



Increasing Sales of Confectionery Products Produced by MSMEs in Majalaya, Bandung Regency, West Java, Through Online Marketing

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Abstract

Micro, Small, and Medium Enterprises (MSMEs) are a sector that significantly contributes to spurring Indonesia's economic growth. This is due to their large labor absorption capacity and proximity to the common people. However, MSMEs in Indonesia still face various challenges, including promotion, marketing, and sales of their products. Along with the development of information and communication technology, online marketing and sales have been utilized. Online product sales and marketing have many advantages, including broad reach, agility, and accessibility. Therefore, this paper examines efforts to increase sales of confectionery products produced by MSMEs in Majalaya, Bandung Regency, West Java, through online marketing. Qualitative research was conducted using various data collection procedures to deepen understanding and ensure the reliability of the collected data. The goal was to gain in-depth and rich insights into a phenomenon within MSMEs in Majalaya. The research indicates that MSMEs in Majalaya, like many others, need to improve online marketing to increase sales and competitiveness.

Keywords: Confectionery products, MSMEs, Majalaya, Sales Increase, Online Marketing.

1. Introduction

The rapid development of information and communication technology or what is known as Information and Communication Technology (ICT) and the internet has penetrated various areas of life, including the business and trade sectors (Fensel, 2001). With the internet and ICT, marketing and sales processes can be carried out at any time without being bound by space and time (Jinling, 2009; Quaddus, 2008).

The ability of the web or internet to send various forms of data such as text, graphics, images, sound, animation, or even video, many business circles utilize this technology by creating homepages to market their business products (Boderndof and Lang, 2009). Now, almost all levels of society (especially in developed countries) have become accustomed to using the web, because almost any type of information can be obtained. One application of ICT and the internet in the business and trade sector is online marketing. Online marketing, or digital marketing, is the effort to promote products or services using digital media and the internet. It includes various strategies and tactics to reach target audiences, build brand awareness, and drive sales through online platforms, such as: transfer electronic funds, supply chain management, e-marketing, or online marketing, online transaction processing, electronic data interchange, product promotions and others.

The benefits and advantages of using online marketing are as a promotional medium in order to increase sales volume, both for online and conventional sales (Jansen, 2006; Supardi, 2009). Besides these advantages, it turns out that the results of several studies show that the effectiveness and efficiency of using online marketing in boost sales volume and promote industrial products quite high (Alexander, 2002; Supardi 2008). Micro, Small and Medium Enterprises (MSMEs) are one sector that significantly contributes to spurring Indonesia's economic growth. This is due to their significant labor absorption capacity and proximity to the common people (Kuncoro, 2008, Sripo, 2010).

The main problems faced by MSMEs is marketing (Hafsah, 2004; Kuncoro, 2008; Kurniawan, 2009; Supardi, 2009). Marketing using conventional methods requires high costs, for example, opening new branches, participating in exhibitions, creating and distributing brochures, and so on. The development of the internet has become an efficient means of opening new marketing channels for MSME products. Besides being relatively inexpensive, utilizing the internet will disseminate information more quickly and reach a wider audience (Supardi, 2009).

This research focuses on increasing sales of snack products (confectionery) by MSMEs in Majalaya, Bandung Regency, West Java, through the implementation of online marketing strategies. This effort aims to help MSMEs reach

a wider market and increase their revenue. Online marketing, or digital marketing, is the activity of promoting products or services using digital media and the internet. Online marketing is important because it allows businesses to reach a wider audience, is more cost-effective, and provides flexibility and instant feedback.

2. Literature Review

Small and Medium Enterprises (SMEs) have begun to flourish in Indonesia and have grown rapidly since the economic crisis of 1997. Many medium- and large-scale industries experienced layoffs due to the prolonged crisis. Many of those laid off eventually developed independent businesses, including sales, processing, and service businesses. MSMEs have become a topic of discussion among various parties, and are even considered to be the saviors of the Indonesian economy during the crisis from 1992 to 2000 (Manurung, 2006).

These MSMEs are characterized by low capital, relatively high risk but also high returns, and fostering entrepreneurship for their owners. The concept of MSMEs varies greatly from country to country. MSMEs in Indonesia have received government attention and are being fostered by establishing a ministerial portfolio, namely the Ministry of Cooperatives and SMEs. With a ministry specifically responsible for MSMEs, it is hoped that MSMEs in Indonesia will develop and attract a large portion of the Indonesian workforce. With various economic challenges such as the crisis, recession, and globalization, as well as the increasing contribution of the MSME sector, it is necessary to study these MSMEs in more depth to understand their performance, profile, and development direction, in order to determine policies that can be implemented by the government to strengthen the economy.

The use of Information Technology (IT) in marketing MSME products has been successfully developed by several countries, including China, Japan, and India. The Confederation of Indian Industry (CII) even released survey results showing that the role of Information Technology (IT) has transformed the fortunes of the MSME segment in India. According to the survey, IT use among MSMEs has resulted in significant revenue increases. MSMEs have demonstrated an exemplary growth trajectory, contributing 45.73% to exports in 2023-24, which increased to 45.79% in May 2024, highlighting the growing impact on India's trade performance. Meanwhile, China is implementing IT as an effort to increase the competitiveness of MSME product sales.

Internet marketing is the process of forming and maintaining relationships with consumers through online activities by facilitating the exchange of ideas, products and services that satisfy both parties (Lu, 2009; Omelayenko, 2008).

MSMEs need to be developed according to Kurniawan (2009), because:

- 1) MSMEs absorb a significant workforce. According to the Ministry of Cooperatives and SMEs, their contribution to Indonesia's Gross Domestic Product (GDP) in 2024 is estimated to reach 61.07%, equivalent to IDR 8,573.89 trillion. The number of MSMEs in Indonesia is projected to reach 64.2 million by the end of 2024, ranking second only to exports from various industries.
- 2) There is an urgency for a pyramid-shaped economic structure, which shows the wide disparity between small and large players in the Indonesian economy.

From the first reason above, it is clear that the existence of MSMEs can reduce the unemployment rate in Indonesia, even though high unemployment is the biggest contributor to the causes of poverty in Indonesia, as is also the case in West Java province (Sripto, 2010). The large number of MSMEs will lead to a strong economy, because it has been proven that MSMEs are the most resilient to crises (Kuncoro, 2008).

Basic problems faced by MSMEs according to Kurniawan (2009) is:

- 1) Weaknesses in obtaining market opportunities and increasing market share.
- 2) Weaknesses in capital structure and limitations in accessing capital sources.
- 3) Weaknesses in the areas of organization and human resource management.
- 4) Limitations of business cooperation networks between small entrepreneurs (marketing information systems).
- 5) The business climate is less conducive, due to deadly competition.
- 6) The coaching that has been carried out is still not integrated enough and there is a lack of public trust and concern for small businesses.

Meanwhile, according to Hafsah (2004), MSME problems are as follows:

a. Internal Factors

1) Lack of Capital

Capital is a key factor needed to develop a business unit. MSMEs lack capital because they are generally sole proprietorships or private companies that rely on the owner's limited capital. Loans from banks or other financial institutions are difficult to obtain due to the inability to meet the administrative and technical requirements required by banks.

2) Limited Human Resources (HR)

Most small businesses thrive on traditional, family-owned enterprises passed down through generations. Limited human resources, both in terms of formal education and knowledge and skills, significantly impact their management, making it difficult for them to grow optimally. Furthermore, limited human resources make it relatively difficult for these businesses to adopt new technological developments to improve the competitiveness of their products.

3) Weak Business Networks and Market Penetration Capabilities

Small businesses, which are generally family-owned businesses, have very limited business networks and low market penetration capabilities, as their products are limited in quantity and of less competitive quality. This contrasts with large businesses that already have solid networks, supported by technology that can reach international markets and strong promotions.

b. External Factors

- 1) The Business Climate is not yet Fully Conducive: Government policies to foster the growth of MSMEs, despite continuous refinement over the years, are still perceived as not being fully conducive. This is evident, among other things, in the ongoing unhealthy competition between small and large businesses.
- 2) Limited Business Facilities and Infrastructure Lack of information related to advances in science and technology, cause means and the infrastructure they have is also not developing quickly and does not support the progress of their business as expected.
- 3) Implications of Regional Autonomy
- 4) With the enactment of Law No. 22 of 1999 concerning Regional Autonomy, regional authorities have the autonomy to regulate and manage local communities. This system change will have implications for small and medium-sized businesses in the form of new levies imposed on MSMEs. If this situation is not immediately addressed, it will reduce the competitiveness of MSMEs. Furthermore, excessive regionalism sometimes creates an unattractive environment for entrepreneurs from outside the region to expand their businesses in the area.
- 5) Implications of Free Trade As known that The ASEAN Free Trade Area (AFTA), which came into effect in 2003, and the Asia-Pacific Economic Cooperation (APEC) in 2020, have broad implications for MSMEs to compete in free trade. In this case, MSMEs are inevitably required to carry out production processes productively and efficiently, and can produce products in accordance with global market frequencies with quality standards such as quality issues (ISO 9000), environmental issues (ISO 14000), and human rights issues (HAM) and employment issues. These issues are often unfairly used by developed countries as barriers (Non-Tariff Barriers for Trade). Therefore, it is hoped that MSMEs need to prepare themselves to be able to compete both in terms of comparative advantage and competitive advantage competitive sustainable.
- 6) Characteristics of Products with a Short Lifetime Most small industry products have the characteristics of short-life products. fashion, and craft with a short lifetime.
- 7) Limited Market Access
- 8) Limited market access will result in the products produced not being able to be marketed competitively in both national and international markets.

c. E-Marketing

E-marketing, or electronic marketing, is the process of marketing products or services through electronic media, particularly the internet, to reach a wider audience and build sustainable relationships. E-marketing encompasses a variety of strategies and tactics, such as social media marketing, content marketing, email marketing, and more.

E-Marketing and Electronic commerce (e-commerce) is the distribution, purchase, sale, and marketing of goods and services through electronic systems such as the internet, television, the www, or other computer networks. E-commerce can involve electronic funds transfers, electronic data interchange, automated inventory management systems, and automated data collection systems. In many cases, an e-commerce company can survive not only by relying on the strength of its products, but also by having a reliable management team, timely delivery, good service, a good business organizational structure, network infrastructure and security, and good website design.

3. Materials and Methods

Based on its type, this research is qualitative, whereas quantitative research uses extensive data collection to draw solid conclusions. Qualitative research employs various data collection procedures to confirm the insights being developed and ensure the reliability of the data collected. Four philosophical foundations that influence qualitative research are as follows:

- 1) Phenomenology, which believes that the truth of something can be obtained by capturing the phenomena or symptoms that emanate from the object being studied.

- 2) Symbolic interaction, which is a very influential basis for social studies and is used in qualitative research.
- 3) Culture as something that is the result of human cultivation is manifested in behavior or objects, language, symbols, and so on.
- 4) Anthropology is a philosophical discipline whose focus is closely related to human activities, both normatively and historically. In this study, the researcher employed descriptive case study research.

In case study research, the researcher attempts to examine an individual or a unit in depth. The researcher attempts to identify all the important variables underlying the emergence and development of these variables, including the company's strengths, weaknesses, opportunities, and threats within the company's environment. After collecting and classifying data obtained from literature studies and field research, the next step is data analysis. Data analysis is a method or step for processing primary and secondary data that is useful for the research and aims to achieve its ultimate objectives.

In qualitative methods, data collection instruments used include in-depth interviews with individuals, structured and non-structured interviews, focus groups, narratives, content or documentary analysis, participant observation, and archival research.

This research process begins with data preparation, data reduction or selection, data display or presentation, and data conclusion drawing. This process is not linear, but rather simultaneous or cyclical, interactive. Therefore, in qualitative research, a researcher should ideally go through the following stages:

Data collection, all existing data is searched and collected. At this stage, researchers can also begin the initial (general) classification process. Ideally, during this process, researchers also track, record, and organize relevant data to focus on the problem being studied.

- 1) Data reduction stage. This involves data selection, focusing, and simplifying all the data obtained. Afterward, unnecessary data is discarded, and the data essential for the research is compiled and classified more specifically.
- 2) Carrying out data display or presentation activities. That is, the data obtained can be presented in the form of matrices or tables that can represent the required characters.
- 3) Making a temporary conclusion and retest using the Triangulation Method, using triangulation of researchers, theories, data, and methods.

And the final stage, namely making a statement or conclusion regarding what is understood comprehensively about a problem being researched in qualitative language that is descriptive and interpretive Sugiono (2006: 277).

After data has been obtained from literature studies and field research, collected and classified, the next step in this research is data analysis. Data analysis is a method or step for processing primary and secondary data that is useful for the research and aims to achieve its final objectives. According to Suharsimi Arikunto (2010) states that the data analysis process consists of 3, namely:

1. Preparation

Activities in this preparatory step include:

Checking name and completeness of identity filler. Especially The instrument is anonymous, so it is necessary to check to what extent or what identities are really needed for further data processing.

- a) Checking the completeness of the data, meaning checking the contents of the data collection instrument (including the completeness of the instrument sheets in case any are loose or torn).
- b) Check the type of data entry.

2. Tabulation

GER Burroughs, a researcher in the field of geographic data analysis, states that data analysis clarification is the process of identifying and eliminating errors, misunderstandings, or uncertainties in data to be used in analysis. This includes steps such as checking the data for input errors, cleaning the data, and mapping the data to appropriate standards. This is essential before conducting data analysis to ensure accurate and reliable results. Burroughsput forward the following classification of data analysis:

- a) Data tabulation (the tabulation of the data).
- b) Concluding the data (the summarizing of the data).
- c) Data analysis for testing purposes hypothesis.
- d) Data analysis for the purpose of drawing conclusions.

3. Application of data in accordance with the research approach

Processing of data obtained using existing formulas or rules, in accordance with the research approach or design taken.

4. Results and Discussion

To continuously improve the competitiveness of MSMEs and to seize export and other business opportunities, one method or strategy is to leverage developments in ICT. One widely used ICT application is e-commerce.

From the Ministry of Cooperatives website, MSMEs are directly involved in coaching MSMEs (<https://www.ukmindonesia.id/>), in order to market the products of MSME entrepreneurs, have links to several portals/websites that facilitate this. For example, the Deputy for Development and Restructuring of the Ministry of Cooperatives and MSMEs (KUMKM) has a site (<https://ppid.depkop.go.id>) that lists several industries such as crafts, livestock, clothing, fisheries, food and beverages and others. On this site the content is quite comprehensive, how to order, information about the company and products is available, but this site is only in Indonesian, there is no foreign language option, such as English (Ministry of Cooperatives and SMEs, 2019).

Link on www.smeccda.com (Small and Medium Enterprises & Cooperative Business Development Service (BDS), which is for MSME entrepreneurs who want to market their products, is a resource development agency). This site is available in both Indonesian and English. From there, you can access a portal, complete with product images and company information, complete with email addresses, making it easy to connect.

From the Ministry of Cooperatives and SMEs website, you can also find a link to the Indonesian-products website <http://www.indonesian-products.biz/>. This English-language site features a more comprehensive menu, including a schedule of MSME product exhibitions, easily accessible product options, and a more attractive layout. Interested parties can also visit <https://goukm.id> (Figure 4). This site will guide visitors to learn more about MSMEs, specifically online sales or e-commerce.

However, the use of ICT is limited to promoting and displaying product information for several MSMEs, and does not yet support direct online sales, such as book sales on Amazon.com. Using e-commerce for online marketing and sales will undoubtedly increase sales volume, ultimately boost business revenue and ultimately developing these MSMEs.

Borondong, a famous specialty of Majalaya, Bandung Regency, West Java, is the crispy sticky rice borondong. There's also borondong enten, a sticky rice dish filled with sticky rice wajit (rice cake). Here are some typical Majalaya snacks that make great souvenirs:

- a) Crispy Sticky Rice Borondong: A crunchy snack made from sticky rice.
- b) Borondong Enten: Borondong filled with wajit (a sweet food made from sticky rice and brown sugar).
- c) Banana Sale: Dried bananas are also available as typical Bandung souvenirs.
- d) Lumpia Sale: Another variant of banana sale, but wrapped in spring roll form.

Typical Majalaya snack products are shown in Figure 1.



Figure 1. Typical Majalaya Confectionary Products

Sales of snack products from Majalaya have not been widely conducted online. Many businesses in Majalaya still rely on traditional sales or through physical stores. However, the potential for online sales is enormous, and there are several reasons why it is important to start selling online. Training is needed on the use of online media as a promotional and marketing tool, as well as the sales process using social media (online). Training on the use of online media for MSMEs in Majalaya is needed. This training will help them increase sales, expand market reach, and build brand awareness through the use of digital platforms.

5. Conclusion

To increase the competitiveness of MSMEs and to obtain export and other business opportunities, it can be done by utilizing the development of ICT, especially e-Marketing and e-commerce. Not only utilizing the internet as a tool for promotion or seeking business opportunities, so that it can increase consumer purchasing interest in order to increase

sales of typical Majalaya snack products, and more importantly, the sale of typical Majalaya snack products must be balanced with good administrative management through the use of appropriate software. It is necessary to develop websites, e-Marketing and e-commerce as a means of promotion and marketing of business products so that interest in purchasing typical Majalaya snack products increases, so that it will increase sales volume and increase revenue. This increase in revenue will ultimately be able to develop these MSMEs. On the other hand, the Ministry of Cooperatives and MSMEs also needs to continue to encourage existing MSMEs to be able to use the facilities available in www.depkop.go.id or web and e-commerce that already exist to market and display their products.

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