



Increasing Msme Profit During The Covid-19 Pandemic Through The Utilization Of E-Commerce-Based Information Technology

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Abstract: The Covid-19 pandemic has had a negative impact on multi-sector businesses including Micro, Small and Medium Enterprises (MSMEs), especially when implementing the Community Activity Restrictions (PPKM) policy where people's mobility is very limited, causing a decrease in sales turnover of MSME products. This decline in sales turnover has had an impact on the continued decline in expected revenue/profit. Restrictions on people's mobility have narrowed the movement space for MSME players to produce products or services and narrowed the space for MSME product consumers. The COVID-19 pandemic has forced MSMEs to be able to change their marketing strategy so that they can survive during this pandemic and new normal, even if it is possible to increase profits. One of the solutions to increase MSMEs' profits during the covid-19 pandemic and the new normal period is to implement an information technology-based marketing strategy, one of which is through e-commerce. Training on the application of management knowledge in the Utilization of E-commerce-Based Information Technology was given to the West Java MSMEs Champion in Depok City. This training aims to provide knowledge and tools for Utilizing E-commerce-Based Information Technology to Increase MSME Profits During a Pandemic. The method used is a survey method and delivery of material directly as well as simulations and discussions regarding the application of information technology based on e-commers. The results of this activity show that information sharing and technology transfer as well as the participation of both the government, the world of education and other stakeholders in efforts to assist and develop MSMEs are highly expected by MSME Business Actors at the field level. The conclusion from this activity is that in difficult conditions such as the Covid 19 pandemic and the new normal era, there are still concrete strategies that can be carried out by MSME business actors in order to optimize marketing and sales of their products in order to increase profits, including through the implementation of e-commers. The use of e-commerce-based information technology is that every consumer can access information about the products they want from anywhere and the products can be sent to the intended address without having to make a direct transaction. These e-commers provide two-way communication in real time, conduct conversations as well as branding, have a broad (global) reach, can embed automation, security and opt-in of customer messages, and increase profits.

Keywords: UMKM, Pandemic Covid 19, E-commerce

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are businesses that play an important role for the national economy in the current crisis conditions, MSMEs are also potential businesses that are able to offer a significant contribution to the national and world economy (Kurnia et al., 2015). Therefore, the existence of MSMEs has a big role and potential in developing the national and sectoral economy. The role of the MSME strategy is to participate in the process of equal distribution of economic development, create business opportunities, and create jobs so that they are able to provide a more role in terms of reducing unemployment.

The types of micro, small and medium enterprises are still not well known by the wider community, many factors make these MSME products less well known, one of which is due to the lack of promotional media and sales media that are still conventional, one of these factors is due to the lack of human resource capacity to explore potential. from the use of media to promotional tools.

The growth of MSMEs in the past few decades has actually been relatively good, this reflects that people's resources and innovation and creativity have continued to develop from time to time. Various types of products, both goods and services produced by MSMEs with certain characteristics, both those born from local cultural wisdom and innovation from ideas developed in society, have provided color and wealth of cultural treasures and intellectual property that are priceless for the Indonesian nation. MSMEs continue to grow and develop along with the birth of ideas, creativity and ideas from MSME actors and the growing demand or market for MSME products, even in difficult or crisis conditions like today.

Before being hit by the Covid-19 pandemic, in its development, MSMEs were always faced with various problems, both from the aspect of raw material issues, innovation and technology, marketing of MSME products, even to capital problems. The Covid-19 pandemic has exacerbated the problems faced by MSMEs. As it is known that the Covid-19 pandemic has had a negative impact on multi-sector businesses including MSMEs, especially when implementing the Community Activity Restrictions (PPKM) policy where people's mobility is very limited, causing a decrease in sales turnover of MSME products. This restriction on people's mobility has narrowed the space for both MSME players to produce products or services as well as narrowed the movement space for consumers of MSME products.

The impact of implementing PPKM is felt by MSMEs, especially in terms of selling products that are not optimal even to the point where there are no sales. Markets, malls, supermarkets and stalls selling food and daily necessities seemed empty of buyers, many were even closed, even though on the one hand there was a lot of demand for products, especially the basic needs of the people, but direct transactions could not be made. In addition, it is also caused by the decline in people's purchasing power. With all the limitations that SMEs have, it is impossible for SMEs to solve this problem alone. It needs help from the government in strategy and problem solving, as well as potential development with a coaching approach. Starting from strengthening motivation, entrepreneurial mentality and independence, increasing abilities and skills to technical guidance and assistance in mastering technology.

The COVID-19 pandemic has forced MSMEs to be able to change their marketing strategies so they can survive and continue to make profits during this pandemic. The marketing strategy during the Covid-19 pandemic and in the New Normal era certainly has fundamental differences from the marketing strategy before the COVID-19 era. The difference lies in how to interact between businesses (producers) and customers (customers). If in the pre-COVID-19 era, every business could more easily carry out marketing activities both offline, such as attending in crowded and crowded locations, launching events, using tester promotions or distributing flyers on streets and entertainment venues, then in the New Normal era This marketing strategy with the use of social media applications is a very applicable alternative solution. Changes in the customer landscape, where we must be able to focus more on customer trust in our business. Many consider that returning to the current digital marketing strategy is one of the best ways to take advantage and opportunities and to rearrange by developing short-term and long-term strategies.

Conventional marketing strategies are certainly one of the obstacles in marketing MSME products. With all the limitations that exist during the current Covid 19 pandemic, changes in the MSME marketing strategy inevitably have to change, one of which is by utilizing e-commerce technology. In the digital era like today, the use of technology has provided conveniences for both MSMEs and their consumers.

Seeing the problems faced by MSMEs during the Covid-19 pandemic and the New Normal period, all parties, including the government, associations, academics and stakeholders, should work hand-in-hand to lighten the burden on MSMEs by continuing to provide assistance, technical guidance and also follow-up training. technology development. Related to this role, Master of Management Study Program students at Pamulang University try to take on the role of trying to understand and analyze marketing problems faced by MSMEs and provide concrete and applicable solutions for MSMEs, especially food MSMEs through Community Service activities.

The main objective of training on the use of e-commerce information technology which is carried out in a series of community service activities is to provide knowledge and tools for using e-commerce-based information technology to increase MSME profits during the pandemic.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Rosita Hafni and Ahmad Rozali in the Journal of Economics and Development Studies said that MSMEs have a strategic role in national economic development, it is proven that when the Indonesian nation experienced a crisis that occurred some time ago, Micro, Small and Medium Enterprises (MSMEs) were more resilient in dealing with this reality, while large-scale businesses experience stagnation and even stop their activities. History has proven that MSMEs are able to survive in the midst of an economic crisis (Hafni & Gozali, 2006).

MSMEs are proven to absorb a larger workforce in the national economy. With so many workers absorbed, the MSME sector is able to increase people's income. Therefore, MSMEs have a strategic role in reducing unemployment and poverty. For the contribution and role of MSMEs, it is important for the government to continue to support MSMEs through strengthening so that their role as a pillar in building the nation's economy can run optimally (Nur Sarfiah, Atmaja, & Verawati, 2019).

In his study, Nielsen in CPG, FMCG & Retail 04-14-2020 said that "Following the country's stay-at-home policy to prevent the spread of COVID-19, 30% of respondents planned to shop online more often". So since the implementation of the stay at home order to prevent the spread of Covid-19, around 30% of consumers plan to shop online. Meanwhile, consumers who spend more time using the website score 19.7% (Nielsen, 2020).

Digital marketing includes all marketing efforts using electronic devices or the internet. Businesses leverage digital channels such as search engines, social media, email and other websites to connect with current and potential customers. Social media is still an integral medium for communicating with customers or potential audiences. Customers not only interact with the content posted but also treat it as a medium to express their concerns. In fact, 34% of customers have used social media to ask service-related questions. 47% of them even consider it an effective channel for customer service. Thus digital marketing, one of which is through social media, can be used as a marketing tool in the New Normal era during the Covid 19 pandemic (Dewi, Wijayanti, Titisari, & Istiatin, 2021).

In the current industrial era 4.0, rapidly developing technological advances have caused a shift in people's lifestyles. One of them is the way of shopping which has started to switch to online. With this convenience, people fulfill their needs online. The internet can also be used for the process of buying and selling and promotion which is commonly referred to as E-commerce (Hendrawaty et al., 2018, Yulianto 2006).

METHODS

The method of carrying out training activities for the application of e-commerce technology is by taking a direct approach to MSME actors, providing counseling, mentoring and training on the use of e-commerce in relation to the marketing of MSME products. The implementation method used is:

1. Exposure
This method was chosen so that the process of transferring information, knowledge and technology can be easily conveyed and easily understood by the trainees. The exposure method is through delivering presentations by displaying attractive and relatively compact, fast and easy pictures and displays to provide participants with understanding of what e-commerce is, its uses and advantages as well as various business opportunities during a pandemic crisis, creative economy, and marketing strategies.
2. Discuss
Conduct discussion/question and answer activities regarding the use of e-commerce information technology in marketing applications for MSME products.
3. Demonstrations and Practices
This method shows the marketing process that can be carried out by MSMEs to support product marketing in the Covid-19 pandemic and the New Normal era, where there are various restrictions on space for movement such as the use of digital technology as an easy and free marketing medium, via the smartphone used. With this the participants are also invited to actively carry out the program directly from the concept being taught.

RESULT AND DISCUSSION

In the current industrial era 4.0, rapidly developing technological advances have caused a shift in people's lifestyles. One of them is the way of shopping which has started to switch to online. With this convenience, people fulfill their needs online. The internet can also be used for the process of buying and selling and promotion which is commonly referred to as E-commerce (Hendrawaty et al., 2018, Yulianto 2006).

The development of the internet, especially E-commerce, is currently very rapid. We can get almost all the updated information from there. One of the advantages of using internet resources to connect with customers is the rapid transmission of data and information between the people involved (Kozinets et al., 2010). E-commerce has been developed to make traditional business more efficient, easier and faster. The origin of the concept of e-commerce is EDI (Electronic Data Interchange) which allows companies to do business without paper hard copies and manual processes. Due to the special nature of e-commerce, its development is always dependent on technological developments and legislation. The first significant advances toward e-commerce occurred in the early 1990s when the United States removed restrictions on commercial use of the Internet. In 1995, IBM was the first company to actively promote e-commerce solutions and also attracted interest from the research community. Amazon's success led to a global e-commerce boom in 1999. However, as always happens with technology development, the first wave of the e-commerce revolution failed due to a weak business model and an unprofessional implementation process (Rosalund, 2015). Google's popularity just started a new phase of e-commerce, which is still continuing today. Based on this history, e-commerce is defined as electronic transactions involving the sale or purchase of goods or services between households, individuals, governments and other public or private organizations, which are carried out over a network via a computer. According to Vaithianathan (2010), the concept of e-commerce is not limited to selling and buying, but also involves various factors from the company's value chain, such as promotions, invoicing and payment systems, transaction services and customer security. Therefore, e-commerce can be considered as an umbrella that integrates different functions into a digital form. E-commerce is a mechanism and process of buying and selling as well as exchanging products, services and information through computer network systems, including the internet (Turban et al., 2000; Kurniawan et al., 2015). E-commerce technology is mostly used for business to business (B2B), Internet, e-mail, electronic data interchange (EDI), electronic funds transfer

(EFT) and barcodes. Therefore the company will feel the benefits because time and costs can be more efficient. E-commerce itself is defined as a commercial transaction involving the exchange of value through digital technology. E-commerce media is closely related to the internet, the World Wide Web, and applications found on devices for business transactions (Laudon & Traver, 2017). As mentioned above, the technology used today allows us to do anything in the world of the internet.

The internet is currently not only used as a source of information but as a vital communication tool that is needed in various business fields. In a pandemic like this, especially for MSMEs who want to survive, they have started to switch their business to online business to replace the income they get offline, besides that online marketing can also reach more consumers. Therefore it is needed, mastery of marketing technology is needed for MSME actors. Of course, marketing technology can take advantage of social media in the form of WhatsApp, Instagram and Facebook. Social media plays an important role in promotion and marketing efforts.

A number of researchers explain the benefits of E-Commerce in business activities, especially SMEs, including providing wider opportunities for SMEs to enter national markets and global markets that were previously unreachable, increasing the intensity of communication between business people, increasing access to information, increasing and expanding marketing. and transactions between consumers and suppliers.

According to Olatakun and Kebonye in Audita it is explained that the aspects that encourage SMEs to adopt information technology. Business size also affects the adoption of information technology, where the smaller the business size, the smaller the desire to utilize information technology. This is due to limited resources and others.

Senarathna and Wickramasuriya explain that organizational factors that can influence the adoption of E-commerce in SMEs are:

1. Organizational Culture which consists of the type of organizational culture and the characteristics of the cultural hierarchy.
2. Technological resources consisting of the availability of computer equipment, technical resources, website selection and internet access.
3. Leadership behavior that represents the views of managers or SME owners towards innovation.

Dari pendapat diatas dapat ditarik garis besar bahwa faktor-faktor yang mempengaruhi efektifitas pengapdosian E-commerce yakni factor organisasional, Teknologi dan Lingkungan.

CONCLUSIONS

The COVID-19 pandemic has forced MSMEs to change their marketing strategies so they can survive and continue to earn profits from the businesses they are doing during this pandemic. A marketing strategy using information technology based on e-commerce is a very applicable alternative solution;

The advantage of using information technology based on e-commerce is that every consumer can access information about the products they want from anywhere and the products can be sent to the intended address without having to make a direct transaction. These e-commers provide two-way communication in real time, conduct conversations as well as branding, have a broad (global) reach, can embed automation, security and opt-in of customer messages, and increase profits.

In order to strengthen MSMEs in the future, it is necessary to encourage related agencies such as the Ministry of Cooperatives and MSMEs, the Cooperatives and MSMEs Office and other stakeholders to be able to provide facilitation for MSMEs, especially in terms of marketing facilities and infrastructure for MSME products;

Encouraging MSMEs to be able to work hand in hand to help monitor their business development through e-commerce.

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