

Micro, Small, and Medium Enterprises on Online Media

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Abstract. The objective of this study is to analyze the impact of the product promotion method of Micro, Small, and Medium Enterprises (MSME) on selling products based on online media. This study used a descriptive qualitative method. The result of this study is to find out the effective and efficient product promotion in product sales, also to produce quality human resources to develop Indonesia in the field of commerce based on online media. The focus includes Entrepreneurship, Economics, Communication, and Information Technology. MSME based on online media has become a medium that provides business opportunities; therefore, the goal of increasing Indonesia's economy can be achieved.

1. Introduction

The principal result of technological advancements is the increasing development of the internet which has a huge impact on human life in all aspects of life [1]. Today, the use of the internet is not just a communication tool but is also used as a promotional medium for businesses, both small and large businesses that would like to offer their products and services widely. The existence of the internet is very effective in helping the success of promotional activities and can link with a wide customer. The increasingly widespread use of the internet leads to an increase in the number of consumers who are in the circle of promotional activities. The ability of the internet today makes it easier for humans to facilitate the process of interaction between potential consumers and producers [2].

Currently, the Internet has become one of the communication tools that have a very broad and unlimited range of recipients, so the internet is often used as additional media to run a business. Besides being used as a medium for information and communication, the internet can also be used as a process in the sale and purchase of products or services and as a complete online information provider or a financial interaction through the internet between sellers and buyers known as e-commerce. With the advantages possessed by the internet, which can complete service processes without any time limit, very simple access, and relatively affordable costs and other conveniences make more businessmen join into *e-commerce*. With the online sales system, MSME can use it as a medium to promote their products, the aim is to be more widely known [3]. The development of a vibrant private sector, focusing on MSME and the creation of a culture of entrepreneurship is at the forefront of policy consideration [4].

Online media offers a new way for MSME entrepreneurs to be able to disseminate and inform about their products and for online media users or customers will get the information needed. It can be seen a very large enthusiasm from the public in using online media such as Instagram, Twitter, Facebook, YouTube, or Website [5]. This will have an impact on changing people's behavior, especially in terms of interacting and communicating. There are two factors that cause changes in behavior in the community, namely the new behavior of city people and the communication technology revolution. Understanding this phenomenon, a business actor or a company must be able to use it since it includes an opportunity to facilitate innovation in marketing, business, and

communicating online through its *e-commerce services*. The use of social media properly and correctly will make companies more ready to interact with consumers through social media. This will make consumers feel happy and ultimately increase visits to stores *e-commerce*. Companies must carefully look at current trends in social media services to develop best practices for communicating with consumers. Companies must be able to adapt and realize that social media and *e-commerce* play a significant role in connecting consumers and increasing the growth of online businesses [6].

One way that the sales process can be as expected, promotion is needed. Promotion is a marketing activity that pursues to spread information, influence or persuade, and remind target markets for companies and their products to be willing to buy and be trustworthy to the products offered by the companies concerned. Promotion is one of the determining factors for the success of a marketing program [7]. Promotion is used to generate transactions, so consumers want to buy a certain brand and encourage salespeople to intensively sell it. Besides promotion can stimulate demand for a product. Promotion is a key aspect of marketing management and is often referred to as a continuing process. The promotion will affect someone who before was not interested in buying a product will come to be interested and try the product so that consumers make a purchase [8]. Stressed that promotional activities must be introduced through marketing or promotion processes if medium or large-scale businesses would be better promoted through internet media channels, radio, newspapers, or television [9].

Promotion is a part and process of marketing strategy as a way to communicate with the market by using the composition of the promotional mix. According to Kotler and Armstrong, there are five variables in the promotional mix, namely:

1. *Advertising*

All costs that must be paid by sponsors to make presentations and promotions that are non-personal in the form of ideas, goods or services.

2. *Personal Selling*

Presentations by company salespeople with the aim of making sales successful and building relationships with consumers.

3. *Sales Promotion*

Conducted by incentives and short-term to encourage the purchase or sale of a product or service.

4. *Public Relations*

Establish with the public to gain support, build a good "corporate image" and handle or get rid of information, news and events that can be detrimental.

5. *Direct Marketing*

Perform direct communication actions with customers specifically targeted to obtain direct responses [10].

The promotion has a significant function in order to reach product sales goals as expected, the following are the main functions and objectives accomplished in promotional activities. The main function of promotion, namely:

1. Find and get the attention of prospective buyers. The attention of the prospective buyer must be obtained because this is the starting point of the buyer decision-making process on the type of housing or service.
2. Grow interested in goods and services to prospective buyers.
3. Develop the buyer to select the services offered. This is a continuation of the previous stage. After someone is interested in something, the feeling of wanting to have it increases, and it will be followed by a positive decision [11].

The main objectives of the promotion, namely:

1. Notifying this objective is informational where producers use promotions to tell the market what is being offered. This promotion is often used in the first stages of the product life cycle. This information also helps consumers in determining the type of housing that they will buy.

2. Persuade this goal is persuasive in which the company tries to give a positive impression on the buyer. It means to be able to exert long-term influence on buyer behavior. This persuasive promotion is used to propose the stage of growth in its life cycle.
3. Remind the aim is to retain buyers by constantly reminding the existence of these types of housing. This reminder promotion is especially needed for types of housing that have entered the stage of maturity in the life cycle [12].

Promotion is one of the most powerful elements in the marketing mix [13]. Promotion is a form of marketing communication and promotion is one of the determining factors for the success of a marketing process. Promotion is used to communicate with customers with respect to product offerings and Promotion has a key role in determining profitability and market success [14]. The promotion of communication in the context of marketing can be stated to influence the survival of a company. Lacking promotion, consumers will not recognize and even use the products or services offered by a company, whether large, medium or small scale. Promotion is a company's effort to manage information and persuasion media to introduce, disseminate and sell their products, services, or ideas (Belch & Belch, 2004). Communication is a tool used by businesses to persuade or offer consumers to act in agreement with their expectations such as visiting a retail store, choosing, and initially making a purchase [15]. In the marketing context, communication used in marketing activities is an organized effort to influence and convince customers to make the right choices with the requests of marketing communicators and in line with satisfying consumer needs. Communication in this case marketing communication is a link between marketers and consumers and between consumers and their socio-cultural environment [16]. The objective of this study is to analyze the impact of the product promotion method of Micro, Small, and Medium Enterprises (MSME) on selling products based on online media.

2. Method

This research used descriptive qualitative method by collecting data through interviews, observations, literature studies related to the Effect of Product Promotion for Micro, Small, and Medium Enterprises on online media, with the aim of it can analyze how the influence of promotion is used in utilizing online media.

3. Results and Discussion

Micro, Small and Medium Enterprises create ways to incorporate in terms of promotions to attract consumers to access the web page in the online media so that sellers can upload the products offered and explain the product specifications. For instance, in Micro, Small and Medium Enterprises produce bags, clothes, and accessories called "Visval". The products on the site have a variety of choices, ranging from bags (backpacks, sling bags, camera bags), clothes (jackets and t-shirts), and accessories (wallets, hats, sandals). The payment method used is direct and indirect transactions (online). As the buyer can make this indirect transaction by using a payment method via ATM transfer or Internet Banking. However, if the customers choose direct transactions, they can come directly to the official store.

This is supported by promotion where emphasis any form such as giving discounts, free shipping, or guarantees or claims and is through not only rely on one online media but several other online media to support the marketing process and product purchase by consumers. As Visval has organized, it not only uses its official website to promote its products but also penetrates Instagram's online media and Tokopedia e-commerce to enhanced attract consumers' buying interest. Investigation of the performance, the bias can be disclosed if the main target of the sale and promotion of products made by Visval is the younger generation (millennial). Ordering products can also be done anytime and anywhere, as per the requirements of consumers. And consumers can easily access the sites that Visval has through browsing the internet on various electronic devices. Consumers can easily see product promotions conducted by Visval. This makes the way for online businesses more effective by following the times and technology (see Figure 1).

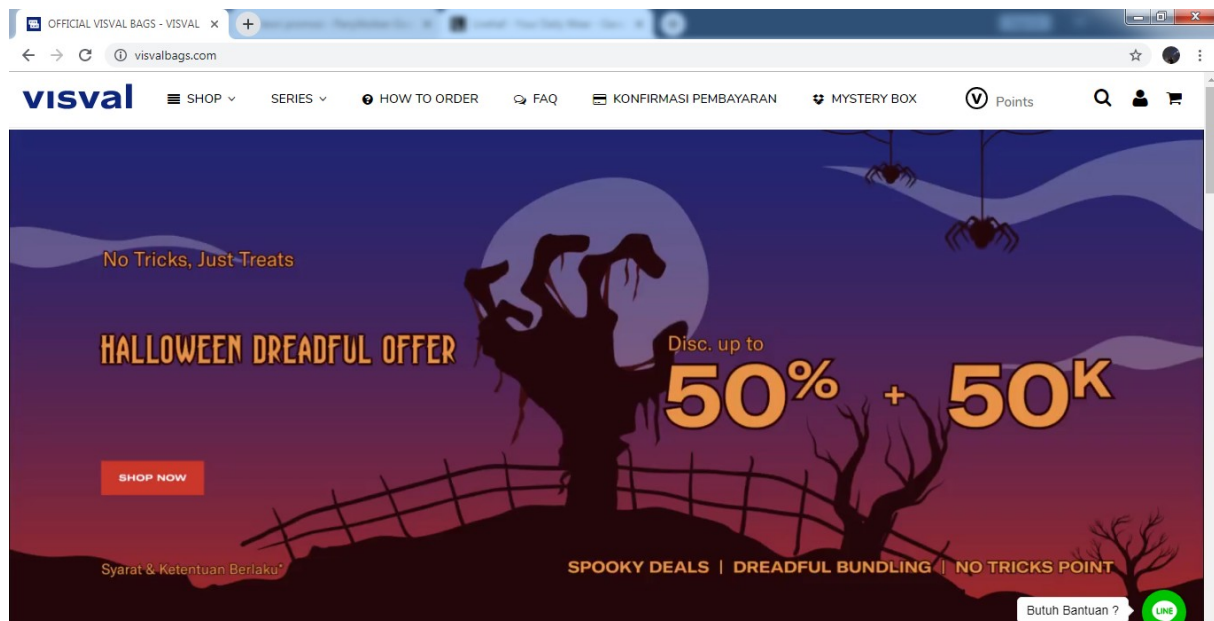


Figure 1. Initial Appearance of the Official Visval Website

At the initial appearance of the official website of Visval, when the customer first opens the website from Visval they will get a promo. (see Figure 2).

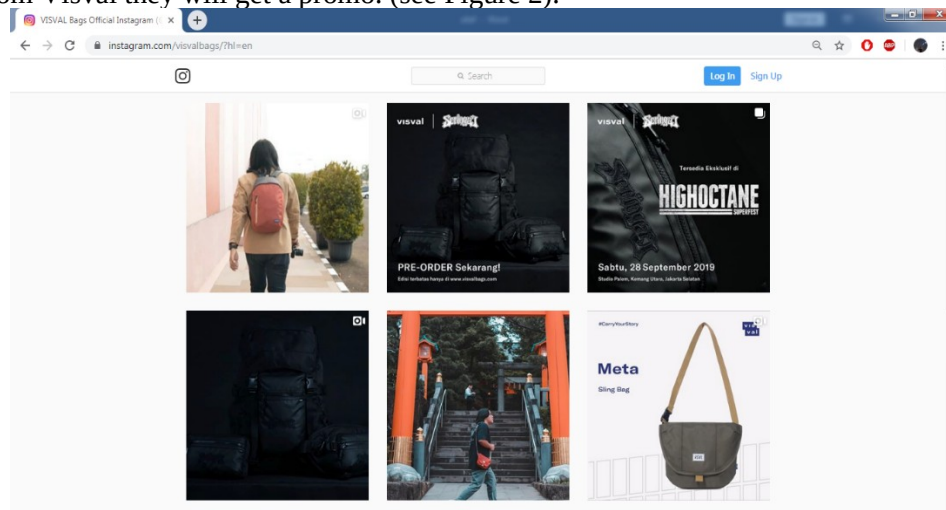


Figure 2. Initial Display of Official Instagram Visval

In the official initial appearance of Visval Instagram, there are the latest posts that are always updated since this product targets teenagers as consumers, as in the depiction above is one form of product promotion by collaborating with a local band "Seringai" which is basically widely known by teenagers in Indonesia. In the initial appearance of the Visval product on e-commerce Tokopedia, consumers who visit the page will immediately get a cashback voucher of 20%. These cuts can help save the budget owned by consumers (Figure 3).

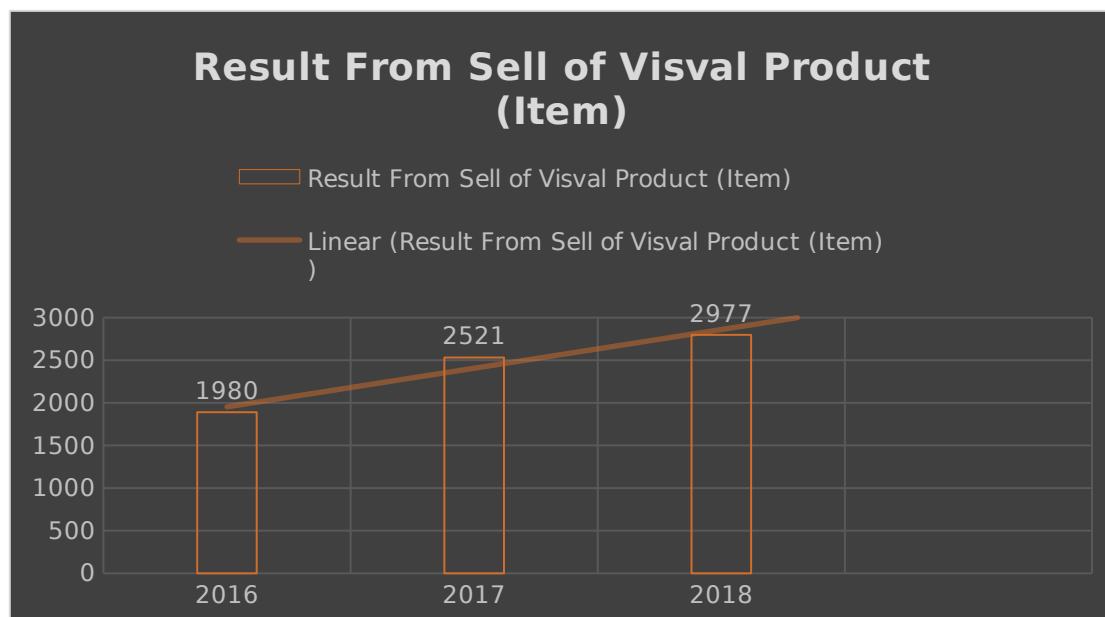


Figure 3. Graph of Sales Results of Visval Products

In the last 3 years from 2016 to 2018, the sales of Visval products have increased. In 2016, there were about 1980 items sold, then in 2017 there was a surge of up to 2521 items, and the latest data is in 2018, the product sales returned to 2977 items. This occurred not apart from product innovation and promotion carried out by Visval especially in seeing opportunities in the use of online media by Indonesian, such as promoting through the Website, Instagram, and e-commerce Tokopedia.

The data above shows that sales of visval products after promoting their products online always increase every year. In contrast to products sold offline or in direct stores, buyers are required to come to the place and that is arguably ineffective.

4. Conclusion

The development of communication technology makes it simple for people, especially in the business world as well as Micro, Small, and Medium Enterprises. This will make it easier for people who want to buy a certain product online. In order for a product marketing plan to work well, promotion is needed. Promotion is done with the aim that consumers become more interested and loyal to the products offered. Promotion is carried out utilizing online media because it can further strengthen product promotion to consumers. Micro, Small, and Medium Enterprises that used by Visval where their marketing and promoting products through online media. It has been very effective, consumers have the convenience of both refer to the list of products, determining the products to be purchased, and making the transaction process in online purchases for the quality of online business seller services is now very useful and has an impact on increasing the number of products sold each year.

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