and Medium Enterprises (SMEs) are the driving force of the nation's economy. While its ability to survive the economic crisis proves that SMEs can become the main business power of the nation's economy. Based on the facts above, SMEs need to continue to be triggered by growth.

The growth of the number of SMEs has been experienced by Gresik Regency where SMEs experience good growth from year to year. This growth provides a positive boost for economic growth in Gresik which is higher than the provincial and even national economic growth.

Growth in the number of SMEs according to detailed data can be seen in table 1 below :

NO	INDIKATOR	SATUAN	TAMBAH 2018		TAMBAH 2019		TAMBAH 2020		TAMBAH 2021		TAMBAH 2022		PERUBAHAN PERSENTASE 2018/2019			
			JUMLAH	PANGSA (%)	JUMLAH	PANGSA (%)	JUMLAH	PANGSA (%)								
1	UNIT USAHA (JU)E	(JU)E	52.269.424	98,89	54.119.971	98,89	55.211.394	98,89	56.139.584	98,89	57.060.787	98,89	58.267.759	98,89	6.498.933	12,35
A	Usaha Mikro, Kecil dan Menengah (UMKM)	(JU)E	52.269.424	98,89	54.119.971	98,89	55.206.444	98,89	56.139.582	98,89	57.059.752	98,89	58.267.772	98,89	6.498.932	12,35
	Usaha Mikro (UM)	(JU)E	52.176.771	98,89	53.946.631	98,89	55.039.949	98,89	55.976.176	98,79	57.139.919	98,77	58.311.897	98,76	6.181.216	12,14
	Usaha Kecil (UK)	(JU)E	1.092.653	2,08	1.173.340	2,20	1.171.445	2,20	1.162.998	2,21	1.041.212	2,01	1.041.212	2,01	124.879	24,87
	Usaha Menengah (UM)	(JU)E	41.643.000	79,81	42.980.000	79,81	43.266.495	79,81	44.162.406	79,81	45.919.833	79,81	47.915.875	79,81	6.273.475	15,02
B	Usaha Besar (UB)	(JU)E	4.959	0,01	9.999	0,02	4.984	0,01	4.984	0,01	4.984	0,01	4.987	0,01	933	18,73

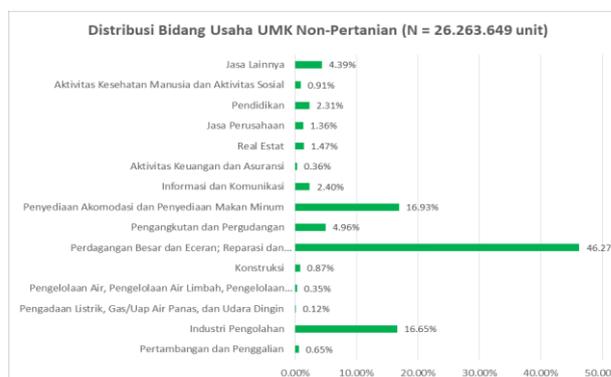
Source: DISKOPERINDAG Republic Indonesia

The following is a table about MSME income and its contribution to the Indonesian economy.

Kategori Skala Usaha	Jumlah (unit)	Persentase unit usaha	Total Pendapatan Usaha - harga berlaku (Rp triliun/tahun)	Persentase Kontribusi thd PDB	Rata-rata pendapatan per unit usaha (Rupiah per tahun)
Mikro	62,106,900	98.70%	4,727.99	34.12%	76,126,646.15
Kecil	757,090	1.20%	1,234.21	8.91%	1,630,202,485.83
Menengah	58,627	0.11%	1,742.44	12.57%	29,720,777,116.35
Besar	5,460	0.01%	5,136.22	37.07%	940,699,633,699.63
<b>Total</b>	<b>62,928,077</b>	<b>100%</b>	<b>12,841</b>	<b>93%</b>	

Source: Ministry of Cooperatives and Small and Medium Enterprises in 2017, BPS

Meanwhile, based on the results of the 2016 BPS Economic Census, it was found that the number of SMSEs was 26,263,649 units, while the number of UMB was 447,352 units. How about the business sector? Here we present the Distribution of Business Fields for SMSEs.



Source: Source: 2016 Economic Census, <http://se2016.bps.go.id>



SMEs with all their strengths of course also have the effort to carry out their business. The effort taken is to change the way marketing is adapted to the era of digital technology.

## II. METHODOLOGY

Based on the object of research, both place and source of data, this research includes field research, field research is mainly based on research in the field or field (Kartono, 1996: 47). This research is a phenomenological approach, meaning 1) subjective experience or phenomenological experience of a person and 2) a study of a person's consciousness and basic perspective.

The approach of this research is qualitative, namely research that intends to understand the phenomenon of what is experienced by the subject, for example research on behavior, perception, motivation, action, holistically by means of descriptions in words and languages, in a context especially natural with utilizing various natural methods. Descriptive research is a study that seeks to gather information about a theme, symptom or condition according to what it is to find knowledge that is as broad as possible to the object of research. Descriptive research is generally carried out with the main purpose, which is to systematically describe the facts and characteristics of objects or subjects that are accurately examined. (Sukardi, 2003: 157).

### A. Research Techniques

Data Collection Techniques.

#### a) Observation Technique

Observation techniques in the form of efforts to develop scientific knowledge about everything that exists in the universe..

#### 1. Indepth Interview Technique

Interviews were conducted with informants who were studied using Snowball interviews with interview guides prepared in advance. The interview is the main data collection technique that is used to obtain data to be more valid than the informant, which is reinforced by observation, documentation, among others, students, teacher supervisor staff.

#### 2. Documentation Study Techniques

For more details, the focus of the research will be explored, informants, and techniques for collecting data through documentation studies.

### B. Data Type

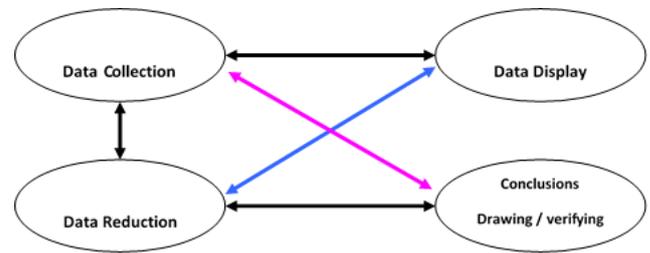
Based on data sources, data collection can use primary sources and secondary sources. The primary sources are the main sources of data collection, namely micro and small entrepreneurs

### C. Data Processing Techniques

In qualitative research data is obtained from various sources, using various data collection techniques that are carried out continuously until complete using the Snowball Sampling technique, so that if the data is saturated, the data retrieval is stopped. With continuous observation it results in high data validation. The data obtained in general are qualitative data (although not rejecting quantitative data). Processing data in qualitative research, carried out since before entering the field, while in the field and after completion in the field.

Data processing has begun since formulating and explaining the problem before plunging into the field and continues until the writing of research results. In qualitative

research, data processing is more focused during the process in the field together with data collection. The data processing model used in this study uses Interactive models from Miles and Huberman, namely: data collection, data reduction, data display and conclusion drawing / verification as illustrated in the figure:



### D. Data Collection Procedures

Data is collected by various data collection techniques (Triangulation), which is a combination of various kinds of data collection techniques both interviews, observations, and with documentation. The more data collected, the better the results of the research obtained.

### E. Data Reduction

The data obtained from the field is quite a lot, for that the data needs to be recorded carefully and in detail. Then the data is summarized, the main things selected, focused on the important things and look for themes and patterns.

### F. Data Analysis Technique

Data analysis using descriptive interpretive which is supported by the Miles and Huberman Theory. The purpose of data analysis is to narrow down data and limit the findings to data that are teratur, and arranged and more meaningful. As for the purposes of analyzing the data that have been collected, analysis techniques are needed that are in accordance with the types of data available, among others:

1. Validity, in measuring validity refers to the content and usefulness of measuring instruments, internal validity and external validity. The meaning of internal validity is how far a measuring instrument is able to describe the object to be measured. External validity is in relation to measuring instruments in different situations.
2. Reliability, in determining this reliability, a number of things can be made standard, namely:
  - a) Accuracy or accuracy, which can contribute to a complete understanding of the object being measured.
  - b) Stability, that is if the measurements are replicated will give the same results, but taking into account the conditions at the time of measurement is relatively no different.
- c) Homogeneity, where there is a close relationship between one another

Whereas to achieve success in this qualitative research, it is necessary to pay attention to several things:

- Carry out in conditions that are reasonable or as natural as possible.
  - Treat people who act as informants, humanely and uphold perspectives for participation.
  - The results of research are discussed descriptively and synthetically.
  - Weaknesses in research will be presented transparently.
- (Kanto, 1998: 3-9). Furthermore, in processing this data the data analysis process is good

### III. RESULT AND DISCUSSION

#### 3.1. Sri Wilujeng Catering Business

Sri Wilujeng has a catering business that starts from frequently making dishes for his brother when guests arrive. It turned out that guests who often tasted Sri's cuisine responded positively. They were happy with Sri's cuisine which was no less far from restaurant cuisine. The dishes that Sri often serves to the guests are village cuisine, such as: shrimp botok, milk brains, corn omelet, clear vegetables. On this basis Sri started a catering business in April 2017. Sri supplied the catering business as well, because his shop was bankrupt, and often sick.

The way the mother was born on March 19, 1968 to maintain or develop her business was by promoting her business through her brothers who worked in hospitals, the police. Sri already knows the information technology in the form of the internet so Sri also promotes her money through the internet, namely Instagram (@lidah kampung) and whatsapp.

The resident of Duduklor Village, Glagah Subdistrict, Lamongan, admitted that he had never attended a training held by the government, and Sri hoped the government would hold entrepreneur training to add insight into product marketing.

Sri admitted that he only knew of accounting records regarding cash accounts, balance sheets. Initially, Sri was diligent in recording the business records, but for a long time Sri did not do it because she was busy taking care of her new grandchild.

Sri considers it not a problem because not doing the accounting records that are most important in his efforts to make a profit. Sri admitted that in carrying out the business, it was not optimal because Sri owned a pond and rice fields, so when the harvest arrived the catering business was neglected.

The biggest turnover that Sri has ever achieved is amounting to ten million rupiah per month, and the smallest turnover that Sri has ever made is equal to one million and five thousand rupiah per month. Sri's efforts to improve her business are expanding her business through the internet by posting pictures of her food products.

Constraints in the business of women who have a principle that there is nothing that is impossible and always optimistic is not having a car to deliver food when there is an order from a place far from his home. This requires consumers who order to take orders at home. Sri's tips in carrying out her business is to always hope that because of all that there is a possibility, each of the most important is our hard work.

#### 3.2. Steamed Milkfish without Thorns

Endang Suharsih started a steamed milkfish business without spines starting from a cooking hobby and a fondness for milkfish brains. Then Endang took the initiative to make brains and sell them. It turned out that the production was selling well and there were many orders.

The way Endang maintains / develops his business is by pursuing his business. Despite his relatively young age, this woman born in Surabaya, December 11, 1966 has known information technology as well as the internet with the guidance of her children. So Endang also markets its products online.

Endang claimed to have attended a training held by the government. The training was held in Lamongan with food and beverage training. Which training develops the ability of mothers to utilize the raw materials around them.

The woman who has the motivation to never give up has not carried out the bookkeeping activity because she still doesn't understand it. Farbaqi's branded products are the most marketed in the city of Surabaya. The smallest turnover produced by this high school graduate woman is two million rupiah while the biggest turnover that is produced is three million rupiah and above.

In increasing its business turnover, Endang offered these products online. The woman who lives in the Duduklor Village, Glagah Subdistrict, Lamongan, admitted that she did not face significant obstacles in running her business. The most important thing is to enjoy and do the things that you like.

#### 3.3. Agro Mandiri Store

The background that drives Yulianto to do business is the existence of good potential in the Duduklor Village, Glagah District, Lamongan. Many residents work as farmers, so he decided to open a shop to meet the needs of these residents.

Before starting business activities, the man born in Lamongan, November 13, 1983 made observations to the rice fields around the house. He sought information about any medicines commonly used by surrounding farmers. Then he noted to find out the supplier. After that he contacted the suppliers to supply their products in his shop.

The way men who have the principle always maintain the trust of customers to maintain and develop the business that they live is to try to provide the best service to their customers. The supplier will usually give a shirt bonus when Yulianto orders a large amount

### IV. CONCLUSION

Based on the results of the study, although in the area of the agrarian community the spirit and entrepreneurial spirit grew and developed in the residents of Dusun Duduk Lor, Lamongan Regency. The reason for the people carrying out entrepreneurial activities is caused by several things, namely the intention from the beginning, seeing the potential of the surrounding community, activities carried out from the beginning, because of hobbies and due to termination of employment.

Entrepreneurs run their business in the traditional way. They have not utilized technology optimally both for marketing and preparing financial statements. This is because they have not received training from related agencies to improve their ability to run a business.

For this reason, there is a need for training and motivation so that entrepreneurs can run their businesses well. In addition, it can foster entrepreneurial intentions and enthusiasm for other citizens.

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This graduate alumni of the Management Study Program at the Faculty of Economics at the University of Jember was appointed as Head of the Center for Economic and Business Development and Assessment (P3EB) of the Muhammadiyah University Gresik (UMG).



**Suwarno**, This Accounting Lecturer at the Universitas Muhammadiyah Gresik has a publication with the title Perception of Accountants and Ulemas' towards the Professional Ethics Problems of Public Accountants Islamic Perspectives, Influence of Environmental Performance and Audit Committee Performance on Company Economic Performance, The Difference of Jigsaw and Conventional Type Cooperative Learning Methods on Student Achievement, The Effect of Earnings Management and Earnings Persistence on Earnings Response Coefficient: Evidence from Indonesia, Influence of Size, Growth and Profitability of Company to Earnings Response Coefficient.



**Beni Dwi Komara**, author of this book, born in the City of Kediri, East Java on May 29, 1976, in addition to being an active entrepreneur, the writer is also a Lecturer in the S1 Entrepreneurship Study Program at the Faculty of Economics and Business, Muhammadiyah University, Gresik. Courses that are taught include Self Management, International Business, Export-import, Business Execution, Entrepreneur Project, Economic Statistics and International Marketing.



**Ismi Rajiani**, Lecturer of Universitas Muhammadiyah Gresik, Doctor of Philosophy in Management Science , Faculty of Economics , University of Brawijaya, Malang, East-Java, Indonesia, Master of Management in International Business Management, Institute of Business Management and Technology (IBMT), Surabaya - Hawaii Pacific University, USA, Diploma in Trend and Technique in Teaching English as a Foreign Language, Yayasan LIA, Jakarta, Bachelor in English Teaching, University of Lambung Mangkurat, Banjarmasin, South Kalimantan.



**Agus Prasetya** the lecturer at FKIP-UT , has a publication with the title Meditation on Street Vendor Conflicts with the government of Madiun City. (Study: Mediation of Conflict between Street Vendors and Satpol PP. (Research Scheme - UT) Empowerment of Trustees in an effort to prevent cheating culture (Case Study: Creating professional supervisors to eliminate dishonesty in Madura) 2018

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## AUTHORS PROFILE



**Aries Kurniawan**, Born in Gresik, East Java on April 3, 1977, the author works as a Permanent Lecturer of the Entrepreneurship Study Program Faculty of Economics and Business (FEB) University of Muhammadiyah Gresik (UMG), has a publication with the title Small and Medium Enterprises (SMEs) Barriers in Running a Business, Small and Medium Enterprises (SMEs) Face Digital Marketing.