

## Conference Paper

### Marketing Improvement through Online Marketplace Usage Training for Micro-Business in Jati Village, Tuban

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#### Abstract

Internet access in Indonesia currently covers many parts of Indonesia. These developments are now progressing rapidly with the use of smartphones by the Indonesian people. With the ease of internet access and the high usage of electronic gadgets, they will supports in various activities carried out by the community. These kinds of activities included in buying and selling transactions. This online transaction is not restricted by region and time. The online transaction can be through an online marketplace. One of familiar online marketplace in Indonesia is Tokopedia. The communities in Jati Village, Soko, Tuban where the majority of the people owns micro businesses can sell their product through this platform. Selling through this platform has many advantages, such us this platform provide free service for seller and this platform has a high number of users in Indonesia. Because of that reason, the training Tokopedia seller for micro-business owner in Jati village was held. The result of this training expected that micro-business owner can sell their product through this platform. This will help them for marketing their products more easily and have wider customer coverage. In this training, as many as twenty four micro-business owners attended and participated in the training actively and enthusiastically.

**Keyword:** Micro-business, Online Marketplace, Tokopedia

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#### Introduction

Village has many business potential. This business potential can benefit for people who live in village. It can help villagers to grow economically and support the other sector like education, health, and so on. This also happen in Jati village, Soko, Tuban region in East Java. This village has business potential one of the reason because of its natural resources. This village has a wealth of Jati plant which a kind of wood that used for high quality furnitures. With those potential villagers take on furniture business, but this business has many wood waste. These waste eventually discarded because it does not have any benefit. For other people see those waste could give any benefit if futher processing. Those Jati waste processed again to be some kind of small decoration which have high value. That is one business potential, the other is tempe business and cassava chips business. The villager have cassava farm and one of product which can higher its value is process cassava into chips. For tempe business, some villager make tempe in the traditional way so it does not contain any chemical element in it and have some unique

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yet delicate smell and taste. Besides utilizing the potential of its natural resources, the villagers in Jati village already has craft skill. Women in this village can make many kind of hand-craft products such as artificial flowers for decoration, floral brooch, purse and hand-bag. All those product is product of home-industry or micro-business in Jati village.

Macro-business in Jati village produce their product use traditional way, has less than 4 until 5 staffs, and marketing in local market. Those limits the businesses to develop properly and struggle to have stable business. (Hadiyati, 2015) explain that many factors affect the slow progress of these efforts such low capital, difficulty in marketing the product, strong market competition, difficulty in obtaining raw material, lack of knowledge in the management and technical production. Those factors have to be tackled properly because empowerment of those kind industry as we called Micro, Small and Medium Enterprises (MSMEs) is an integral part of national development. It will help for building a just and prosperous society.

For solving those industry challenges, micro-business have to collaborate with many kind party who can support them such as government, CSR from big industries, and university. Universitas pembangunan nasional “Veteran” Jawa Timur has community program for helping village to optimize their potential. Through this program we collaborate with Jati village for help to solved their micro business challenges. As we mention before, micro-business in Jati village has common challenges such as lack knowledge in management and limited marketing scopes, even though they does not have problem with lack of material for their production.

One challenge they faced is limited marketing scope. Currently, micro-business in Jati village sell their product in local market or in exhibition which held by government. While majority of villagers already have smartphone and use internet in their daily activities, the micro-business owner never used e-commerce or social media to marketed their product. Some study show that e-commerce adoption by micro-business in Indonesia has some obstacles such as micro-business owner has not felt need to use the E-Commerce or other similar IT products, they does not familiar of e-commerce ‘s usefulness for their business, lack of skill for using the technology, and many more (Syuhada and Gambett, 2013). So, micro business need more help in the e-commerce adoption process. Through this program, we will introduce about e-commerce and online marketing, their benefit for business and how to used it. We hope they can use e-commerce to marketed their product easily. The usage of e-commerce eventually will broadening their customer scope and marketed their product easily.

Online transaction in e-commerce or online marketplace is popular in Indonesia. Online marketplace offer convenience (access convenience, information convenience and transaction convenience) in online shopping. This factor have positive effect towards consumer's satisfaction towards repeat-purchase intention (Yakin, 2016). Customer satisfaction, trust, and commitment also have significant impact on loyalty toward online shopping (Pratminingsih, Lipuringtyas and Rimenta, 2013). There are many kind of online marketplace such as Tokopedia, Bukalapak, Shopee, and many more. With current trend, Tokopedia is one of popular and success online marketplace in Indonesia (Kowanda et al., 2018). (Hendrayati, Gaffar and Atrisia, 2015) explain that people tend to buy in tokopedia because it offer time saving, information availability, less stress, less expensive, best offers, helpful for old and disabled people, service quality, easy ordering system, and shopping fun. Other factors such as security and ease of use also support the usage of Tokopedia (Tambunan et al., 2018) (Alwafi and Magnadi, 2016) (Dhiranty, Suharjo and Suprayitno, 2017). In prices, tokopedia have more competitive prices than other online marketplace (Amanah and Harahap, 2018) (Sudjatmika, 2017). Tokopedia has some massive advertising in media both online and offline. On the other hand, the seller who sell their product through Tokopedia has benefit. With people high awereness about Tokopedia, people will do their online purchasing through this platform and this affect to higher effectiveness of selling product in this platform (Nisafani et al., 2017). The seller will meet the buyer who need their product. The buyer will not limited in demographic scope, who ever has access to online marketplace they can buy through it. Tokopedia does not charge it's seller for selling their product, but there are some cost if the seller want some advertisement in main page.

As seller, the factor as satisfaction, image, cost, promotion and value added services which offer Tokopedia will affect to loyalty in use this platform (Jane Aditha Santoso and Alam Napitupulu, 2018).

With all that benefit from using online marketplace, micro-business has many opportunities to join and use online marketplace as a way to market their product. Many research suggest that online marketplace have good impact to micro business eventhough there are new challenge will be faced by micro business (Rahman and Mawardi, 2017) (Rohm et al., 2004). The ability of such marketplaces to facilitate trading over regional and geographic boundaries at low cost and without regard to the size of the firm opens up all markets to broader competition (Stockdale and Standing, 2004).

Based on the background check and initial study of business in Jati village and also the features offered by Tokopedia, in this program we held training about Tokopedia online marketing usage for micro-business owner in Jati village. We hope this training will give insight about online marketing and use it to help solved marketing problem which challenge micro-business owner in Jati village.

## **Research Method**

This training is following program of community service held by Universitas Pembangunan Nasional “Veteran” Jawa Timur and Kementrierian Desa, Pembangunan Desa Tertinggal, dan Transmigrasi. The result from that program showed that Jati Village, Soko, Tuban is clasifying in underdeveloped region in 2018. This is because people in Jati village have uneven level of economic and public education. For the economic side, people in this village actually have various business potential. This scale of this business is home industry or micro business. They marketed their produk manually such us marketed in local market with limited number of product and limited number of buyers. This way does not optimized the business. Manual marketing is way business owner in Jati village marketed their product because 1) location of Jati village is in border of Tuban region and this geographical state does not support them for marketing in wide area, and 2) business owner does not familiar with technology online-marketplace eventhough they already used smartphone and have internet accessed.

Based on that preliminary study, we will give training about usage of online-marketplace for marketing the products of their business. This program breakdown into some phases for implementing training for micro-business owner in Jati Village. The following is explanation of the phases.

### *Focus Group Discussion (FGD)*

This activity will give us an insight about real economic condition in micro-business in Jati village. In this activity we gather representatif of micro-business owner and officer of local government in Jati village. Through this discussion we gather information about what kind of business categories in this village, their challenges in product marketing, information technology skill, what kind ICT gadget which they used, and internet access condition in Jati village. In this activity, we also discuss about our training proposed and organized the event.

### *Training Module Preparation*

From the result of FGD, we proposed training business owner for using online-marketplace site. We choose Tokopedia for online-marketplace site from our prliminary studies. From previous phase we also knew that people of Jati village already knew how to use smartphone but do not familiar with online-marketplace site. We adjusted training module to fit the solution of partner’s challenges and condition such as creating module that include information of online-marketing, usage Tokopedia mobile application instead web application, and so on. The training module includes: what kind benefit for using

online-marketplace site, how to create Tokopedia accounts, the use of Tokopedia to support marketing and transaction via online mobile application.

### *Implementation*

Tokopedia for online marketing and transaction training in Jati village, Soko, Tuban was successfully carried out on July, 2018. The training was located at local government hall, and attended by 24 participants. These participants was micro-business owner which consist of tempe business, cassava chips business, processed wood waste business, and hand crafted business. The training use their own smartphone and internet access provided by local government to practice how to use Tokopedia mobile application as seller.

### **Result and Discussion**

This study is located in Rendeng Village, Malo district which located on the north part of The result of this training include several components, including: 1) the success of the target number of participant which is micro-business owner in Jati village, 2) achievement of training abjectives, 3) achievement of planned material target, and 4) the ability of participant in mastering the training materials.

The target of the training participants was representative micro-business owner from four micro-business category in Jati village. This micro-business categories consist of tempe business, cassava chips business, processed wood waste business, and hand crafted business. We targeted from each of that micro-business category have four representative, so we targeted the participants approximately 16 – 20 participants (Figure 1). In the day of training, the number of participant was 24 participants who consist of representative from four micro-business categories. With this attendees number, we can conclude that this event was success. The micro-business owner in Jati village was eager to learn new skill and knowledge for overcome their challeges.



Figure 1. Training session for micro-business owners in Jati Village, Soko, Tuban, East Java

Generally, the achievement of training objective has been good. Through this training, micro-business owner plus officer of local government get additional insight about online marketing and how to use it to support their business marketing via online. The usage of marketing online does not stop only online marketing but they also can do online transaction through online-marketplace site. Through this training, they understand that current business is shifting from manual transaction to online, and online business transaction will give their business some advantages and competition advantage.

The achievement of planned material target is considered good. From the preliminary studies and FGD, we already knew that people in Jati village majority do not have laptop and the local government only has a laptop, but majority have smartphone which they used for daily activities. Because of that condition, we adjusted training material with the participant condition. The material training was used Tokopedia mobile application rather than access it through web browser. This mobile application was running well in majority participant's smartphone. For this training we use internet access from local government. Jati village local government already has sufficient internet access which free accessed by people of Jati village. Some of participant can adjust with the flow of material training, but the other have some difficulties. One of the reason because we lack of trainers. The participant of training have various range of age and skill of Information Technology. The older one tend to need more assist than the younger one, but we lack of trainer assistant who assisted each participant. The other reason is time limited for our training, we have to deliver from creating account until managing transaction in Tokopedia but due to time limit we have to skip some question and we have to move faster into next material while some participant was not ready or understand current material. While some difficulties in training, in the end of training session each business owner has created Tokopedia account of their business. Some of their product can be seen in figure 2.



Figure 2. Micro-business' products of Jati Village, Soko, Tuban, East Java; (a), (b), and (c) Product of processed wood waste micro-business; (d) Product of traditional tempe making micro-business (e) and (f) Product of hand crafted micro-business

The ability of participant for using mobile application of Tokopedia can be said sufficient, but they need more follow-ups after this training. This is because due of limited time in delivering training

material and the various range of participant's ability. The younger participants can keep up the training material faster than the older one. The older participant need more assist for using the Tokopedia mobile application and to understand the flow of marketing and transaction through this site.

### **Conclusion**

The used of online-marketplace by micro-business will eventually help them for developing their business. Its lower cost transaction and ease of used, make online-marketplace an option to solved marketing challenged which faced by many micro-business. With it's many benefit for micro-business and suitable for solving marketing problem in Jati village, we hold a Tokopedia mobile application training for micro-business owner in Jati village. Tokopedia is one of many popular online-marketplace in Indonesia which have broad market. While its many benefit for seller, we found that Tokopedia will be fit for micro-business in Jati village. This training has been successfully carried out. Attended by representatives from 4 business categories, through this training they get more insight about online-marketplace and its benefit. They also get to know how to use market-place through Tokopedia mobile application and manage the transaction in it. While some succes result, there are some downside from this training such as lack of trainer, time limit, and need some follow-up after the training was over.

### **Suggestion**

Online marketing and transaction for micro-business will give some support for micro-business. The access to e-commerce site is not need more cost. Majority of micro-business owner already have smartphone and can use it to access online-marketplace site or installed online-marketplace mobile application. Some local government also provide free internet access which can be accessed by people of that village. While the infrastructures for online marketing and transaction already easy to accessed, but micro-business owner does not understand the benefit the online marketing and transaction or do not know how to use it. Some micro-business owners are not young and does not familiar with online-marketplace, so they need follow-up training like this again. This important because with follow-up training they will get used to use the online-marketplace application. The other suggestion is give online-marketplace application usage training for officer of local government, so after training they can assist micro-business owner in their region and the usage of online-marketplace not end just in this training.

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