

Promotion Strategy And The Impact Of Covid-19 On Msme (Micro, Small And Medium Enterprises) In Lubuklinggau

Ronal Aprianto, Sardiyo, Suwarno, Astri Riance, Ade Famalika, Tasya Ayudiah Salsabila

Faculty of Economics and Business, Universitas Bina Insan

ronal.gbs@gmail.com, sardiyo@univbinainsan.ac.id, suwarno221273@gmail.com, astridriance@univbinainsan.ac.id, adefamalika@univbinainsan.ac.id, Salsabilatasyaayudiah@gmail.com

Abstract

The problem in this research was how the impact of covid-19 on micro, small and medium enterprises at food and beverage industry in Lubuklinggau and how to overcome the impact of covid-19 on micro, small and medium enterprises at food and beverage industry in Lubuklinggau . This study uses qualitative methods, data collection technique by using observation, interviews and documentation. This study aims to determine the impact and how to overcome the impact of covid-19 on micro, small and medium enterprises in Lubuklinggau. The results of research and discussion conducted on several micro, small and medium business in Lubuklinggau, almost all of the micro, small and medium enterprises have felt the impact of the COVID-19 pandemic, such as decreased sales turnover and they need appropriate promotion strategies to increase their income .

Keywords

Impact of Covid-19, MSME,

1. Introduction

Economy is one of the important factors in human life. It can be ascertained in everyday human life, and human always related to the economy. The existence of the economy can provide opportunities for humans to fulfill their life needs such as food, drink, clothing, shelter, and so on. Since its appearance in December 2019, the Covid-19 pandemic has had a very serious impact on almost all aspects of human life on earth, especially in the economic sector. Based on these problems, researchers have an interest in researching what are the impacts of Covid-19 on the economy. On a macro basis, changes in aggregate demand and supply will affect the level of economic activity in a certain period which in turn will also affect national income or national production (GDP- Gross Domestic Product). One of the indicators, whether the economy is good or bad in an area it can be looked at the level of economic growth.

Economic growth in a region will depend on several things including the amount of investment, consumption or public demand, and government spending. As an illustration, if there is an increase in government spending, it will encourage the creation of new job opportunities which in turn will cause people's income increase. If people's incomes increase, it will affect the demand for goods and services increases. This will encourage producers or companies to produce more goods and services and then there will be an increase in national output. So, the higher the economic growth, the higher the level of economic activity, it means the more prosperous people in that area . (Maryanti, Netrawati, & Nuada, 2020).

The impact of the Corona virus outbreak (Covid-19) is not only detrimental to the health side. In fact, this virus has also affected the economies countries around the world, including Indonesia. The global economy has experienced a decline, following the determination of the WHO which declared the Corona outbreak a pandemic that affects the business world. The corona virus began to spread around the Wuhan area and has now infected more than 100 countries. The spread of the corona outbreak to various parts of the world is a serious threat to the global economy. "The wider spread will prolong the period of economic downturn". The biggest impact is on the production, distribution, and consumption processes due to the level of virus transmission that attacks fundamental aspects all human activities, forcing the government to implement social/ physical distancing policies. A total of 13 countries including China, Italy and Japan have closed schools across the country in a bid to stop the spread of the virus.

Covid-19 is a disease caused by the SARS CoV-2 virus and has symptoms similar to the common cold, which can progress to severe illness and pneumonia (Pneumonia), causing difficulty breathing. The World

3. Literature Review

3.1 Impact

The definition of impact according to the Big Indonesian Dictionary is a collision, an influence that has both positive and negative consequences. Influence is the power that exists and arises from something (people, things) that help shape a person's character, beliefs or actions. Influence is a condition where there is a reciprocal relationship or causal relationship between what affects and what is affected (Suharno, 2014). Impact is a strong influence of a person or group of people in carrying out tasks in their position. This big and strong influence will later bring about change, be it changes in a positive direction or in a negative direction (Danil, 2019). Impact can simply be interpreted as an effect or effect. In every event that occurs, this is the corona virus pandemic that is currently engulfing Indonesia, especially in Lubuklinggau. (Suharno, 2014). From several understandings of impact, the researcher concludes that impact is an influence that brings positive or negative consequences that have a large and strong influence in every event that occurs.

3.2 COVID 19

Coronavirus or also known as the corona virus is a large family of viruses that cause mild to moderate upper respiratory infections, such as flu. Many people are infected with this virus, at least once in their life. (Fadli, dr. Rizal, 2021). Indonesia is one of the positive countries for the corona virus (Covid-19). The first cases that occurred in Indonesia were experienced by two residents of Depok, West Java. This was announced directly by President Joko Widodo at the Presidential Palace, Jakarta on Monday, March 2 2020. According to Mr. Joko Widodo, the two residents are a 64-year-old mother and her 31-year-old daughter. Both are suspected of contracting the corona virus due to contact with Japanese citizens who came to Indonesia. The Japanese citizen was detected by Corona after leaving Indonesia and arriving in Malaysia. The Ministry of Health (Kemenkes) team conducted a search on other residents who previously interacted with the Japanese citizen while in Indonesia. According to the Ministry of Health, the child is estimated to have contracted the corona virus 2 while dancing with a Japanese citizen at a club in Jakarta on February 14, 2020. The Secretary of the Directorate General of Disease Prevention and Control of the Ministry of Health Achmad Yurianto (Yuri) said that the number of people who attended the event was 50. person. On February 16, 2020, the child complained of coughing and was a bit hot, then went to the doctor. After the incident, the Ministry of Health attempted to track everyone who danced at the event. (Pranita, 2020).

Coronavirus infection is caused by the corona virus itself. Most corona viruses spread like other viruses in general, through splashes of infected people's saliva (coughing and sneezing), touching the hands or face of an infected person, touching the eyes, nose, or mouth after handling items that have been splashed with infected saliva and feces or feces (rare). Especially for the incubation period is not known for certain, but on average symptoms appear between 2-14 days after the first virus enters the body. Meanwhile, the method of transmission of COVID-19 is also not known with certainty. Initially, the Covid-19 type of corona virus was thought to have originated from animals. The COVID-19 coronavirus is a virus that circulates in several animals, including camels, cats and bats. (Handayani & Halodoc, 2020)

3.3 Micro small and Medium Enterprises

Industry is an economic activity that processes raw materials, raw materials, semi-finished goods, and or finished goods into goods with a higher value for their use, including building design and industrial engineering activities. Industrial groups are the main parts of industrial activities, namely upstream industrial groups or also called basic industrial groups, downstream industrial groups, and small industrial groups. While the industrial branch is part of an industrial group that has the same general characteristics in the production process on a micro basis.

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In its development perspective, micro, small and medium enterprises (MSMEs) are the business groups that have the largest number. In addition, this group has proven to be resistant to various kinds of shocks from the economic crisis. So it is imperative to strengthen the micro, small and medium enterprise groups that involve many groups. Micro, small and medium enterprises are the main players in Indonesia's economic activities. The future of development lies in the ability of SMEs to play an important role in economic development and growth. In general, micro MSMEs have the following roles in the national economy, the largest companies, play an important role in local economic development and community empowerment, create foundations and new innovations and contribute to the balance of payments. (Cooperation Department). In addition, micro, small and medium enterprises also play an important role, especially in providing employment and sources of income for the poor, income distribution and poverty alleviation, micro, small and medium enterprises also play a role in rural areas for Economic grow.

3.4 Promotion

According to the Big Indonesian Dictionary, promotion is an introduction in order to advance a trading business. General Indonesian Dictionary: 2005). Promotion is one type of communication that is often used by marketers. As one element of the marketing mix, sales promotion is an important element in product promotion activities. In essence, promotion is a form of marketing communication, marketing communication is a marketing activity that seeks to disseminate information, influence / persuade, and / or remind the target market of the company and its products to be willing to accept, buy and be loyal to the products offered by the company concerned. . (Fandi Tjiptono: 2008)

4 Methods

This research carried out at Department of Cooperatives and SMEs in Lubuklinggau and SMEs in food and beverage sector in Lubuklinggau. This study used qualitative research methods. Conclusions regarding the impact of covid-19 on MSMEs in Lubuklinggau using the case study method. In qualitative research there were several stages, namely the description stage or orientation stage, the reduction stage, and the selection stage. The source of data in this study was adjusted to the type of data collected. So based on this, the data sources in this study were primary and secondary data. In analyzing the data obtained from the data, both primary and secondary, the research method used was qualitative descriptive analysis method with a fixed comparison method, because data analysis was constantly comparing categories with other categories. As for obtaining clear data and in accordance with the research problem, the researchers visited the research location and obtained data from respondents including the Head of Service, Secretary, Head of Cooperative Empowerment and Development, Head of Cooperative Empowerment and Development and Small and Medium Enterprises in Lubuklinggau and business actors. Micro, Small and Medium Enterprises in Lubuklinggau City that have SIUP & SITU permits, have at least 2 employees and who are willing to be interviewed by researchers totaling 11 MSMEs, they were Mie Ayam Watervang, Mie Ayam Putra E, Meatball Solo Tershadowed, Bakso Len, Seafood 21 Lubuklinggau, Happy Solo Meatballs, Fenny Pempek, Kito Kitchen Chicken Noodles, Twins Kitchen, Juanda Medan Grilled Fish and Cousin Restaurant. With a description of the interview questions as follows;

- 1) What are the impacts of COVID-19 pandemic on your business?
- 2) How do you deal with the effects of the COVID-19 pandemic?
- 3) How is the implementation of the promotion strategy done?
- 4) What forms of promotion have you carried out?
- 5) For sales in each month, does it continue to increase or decrease?
- 6) What were your strategy in maintaining customer loyalty

5 Data Collection

The data collection techniques used in this research were:

a. Field Study

Field Study referred to an effort to obtain direct data in the form of documentation from authorized government agencies related to micro, small and medium enterprises. It done by the author because it was likely that not all the data needed can be obtained or available in written form (library), in this case it can be done by interviewing business people who are affected by the COVID 19 pandemic that hit Lubuklinggau.

b. Literature Study

Literature study was the most important thing where a researcher has found the object to be studied, the next step was to conduct studies related to the object of research. In this case the author seeks as much information as possible from the relevant literature. The sources themselves can be obtained from books, articles, magazines, research results and other sources (newspapers and the internet). Library materials that can be obtained in the form of soft copies were usually obtained from sources on the internet that can be obtained online.

6 Results and Conclusion

6.1 Result

a. First Focus

Promotion was a determining factor for the success of marketing process for both products and services. Promotion was an activity carried out by business actors to promote, introduce, publish their products so that they can be accepted by the public. Regardless of the quality of a product, if consumers do not know or do not listen to the product and do not believe that the product was useful for consumers, then the consumer will never buy it. Promotion aims to introduce, promote a product or service to the public in order to influence consumers so that they were interested and buy the products offered, without promoting the producers do not expect if the products they produce were not known by the wider community. Therefore, promotion is one of the most powerful and effective ways to introduce, disseminate products or services offered by producers to consumers. One of the goals of MSMEs conducting promotional activities is to inform all types of products offered and try to attract new potential customers.

Promotion has an important role in marketing a product or service so that consumers are interested and make a purchase of the product, in the results of interviews conducted with Micro, Small and Medium Enterprises actors stated that their promotion is still very simple through print media such as banners or newspapers and promotions done online such as through Facebook, Grabfood and so on. In a competitive era, promotion strategies must be applied in a company or micro, small and medium enterprise that can later generate the desired profit or profit that was obtained optimally. Success in implementing marketing strategies in an MSME to increase sales that had been previously expected, MSMEs must be effective and efficient in implementing the marketing strategy itself so that it runs as expected. The seven research sites for Micro, Small and Medium Enterprises, namely Mie Ayam Watervang, Mie Ayam Putra E, Meatball Solo Terbayang, Meatball Len, Meatball Solo Gembira, and Seafood 21 Lubuklinggau in this study some of the micro, small and medium enterprises have implemented a promotional strategy

b. Second Focus

Impact was a strong influence of a person or group of people in carrying out tasks in their position. This big and strong influence will later bring about change, be it changes in a positive direction or in a negative direction (Danil, 2019). Micro, Small and Medium Enterprises were productive businesses owned by individuals or business entities that have met the criteria as micro-enterprises. Micro, Small and Medium Enterprises are also economic activities that process raw materials, raw materials, semi-finished goods, or finished goods into goods with a higher value for their use, including building design and industrial engineering activities. Micro, Small and Medium Enterprises are independent productive economic enterprises carried out by individuals or business entities that were not subsidiaries or branches of companies that were owned, controlled, or become a part, either directly or indirectly, of micro, small and medium enterprises that meet the criteria.

The impact of the COVID-19 pandemic on MSMEs in Lubuklinggau was experiencing a decrease in turnover, low sales, reducing the number of existing employees and some of MSMEs in Lubuklinggau experiencing permanent business closures.

6.2 Conclusion

From the results of research on several MSME in Lubuklinggau, only some of MSME have implemented promotional strategies for their businesses and almost all MSMEs have felt the impact of the Covid-19 pandemic, such as declining turnover and having to reduce the number of employees.

7. Suggestion

It is hoped that Micro, Small and Medium Enterprises actors can implement promotion strategies, so that the public can know that there were MSMEs, and with a good promotion strategy it will help business actors to increase their sales and stay keep their existency during this COVID-19 pandemic

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