

# Utilization of Digital Marketing for Micro, Small, and Medium Enterprises (UMKM) Affected by the Covid-19 Pandemic in Gubeng District, Surabaya City

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## Utilization of Digital Marketing for Micro, Small, and Medium Enterprises (UMKM) Affected by the Covid-19 Pandemic in Gubeng District, Surabaya City

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### ABSTRACT

UMKM is a small and informal business organization that drives the national economy. However, the COVID-19 pandemic had an impact on the sustainability of the UMKM creative industry business in the Gubeng District, Surabaya City. This business has a great opportunity because consumers prefer to make purchases online due to the implementation of social distancing. The problem faced by local UMKM is that product marketing still uses conventional methods by offering limited products only to friends and the closest environment or by word of mouth so that during the social distancing period, it hampers the reach of marketing its products. For this reason, this service program conducts online marketing training and assistance to 20 participants with one of the marketplaces that are well known to the public, namely the shop platform. The service program had a positive effect, around 60% can apply Shopee activation and the other 40% have not been able to apply, this is because most of the participants are Generation X mothers who are less familiar with information technology. However, all participants were very enthusiastic about learning even though many were constrained by the PPKM (Restrictions on Community Activities) regulations.

*Keywords: Creative industry, digital marketing, Covid 19, UMKM*

### Introduction

The development of creative industries in Micro, Small, and Medium Enterprises (UMKM) is very important because it has a big role in economic development. UMKM has been proven to make a significant contribution to GDP and can overcome unemployment, as explained by Ramadana (2020), that the Governor of East Java, Khofifah Indar Parawansa said that so far, 56.94 percent of East Java's Gross Regional Domestic Product (GRDP) was contributed by UMKM. However, there are still many facts found in the field of classical problems that have not been maximally resolved, such as conventional product marketing, inaccurate calculation of the cost of production and cost of goods sold, and the mixing of production costs with household activity costs.

UMKM entrepreneurs still have the opportunity to rise and survive as long as they are willing to innovate and change according to changes in consumer behavior, as quoted from SuaraSurabaya.net (2019), delivered by Wijaya as vice chairman of the Indonesian Young Entrepreneurs Association (HIPMI) Surabaya, assessing that the city of Surabaya has business opportunities. potential in the creative industry to the business of becoming a distributor. This is reinforced by the research from Rahayu (2020), by citing a statement from the Minister of

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Tourism and Creative Economy / Head of the Tourism and Creative Economy Agency Wishnutama Kusubandio inviting UMKM actors to use digital technology so that they can open up bigger market opportunities amid a pandemic, even before the pandemic Wardhana (2015), stated Digital marketing is an alternative for small and medium enterprises (UKM) with limited promotional budgets.

Based on a preliminary survey on UMKM in the Gubeng District area and an interview with Mrs. Titik Rachmawati as Chair of the UMKM Creative Industry, Gubeng District, Surabaya City, she said that since 2013 has fostered around 200 UMKM actors and has several classic problems, such as 1) The activities tend to be informal, 2) The business management is limited as it is, 3) The organizational structure is still simple, 4) The number of human resources is limited with a good division of labor. loose, 5) Not separating personal wealth with business wealth, 6) Accounting information system is not good, 7) Difficult to reduce costs, 8) Conventional product marketing and market diversification tend to be limited, 9) Profit margin is very thin. These conditions certainly lead to low competitiveness and less ability to compete. The problem of conventional product marketing is the main priority that will be raised. The COVID-19 pandemic requires business actors to make creative innovations in managing the market by using marketplace platforms that have mushroomed on social media. The goal is that UMKM actors can sell products more effectively and efficiently.

For this reason, this community service program has the aim of forming and developing the creative industry of UMKM in the Gubeng District area to become more economically and socially independent. One of them is by conducting online marketing training and assistance to 20 participants with one of the marketplaces that are well known to the public, namely the Shopee platform.

### **Material and Methods**

Based on the problems faced by partners and appointed as the topic of study, the community service team offers several program activities. The implementation of this community service is carried out with the lecture/counseling method and then continued by providing online and offline training and mentoring. This is because the implementation of community service is still at level 3 PPKM conditions, so it is not possible to do everything offline. The community service method uses 6 (six) stages, namely:

1. Coordination with partners through Mrs. Titik and Gubeng District officials.
2. Initial socialization of service activities
3. Data and information collection
4. Partner Needs Analysis
5. Training to Partners
6. Socialization and Reporting on the results of community service

### ***Described as follows:***

#### *Coordination with related parties*

The coordination was carried out between the research team and community service from the East Java Veterans National Development University in collaboration with the Yapan School of Economics Surabaya with Mrs. Titik Rachmawati as the Chair of the UMKM Creative Industry located in the Gubeng District, Surabaya City, precisely domiciled on Jalan Kalidami 8/25 RT. 04 RW.10 Mojo Village, Gubeng District, Surabaya City. He said that since 2013 he has fostered around 200 UKM. In addition, the team also coordinated with the Gubeng Sub-district of Surabaya City, starting in March 2021. The team explored the potential of UMKM and various problems faced by UMKM in the Gubeng District of Surabaya City. The team also did not forget to explore the impact of the COVID 19 pandemic on sales and marketing activities as well as UMKM turnover.

#### *Early socialization of community service activities*

The initial socialization was carried out by the community service team from the East Java Veterans National Development University in collaboration with the Yapan School of Economics, Surabaya. It was informed that this community service program has the aim of forming and developing the creative industry of UMKM in the Gubeng District area to become more economically and socially independent. One of them is by conducting online marketing training and assistance to 20 participants with one of the marketplaces that are well known to the public, namely the Shopee food platform.

#### *Data and information collection*

Based on data collected from Mrs. Titik, there are around 200 registered UMKM including grocery stores and warungs. However, this community service activity will be focused on UMKM engaged in the food and beverage sector as well as some clothing convection and the like. Data collection was carried out in April 2021 and 20 UMKM entrepreneurs were selected to be participants in training and mentoring, as described in table 1.

#### *Partner needs analysis*

Based on the analysis from the team, the problem with UMKM entrepreneurs in the Gubeng District is that product marketing is still mostly done conventionally in a limited environment and only by word of mouth. Such marketing methods are very inappropriate during the COVID-19 pandemic because consumers want convenience in getting products online without having to leave the house. This is in line with the results of research conducted by Handayani (2011), that UMKM has weaknesses in terms of product marketing, in line with the opinion of Heryani et al. (2020), explaining that to meet consumer demand, they can use online shops through social media in strategies for dealing with new habits with changes. positive in the performance of the transportation of goods to consumers. Feriyana (2021), also states that good product marketing requires a digital marketing strategy so that the home industry can develop.

#### *Training and Mentoring to Partners*

The training was carried out for 2 days through the virtual meeting, which is on August 18 and 19, 2021, the training was attended by officials from the economy department and was attended by 20 UMKM entrepreneurs engaged in the food, beverage, and fashion sectors in Gubeng District, Surabaya City. The training was carried out by the community service team from the National Veterans Development University in East Java and the Yapan School of Economics in Surabaya by collaborating with resource persons from Shopee. The goal is to teach UMKM participants to register on a Shopee account and then try to make transactions. Because it is not yet possible for offline mentoring, the Shopee team assists and motivates the WA Group which is named the "Gubeng UMKM Training" Group.

#### *Socialization and reporting on the results of community service*

The results of the socialization and reporting of the results of the service were carried out by the team to report the results of the implementation of community service which raised the topic of developing creative industries through online marketing in Gubeng District, Surabaya City.

### **Results and Discussion**

Currently, many online media platforms can be used as a forum for UMKM to sell and market their products, one of which is Shopee. Shopee is an online shopping application that focuses on the mobile platform so that it is easier for buyers to find, shop, and sell directly in one 'handle' via their cellphone (Supriyono, 2020). According to Sugiri (2020), the presence of social media and e-commerce can help UKM to survive and market their products during the Covid-19 pandemic, in

line with the opinion of Supriyono (2020), stating that social media is an effective promotional tool for businesses. a pioneer in the New Normal Era.

For this reason, digital marketing training is needed for UMKM entrepreneurs in the Gubeng area of Surabaya City. The following is the documentation taken at the opening of the event by Mr. Agus who represented Mr. Camat online.



Figure 1. Photo of the activity on August 18, 2021, at the opening of the training event by Mr. Agus as the Economic section of the Gubeng District

Currently, many online media platforms can be used as a forum for UMKM to sell and market their products, one of which is Shopee. Shopee is an online shopping application that focuses on the mobile platform so that it is easier for buyers to find, shop, and sell directly in one 'handle' via their cellphone (Supriyono, 2020). According to Sugiri (2020), the presence of social media and e-commerce can help UKM to survive and market their products during the Covid-19 pandemic, in line with the opinion of Supriyono (2020), stating that social media is an effective promotional tool for businesses pioneer in the New Normal Era.

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Table 2. Brand names and UMKM owners who have registered for a Shopee account

No	Brand Name	Owner Name
1	Sendok kayu	Dwi Bayu Anggraini
2	Rhizoma	linah utami
3	Dapur Ngeboel	Wahyudi Susilo
4	Kedai_HK	Erliana Rahmawatie
5	Tati Cakes and Cookies	Wahyu Hartati
6	D'camil	Nanik Suyanti
7	Nisa Sari Bakery	Sukaisi Anis
8	Ayam rica2 "mbak Dien"	dini Rachmawati
9	Er'en F&D	Titik Rahmawati
10	Zamo Coffee	Winarti Nilam Agustin

Source: UMKM Mojo (2021)

The following are the results of the documentation taken while providing online training by the Team from Shopee, represented by Mr. Bagus.





Figure 2. Material Presentation from Shopee by Mr. Bagus

The following is photo documentation of participants taken during the online training.

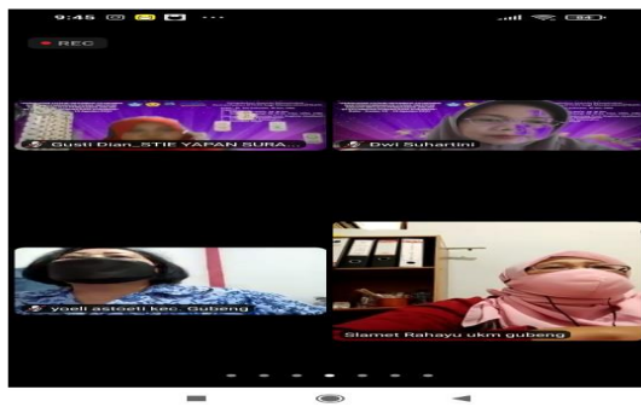


Figure 3. Participants who took part in the first day of training, August 18, 2021

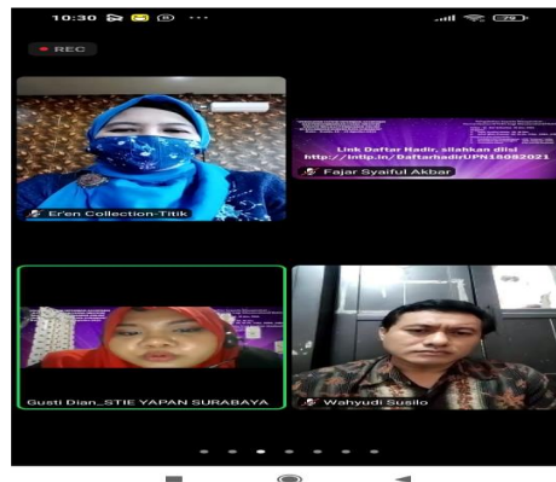


Figure 4. Photo of the activities of the Second Day, August 19, 2021, with Mrs. Titik, the Chairperson of UMKM in the Gubeng District

The following is one of the documents taken from the success of participants who can fill out applications on Shopee accounts.

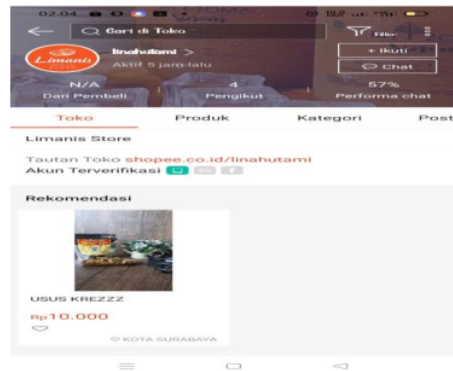


Figure 5. One proof that participants have practiced the Shopee application

The following is an example of a UMKM product in the form of food and pastries produced by the participants.

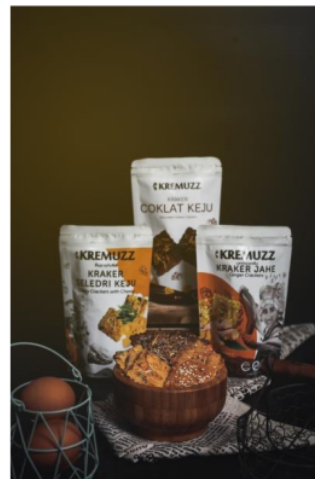


Figure 6. Examples of UMKM products

### Conclusion

The conclusion of the results of community service activities shows that the enthusiasm and motivation to learn from UMKM entrepreneurs in the Gubeng area of Surabaya City is very high even though it is done online. This is evidenced by the number of participants who took part in the online training, all of whom attended 100%.

The results of the evaluation of the digital marketing training in collaboration with Shopee showed the fact that of the 20 training participants, 14 participants already had a Shopee account, and 10 Shopee accounts had successfully opened a shop and uploaded products. This indicates that about 60% can apply Shopee activation and the other 40% have not been able to apply, most of the participants may be Generation X mothers who are less familiar with information

technology. However, all participants were very enthusiastic about learning even though many were constrained by the PPKM (Restrictions on Community Activities) regulations.

### Acknowledgment

The results of this community service are financially supported by LPPM UPN Veteran East Java through the SKIM PIKAT Program. Therefore, we are grateful for the funds and support in community service activities. In addition, thanks to the UMKM in the Gubeng District, Surabaya City.

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