

Analysis on The Usage Advantages of Marketplace for MSMEs in Lampung

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ABSTRACT

The product sales for MSMEs need a technology support. One of this certain technology is a digital media which has been rapidly develop many business actors. Since the pandemic occurred, the problem on how to use the digital media such as marketplace faced some MSMEs actors. Marketplace as the most effective tool in order to increase marketing activities still does not give a chance for some MSMEs actors to improve their business. This research was done by qualitative method to prove the effectiveness of digital marketing media especially marketplace for small business people who were directly involved with online marketing. The research method was done by interviewed approaches and analysis on the problem as well as find the solution on how to achieve the success in using digital media namely marketplace. Through this research, it was expected that small businesses could choose wisely and effectively the digital media namely marketplace on their marketing activities to increase product's sell.

Keywords: E-commerce, Small business actors, Digital business

INTRODUCTION

Currently, MSMEs play an important role in economic growth, especially in the regions. Its existence has been able to create job opportunities and become the main motor of regional economic development in rural areas. Moreover, since the pandemic occurred, participation of MSMEs is become important, namely as producers in fulfil the people needs (Eko Prasetyo, 2008).

Regarding on creating job opportunities by MSMEs, the existence of Law Number 11 of 2020 concerning Job Creation (UU Cipta Kerja) has given new fresh air in terms of labors creation.

The Law has ease and facilitated MSMEs to develop jobs and this is very positive for the realization of a more massive absorption of labor in the informal sectors.

With legal guarrranty by The Law No. 11, the public's interest in creating a business will increase, especially MSMEs because of the ease of its business licensing. And in line with the massive disruption of internet technology that makes business actors more intensive in use e-commerce such as website-based marketplaces, The Law is also presented to encourage the strengthening of the MSME and e-commerce ecosystem through various facilities. So that in the future, MSMEs able to grow as bigger SME companies. The Law also guarantees the continuity of the transformation of SMEs so they continued to experience their progress.

The conveniences guarrranty by The Law such as business licensing, certification, financing, market access, training, digital infrastructure, implementation of electronic systems and transactions, and the business climate in the e-commerce sectors.

One of the main substances of The Law is the harmonization of various regulations and rules, as well as simplification and convenience in the licensing system¹. This law regulates the simplification of the licensing system from the previously unintegrated, less harmonious, and overlapping sectors, become simpler, more accessible and providing service certainty for the community and MSME actors.

Law No. 11 of 2020 concerning Job Creation (UU Cipta Kerja) will greatly benefit MSME actors². The Law waived licensing fees for micro-enterprises, while waivers were granted for small businesses. In addition, halal certification for MSEs is also free of charge. And this is good for SMSE's growth.

The Law also regulates the strengthening of e-commerce ecosystem, which can support efforts to digitize MSMEs, including accelerating the expansion of broadband infrastructure development, where the central and local governments facilitate the development of telecommunications infrastructure because the government continues to encourage the efforts to MSMEs.

However, the problems that faced by MSMEs in general are the shift in the trend of business activities from conventional namely offline method to digital or online one. The numbers of MSME actors who use digital marketing are not many. Several MSME actors do not understand how to take advantages from marketplace as digital marketing tool.

In fact, the use of digital information and communication technology is rising very rapid. With its various conveniences, the use of internet seems like a basic need for humans. The development of the internet in Indonesia is increasingly massive and is marked by the increasing of internet user numbers every year. Moreover since the pandemic occurred.

The increase of internet users have an impact on the development of e-commerce in Indonesia, especially online buying and selling forums. E-Commerce is the way of buying and selling services and goods electronically with computerized business transactions. It is using the internet, networks, and other digital technologies (C. Laudon and P. Laudon, 2005).

¹ According to Coordinator of Minister for Economic Affairs Airlangga Hartarto at a press conference on The Job Creation Law in Jakarta, Monday (14/12).

² According to Pelita Harapan University observer Emrus Sihombing as published in Antara News in December 2020.

It is undeniable that online shopping is chosen by consumers to get desired product without take a lot of time and efforts. The convenience of online shopping is also supported by competitive product prices and good quality.

Marketplace E-commerce is an electronic marketing platform that collects many sellers and buyers. Those sellers and buyers are having transaction each other to aim profits (Apriadi, 2017). Sellers do not need to bother when setting up a shop if they want to sell online because the marketplace already provides an online space. Only registration is required to start selling. All processes are facilitated by the marketplace team. Sellers only need to improve services and promotions. The possibility of the product being sold more because in the online place there are many sellers and buyers.

Some MSME actors in region in Lampung have not utilized digital facilities in their business activities. As a result of running a conventional business, MSME products cannot penetrate their products outside the village. The problem faced by MSMEs in Lampung is the lack of knowledge about digital marketing.

The problems that found in this research are:

1. The obstacles that faced by MSME actors so that they do not taken advantage of digital marketing.
2. The advantages for MSME actors in utilizing the marketplace for their business.

And based on these problems, the objectives of this research are:

1. Knowing the benefits of a web-based marketplace for MSMEs.
2. Increase the understanding of MSME actors about digital marketing.
3. MSME actors can take advantage of digital facilities so as to expand market reach.

LITERATURE REVIEW

Some aspects of business and market activities addresses to be still exist in the rapid growth of digital technology. The technological advances for trade have given birth to a transaction method known as e-commerce (electronic commerce).

E-commerce is a platform to provide some transaction of buying and selling products, such as goods, services and information between business partners through an internet network. As a global access, the internet gives a very large formula to be used to help business. It is from small networks that exist around the world that are interconnected each other. One of the functions of the internet is as the main infrastructure of e-commerce for instance marketplace.

David Baum has mentioned as it is quoted by Onno W. Purbo and Aang Arif Wahyudi, that e-commerce is platform, applications, dynamics-internet-based technologies to help business processes that links consumers, sellers and communities through electronic products exchange with electronic transactions.

Nowadays, e-commerce is used to face business to consumer, business to business and consumer to consumers economic activities (Onno W. Purbo & Wahyudi, Aang). Marketplace as a platform of e-commerce, provide a space for individuals to sell their goods or services to others, as well as for organizations or companies that act as consumers. And all these activities are facilitate by the internet technology.

METHODS

This research uses a qualitative method with a descriptive research and tends to use an inductive approach to analysis. The data in this research were collected by researchers through the following steps, namely:

- 1) Observation, namely visiting or observing the problems that exist in each MSMEs.
- 2) Interviews, namely conducting interviews with related business actors to fulfill the data needed in research.

RESULTS

As many as 89 percent of Shopee's MSME users feel this. Followed by 45 percent of Tokopedia users, 17 percent of Lazada users, 11 percent of Bukalapak users, and 12 percent of Blibli users. Meanwhile, in terms of helping to market products or stores well, 85 percent of MSMEs that use Shopee feel these benefits, 53 percent of MSMEs that use Tokopedia, 33 percent of Lazada users of MSMEs, 17 percent of MSMEs using Bukalapak and 12 percent of MSMEs using Blibli Survey (MSME Study Report. 2021).

During the Covid-19 pandemic, the presence of a digital platform has responded to consumer demands, with regulations that require consumers not to travel a lot and stay at home and keep their distance. On the other hand, MSMEs are aware of the trend of consumer switching to digital shopping.

But when serving product orders by customers, some SMEs are still having problems in their business. For instance, buyers who want to order products must call or meet face-to-face. These MSMEs have not developed their products through online facilities to the fullest.

In fact, by utilizing internet, marketing reach can be wider and buyers will find it easier to find cheaper products.

In addition, marketplace that provide e-commerce with internet technology can help in ordering and payment process. So it is expected to help increase the turnover of MSMEs.

DISCUSSION

The MSMEs actors must be competent to use internet, because it plays an important role in economic growth both in fulfill consumer's needs and create jobs. The Law of Republic Indonesia Number 11 of 2020 namely Job Creation Law provides convenience for MSMEs in access to financing, market access, business development access, licensing access and supply chain access.

These facilities are listed in Articles 89, 94, and 95 namely access to business development, Article 90 for supply chain access, Articles 90, 103 and 104 for market access, Article 91 in terms of access to ease of licensing, and Articles 92 and 102 in access to financing³.

Meanwhile, the guarantee for MSMEs related to the absorption of labor is stated in Articles 86, 90 and 91.

³ Law of Republic Indonesia Number 11 year 2020 concerning Job Creation (UU Cipta Kerja).

Where this Law provides convenience in doing business so that it is expected to absorb labor, as well as the convenience of maximizing the potential of local start-ups⁴.

In increasing these marketing activities, MSMEs must be able to keep up with the demands of technological disruption. Marketing in the digital era has become so massive with the use of the digital platforms such as marketplace.

By the use of marketplace e-commerce, the products offered can be displayed in an attractive picture too. The product displays in the marketplace can be in many ways, such as photos, captions, infographics, and animations that are attractive and eye catching. Products photos can be taken using all types of cameras, from smartphone cameras to DSLR cameras.

The eye-catching pictures can be taken depend on MSME actors ability. The most important thing is that the pictures have to be clear and good. The other thing to be noticed is the way to display the products, how to receive orders, about the payment methods, shipping methods, and customer services. All of these activities are facilitated by the marketplace, and making it easier for MSME actors to take advantage of marketplace.

Marketplace plays a role in providing complete education to MSMEs on how to sell online (55%) so as to help sell MSME products to the realm of export. Since Covid-19 pandemic has made, marketplace plays a major role in helping MSME businesses to be survive.

The advantages that MSMEs can take by using marketplace such as:

1. To explore its product market share.

MSMEs or entrepreneurs can explore their market share so they can enter the national or even international market, so that MSMEs can reach many customers anywhere and anytime.

2. Minimize the costs as well as transaction time and product acceptance.

3. The consumers can see the products, specifications and other information through the internet, especially the marketplace, so they do not have to bother going to the seller.

4. As a branding a addnd prestige media. Both in the eyes of consumers and competitors.

All of these benefits are added by other benefit if the service provided very excellent. Because with the internet media, information can be disseminated massively and quickly.

The differences between using marketplace and without marketplace as the marketing way for f MSME are, the expansion of market share, the addition of the number of customers, the emphasis on operational costs and consumer interest in ordering and paying for products purchased from MSMEs with a marketplace (Ismanto, July. 2020).

By using the marketplace, MSME in Lampung has expanded its product market, reduced costs, and increased product branding. This can be seen from the illustration of the display of MSME products on the marketplace, where MSMEs are still beginners in the marketplace.

CONCLUSION

The marketplace gives contribution to the activities of MSME actors in region, for instance Lampung. It is done in marketing, selling and promoting efforts especially during pandemic.

⁴ Law of Republic Indonesia Number 11 year 2020 concerning Job Creation (UU Cipta Kerja).

In order to increase MSME's products sales, apart from non-online sales method, MSME actors in Lampung should take advantage of the marketplace as a partner in marketing and sales activities.

In addition, by the results of this research, there will be more small business actors in villages use the marketplace in marketing their products in the future. Looking at this condition, the recommendation occurred by this research, for instance, the MSME business activities are easier by using marketplace. The MSME actors are recommended to learn more about how to use marketplace.

This is very helpful for MSME efforts to increase online sales in an effort to increase market share. This way is a good reality for small business actors who have products that are potentially acceptable to consumers. They are able to sell their products by online method using the marketplace.

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