Digital Marketing & Digital Entrepreneurship During Social Restriction Policy in Indonesia

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ABSTRACT

Although marketing and entrepreneurship are not new concepts, in times of social restrictions due to the pandemic generated by Covid-19, which has limited at least half of the world's population, marketing and entrepreneurship, such as MSMEs, have been significantly impacted. The intensity of consumers and the declining flow of goods and services resulted in a reduction in the income of business actors and a decrease in the flow of goods and services traded. This study discusses marketing and entrepreneurship in the era of social restriction policies. The research methodology uses a qualitative approach with a descriptive method. The results of the study show that the decline in marketing as a result of COVID-19 has caused entrepreneurs who are generally SMEs to transform into digital entrepreneurs by adopting digital technology and digital marketing. However, in this study, the authors also found that the process of transformation into a digital entrepreneur cannot be done without the support of the government through the promotion of digitalization of the entrepreneurial sector such as the entrepreneurship sector. In general, the conclusion from the entrepreneurial side is that businesses must grow according to consumer needs, namely where they want to go and under any conditions. This is where the need to transform marketing and entrepreneurship into digital entrepreneurship and digital marketing.

I. Introduction

The world is currently alert because of the spread of a new virus whose spread is increasingly massive. In 2019, this virus was first seen and identified in Wuhan, China (Muliati, 2020). This virus is known as Coronavirus (CoV), which is a member of a family of respiratory viruses that includes Middle East Respiratory Syndrome (MERS-CoV) and Severe Acute Respiratory Syndrome (SARS-CoV) (Ardiputra et al., 2020). The World Health Organization labeled the Corona Virus a worldwide pandemic at the start of March 2020. This worldwide pandemic or epidemic designation suggests that the transmission of COVID-19 is dynamic and has reached almost every part of the globe (Peace et al., 2020).

The pandemic of the COVID-19 virus not only threatens the health sector, but also the worldwide economic crisis. Using data from the World Economic Outlook for April 2020, the IMF forecasts that the global economy will contract by three percent this year (Arianto, 2020). However, if this pandemic ends in the second half of 2020 and economic activity returns to normal, the Indonesian economy is predicted to grow to 8.2 per cent, while the world economy will grow to 5.8 per cent (Mahriani, 2020). As for the impact felt for the business and industrial sectors, some of the growth experienced a minus and some experienced positive growth, so it can be said that the impact felt by the business and industry sectors was not all minus or losing. (Yamali & Putri, 2020).
Charles Darwin explained that in the process of natural selection: "It is not the strongest species that survives, nor is it the most intelligent. The most flexible and adaptable to the changes that persist", concluded the British biologist. In the context of a health emergency due to Covid-19, the Darwinian concept of resilience applies not only to humans but also to companies and entrepreneurs who are going through one of the most complicated stages in the last few decades (Hardilawati, 2020). Entrepreneurs are not always prepared for periods of economic crisis, but no doubt, none are prepared for the last few months' events. This has resulted in the paralysis of most activities due to the temporary or permanent closure of activities and decreased demand, resulting in high uncertainty levels and huge losses of human resources (Orinaldi, 2020).

Theoretically, marketing is a social process through which organizations and people receive what they need and desire via the development, offering, and free exchange of valuable goods and services with other groups and persons. So far, the significance of determining market demands to be met with products and services has been understood in the framework of mutual understanding and respect among businesses, customers, and society (Agustina et al., 2020).

Government Regulation 21 of 2020 about Large-Scale Social Restrictions was adopted in response to the Corona pandemic to restrict the movement of persons and products and force the public to remain at home if there is no urgent necessity to do so (Siagian & Cahyono, 2021). This also results in reduced company activities and fewer direct shoppers than regular days. With this, MSME players and entrepreneurs may adapt by launching an online store or conducting E-Commerce transactions. E-commerce is a method of selling, buying, and promoting things via electronic means (Irmawati, 2012).

In addition to performing e-commerce trade, MSME actors and entrepreneurs must communicate items intensely via digital marketing and social media to directly contact customers and decrease promotional expenditures (Maulidasari, 2020). Internet connections, social media, and other digital devices are used in digital marketing. Digital Marketing assists businesses and entrepreneurs in promoting and marketing their goods and expanding into new markets that were previously closed or restricted due to time, location, and communication constraints (Ferbriyantoro & Arisandi, 2018).

Changes in sales methods, which were initially able to sell directly, now business actors are required to be able to combine their abilities and skills to create online and offline marketing methods. The sales sector will inevitably turn into online sales. When selling products online, business actors must be familiar with digital technology marketing methods (Arianto, 2020b). Given the conditions of this pandemic, which requires everyone to use information technology in various sectors of life, due to restrictions on interaction between individuals to break the chain of the spread of the coronavirus. The use of digital technology in meeting needs cannot be denied, and all treatment has shifted to digital. The interaction between humans and technology is inevitable. All fulfilment of needs is available digitally, from buying and selling services to payment transactions (Santoso, 2020).

Covid has accelerated digital transformation in all sectors. Also, in marketing. Many companies and MSMEs have stepped up their digital messaging to take advantage of consumers' increasing use of electronic devices. This has been a radical leap where "webinars have played a fundamental role in sharing knowledge and welcoming other industry experts to share ideas. The focus should be on value creation, even though our current intention is to "sell, sell, sell". Risk lurks both for large companies, which may be too slow to react, and for many smaller companies, who will die because they do not have sufficient resources to make sharp changes in their marketing strategy. Developing a marketing strategy nowadays is not easy as there is no stability in the market, and a long-term approach cannot be planned. People will not want to buy a new car or product because
they fear their wallets will be damaged in the coming months. However, this will affect the demand chain if people cannot buy what can be advertised.

II. Method

The qualitative research approach was applied in this study. Qualitative research methods stress in-depth comprehension of an issue rather than looking at the problem for generalization study. Because qualitative approaches think that the nature of one issue will vary from the nature of other problems, this research method chooses to utilize in-depth analytical procedures, meaning investigating problems on a case-by-case basis. According to (Semiawan, 2010), qualitative research techniques are best for capturing human perspective since they need direct interaction and an open mind. Humans may perceive and comprehend something via inductive processes and symbolic exchanges. This research utilized participatory observation with an exploratory phase, namely using one of the suggested qualitative data gathering procedures to generate descriptive data. Secondary data is information gathered from already existing sources. Secondary data sources include firm records or paperwork, government documents or publications, media industry analyses, websites, and others (Sekaran & Bougie, 2011).

III. Result and Discussion

A. Marketing

It can be said that marketing studies human behaviour, needs, and desires to offer products and services that enable them to appear in everyday life (Fatihudin & Firmansyah, 2019). Similarly, Indrasari (2019) conceptualizes marketing as the process of planning and executing ideas, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals. The author comments that marketing is an organizational function that seeks to provide value to customers in a way that benefits organizations and interest groups.

Kotler and Armstrong (2012) state that marketing is a social and administrative process by which individuals and organizations obtain what they need and want by creating and exchanging value with others. However, since the evolution of the Internet, companies and entrepreneurs are expanding their business, thanks to technology, which is why they have to adapt to changes and generate and develop business strategies that include digital marketing tools (Christina et al., 2019).

According to Sahir et al. (2020), traditional companies should migrate their business to have an internet presence, and entrepreneurs should consider this type of strategy when creating a business. In this sequence of ideas, companies must adapt to technological advances to gain more profitability, where they must: Identify target market profiles, define the best search engine optimization strategy (SEO Search Engine Optimization), Search Engine Marketing (SEM Search Engine Marketing), e-mail and social networks to attract visitors. Thus, customer loyalty is achieved (Parinduri et al., 2020).

Marketing is a tool that helps position a product or brand within the market. The quality gives the value of the product, but the company must use marketing to make the product more attractive to the customer and buy it; the perception that a product is in the mind of the customer is what is known as positioning in the market, where they offer that the company gives to the customer is the first choice chosen in its class, concerning competition (Mulyana, 2019).

B. Digital Entrepreneurship

Entrepreneurship is the practice of taking advantage of possibilities with minimal resources. Entrepreneurial resource fulfillment incorporates creative and inventive thinking as tools for dealing with life's issues (Permadi et al., 2018). Digital entrepreneurship is a subtype of entrepreneurship in which existing businesses that are physically active are accelerated into new forms of company in the digital age, both in terms of product, distribution, and location. Digital entrepreneurship is also an attempt to create new company prospects by using new media and internet technologies (Arianto, 2020b). Hendarsyah (2020) defined digital entrepreneurship as an attempt to capture market share and profitable business possibilities while striving to be inventive, radical, and risk-takers. Digital entrepreneurs, according to Hayati and Caniago (2019), are agents who utilize digital technology to carry out commercial or social activities in both government and industry.
Entrepreneurship is usually defined as Micro, Small, and Medium Enterprises (MSME) (MSMEs). Article 6 of the MSME Law No. 20 of 2008 specifies the parameters for each company size. The maximum net value for micro-businesses is IDR 50,000,000, excluding land for developing the firm. The yearly sales revenue cap is IDR 300,000,000. The net value of a small business must be more than Rp. 50,000,000.00, with a maximum of Rp. 500,000,000, excluding land and buildings for commercial premises. Have yearly sales of at least Rp. 300,000,000 and up to Rp. 2,500,000,000. The qualifications for medium-sized firms include a net value of more than Rp. 500,000,000 to a maximum of Rp. 10,000,000, excluding commercial land and structures. Have yearly sales of at least IDR 2,500,000,000 and up to IDR 50,000,000,000 (Agustina, 2015).

Saving MSMEs amid the Covid-19 epidemic requires the creation of digital-based MSMEs. Businesses that use information technology fall within the purview of digital entrepreneurship. This digital entrepreneurship was represented in Arianto’s (2020b) study; digital entrepreneurship is a firm that uses the complexity of digital technology, both processes and product marketing. Digital entrepreneurship encompasses any enterprises that offer online items, whether via websites or apps. The usage of e-commerce apps and social media in digital marketing extends into the field of digital entrepreneurship. The simplicity of adopting social media for digital entrepreneurship was expressed in the study of Kusuma et al. (2020), who discovered that online entrepreneurship does not need business actors creating their own apps. Existing apps may be used to operate enterprises. The method of internet entrepreneurship is simple and quick to implement.

The concept of digital entrepreneurship offers solutions and convenience in obtaining goods and services and does not require a lot of promotion and rental costs. However, implementing this digital entrepreneurship system requires not only one or two capital skills in the technology field. However, it must also be supported by the power of innovation and creativity in the form of technological innovation in the creativity and knowledge of business actors. This means that creative ideas are needed in carrying out digital entrepreneurship. A new ecosystem will be created in MSMEs with a digital entrepreneurship model. Creating innovations for MSMEs increases the productivity and welfare of the MSME business community. The new nuances of MSME digital entrepreneurship will motivate the use of technology in product marketing networks and expand the existence of MSMEs in the digital world.

Digital entrepreneurship in MSMEs during this pandemic was an effort to recover the Indonesian economy. Economic activities through the digitalization of MSMEs are a form of community economic recovery during a pandemic which has a major impact on the business's continuity. The Covid-19 pandemic requires every business actor to innovate. The digitalization of MSMEs is a form of the government's efforts to revive the slumped economy caused by the Covid-19 pandemic; in this case, MSMEs as the affected sector. The government advises MSME business actors to innovate and start adopting and getting to know the digitalization system in MSMEs. This is beneficial for the continuity of the business being carried out considering the current condition of product marketing which cannot be done with a direct marketing system but has undergone a change in the marketing paradigm, namely using digital media in introducing, as well as selling business products to consumers. Savings in terms of costs are felt by the use of digital MSMEs as well as efficiency in the workforce. Efficiency will be felt by utilizing digital entrepreneurship, both labour efficiency, space rental efficiency, production efficiency, and promotion cost efficiency.

C. Digital Marketing as an effort to save Entrepreneurship Amid Social Restrictions

Slowing economic development as a result of the Covid-19 epidemic has given rise to new concepts for business actors with government assistance to implement product marketing tactics with a different paradigm. Slowing MSMEs' growth and development has resulted in poor economic growth and a fall in people's buying power, resulting in an inability to satisfy their demands. MSMEs' sustainability is restricted since it is dependent on the turnover rate of products, services, and people. In response, the government is implementing laws to ensure the long-term viability of MSME enterprises. According to Marlinah’s research (2020), the Indonesian government, through the ministry of cooperatives and small and medium enterprises, supports the use of electronic trading systems or e-commerce as a marketing solution for cooperatives and micro, small, and medium enterprises (MSMEs) during the Covid-19 pandemic. 19.

E-commerce has a significant impact on MSME company players' marketing performance and revenue. The execution of Large-Scale Social Restrictions (PSBB) issued by the government with
PP No. 21 of 2020 is designed to restrict people's mobility, requiring them not to leave their houses unless there is an urgent necessity to do so. This limitation will have an effect on MSME actors' ability to manage their enterprises since customers' buying habits are declining. This may be used by business actors to start an internet company by selling via e-commerce. This is an electronic marketing technique. Business actors must be able to convey items extensively using a digital marketing product marketing system in addition to employing e-commerce. Using social media to engage customers and reduce promotional expenditures via digital marketing might assist business actors in selling their goods. It has the potential to extend the reach of product promotion to previously inaccessible places owing to limitations distance time and communication channels.

The application of digital marketing is certainly not as easy as imagined considering that MSME actors are also scattered in remote villages. Many people with low levels of education as business actors have difficulty implementing digital marketing on social media because many people in remote areas are still lacking and unfamiliar with platforms commonly used in e-commerce or digital marketing. The results of research conducted by Andayani et al. (2021) show that MSME actors need a strategy to deal with the Covid-19 pandemic. Strategies that can be done by doing online marketing. However, in its implementation, online marketing is often faced with obstacles from MSME actors who do not fully understand how to market products digitally and product publications on digital platforms. Looking at the results of this research, we can understand that users, in this case, business actors, must be able and have skills accompanied by their knowledge and understanding in bringing out the creative power of product marketing using digital media. Some of the possible techniques that can be described here are that business actors must have the ability to be creative in describing properly and accurately describing the products offered, generating positive messages to consumers, and compiling content as attractive as possible. Preparing messages in digital media needs to be supported through posters, videos and testimonials from endorsers. Each digital media user has a different delivery message style. A combination of knowledge and creativity is required in digital media. In addition to the arrangement that must be able to be packaged as attractively as possible, it is also necessary to consider the actualization of the message. Then it is easy to accept because it is packaged as naturally as possible in a unique, clear message package, does not cause ambiguity, and the message is easy to understand.

The use of digital media requires user understanding in selecting the right and synchronous media according to their marketing needs. Business actors must understand the character of their consumers, for example, what digital media is used to allocate what kind of advertisements. Which media to choose and the market segmentation to be interacted with as well as to which market segmentation, as well as which message model to use needs to be observed by business actors in using digital media so that they are right on target in their intended use and purpose. The use of messages in marketing needs the right selection, timing, and language selection also considers market segmentation audiences and needs to design the right format in the marketing process with digital media so that marketing messages are effective and efficient. This is in line with what was stated in the research of Pasaribu (2020) that the message-making process must be considered carefully. The goal is to attract consumers to accept the message, decide to buy, and hope to be loyal to the product launched.

The combination of knowledge and skills of business actors to create creativity in digital marketing is needed today. Digital media can be used as the main tool businesses choose to communicate their products to consumers, even before the Covid-19 pandemic. This paradigm shift in marketing methods forces business actors to become familiar with digital marketing media packaged in creative marketing models to be understood and desired by consumers from the sales promotions delivered. The results of interviews with several MSME business actors stated that some said that digital marketing was not always effective, and some business actors said that it did not guarantee that their products sold or were able to increase consumer purchasing power. Several business actors said that they had not utilized digital marketing media optimally, especially business actors in remote areas. Some of them feel that marketing effectiveness is more pronounced than when they do face-to-face marketing communications or are usually done directly interacting with consumers. This pandemic condition forces and requires business actors to start familiarizing themselves with information technology through digital marketing in marketing their products. Several other business actors said that using digital marketing helped them in marketing their products and needed good creativity in delivering messages. This change in the marketing paradigm
provides new nuances and experiences for MSME business actors. However, among the obstacles, of course, there are also benefits to the business world during the economic downturn during the Covid-19 pandemic through the use of digital media. Optimizing online media during this pandemic is a way of luck in saving the continuation and sustainability of the people's economy by saving the fate of MSMEs.

To be successful in marketing with digital media among people who still struggle to coexist with the world of information technology, the government's role and participation are required here to promote digitalization literacy in marketing for MSME business actors so that they will later have the habit and be familiar with the use of digital media. During this epidemic, the government has carried out digital technology literacy initiatives in marketing in the form of assistance, training for MSME business players, and government support for the achievement of the MSME digitization program. Improvement of digital infrastructure is the primary key to the growth of MSMEs, in addition to those backed by the Job Creation Law, which is seen favorably by MSMEs. The government must also continue to advocate for the importance of digital infrastructure by supporting the Proudly Made in Indonesia National Movement Program, which aims to increase people's appreciation for local goods. We can see from the government's initiatives for information technology literate business actors in digital marketing that it is time for MSME players to embrace digital usage in building their business units.

IV. Conclusion

The world continues to change, so entrepreneurs and SMEs must develop and not be left behind. This is why digital marketing puts entrepreneurs at the forefront when advertising and displaying their products or services. There needs to be a transformation of entrepreneurs into digital entrepreneurs who adopt digital marketing strategies for business continuity amid this COVID-19 pandemic. Because of the existence of social distancing or physical distancing, which requires someone to keep their distance and avoid crowds, which essentially has to stay at home, which aims to reduce the spread of the COVID-19 virus so that people will switch and be interested in buying something online, creative ideas and inventions (innovations) are important components that follow business actors in running digital entrepreneurship. These numerous economic options, if pursued, have the potential to alleviate unemployment by absorbing a large number of people. As a result, it may assist the government in creating employment, meeting community needs, and reducing social inequality. To be successful in marketing using digital media among people who still struggle to coexist with the world of information technology, the government's role and participation are required here to promote digitalization literacy in marketing for MSME business actors so that they will later have the habit and be familiar with the use of digital media. During this epidemic, the government has carried out digital technology literacy initiatives in marketing in the form of assistance, training for MSME business players, and government support for the achievement of the MSME digitization program. Improvement of digital infrastructure is the primary key to the growth of MSMEs, in addition to those backed by the Job Creation Law, which is seen favorably by MSMEs.

References


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