

Promotional Optimization in Developing Creative Industrial Products of MSMEs

Yusuf Hamdan, Aning Sofyan, Anne Ratnasari

Faculty of Communication
Universitas Islam Bandung
Bandung, Indonesia
yusufhamdan@unisba.ac.id

Dikdik Tandika

Faculty of Economics and Business
Universitas Islam Bandung
Bandung, Indonesia

Abstract—Entrepreneurs communicate with prospective customers through various forms of promotion, where prospective customers will get to know the product, and persuade them to like and buy products. The purpose of the study was to analyze the promotions carried out by Adorable projects covering the marketing mix, promotion mix, use of social media and the form of relationships that were built with MSMEs to develop creative industry products. This research method uses case studies. Data collection techniques used are observation, interview, and literature study. This study found the marketing mix that entrepreneurs do by providing quality products, and affordable prices. In addition, entrepreneurs apply promotional mixes such as sales promotions in the form of discounts, and word of mouth marketing. Social media used in the form of websites, Facebook, and Instagram. Entrepreneurs have good relationships with vendors so that they can develop the products of the MSME creative industry and the continuity of product availability is maintained.

Keywords—promotions; products; social media; creative industries; MSMEs

I. INTRODUCTION

Entrepreneurs have an important role in driving economic growth in the city of Cimahi, West Java, Indonesia. With the business activities of the entrepreneurs, among others, help the government in reducing unemployment [1]. Entrepreneurs carry out various strategies so that the business they run can progress and develop.

In 2015, Indonesia entered the market of the ASEAN Economic Community (AEC). Business people actively produce products and services in order to be active in the free market. One of them is Micro, Small and Medium Enterprises (MSMEs). In facing the free market, MSMEs are challenged to prepare competitiveness [2]. Through the free market, it is a great opportunity for MSME players to strengthen the advantages of the company in order to win competitively [3]. The advantages of participating in the market include Indonesian products that can invade the ASEAN market with various types offered [4]. Therefore, the efforts needed include maintaining product quality, marketing, creativity, innovation and enhanced human resources [3].

One company that is actively running a business to grow and develop is Adorable Projects. This company is located in

the city of Cimahi, West Java. This company brings together MSME entrepreneurs in the cities of Cimahi, Bandung Regency, and West Bandung Regency, to be fostered by Adorable Projects so that MSME entrepreneurs grow and develop. Adorable Projects are ready to support the West Java Government program, where the West Java Government regarding the creating of new entrepreneurs up to 2017 successfully scored 129,000 new entrepreneurs [5]. Especially in following the ASEAN Community economic market, MSMEs must be creative, and independent in order to have competitiveness [6]. The entrepreneur is expected to actively capture business opportunities so that his business runs smoothly. Achieving this requires a variety of efforts including the ability to implement promotions.

In this regard, the article in this study is different from the research that has been conducted where this study aims to optimize promotion in developing UMKM creative industry products to analyze the marketing mix, promotion mix, use of social media and forms of relationships built with MSMEs to develop industrial products creative This research has the interest that efforts to increase the ability of entrepreneurs both from the government, and other parties to be right on target and useful.

The research informant was the Adorable Projects company management team with the consideration that among others the team had effective promotional capabilities and expected to be able to offer products well, be able to compete, and develop the business sector well.

Business promotion is one form of entrepreneurial communication in the business field. Kotler argues that promotion is another name for marketing communication [7]. Promotion is the company's effort in building and managing sales and communication with an audience that is considered potential. Marketing communication consists of a marketing mix and a promotion mix [7, 8].

Marketing mix is a strategy of the company to produce products that satisfy a particular market segment, in order to attract consumers to make purchases [9]. The marketing mix consists of product, price, place, and. Products are anything that can be offered to the market to be used, or consumed by consumers [7]. Kasali argues quality products are products that are provided precisely for the intended market, thus satisfying

consumers, while increasing the company's long-term profits through increasing sales and increasing market share [8]. The pricing of a product is important because it will affect the success of the company to obtain profits [9].

Kotler explains the promotion mix including advertising, personal sales, sales promotion, and direct marketing [7]. Shimp added other promotional mixes included word of mouth marketing, and sponsorship marketing [10]. Kotler & Keller argue, sales promotion is an activity that stimulates the occurrence of the action of buying a product quickly or the occurrence of purchases in a short time [11].

Westberg and Pope examine research titled "Building Brand Equity With Cause-Related Marketing (CRM): Comparison with Sponsors and Sales Promotions". This revealed, Cause-Related Marketing (CRM) has a greater impact than sponsors or sales promotions. Companies can consider CRM as their communication mix, because CRM is more effective in developing brand associations [12].

The communication media used in business promotions vary, including print and electronic media, and social media (internet). Juju & Sulianta explain that social media is a combination of the scope of cyberspace elements, in online service products such as blogs, discussion forums, chat rooms, e-mail, websites and community strengths built on social networks [13]. The purpose of using this media is to continue to connect, communicate, and even share [14].

Entrepreneurs in building relationships with vendors are based on trust between them. To realize this, entrepreneurs, among others, open communication forums in the form of consultations for vendors who have problems, provide solutions, and convince them that they have made the right decision by becoming a business partner [10].

II. METHOD

This research method uses case studies in the form of a single case design, where researchers maintain holistic and meaningful characteristics of real life events [15]. The observation units in this study are the marketing mix, promotion mix, and the use of social media in developing creative industry products, as well as the forms of relationships built with MSMEs to develop creative industries.

The informants of this study were the Adorable Projects management and marketing team that carried out promotions related to marketing mix activities, promotion mix, use of social media, and forms of relationships built with MSMEs to develop creative industries. In addition, the subjects of this study were purposively selected vendors who have creative industries (products) in the field of women's clothing, shoes, bags and accessories, which were developed by the Adorable Projects management team located in Cimahi City.

To get comprehensive information, this research takes data purposively to customers who make purchase transactions. Data collection techniques used will be library research, interviews, and observations. The research instrument is in the form of questions asked by respondents.

III. FINDING

A. Marketing Mix in Developing MSME Creative Industry Products

Based on the result, the informant of this study was the Adorable Projects management team. The business types of research informants include women's clothing, shoes, bags and accessories products. The research question about the marketing mix is about the quality of products offered to consumers in terms of quality, benefits, and product models. In addition, the price determination was also asked to the informant.

Based on the research findings, in carrying out the product marketing mix, entrepreneurs consider what consumers want to get when they buy products, where the company maintains the quality of the product. Ways to maintain quality include selecting the right type of material, convenient for consumers, and good coloring techniques. In the marketing mix, entrepreneurs apply values that prioritize integrity, such as explaining the composition of products in accordance with reality, and affordable prices for customers.

In determining product prices, informants generally determine prices that are set according to the target market, and client orders. For example, informants determine prices according to the target age market, and prices are quite affordable. The results of the research on the price of Adorable projects generally set an affordable price, but the quality of products (shoes, bags, wallets, or clothes) are of good.

B. Promotion Mix in Developing MSME Creative Industry Products

The findings of the research on the promotion mix include that companies use word of mouth sales and marketing promotions. Sales promotions are often done to promote their products in the form of discounts. Sales promotion uses discounts, and the sample is intended to provide information that can attract consumer attention, encouragement that can be added value to customers, and so that consumers buy.

C. The Use of Social Media

Based on research findings, in conducting promotions, companies use social media in the form of websites, Facebook, and Instagram. The website is created as a place to convey product information, as a product of product promotion. The use of Facebook by companies is to share product information, motivation, to expand social networks. Besides Facebook, Adorable Projects also uses Instagram to market its products online. This is because consumers can see updates to their new and old products.

D. Relationship with Vendor

The findings of the study regarding relationships with vendors, informants suggested the importance of building relationships with vendors. The relationship is obtained through communication that takes place in a friendly manner, formed mutual trust, and a sense of responsibility. Good relations with vendors are obtained from satisfying cooperation between the two parties. Based on the experience of the informant, the relationship starts from getting to know

consumers personally. According to the informant, a good time to establish a relationship is at the beginning when the transaction takes place.

The informant also tried to get to know the vendor more closely through the discussion that was built in the selection of clothing materials, suitability of the model with the chosen clothing material, etc. This can strengthen the ongoing relationship between employers and vendors.

Communication that occurs between employers and vendors is used to inform, and persuade, so that vendors are willing to work together to produce products sold by the company. Based on the research findings, the research model is described in the following model.

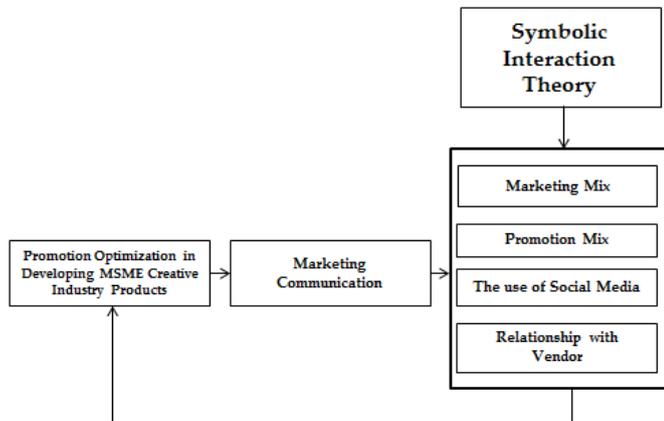


Fig. 1. Promotion optimization research model.

The research findings about the marketing mix, in accordance with Kasali's opinion, that the good quality products are products that are provided precisely for the intended market, thus satisfying consumers, and also increasing the company's long-term profits through increasing sales and increasing market share [8].

Pricing is chosen according to the goods sold. Consumers pay to buy products. Determining the price of a product will affect the success of the company to obtain profits [9].

The results of the research on companies use word of mouth sales and marketing promotions. Sales promotions are often done to promote their products in the form of discounts. This finding is in line with the opinion of Kotler and Keller¹¹, suggesting sales promotion is an activity that stimulates the occurrence of the action of buying a product quickly or the occurrence of purchases in a short time. Sales promotions, using discounts, sample products, are useful, among others, to provide product information, provide incentives for customers, and consumers make purchases [10].

Promotion carried out by entrepreneurs is carried out through various activities to build relationships with vendors as MSME entrepreneurs. In the midst of increasingly fierce competition, entrepreneurs are required to be creative in making products, so that entrepreneurs can develop the products of the MSME creative industry and the continuity of product availability remains stable. Thus, it is in accordance

with Kotler and Keller opinion that promotion is a means used by companies to inform, persuade, and remind consumers about the products they sell [11].

In order to maintain relationships with vendors, product providers need to master five elements, which are fast, precise, safe, friendly, and comfortable [16]. The company has a sense of responsibility, and customer expectations for the speed of service are enormous.

IV. CONCLUSION

First, entrepreneurs apply the marketing mix, by maintaining product quality, and at affordable prices. Second, in the promotion mix the entrepreneur uses sales promotion, word of mouth communication, and advertising. Sales promotions include discounts, and sponsorships at an event. Third, advertisements are presented on the website, Facebook, and Instagram. Fourth, the relationship between employers and vendors is formed because of mutual trust and responsibility.

REFERENCES

- [1] P. Sukiswanti, Jelang MEA. Iwapi Minta Pemerintah Beri Pelatihan, [Online], retrieved from <https://ekbis.sindonews.com/read/928405/34/jelang-mea-iwapi-minta-pemerintah-beri-pelatihan-1416819219>, accessed by 24 November 2014a.
- [2] S. Fatimah, Dua Pengusaha Muda Bersaing Jadi Ketua HIPMI Jabar, [Online], retrieved from <http://jabar.tribunnews.com/2015/08/15/dua-pengusaha-muda-bersaing-jadi-ketua-hipmi-jabar>, accessed by 15 Agustus 2015.
- [3] PRLM. "Perbankan Diajak Cari Peluang Pembiayaan ke UMKM", 22 Desember 2015a.
- [4] Metrotvnews.com, IWAPI Rayakan Ulang Tahun Ke-39. 10 Februari 2014.
- [5] Jabarnews.com. "Lebih Target, Jabar Sudah Cetak 129 Ribu Wirausaha Baru". 07 Mei 2018.
- [6] Tejakusuma, Potret UMKM Menghadapi Masyarakat Ekonomi ASEAN 2015, The 7th NCFB and Doctoral Colloquium 2014. Universitas Katolik Widya Mandala Surabaya. Surabaya. 2014.
- [7] P. Kotler and K. L. Keller, Manajemen Pemasaran. Jilid 2. Edisi kedua belas, Jakarta: PT Indeks. 2008.
- [8] R. Kasali, Modul Kewirausahaan untuk Program S1. Jakarta: Hikmah (PT Mizan publika). 2010.
- [9] H. Kartajaya, Bauran Pemasaran. Jakarta: Galia Indonesia, 2006.
- [10] T. A. Shimp, Komunikasi Pemasaran Terpadu dalam Periklanan dan Promosi. Terj. Harya B.S, dkk. Jakarta : Salemba Empat. 2014.
- [11] P. Kotler. Manajemen Pemasaran Edisi 12 jilid. PT Indeks. Jakarta. 2008.
- [12] K. Westberg, N. Pope, "Building brand equity with cause-related marketing: A comparison with sponsorship and Sales Promotion". Journal of Marketing Communications, vol. 20, tandfonline.com. 10 Desember 2014.
- [13] D. Juju and F. Sulianta, Branding Promotion With Social Network. Jakarta: PT Elex Media Komputindo, 2010.
- [14] S. Rahman, Internet Marketing. Jakarta: PT Elex Media Komputindo, 2012.
- [15] R. K. Yin, Studi Kasus (Desain dan Metode). Jakarta: PT. RajaGrafindo Persada. 2002.
- [16] E. Sugiarto, Psikologi Pelayanan Dalam Industri Jasa. Jakarta: PT. Gramedia Pustaka Utama. 2002.