



INNOVATIVE: Journal Of Social Science Research

Volume 4 Nomor 3 Tahun 2024 Page 11701-11706

E-ISSN 2807-4238 and P-ISSN 2807-4246

Website: <https://j-innovative.org/index.php/Innovative>

## Less Contact Economy Through Digital Marketing In The MSME Industry

Lady Diana Warpindyastuty<sup>1✉</sup>, Niken Herawati<sup>2</sup>, Aris Hidayat<sup>3</sup>, Syahril Addin<sup>4</sup>

Management Study Program, Faculty Of Economics And Business,

Bina Sarana Informatika University

Email : [niken.nhr@bsi.ac.id](mailto:niken.nhr@bsi.ac.id)<sup>1✉</sup>

### Abstrak

Realitas aktual perekonomian Indonesia saat ini, salah satunya adalah rendahnya daya beli akibat pasca pandemi COVID-19. Ketika pemasaran tradisional memerlukan interaksi fisik sebagai wujud aktivitas ekonomi, maka pada masa pandemi interaksi fisik sangat terbatas, itupun harus memperhatikan protokol kesehatan dengan cermat. Di sisi lain, harus diakui bahwa industri UMKM menjadi salah satu sektor ekonomi yang terdampak pandemi, meski sebenarnya sektor tersebut mampu bertahan dalam suasana krisis. Pemasaran produk industri UMKM cenderung konvensional, sehingga masa pandemi dirasa menjadi penghambat proses bisnis yang aktif dan dinamis di industri tersebut. Strategi keluar harus disusun agar aktivitas perekonomian khususnya di sektor UMKM secara bertahap dapat kembali normal dan diharapkan tumbuh pesat. Salah satu caranya adalah dengan menerapkan less contact economy, dimana transaksi ekonomi tidak lagi dilakukan dengan interaksi fisik yang masif dan intens, melainkan dengan wahana yang dimediasi oleh instrumen teknologi.

Kata Kunci : *Less Contact Economy, Pemasaran Digital, Industri UMKM*

## Abstract

The actual contemporary reality of the economy in Indonesia, one of which is low purchasing power as a result of the post COVID-19 pandemic. When traditional marketing requires physical interaction as a manifestation of economic activity, during the pandemic physical interaction is so limited, and even then it must carefully pay attention to health protocols. On the other hand, it must be recognised that the MSME industry is one of the economic sectors affected by the pandemic, even though the sector can actually survive in a crisis atmosphere. The marketing of MSME industry products has tended to be conventional, so that the pandemic period is felt to be an obstacle to the active and dynamic business processes in the industry. An exit strategy must be developed so that economic activities in the MSME sector, in particular, can gradually lead to normal reality and are expected to grow rapidly. One way is to implement a less contact economy, where economic transactions are no longer with massive and intense physical interactions, but with a vehicle mediated by technological instruments.

Keywords : *Less Contact Economy, Digital Marketing, MSME Industry*

## INTRODUCTION

Today, the world is changing after the shock of the pandemic. The COVID-19 pandemic has had a significant impact on humanity's entire way of life. For example, in the economic field, the reality is that the purchasing power level of society has fallen significantly, weakening exports and investment. This can mainly be explained by the fact that physical and economic contacts are very limited. Governments are finally encouraging the creation of economies that minimize physical contact. Bambang Sumantri Brodjonegoro, Minister of Research and Higher Education, said this during the Covid-19 pandemic.

We need to develop an economy that reduces contact with other people. Low-contact economies can reduce the spread of coronavirus at the expense of high-contact economies where people gather, such as in traditional markets.

In the past, micro, small and medium enterprises (MSMEs) have managed to survive in uncertain economic conditions. uncertainty in economic conditions; Moreover, it has the potential to become an area of economic recovery amid the currency crisis that has hit our country. Currently, the micro, small and medium enterprise sector has been hit hard by the coronavirus pandemic, which no one knows when it will end. Especially during this pandemic, even in the pre-pandemic situation, the main challenge faced by MSMEs was commercializing their models using traditional methods.

This standard requires high costs: The need to open new branches, participate in exhibitions, distribute brochures, display exhibition posters, etc. This is currently possible only to a very limited extent, so a representative marketing approach is needed in this context. The real problems facing small and medium-sized businesses today are spatial

conditions that do not support traditional marketing due to the COVID-19 pandemic, and technological marketing itself. Therefore, the economic movement supported by small and medium-sized enterprises is an active movement that relies on a small number of contacts. At this time, the economy that fits the concept of reducing contact is the digital economy through e-commerce platforms. A minimal contact economy must have the infrastructure and capital for a payment system.

That way, the MSME industry can survive and even grow as one of the pillars of the national economy after this global pandemic. The MSME Industry Association is one of the MSME industrial units affected by the Covid-19 pandemic. An association that independently develops its business starting from the process of providing raw materials, production, to marketing. However, the results obtained were not optimal. The aim of this research is to describe how digital marketing techniques are used in marketing MSME products. Apart from that, we are also looking for efforts to optimize digital marketing techniques in the MSME industry.

## RESEARCH METHODS

The qualitative descriptive method is the method for analysis in this research. A qualitative descriptive approach is a type of research that conveys a complete picture of the social situation or the relationship between the phenomena being studied. Through this qualitative method, the author can obtain an in-depth picture of the opinions, writings and behavior that can be observed from a particular individual, group, community, organization in a particular context setting which is studied from an overall, comprehensive and holistic perspective.

The operationalization of this research is as follows: 1. With the informant criteria. With the informant criteria as written above, data collection is carried out related to the use of digital media for marketing the association's MSME products. 2. Identification of use includes what types of digital media are used, how the product presentation techniques are (for example, what kind of photos/images) what kind of packaging techniques, the frequency of use of digital media (for example, whether the content is updated with the latest photos/information regularly) and other aspects that are considered relevant. 3. Identify which digital media provides the best feedback to members of the MSME community.

All incoming data is classified based on existing reality, showing real and natural categories. All incoming data is categorized based on existing realities, reflecting realistic and rational categories applied by MSME stakeholders. Of course, conclusions can be drawn from this data analysis to provide opinions/suggestions, ultimately leading to greater

confidence regarding how digital media can be appropriately applied and contribute to SME marketing.

## RESULT AND DISCUSSION

We must realize that digital technology has changed the way people communicate, behave and make decisions. In the world of marketing, the influence of digital communication and information technology is very important. Digital marketing terminology and terms change over time. Initially digital marketing was the activity of marketing goods and services using digital channels, but since then it has been understood more broadly to include attracting customers or consumers, building consumer preferences and development processes, promoting brand strength, maintaining customer loyalty and increasing sales volume.

Basically, the term digital marketing comes from the internet and search engines on websites. When the use of the internet medium expanded rapidly in 2001, the market share was tightly dominated by corporations such as Google and Yahoo as search engine optimisation (SEO) systems. The use of internet search grew in 2006 and in 2007 the use of mobile devices increased dramatically which also increased the use of the internet and people from all over the world began to connect with each other through social media (Khan,2013).

The definition of digital marketing according to the American Marketing Association (AMA) refers to activities, institutions, and processes that are facilitated by digital technology to create, communicate, and provide value to consumers and other interested parties (Kannan, 2016). Digital marketing also includes marketing activities using internet media. The internet is a very influential tool in the business world. The internet has the following characteristics: 1. Interactivity, the ability of technical tools/devices to facilitate communication activities between individuals, for example face to face. The communication process is very interactive, allowing participants to communicate more precisely, effectively and satisfactorily. 2. Demassification, communication messages can be easily exchanged on a large scale with the participants involved. 3. Asynchronous communication and information technology has the ability or capability to send and receive messages at the desired speed of each participant. Practical social media allows business people (especially MSMEs in this case) to reach consumers and develop more private/personal relationships.

Social media has opened the door for businesses to communicate with millions of people about their products and created new marketing opportunities. Learn about your product and create new marketing opportunities. In practice, there are several social

networks that are "exploding", namely Whatsapp, Instagram, Twitter, Line, Telegram, Facebook, Youtube and others. Each user definitely has different motivations for using social media. For example, the motivation is simply to communicate with other parties, seek new knowledge, share certain information. Maybe you also follow the current trend of using social media as a form of digital self-existence. Individuals who want to be known to the wider public through social media usually use open social networks such as Instagram, Facebook, Line or Twitter. However, social media can also be an important tool in marketing certain products. This is a way to sell with marketing funds in digital mode or cyber mode.

Today, this is increasingly becoming a necessity, which is why traditional advertising and marketing based on direct interactions is becoming increasingly powerful. According to law no. 20 of 2008 concerning Micro, Small and Medium Enterprises, MSMEs are defined as productive economic activities of a self-sufficient nature carried out by individuals or companies that are not subsidiaries or branches of companies owned, controlled or controlled. is a direct or indirect part of a medium or large company and meets the following criteria: net worth between IDR 50 million to IDR 500 million, excluding land and buildings where the company is located, or annual turnover between IDR 300 million and IDR 300 million IDR 300 million to IDR 2 .5 billion ( Wardana, 2015).

Meanwhile, micro businesses are productive businesses owned by individuals or individuals who meet the criteria: maximum net worth of IDR 50 million or maximum turnover of IDR. 300 million per year. Finally, medium businesses are independent productive economic activities carried out. Individuals or individual legal entities who meet the criteria: maximum net worth of IDR 50 million or maximum turnover of IDR 300 million per year. And finally, medium enterprises, namely, productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part of either directly or indirectly with small or large businesses. And meet the criteria, among others: net worth of Rp.500 million to Rp.10 billion, or have annual sales business results of more than Rp.2.5 billion to Rp.50 billion ( Kuncoro,2010). The SME sector is part of the economic system of cities and villages that have not received economic assistance from the government or have not been able to use the assistance that has been provided or have received assistance but have not been able to develop ( Manning,1991) .

## CONCLUSION

The coronavirus pandemic has had a very significant economic impact on human life. Sectors that require a high level of physical social interaction and represent an almost

stagnant and static economic trajectory that ultimately leads to negative economic growth. Empirical realities that influence the economy also occur in the SME sector. The use of digital technology can ultimately provide first aid to the SME marketing crisis.

In the case of this research, although it has made a positive contribution to the marketing of the products produced, the management of digital technology is not as effective as it could be. Marketing of the products produced, but the management has not been maximized, so the management techniques need to be further developed. Optimizing the use of digital media to increase product sales can be done by modifying web pages, using paid domains that are expected to improve the image, managing resellers who have digital-based marketing accounts and marketing by utilizing community-based modern retailer networks.

#### REFERENCES

- Khan, F., & Siddiqui, K. (2013). The Importance of Digital Marketing: An Exploratory Study to Find The Perception and Effectiveness of Digital Marketing amongst The Marketing Professionals in Pakistan. *Journal of Information Systems and Operations Management* , 1-8.
- Kannan, P. K., & Hongshuang, L. (2016). Digital Marketing: A Framework, Review and Research Agenda. *International Journal of Research in Marketing* .
- Wardhana, A. (2015). Strategi Digital Marketing dan Implikasinya pada Keunggulan Bersaing UKM di Indonesia.
- Kuncoro, Mudrajat, 2010, Masalah, Kebijakan, dan Politik Ekonomika Pembangunan, Jakarta.
- Kuncoro, Mudrajat, 2010, Masalah, Kebijakan, dan Politik Ekonomika Pembangunan, Jakarta.
- Chris Manning & Tadjuddin Noer Effendi. (1991). Urbanisasi, pengangguran dan sektor informal di kota. Yayasan Obor Indonesia, Jakarta 47
- Chris Manning & Tadjuddin Noer Effendi. (1991). Urbanisasi, pengangguran dan sektor informal di kota. Yayasan Obor Indonesia, Jakarta
- Sugiyono, 2015. Metode Penelitian Kuantitatif, Kualitatif, dan R&D. Bandung: CV. Alfabeta,
- Rosady Ruslan, 2010. Metode Penelitian Public Relations Dan Komunikasi Cet. 5, Jakarta: Rajawali Pers.
- Zainal Abidin Achmad dan Rachmah Ida, Etnografi Virtual Sebagai Teknik Pengumpulan Data dan Metode Penelitian. *The Journal of Society & Media* 2 no. 2 (Oktober, 2018): 135, <https://doi.org/10.26740/jsm.v2n2.p130-145>