

Analysis of Online Promotion Strategies, Online Pricing, and Human Resource Quality in Enhancing Sales of WITROVE SMEs

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Abstract:

Micro, Small, and Medium Enterprises (MSMEs) are crucial business entities that significantly contribute to economic growth, development, and the well-being of the population in Indonesia. Marketing plays a vital role in enabling companies to effectively communicate their offerings to a wide audience, thereby attracting potential consumers. The research methodology employed in this study involves utilizing an approach that relies on primary data, which is information gathered directly from original sources. The findings of this study highlight Witrove's promotional efforts, particularly its collaboration with Surabaya Fashion Week (SFW) in partnership with the local government, as well as its engagement with prominent influencers to enhance product visibility. However, a pricing disparity between Witrove and its competitors in the market has hindered consumer purchases of Witrove's products. Additionally, the study reveals that Witrove's workforce lacks proficiency in managing social media accounts and maintaining an active presence on online marketplaces.

Keywords: MSMEs, Digital Strategy, Promotion Strategy.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a significant and crucial role in the growth of a country, particularly in Indonesia. MSMEs are business activities that have a vital role in the growth and development of the Indonesian economy, capable of improving the welfare of the society [1]. MSMEs also serve as one of the pillars of the Indonesian economy, especially for the lower-middle-class population. They have a strategic role in helping the government address the issues of unemployment and poverty by creating job opportunities, thus reducing the unemployment rate and ensuring the absorption of the workforce into the labor market effectively [2].

The rapid advancement of technology has significantly accelerated the progress of many businesses, including micro, small, and medium enterprises (MSMEs), to promote their products online. The platform where businesses can sell their products online is known as a marketplace. A marketplace serves as an electronic marketing platform that brings together numerous sellers and buyers to engage in transactions. Sellers no longer face the hassle or confusion of selling online, as the marketplace offers a space for online selling, requiring only a simple registration process to commence sales. The entire selling process is managed by the marketplace's marketing team. By registering their businesses, sellers can enhance their services and promotional activities. The extensive network of buyers and sellers on a marketplace increases the likelihood of selling a larger quantity of goods.

One of those who implements this is the Witrove business owned by Mrs. Wiwit Manfaati. This business is a business whose materials are made from water hyacinth. Water hyacinth is classified as a weed or commonly known as a disruptive plant due to its rapid growth and ability to damage surrounding plants. Water hyacinth plants also have negative effects on aquatic areas, such as causing water pollution. The dead water hyacinth plant waste will undergo decomposition, resulting in siltation in aquatic areas [3]. One way to reduce the negative impact of water hyacinth plants in aquatic areas is by utilizing and processing them into handicraft products. In Jl. Kebraon Indah, Surabaya, there is a village engaged in the production of handicrafts from water hyacinth stems. The activity of making handicrafts from water hyacinth, called 'Wiwit Collection/Witrove', is carried out at the address of Jl. Kebraon Indah to help preserve the environment by utilizing the abundant water hyacinth plants to create high-value and aesthetically pleasing products.

The Witrove business also supports the Sustainable Development Goals (SDGs). SDGs are long-term programs designed to address various issues that arise in all countries by optimizing the potential and resources owned by each country for the common welfare. SDGs apply universal principles, namely integration and inclusivity, to ensure that no individual or country is left behind [4].

The current condition of the Witrove business includes low promotion, high pricing in the marketplace making it difficult to compete with competitors, and a lack of quality human resources. In light of these issues, we have conducted an analysis to determine the appropriate strategies related to the challenges faced by Mrs. Wiwit's Witrove business.

With the proposed promotion strategy, pricing, and recruitment of Human Resources (HR), it is expected that the sales of Witrove's eceng gondok handicraft products from UMKM will increase and become more recognized by the Indonesian community.

1. What is the overview of the online sales promotion strategy for UMKM Witrove?
2. What is the overview of the online pricing strategy for UMKM Witrove?
3. What is the overview of the Human Resources (HR) for UMKM Witrove?

RESEARCH METHOD

The research approach used in this study is a qualitative approach. Qualitative research is a study used to examine natural objects, where the researcher is the key instrument, data collection techniques are conducted in combination, data analysis is inductive, and qualitative research results focus more on meaning rather than generalization [5]. Qualitative research aims to maintain the form and content of human behavior and analyze its qualities, perhaps transforming them into quantitative entities [6].

The data used in this study are primary and secondary data. Primary data is obtained directly from sources related to the issues faced by Witrove's owner in running his business. Secondary data is obtained from information available on Shopee, Instagram, and the Internet. These data are obtained through the following methods:

1. Observation is the act of observing the visible phenomena of the object under study. The data collection technique through observation aims to obtain a clear understanding of the formulated problem.
2. Interview is the process of conducting direct interviews with the owner of Witrove to gather the necessary information regarding the issues faced by the micro, small, and medium enterprises (UMKM) in question.

The data analysis to be conducted will involve description and analysis. The description will explain the data or findings obtained through primary and secondary data collection techniques. Once all the data is gathered, it will then be analyzed using descriptive method with qualitative analysis aimed at describing the phenomena or issues being studied. In this way, the author will analyze and explain matters related to promotion strategies, pricing, and determining the quality of Human Resources (HR) at Witrove MSMEs in order to optimize promotion, selling prices, and HR quality, as well as to increase the business profits.

RESULTS AND DISCUSSIONS

1. Online Promotion Strategy for Witrove MSME Products

Witrove's promotional strategy involves Publicity, which is a promotional activity aimed at attracting consumer attention through exhibitions, social services, contests, and other activities with the goal of increasing business reputation and building good relationships and image with the community. In this case, Witrove promotes its products directly by collaborating with the local government and SMEs through the Surabaya Fashion Week (SFW) held in November 2021. The Surabaya Fashion Week event was organized by the Surabaya City Government together with the Regional National Craft Council (Dekranasda), showcasing works from SME entrepreneurs in Surabaya and designers to accelerate economic recovery from the Covid-19 pandemic. Additionally, Witrove also promotes its products through several well-known influencers, such as Nycta Gina (Public Figure), Ifang Rahardjo (Fashion Designer), Nunky Jayanti Putri (Runner Up Miss Indonesia East Java 2008). The government also plays a role in

promoting SME products, including Witrove, through visits, such as the visit of the Deputy Minister of SOEs, and the visit of Puti Guntur Soekarno.

2. Online Pricing Strategy for Witrove MSMEs



Figure 1. Influencers who promote Witrove products

Furthermore, Witrove has yet to utilize the Instagram Shopping feature, which can have a significant impact on expanding consumer reach and ultimately increasing sales. This is because consumers feel comfortable and find it easy to access and view product details along with their prices. With Instagram Shopping, businesses or brands can be easily discovered, as consumers can directly click on product tags to see real-time information about the desired product or other related products. Instagram Shopping also allows consumers to feel more connected by providing feedback and interacting through direct messages or comment sections. Witrove can also create its own business profile that includes an online catalog of the products being sold, enabling consumers to make direct purchases through the website.



Figure 2. Witrove Instagram Analysis

As of June 3, 2022, Witrove has 904 followers and has uploaded 368 pieces of content. Based on the calculation of engagement Witrove has an engagement rate of 0.08%. This figure is obtained using the formula $((\text{likes} + \text{comments}) / \text{posts}) / \text{followers} * 100$. The ideal engagement rate falls between 1%-5%. Therefore, it can be observed that Witrove's engagement rate is very low, indicating the need for further efforts to increase interaction between followers and the brand. Furthermore, looking at the average user activity calculated based on the ratio of likes and comments to the number of posts and followers, it can be seen that out of the last 100 posts, Witrove tends to post more frequently between 03:00-10:00 and 17:00-23:00, with the highest engagement occurring on Tuesdays between 08:00-09:00 and 10:00-11:00, as well as 23:00-00:00 on Thursdays. Additionally, the most popular posting time from the last 100 posts is on Thursdays at 09:00. These insights can be used by Witrove to determine the best and most appropriate days and times for posting in order to engage a larger audience.

Over the past 4 months (March-June), there has been a decrease in the number of posts uploaded by Witrove. Witrove posted the most in April, with a total of 7 posts. However, there was a significant

decline in May with only 1 post and none at the beginning of June. Therefore, Witrove needs to be more active in uploading posts to increase audience engagement. Here are the posts from Witrove's account that received the most comments and likes.



Figure 3. Engagement post Witrove highest

Witrove also includes hashtags and their usage frequency in some of their posts, including #boxbingkisananniversary (5), #boxhampers (5), #boxhantaranrustic (5), #boxbingkisanlebaran (5), #boxbingkisancookis (5), #boxbingkisan kuekering (5), #boxbingkisannatal (5), #boxbingkisan (5), #boxhamperslebaran (5), #boxbingkisan kue (5). These hashtags are already quite good and relevant to the content and products, but it would be even better if Witrove also uses hashtags that are currently trending or viral on social media so that more people can see Witrove's products. Additionally, Witrove can also use hashtags that depict the uniqueness or characterize the Witrove brand itself.

3. Strategy for Determining the Quality of Human Resources of Witrove MSMEs



Figure 4. Shopee Witrove Page

The price of Witrove's eceng gondok craft products on the Shopee marketplace ranges from Rp.150,000 to Rp.600,000. This price range can be considered too expensive for the general public, especially for those in the lower-middle class, especially when sold on the marketplace. Many people tend to choose to shop on the marketplace, partly because of the cheap and relatively affordable prices offered. If Witrove sets the price too high, then these products can only be purchased by a certain group of people, which is why the sales of Witrove's eceng gondok craft products on Shopee are not doing well. Additionally, when compared to similar handmade eceng gondok craft products sold on Shopee, they are priced between Rp.40,000 and Rp.250,000. The price disparity creates competition among similar products with other competitors, resulting in a lack of consumer interest in purchasing Witrove's products.



Figure 5. one of the products

UMKM Witrove is operated by Mrs. Wiwit Manfaati and her husband. It can be seen on the UMKM Witrove Instagram page (@witrove_) that the posts on their Instagram account have not been well-managed. The observation results indicate that the @witrove_ account is not consistent in posting their products, and other aspects such as the Instagram feed are not neatly organized, creating an impression of lacking aesthetics on their Instagram page. Furthermore, the captions on their posts are also unappealing and do not convey the intention of selling products.

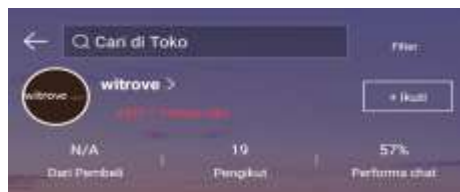


Figure 6. Shopee Witrove Page

In addition to that, it can be observed on the Shopee UMKM Witrove page that the digital store has been inactive for the past week, indicating a lack of control and management over the utilized marketplace. This can be attributed to several factors, one of which is the insufficient quality of the required human resources. Therefore, UMKM Witrove still requires additional high-quality human resources and needs to enhance the quality of its existing human resources in order to advance and develop its business.

CONCLUSIONS

The conclusion drawn from this article is that the promotional activities carried out by Witrove are Publicity, which is a promotional activity aimed at attracting consumer attention through exhibitions, social services, contests, and other activities with the goal of increasing the reputation of the business and building a good relationship and image for the community. In addition, the calculated customer engagement on Witrove's Instagram social media platform is 0.08%, which is considered quite far from the range of good engagement. Therefore, Witrove needs to maximize its online promotion strategies, especially on its Instagram account, for example, by actively interacting with customers, using trending hashtags, utilizing the Instagram Shopping feature, paying attention to the best posting times, consistently uploading content on Instagram, and implementing various other strategies.

The price range of Witrove's eceng gondok craft products on the Shopee marketplace is between Rp.150,000 - Rp.600,000. The price range of the products offered by Witrove is targeted towards the upper middle class who prioritize quality and purchase the products as a means to showcase their social status. However, if Witrove wants to expand its target consumers and market, it should consider adjusting the price

range of its products to reach consumers from various backgrounds and compete with similar competitors in the marketplace.

Witrove's micro, small, and medium-sized enterprise (UMKM) is solely run by Mrs. Wiwit Manfaati and her husband. Therefore, Witrove still needs additional qualified human resources and should continue to improve the quality of its existing human resources in order to advance and develop the business.

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