

MSMEs MARKETING STRATEGIES OF BATIK MALANGAN IN THE COVID19 PANDEMIC

Volume: 3
Number: 1
Page: 205-211

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Article History:

Received: 2022-12-24

Revised: 2022-02-11

Accepted: 2022-03-05

Abstract:

Economic activity must grow and develop faster than the growth in the number of people looking for work. One closely related element to economic growth is MSMEs, namely micro, small and medium enterprises. Indonesia wealth assets that can be used as objects of batik tourism are also used as Indonesian cultural identity to the world. It is the reason that attracts researchers to make Batik Blimbing Malang SMEs the research object. Currently, the main task of Batik Blimbing Malang that must be carried out as a batik industry that is sufficiently developed to maintain the viability of its business in the situation of the COVID-19 pandemic era, is one of them by designing appropriate promotional strategies to face market competition. Therefore, this study aims to explore the sales promotion strategy of SMEs by conducting a qualitative research approach. This study was conducted on Batik Blimbing Malang. The results showed that the strategy of Batik Blimbing Malang in maintaining its business continuity, among others, was to do several points, including: Advertising, Personal selling, Sales promotion, Public relations, Word of mouth, and Customer relationships.

Keywords: Promotion Strategy, MSMEs, Batik

Cite this as: Cite This as: HERNANIK, N. D., SUDARMIATIN, S., HERMAWAN, A. (2022). "MSMES Marketing Strategies Of Batik Malangan In The Covid19 Pandemic." International Journal of Environmental, Sustainability, and Social Sciences, 3 (1), 205-211.



INTRODUCTION

In life, humans are always closely related to various economic activities as an effort to fulfill needs and the wheels of material movement. Therefore, economic activity must grow and develop faster than the growth in the number of people looking for work. One closely related element to economic growth is MSMEs, namely micro, small and medium enterprises. Micro, Small, and Medium Enterprises referred to in Law No.20 of 2008 Chapter 1 Article 1 are: 1) Micro-enterprises are businesses owned by individuals or individual business entities are productive businesses that meet the criteria as stipulated in Law No.20 of 2008 2) A productive economic business that stands alone is called a small business, carried out by individuals or business entities that are not subsidiaries or a controlled branch or a direct or indirect part of a large business that meets the criteria in Law no. 20 of 2008. 3) Medium business is a productive economic business that is not a subsidiary or part of a small or large business; this business is independent with the amount of asset wealth regulated in Law No. 20 of 2008. Based on the above understanding, the researcher can conclude that MSMEs are Micro, Small and Medium Enterprises that stand alone and are productive economic businesses carried out by individuals or an individual business entity that fulfills a criterion regulated in the law has been stipulated. The latest data from the Ministry of Cooperatives and MSMEs through its official website in 2018-2019 the development of MSMEs is as follows:

Table 1. MSME Growth in 2018-2019

MSME Development	MSME development table		
	2018	2019	Year of development 2018-2019
Number of SMEs	64.194.057	65.465.497	1.271.440 (1,98%)
Labor growth	116.978.631	119.562.843	2.584.212 (2,21%)
PBD at current prices	9.062.581,3	9.580.762,7	518.181,3 (5,72%)
GDP at constant prices	5.721.148,1	7.034.146,7	1.312.998,6 (22,95%)
Total non-oil exports	293.840,9	339.190,5	45.349,6 (15,43%)
Investment at current price	2.564.549,5	2.619.382,0	54.832,5 (2,14%)
Investment at a constant price	1.675.139,6	1.716.750,0	41.610,4 (2,48%)

Source: Ministry and SMEs processed from BPS data

The batik industry is one of the most developed MSMEs in Indonesia; UNESCO has recognized that Indonesian batik was a non-material world cultural heritage on October 2, 2009; since then, many activities have been carried out to introduce batik to the whole world. Besides being an asset of Indonesia's wealth that can be used as an object of tourism, batik is also used as an Indonesian cultural identity to the world. Euis Saedah, as the Director-General of Small and Medium Industry at that time, revealed that Indonesian batik was a superior product whose quality was better than the quality of imported products (Ministry of Industry., 2017)

On the island of Java, batik has spread in several areas, one of which is in the city of Malang, East Java. Batik Blimbing Malang is one of the batik industries that is already known by the wider community. The location itself is on Jl. Great Temple No. 6 Malang, East Java, Indonesia. MSME Batik Blimbing Malang has marketed its products from Java, Kalimantan, Bali, to Sumatra. This company has also proven that Batik Blimbing Malang can become one of the icons of Malang city in every event it participates in to attract journalists to post and publish in newspapers and online media. In addition, it attracts researchers to make Batik Blimbing Malang SMEs the object of research. Currently, the main task of Batik Blimbing Malang that must be carried out as a batik industry that is sufficiently developed to maintain the viability of its business in the situation of the COVID-19 pandemic era, is one of them by designing appropriate promotional strategies to face market competition. Due to a pandemic like now, all businesses must also be affected; as a result, sales and income also experience a decline, including MSME Batik Blimbing Malang.

The results of interviews with Mrs. Auliya as the manager of the Batik Blimbing Malang business conducted by researchers said that the promotional strategies that had been carried out included participating in exhibitions, opening training to introduce batik products to the general public about how to make batik at the production site of Batik Blimbing Malang, Besides that, Batik Blimbing Malang also conducts promotions through its social media accounts, namely Instagram, Facebook, WhatsApp, and also makes its own business website. However, the Batik Blimbing Malang business is still experiencing promotional problems in E-commerce media such as shopee, lazada, Bukalapak, because the products produced by Batik Blimbing Malang are limited edition products, so they cannot provide large amounts of stock. Not a few MSMEs have finally gone out of business due to inappropriate strategies so that they can be immersed in increasingly fierce competition plus in a slumped economic situation due to the COVID-19 virus; now, people in business must be observant in determining strategies, including promotional strategies; therefore researchers want to explore more in information to informants about the strategies implemented by Batik Blimbing Malang in dealing with the current COVID-19 pandemic.

METHODS

The method used by researchers in this study is qualitative (phenomenology). This study was proposed to determine the Promotion Strategy for MSME Batik Blimbing Malang during the COVID-19 Pandemic. Qualitative methods present the nature of the relationship between

researchers and informants, research objects and subjects directly. The research location is the place or location where the researcher conducts research. Researchers will obtain data and information related to the theme, problem, and research focus based on this location. This research was conducted at Jl's UMKM Batik Blimbing Malang location/industrial house. Candi Jago no. 6 Malang – East Java. The research focus is used to limit the study in a study so that the object under study is not too broad. Based on this description, the focus of this thesis's research is on identifying and explaining the Promotional Strategy used by MSME Batik Blimbing Malang during the COVID-19 pandemic. The researcher also conducted direct interviews with the owners of UMKM Batik Blimbing Malang. The informant's data is contained in the following table:

Table 2. Research Informants

No	Name	Ages	Description
1.	Aulya Rismawati	38	Malang Blimbing Batik Manager
2.	Roni kuncoro	41	Malang Blimbing Batik Consumers
3.	Erni Arinda	20	Malang Blimbing Batik Consumers
4.	Elvira	45	Malang Blimbing Batik Consumers

Source: Processed by the researcher (2021)

RESULT AND DISCUSSION

The beginning of the establishment of the Batik Blimbing Malang industry started as a home-based business that Mrs. Wiwik Niarti started; she started this business from her hobby, namely drawing, and at that time, she participated in a written batik training activity held in the Blimbing village to raise the potential of the PKK in the Blimbing village. From there, Mrs. Wiwik Niarti saw that batik had considerable potential, so that she was interested in running a batik business; with the help of her family, namely her husband and daughter, she started running the Batik Blimbing Malang business, precisely in 2011 the Batik Blimbing Malang business was officially established. Batik Blimbing Malang business is an independent business with its own capital and managed by one family; each family member has a different mandatory role. "...so the history of the poor Blimbing batik started with an activity held by the wards to raise the potential of the Blimbing sub-district PKK then there we started running and started production, so my mother started it, we saw the batik business as a promising business, and we became an independent business in 2011..." (Aulya Rismawati).

Apart from being the owner, Mrs. Wiwik Niarti also acts as a designer, while her husband is in charge of administration. Her daughter, Mrs. Auliya Rismawati, is responsible for everything from production to marketing. "Besides being the owner, my mother also acts as a designer; if I am the manager, my father is the administrator, then I also have a younger brother who started the digital online. As time went on, there were only three of us because my sister was already married, and we were also assisted by employees..." (Aulya Rismawati).

Batik Blimbing Malang is located on Jalan Candi Jago no. 6, Blimbing village, Malang city. Since its inception, Batik Blimbing Malang has focused its efforts on introducing batik products to the world, especially Batik Malang products, so that this business has always been active in participating in exhibitions, seminars, training and other events. However, in its development over the past 10 years, Batik Blimbing Malang has experienced ups and downs, especially in the last few years since the COVID-19 virus hit Indonesia; the Batik Blimbing Malang business has also been affected. Before the COVID-19 pandemic in Indonesia, Malang's Blimbing Batik business always increased, although not rapidly. However, since the outbreak of the COVID-19 virus, the Batik Blimbing Malang business has experienced a drastic decline; even in the first 3 months of the pandemic, Batik Blimbing Malang did not get a turnover. "...yes indeed for business improvement, thank God, until before the pandemic our business gradually increased, but because of the pandemic automatically everything adapted, so at the beginning of the pandemic we immediately

fell sharply, in the first three months of the beginning of the pandemic we had no turnover. So it because of activities must be stopped..." (Aulia Rismawati). However, Batik Blimbing Malang can still survive by developing and continuously updating the company's strategy. In addition, other efforts, namely the profits obtained, are used for company development and innovation, and through the activities participated in by Batik Blimbing Malang, this business is quite well known as one of the producers and sellers among themselves or in the online world. "The advantages we get are clear for business development and innovation, we also always build networks for the expansion of business innovations..." (Aulia Rismawati).

Batik Blimbing Malang provides various kinds of batik motifs and product variants from batik materials; Batik Blimbing Malang motifs are also often used as trendsetters by other batik makers. By combining a blend of traditional and modern elements, Batik Blimbing Malang reflects the cultural character of the Indonesian people who are increasingly advanced but still respect the ancestral culture, therefore to continue to preserve batik and introduce batik properly to the community. The existence of Batik Blimbing Malang is then strengthened by the issuance of a business license or business legality, not only that Batik Blimbing Malang also has trademark patents and motif copyrights. In addition to having complete official documents, the Batik Blimbing Malang business is also strengthened by a Creation Registration Letter from the Ministry of Law and Human Rights with creation number 077338. Following Article 72 of Law No. 28 of 2014 concerning Copyright. Copyright is an exclusive right for the creator or recipient to publish his creation and give permission without reducing the restrictions according to the applicable laws and regulations. Copyright is included in immaterial objects, namely property rights, whose object rights are intangible objects (intangible objects). So, in this case, it is not the physical object or goods that are copyrighted, but what is contained in it that has the copyright. "...Thank God we already have a brand patent, then for the copyright of our motifs, we also have several copyrights, we have also obtained them for the legality of their business..." (Aulia Rismawati).

Every business must face obstacles, especially in the current pandemic situation; it definitely needs to adapt to existing conditions. Amid COVID-19, direct sales generally have decreased due to the pattern of people staying at home. In addition, many MSMEs choose not to open their shops or businesses because of restrictions on operating hours in several areas, including Malang city as well. One way to keep running a business, reach more consumers, and expand market share that MSMEs can do is to expand their network by utilizing e-commerce sales. E-commerce is how consumers buy and sell goods electronically, and companies use computers as intermediaries for commercial transactions via computers.

As many as 58.8% of MSMEs decided to lower the prices of products and services, it is done to maintain their business, but as a result, their profits decreased by more than 75% (Syamsudin., 2020). The report is based on data obtained from research by Bank Indonesia, which shows that the average sales of MSMEs have decreased product sales by up to 50% to MSMEs due to the COVID-19 outbreak, which is capital. In mid-August 2020, the minister for cooperatives and SMEs said that 40% of MSMEs were closed due to capital problems. Finally, the impact that MSMEs feel is on distribution. The Ministry of Cooperatives and MSMEs also said that 20.01% experienced distribution disruptions due to physical restrictions due to the pandemic.

E-commerce which was originally an online retail mechanism, now has a broader meaning. (Laudon & Traver, 2016) show that e-commerce has formed a new digital market with more transparent prices, easy access, and a global market with efficient warehouses. Even if it is not perfect, e-commerce will directly affect the relationship between a company or business personnel with its suppliers, customers and competitors, and can easily promote products and adopt other merchant marketing methods. Some e-commerce that can be used by Indonesian MSME participants, such as Shopee, Tokopedia, Buka, OLX, Lazada, and others. Currently, Batik Blimbing Malang is still unable to follow developments by selling using market places such as Shopee, Lazada, Buka and so on, this is because the products produced by Batik Blimbing Malang are exclusive products, so they cannot be produced with a lot of stock, besides that at the time of

production sometimes the colors produced can be different from the colors that are drawn, it makes the owner of Batik Blimbing Malang hesitate to sell in the market place.

Strategy During the Covid 19 Pandemic. In dealing with the current pandemic situation, more strategies are needed to survive in the face of economic impacts that affect all factors, including the community's economy. Batik Blimbing Malang applies several marketing strategies, and one of them is the most important strategy, namely promotion, because promotion is a product introduction activity from UMKM Batik Blimbing Malang, which is used to influence consumers to get to know the products offered and be interested in buying them. In the face of competition, Batik Blimbing Malang MSMEs make several efforts as follows:

Advertising. Advertising or advertising is paid non-personal communication about an organization, product, or idea by an identified sponsor. Advertising is one of the most popular forms of promotion by the general public. Advertising is known for having a broad reach. The following are some of the advertising media used by Batik Blimbing Malang, namely: a.) Social media: In its application, Batik Blimbing Malang uses social media in the form of Instagram, WhatsApp, and Facebook. Mrs. Aulia as a business manager, said to the author during an interview that she said that: "Now everything is online, so we advertise through Instagram, and we have started making real stories, making story was too, while we use the web Instagram, WhatsApp and Facebook. ..." (Aulya Rismawati). b.) Electronic Media and Print Media: In utilizing electronic media, Batik Blimbing Malang has made advertisements on several radio broadcasts, including RRI radio, MFM radio regularly, as explained by the informant that: "...before this, we have participated in at RRI and then on MFM radio, we promote there, but periodically, so it doesn't continue like that..." (Aulya Rismawati). In addition, Batik Blimbing Malang has also broadcast advertisements on several television stations, including Malang TV, MHTV, and TVRI channels.

Personal selling. Personal selling is a personal approach to consumers who will be addressed, or can also make direct contact with potential customers to purchase so that a positive relationship is expected between sales and potential customers. Promotional strategies carried out by Batik Blimbing Malang through personal selling include participating in events, seminars, and participating in social events such as PKK and MSME groups or communities. In addition, before the pandemic, Batik Blimbing Malang was also one of the educational tourism destinations in the city of Malang, so it was often visited, starting from school children, students, even foreign tourists, came to visit to increase their knowledge, in addition, they were also introduced to products from Batik Blimbing Malang so that they can be interested in buying. "...yes, because in all online media, we give a contact number anyway, so we always include it there so they can contact via Whatsapp or telephone like that..." (Aulya Rismawati).

Sales promotion. Sales promotion is the desire to offer incentives within a certain period to encourage the desire of consumers, sellers, or intermediaries (Kotler & Keller 2016, Kotler & Armstrong 2016). Tools used include samples, coupons, cashback offers, price reductions, prizes, stickers, bonuses, contests, and more. The promotional strategy carried out by Batik Blimbing Malang through sales promotions, among others, is through mini-game activities that are held on social media belonging to Batik Blimbing Malang. Besides that, some give-aways are held regularly through Facebook or Instagram owned by Batik Blimbing Malang; there is also a contest for making batik. Batik motif design which will then be chosen by the winner and given a prize, the prize given can be in the form of cash or batik products to introduce and attract potential consumers to buy or just get to know the products from Malang Blimbing Batik, besides Blimbing Malang batik as well participate in festivals, virtual exhibitions and other activities.

Public Relations. According to (Lutpioadi. 2014), public relations are an important marketing technique; public relations is very concerned with several marketing tasks, including building an image, overcoming problems and issues, strengthening the company's position, and influencing the public (Hardilawati., 2019). Public relations programs that can be carried out include publications, important events, investor relations, exhibitions, and sponsoring events. The promotional strategy carried out by Batik Blimbing Malang through public relations is, among others, through Batik Blimbing Malang collaborating with government agencies because, since the establishment of MSMEs, Batik Blimbing Malang has received support from the government and has also collaborated with several students from the Brawijaya University Malang campus. In addition, Batik Blimbing Malang also establishes good relations with the surrounding community, one of which is in community social activities in the environment around the MSME Batik Blimbing Malang, such as PKK activities with mothers in the Batik Blimbing Malang business environment.

Electronic Word of Mouth at Batik Blimbing Malang. According to Puspita and Yuliati (2016), word of mouth is part of a promotional strategy in marketing activities through one person to another who is satisfied with the product that has been used and then introduces the product so that it can generate a certain level of sales. Word of mouth spreads through business, social, and community networks. Batik Blimbing Malang has several social media used in communicating with its customers, namely: Facebook, Instagram, web and WhatsApp. The social media is used to form an electronic word-of-mouth simulation.

Customer Relationship. Batik Blimbing Malang must also take care of existing customers, build customer satisfaction, and gain customer loyalty in the current pandemic era. One way that can be done to continue the viability of the business is to build marketing relationships with existing customers to build strong and mutually beneficial relationships. To establish a good relationship with customers, the company should show a sense of concern for consumers who are experiencing difficulties due to being affected by the current pandemic, for example, by offering free shipping product promotions. take advantage of the current situation during the COVID-19 pandemic. "...we can't participate in the marketplace, we can't follow the marketplace because the marketplace must have a lot of stock while we are limited edition products, then for product details we learn from other friends so sometimes if it's batik, Ms. Yes, today's production is the red color of the flag, then tomorrow we will produce it with the same color, the same composition, the same volume, the dosage is the same, but the results will be different later, it will be red chili, the same red but the town will be different, now that's the uniqueness of batik, so... we can enter the marketplace, for example, we put it in the color of the flag in the market place, then we produce it again, but the product is different, so that will be the obstacle for us to sell it in the market place...." (Aulya Rismawati)

CONCLUSION

Based on the results of the research that has been done and the discussion that has been described, several conclusions can be drawn. In promoting its products, Malang Blimbing batik uses the following promotional strategies to maintain the viability of its business amid the COVID-19 pandemic, namely: a.) Advertising, in the era of the Covid-19 pandemic, Malang Blimbing batik uses advertising media in the form of electronic media, namely radio and television. In addition, there are also print media, including newspapers and craft magazines. b.) Personal selling, Malang Blimbing batik conducts virtual exhibitions, seminars via Zoom, and several other activities. c.) Sales promotions are carried out through social media accounts such as Instagram, WhatsApp, Facebook, and the website of Batik Blimbing Malang. d.) Public relations, Malang Blimbing batik, collaborates with government agencies, UB students, artists, and the community around the environment. e.) Word of mouth, poor Blimbing batik is often assisted by consumers for word of mouth promotion, besides that on social media, it is also widely recommended because of its good rating. f.) Customer

relations, Batik Blimbing Malang, strives to maintain its business by communicating with customers, establishing good relationships with consumers, and being patient, friendly, and thorough with each potential customer. The promotional strategy carried out by Batik Blimbing Malang has been quite effective in marketing its products, because it can be seen from the increase in the number of sales since the beginning of the pandemic until now, Batik Blimbing Malang continues to develop wider promotions with new social media as an effort to make its products marketable more broadly. With even more vigorous promotion

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