

Conference Paper

Superior Product Sales Strategy of UMKM in Desa Rejowinangun, Kecamatan Kademangan, Kabupaten Blitar Using Online Marketing Media

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Abstract

Desa Rejowinangun is one of villages located in Kecamatan Kademangan, Kabupaten Blitar. This village has potential in form of Micro, Small and Medium Enterprises. In this village, majority of population make a living as traders or entrepreneurs, so that Desa Rejowinangun is dubbed as UMKM Village. Many of real problems faced by UMKM actors in this village. Most important problem is related to marketing of UMKM products. Business people in Desa Rejowinangun are still relying on conventional methods of carrying out marketing business so far. Using conventional sales model, many UMKM sell their products indirectly to consumers, but through orders or requests from distributors or stores. Production of UMKM, which were mostly sold to second hand, made UMKM not maximal in gaining production profits because profits had to be shared with second hand distributors. In an effort to increase economic value of UMKM in this village, there are ideas to develop economic values and marketing methods that utilize information technology and social media. One of them is sales strategy through online marketing and by utilizing social media. UMKM actors will get many benefits with production sales model directly to consumers, one of which is UMKM can sell their products directly to consumers with brands and packaging issued directly by producers. UMKM will have advantage of using information technology to increase economic value of UMKM in this village, which is expected to increase income and added value to Desa Rejowinangun as a UMKM village.

Keywords: Economic value, information technology, marketing business, UMKM

INTRODUCTION

Village development is essentially basis of national development, because if every village has been able to carry out development independently, prosperity of community will be easily realized and nationally will increase index of community prosperity. In developing village potential, it must be adapted to problems of life or needs of community so that results can really be felt to improve welfare broadly according to agreed objectives. Micro, Small and Medium Enterprises (UMKM) have an important role in economy of Indonesian people. First important role of UMKM is as a means of alleviating small communities from poverty. Main reason is high rate of employment by UMKM. UMKM also have a very important role in economic equality of community. Unlike large companies, UMKM have locations in various places (Enifah, 2012; Sofyadi, 2003).

Desa Rejowinangun is one of villages located in Kecamatan Kademangan Kabupaten Blitar. Village has a potential form of Micro, Small and Medium Enterprises. Majority of population in village of livelihood as traders or entrepreneurs that Desa Rejowinangun is dubbed as Village of UMKM. Some issues related to UMKM located in

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village include entrepreneurship in rural activists Rejowinangun still rely on conventional methods of doing business over years. With sales model production results now, a lot of UMKM that sell products not directly to consumers. Yield sometimes sold to a second hand market to consumers. Second problem is lack of knowledge of instigators of entrepreneurs on utilization of information technologist for example use of websites and social media as a means of sales and promotion of products - their products, resulting in sales of product - product is limited as well as trademarks of their products and packaging of products produced indirectly from producers in Desa Rejowinangun, but uses second hand trademarks in marketing. Sales model like this do not generate maximum profits for manufacturers. But even more profitable for second hand which just do marketing and labeling of brand that is not directly from manufacturer. This is a problem that is found in Desa Rejowinangun as rural UMKM (Soepandj,2010; Tika, 2014).

In an effort to increase economic value of UMKM in village, there are ideas to develop economic values and marketing methods that utilize information technology and social media, one of which is online marketing and by utilizing social media and utilization of special websites for UMKM. This will get benefits in form of producers can sell their products directly to consumers with brands and packaging issued directly by manufacturer. By utilizing information technology to increase economic value of UMKM in village, it is hoped that it will add revenue and added value to Desa Rejowinangun as a UMKM village.

Based on background described above, several problems can be formulated in submission of this thematic KKN, namely: non-optimal marketing method of UMKM in Desa Rejowinangun by utilizing information technology and social media. second problem is that there are still frequent sales of superior UMKM products in Desa Rejowinangun that are not directly in hands of consumers, this is due to sales process through second party and resulting in brand and packaging of products not directly from producer.

METHODS

In conducting research, structured steps need to be developed. Following are stages in carrying out research.

1. Preparation and Briefing

Preparation phase of KKN-TEMATIK activity began with conducting field surveys and interviews with residents and equipment of Desa Rejowinangun, Kecamatan Kademangan, Kabupaten Blitar, East Java. This activity aims to get information about problems that are being faced by local village, as well as explore potential that exists as material for preparation of programs in solving these problems. In its implementation, programs at KKN-TEMATIK will be carried out by KKN-TEMATIK Team. Whereas evaluation of programs that have been implemented will be carried out in final stages of KKN-TEMATIK activity.

Next stage is debriefing of KKN-TEMATIK activities for students participating in KKN activities. Briefing activities include:

- a. Dissemination of an overview of conditions of village area that has been fostered
- b. Providing material about UMKM.
- c. The tutorial is followed by making support for Appropriate Technology on processing of Partner's superior products that are appointed in accordance with student sub-program. In supporting this activity, several trainings attended by students included: UMKM product diversification training into better selling products, training in design design and packaging labels for UMKM products in an effort to increase sales value, photography training

to take photos of UMKM products as a marketing promotion medium online, training on product marketing online management, as well as training on website application development to market UMKM products.

2. Implementation

Implementation of KKN-TEMATIK programs that have been prepared will involve active participation from community of Desa Rejowinangun, Kecamatan Kademangan, Kabupaten Blitar, East Java. Approach taken is to make several work lists for Partners and KKN-TEMATIK Teams related to solutions to problems that will be overcome. Following is a description of KKN-TEMATIK programs in accordance with issues raised:

- a. Socialization of condition of Village Areas that are guided, among others: dissemination of superior products of UMKM, dissemination of marketing area of UMKM products, and socialization of marketing media that was previously available.
- b. Material training on UMKM, among others: extension of UMKM programs and socialization of understanding and objectives of UMKM.
- c. Training on diversification of UMKM products, among others: socializing selection of processed products and training on product processing techniques.
- d. Training on design and packaging of UMKM product packaging training, including: image editing software training, product design and logo training, and product character development training techniques.
- e. Photography training for taking photos of UMKM products, including: training in photography techniques and training in how to take pictures for products.
- f. Online product marketing management training, including: online marketing management counseling, online marketing strategy training, and entrepreneurship training.
- g. Website application development training, among others: preparing supporting documents for applications, such as product data, production activity data, and Partner identity; look for website application template designs that match theme of Partner; design and create databases in accordance with results of problem analysis; application of supporting documents to database and website application templates based on agreed template; domain registration to several existing social media; and register internet marketing on search engines.

3. Program Sustainability Plan

4. KKN-TEMATIK activity in Desa Rejowinangun, Kecamatan Kademangan, Kabupaten Blitar, East Java will later involve several institutions in various fields, including:
 - a. Assistance from UPN "Veteran" Jawa Timur Team, where Desa Rejowinangun is a Built Village.
 - b. Capital strengthening program by working with local cooperatives.
 - c. Cooperation from Department of Agriculture as a product and marketing diversification partner.
 - d. Regular training through UKM Kecamatan Kademangan cooperates with Dinas Pertanian Kabupaten Blitar.
 - e. Cooperation from Dinas Perindustrian Kabupaten Blitar to accommodate results of processed products.

In evaluation phase, KKN-TEMATIK Team and Partners will jointly conduct field surveys and market trial observations on results of solutions made, especially on impact of using online media in terms of marketing processed products.

RESULT AND DISCUSSION

KKN-TEMATIK program activities have been carried out according to plans that have been prepared. Following is a description of implementation of KKN-TEMATIK activity programs in accordance with issues raised.

1. Results of Initial Coordination of Activities

This activity includes observations on superior products, marketing areas, marketing media, and bookkeeping management for each UMKM. There are three UMKM that are objects of research at this KKN, namely Apple Brand, Dua Nanas, and Nara Snack. results of initial coordination of activities on superior products in each UMKM are as follows: superior products for Apple Brand UMKM are geti and carang mas, superior products for Dua Nanas, namely jenang and dodol tape, while Nara Snack has superior products namely for yuyu and almond cheese.

Regarding marketing area, products that are seeded by each UMKM are mostly distributed to second party, Kampung Coklat, which is one of leading educational tours in Blitar city. In addition to being marketed in Kampung Coklat, three UMKM sell their products through orders, both individual celebration orders, and order orders from stores. Because all this time way of marketing products from all three UMKM was only through requests, both from Kampung Coklat, individuals, and stores, so each of these UMKM did not yet have a reliable marketing media. In this case an opportunity can be taken, that actually marketing or selling superior products from these three UMKM can actually be expanded and sales turnover can still be increased.



Figure 1. Activities for Coordination of Early Activities in One UMKM

In terms of bookkeeping for financial management, three most active UMKM have not implemented a detailed accounting system. Product distribution in marketing process is carried out once a week, so calculation of profits is carried out per week. UMKM also added that new profits or profits could be obtained when products distributed were sold out. Actually, all this time UMKM had also received training in bookkeeping from District Government and Bank. But counseling was given only about UMKM and did not explain more about bookkeeping. Bookkeeping training is given only in broad outlines and is still constrained by procedures for filling out books. This is because amount of goods, money in, and money out is still ambiguous. Not doing bookkeeping for UMKM has an impact on unstable financial of UMKM. As a result, business capital is often mixed with personal finance and is used for daily needs so that calculation of profits earned is difficult.

2. Implementation of Training on UMKM

Training on UMKM was provided with aim of providing a deeper understanding of UMKM. Material that has been given to KKN program starts from government regulations on UMKM, registration of IPRs, to an understanding of Home Industry Food Permits (PIRT).

After getting this training, three UMKM are expected to have innovation in terms of production quality in terms of product branding and product safety so as to increase self-confidence to be able to compete with similar products from other UMKM. If every superior product from this UMKM already has a name and reputation, then marketing activities will also be easier to expand, and sales turnover obtained will increase.



Figure 2. Training Activities about UMKM

3. Implementation of Product Diversification Training

Product diversification training is a training that aims to provide innovation regarding variety or types of products that are seeded from each UMKM. From several excellent UMKM products, several proposals were given regarding product diversification.

Apple Brand's superior UMKM products, which are Geti and Karang Mas. For geti made from main ingredients of brown sugar and coarse milled peanuts, so far only square boxes have been formed. Proposal given to this product is in form of more interesting forms such as animals, flowers, leaves, funny characters, or other models that are considered more attractive. As for mas, proposal is in form of a taste that is more diverse than just taste of chocolate and brown sugar, such as taste of macha, taste of fruit, or given a more striking coloring. Dua Nanas UMKM with their superior products, namely jenang and dodol tape, proposal given is in form of flavors and colors that are made more attractive and appetizing. Proposed diversification of products for yuyu and almond cheese is also given to UMKM Nara Snack. For yuyu, suggestions were given about taste, color, and shapes that were made more diverse and interesting. Similarly, almond cheese is given a product diversification proposal regarding variants of shape, color and taste.



Figure 3. Extension of UMKM flagship product diversification

Several diversification proposals for each superior product have been offered to all UMKM. However, several proposals turned out to be unable to be implemented according to UMKM actors. This is because some things such as character of superior products that do not allow it to change shape, taste that is considered a characteristic that makes objected UMKM give other flavors of their superior products, as well as color variants that cast doubt on minds of UMKM players distinctive features of superior products. But it does not rule out possibility that these UMKM players are still trying to implement some of these product diversification proposals. If it turns out that there are certain proposals from products that can be accepted by community, they will be retained for further production.

4. Implementation of Design Training and Product Packaging Labels

UMKM in Rejowinangun Village have not yet fully sold their processed products using their own names, brands and packaging. So that products issued use name, brand, and packaging by second party, in this case Kampung Coklat as second party. Whereas for products marketed through celebration orders or store requests, product labels from MSMEs only have makeshift designs.

The design and packaging label of each of UMKM superior products needs to be improved with aim of being able to develop products independently into a wider marketing area. So far, marketing has largely focused on second party. This is feared later only name of second party that continues to be famous with its label due to second party that regulates all terms and conditions to be marketed. It is also feared that main producers of these products will not have big names because only as a product supplier on second party, while second party is increasingly victorious with product support from UMKM in Rejowinangun Village which does have good products.



Figure 4. New Labels Proposed for UMKM Products

The solution that can be raised is that besides continuing to enter product to place, UMKM in Rejowinangun village is provided and accompanied to be able to make a packaging or label design, and make a brochure to be able to do wider marketing in Blitar even throughout Indonesia. Hope is that by making names, brands, and packaging that they can market themselves can help to eliminate dependence on second parties and UMKM in Rejowinangun Village can carry out production independently from upstream to downstream, from their hands to markets directly.



Figure 5. Assistance Activities for Design and Packaging Labels of Superior MSME Products

Education about design of each product from UMKM in Rejowinangun Village is a solution that can be offered. This training contains information about extracting ideas and also good and correct packaging design techniques. Assistance with design of design was also carried out so that results of education provided could be applied properly and correctly so that it could help to solve problems that existed in UMKM in Rejowinangun Village.

5. Implementation of Product Photography Training

Photography training for UMKM products is carried out both to support design training and packaging labels, as well as to product marketing activities. Photographic material provided in form of techniques in photography, procedures for taking angle photographs of products, use of photo editing software, and correct lighting of photo objects. If community in this case is that UMKM actors have ability to take good product shots, in future it is hoped that promotion and marketing activities of superior products will be easier to improve.



Figure 6. UMKM Featured Product Photography Training Activities

Because of tight production schedule of each UMKM, this photography training activity was conducted in three locations of UMKM in turn. Time and energy needed is more, but results obtained will be more maximal. Many of advantages of this training model include assistance in training to be more intense and privacy, more focused on objects of each of UMKM superior products, UMKM players also become more flexible in conducting discussions about their UMKM superior product photography. Some examples of photos taken from superior UMKM products are directly implemented into new product labels and packaging. Several other images are used to be uploaded into online marketing media that UMKM will use to market their products.

6. Implementation of Product Marketing Management Training

Product marketing management training is focused on goal of increasing competitiveness of UMKM superior products on market. Material provided includes development of product marketing areas, providing insight and knowledge about product marketing strategies especially on online product marketing, as well as an understanding of entrepreneurial theory which also needs to be provided to improve character of better entrepreneurial spirit in UMKM actors. Related to topic of marketing, counseling was conducted on marketing techniques online through e-commerce media in form of OLX to reach a wider market (National), Shopee, Instagram, and even create their own website.



Figure 7. Activities for Promoting UMKM Leading Product Marketing

7. Implementation of Website Application Development Training

The training activity on website application development was carried out as a closing activity in a series of UMKM quality improvement activities at this thematic KKN. This activity is a continuation of development of marketing media for superior UMKM products. With this product marketing application development training, it is expected that UMKM players will be able to independently develop their UMKM superior product promotion event.



Figure 8. Online Marketing Media Development Training Activities

The material provided at this counseling included preparation of supporting documents for identity of UMKM such as superior product data, process of production activities, profile of UMKM and partners; search website application templates for online marketing media; introduction of database as a medium for storing product photos and product descriptions and even UMKM profiles and news of production activities; how to use database for data storage processes; domain registration to several existing social media such as OLX, Bukalapak, Instagram, Shopee; to register marketing on search engines on internet.



Figure 9. Web Views of Blitar UMKM

CONCLUSION

In general, KKN Tematik activities went well and smoothly. Hope for people of Desa Rejowinangun to continue to grow and with spirit of independence to increase potential of village to create a developed, prosperous, prosperous village with a superior and educated community.

After implementation of thematic KKN activities, it is expected that cooperation with Desa Rejowinangun as a Development Village will continue. There are still a number of sustainability roadmap work programs in developing village potential that need to be implemented. Regular monitoring and evaluation to monitor results of training program programs during thematic Community Service Program is very necessary to maintain progress of quality improvement of UMKM. Assistance to solution of several problems faced by UMKM in this case which includes product marketing is very necessary to be done so that UMKM can be independent in carrying out their business processes.

Some fsuggestions that we can give, we hope that advice given can help smooth development of Desa Rejowinangun, and can be used as a reference in implementation of Kuliah Kerja Nyata activities for coming year.

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