

Entrepreneurial Spirit of Domestic Business Actor Digital Marketing for MSMEs in Bandung City

Heri Erlangga, Yanti Purwanti, Yayan Mulyana

Fakultas Ilmu Sosial dan Ilmu Politik, Universitas Pasundan, Bandung, Indonesia

Email: heri.erlangga@unpas.ac.id

ABSTRACT

In the process of its development, MSMEs face various obstacles both in terms of human resources, finance, and markets. However, although MSMEs have many obstacles in developing them, the spirit of business actors is one of the keys to success in trying to make MSMEs continue to advance and be able to compete with other similar businesses. The method used in this research is qualitative. This method is based on a holistic and complete appreciation of human behavior. In this regard, entrepreneurship is a behavioral symptom. All activities that take place are researched as they are (natural setting) and explored through a deep appreciation method (verstehen) and look for what values are inherent in the entrepreneurial spirit armed with the experience and knowledge possessed. The targeted outputs are international journals indexed by Scopus, Sinta, International Proceedings and Monograph Books from research results. TKT (Technology Readiness Level) is already in stage 3, namely the proof-of-concept of functions and characteristics already analytically and experimentally, namely the Research Design and Methodology has been prepared, the design methodology used to answer research questions has also been prepared, the design determination sampling, and data collection needs as well as data collection techniques have been prepared, the adequacy and completeness of the data has been determined. The technical evaluation and prediction of results have been carried out, scenarios and alternatives for completeness of data have been prepared and R&D designs have been made.

Keywords: Entrepreneurial Spirit; SMEs actors; Digital Marketing

INTRODUCTION

The impact of the current Covid-19 pandemic (Franchi, 2020; Pietromonaco & Overall, 2021; Vindegaard & Benros, 2020) can make companies try to maintain their business so that they can continue to develop, including MSMEs (Micro, Small and Medium Enterprises) (Garg & Walia, 2012; T. Tambunan, 2019; T. T. H. Tambunan, 2012), various kinds of challenges, however, business actors must still have the spirit to continue trying to earn profits. in difficult times like this. In the process of its development (Olwig, 2021), MSMEs face various obstacles both in terms of human resources, finance, and markets (Maulina & Fordian, 2018; Mukherjee, 2018; Sudhakar et al., 2017). The results of Indonesian MSME products have good quality. "Perspective Analysis of the Theory of the UKM Canvas Business Model in Cirebon Regency", that the obstacles to UMKM are mostly due to complicated legality, unstandardized technology, limited human resources, raw material crisis due to government policies (Lumunon et al., 2021; Pramono et al., 2021; Purnomo et al., 2013).

Although MSMEs have many obstacles in developing them, the Spirit of Entrepreneurs is one of the keys to success in trying to make MSMEs continue to advance and be able to compete

with other businesses (Kusi et al., 2015; Purwaningsih, 2019; Sunrowiyati et al., 2021). Because business actors are planners, implementers, and controllers of the success or failure of the business. This indicates that business actors must continue to have an entrepreneurial spirit or spirit in running their businesses (Salvato et al., 2010; Sunrowiyati et al., 2021; Wijaya et al., 2016), in addition to the entrepreneurial spirit, other factors in establishing and developing businesses or SMEs (Micro, Small and Medium Enterprises). run can run well and generate optimal profits.

According to Bandung City BPS data, obtained from the Bandung City Industry and Trade Office, the number of MSME Industrial Companies is based on the Standard Classification of Business Fields in the City of Bandung, in 2019, dominated by the Textile industry with a total of 202 business units. The second largest is the Printing and Media industry with 194 business units, then the Apparel industry with 167 business units, followed by the Food industry with 117 business units, and other industries with less than 100 business units. From the data above, the industrial sector including MSMEs should be able to maximize their efforts to contribute to the economy of the City of Bandung, because "Micro, Small and Medium Enterprises (MSMEs) have a strategic role in national economic development, because apart from playing a role in economic growth and employment work, also plays a role in the distribution of development results." In the context of MSME success, it is measured from various aspects such as performance, sales growth, market share, and profitability."

There are still limited types of businesses spread across the city of Bandung, one of the factors predicted by researchers is the digital marketing factor. because the effectiveness of digital marketing in an MSME needs to be considered, the characteristics of MSMEs in Indonesia are still very few to develop digital marketing that is networked and uses sophisticated technology. MSMEs that still use static sites are 32.5%, interactive sites are 25% and have not been digitally involved, have a percentage of 7.2% MSMEs. Limited business facilities and infrastructure, especially those related to technological tools. Most MSMEs use technology that is still simple so it is difficult to compete in terms of quality and quantity." Because at this time in the digital era, a solution in developing a business is through digital marketing or online promotion. Online promotion is more effective in marketing through social media than promotion through electronic media and print media." The study also explained that digital marketing is dominated by social media with the 3 biggest being WhatsApp, Instagram and Facebook.

Facebook has reached more than 500 million users, even Facebook also announced that it has reached 150 million mobile phone users, up about 50 percent since April. This fact basically stems from the emergence of information technology that allows the internet to continue to grow and develop until now. So to overcome these problems, research is needed on "Entrepreneurial Spirit of Business Actors in Digital Marketing for MSMEs in the City of Bandung".

METHOD

This study uses a naturalistic inquiry approach (McInnes et al., 2017). This approach was chosen because it is considered more suitable with the characteristics of the problem under study, namely with regard to entrepreneurial behavior. Scientific inquiry is the search for knowledge using methods known as data collection, analysis, and interpretation. Research with a qualitative approach uses the method of collecting as many facts as possible in detail and in depth about one thing or social phenomenon in order to get an understanding of as much as possible the nature of that phenomenon. Collecting information to understand these facts is done by using research

techniques such as interviews (interviews), observation (observation) including observation involved (participation observation).

Furthermore, it should be emphasized here that the nature or substance of the focus of the study through a qualitative approach is abstract. That means that what is understood is in the form of thoughts, knowledge, beliefs, feelings from the community, group, or social class being studied. All of that is traced through behavioral symptoms or other symptoms. These observable phenomena are analyzed, interpreted and in turn must be explained and understood as the behavior of the people concerned. All of these understandings are related to existing theories and researchers will interpret and reconstruct theories that will give birth to a model in the Entrepreneurial Spirit for SMEs through the Study of Digital Marketing, so that it will provide a change in understanding of the problem after the research. This study focuses on the problem of the entrepreneurial spirit of several MSME actors. More specifically, the attitude of MSME managers is used as the focus of problems in the use of Digital Marketing.

RESULT AND DISCUSSION

The Meaning of the Entrepreneurial Spirit for Business Actors in MSMEs in the City of Bandung

In fact, the meaning of entrepreneurship should have a 'spirit' from the start of scientific concepts, concepts of attitudes and practical concepts. That is, in interpreting the entrepreneurial spirit, MSME actors in the city of Bandung have understood the attitude area that must be creative, innovative and independent. This understanding is a reaction because in the midst of increasingly sharp competition with very fast technological developments, if you do not have the attitude that exists in the entrepreneurial spirit, the business will be left behind by competitors, so that business actors interpret it from the transfer of knowledge process, learn from their experience in managing a business in ups and downs, especially during a pandemic. Therefore, if entrepreneurship is interpreted as a science, it is important to teach business actors to equip themselves to have an entrepreneurial spirit in developing creative and innovative abilities. In addition, it is also important to strengthen the transfer of value (mental attitude) in the process of managing a business which is interpreted as a character whose final result will form attitudes of independence and self-confidence.

The opinion above is based on the concept of entrepreneurship, which is a scientific discipline that studies the values, abilities and behavior of a person in facing life's challenges to obtain opportunities with various risks that they may face. Entrepreneurship is not just a field business, but is a discipline that can be learned and taught. "Entrepreneurship are not only born but also made", meaning that entrepreneurship is not only an innate talent from birth or a matter of field experience, but can also be learned and taught

Entrepreneurial Spirit of Business Actors Can Be Done in Digital Marketing for MSMEs in Bandung City

Digital marketing facilitates sales promotion, such as the use of social media which is widely used by marketers. Marketing through digital marketing will have a wider reach and lower costs. The existence of social media is a means for consumers that can be used to disseminate information in the form of text, images, audio, and video with many parties, both between companies to consumers or consumers in the company (Kotler, 2012). Rapid technological

developments can be used to develop a business. One of them is using digital marketing to communicate the marketing of its products as an effort to dominate the market. Basically the concept of digital marketing is to utilize a wide area such as television, radio and even the internet where the media will provide infographics about the products marketed by the company. Digital marketing can reach all people, anytime, in any way, anywhere. Of course, it is far superior to conventional marketing which is limited in time, location, and user reach because it only promotes its products directly in stores.

Knowing the Entrepreneurial Spirit of Business Actors in Applying Digital Marketing to MSMEs

The use of digital marketing in a marketing strategy has several advantages, including: 1. Global reach The use of a website makes it possible to find new customers and trade globally with only a small investment. 2. Lower costs Marketing using the internet that is well planned and targeted can reach the right customers at a much lower cost than traditional marketing methods. 3. Trackable and measurable results Measuring marketing digitally through web analytics and other online metric tools makes it easy to determine how effective the campaigned marketing strategy is and provides detailed information on how customers use the created website. 4. Profiling data acquisition of customers who visit the website created provides data on customers who frequently buy products. The more they buy, the more detailed customer profiles they get. 5. The openness and engagement of social media and managing them carefully, will build customer loyalty and create a reputation for being easy to engage. 6. Digital marketing social currency allows creating attractive advertising campaigns using content. This content (images, videos, articles) can earn social currency which is passed from user to user and goes viral. 7. High conversion rate Having a website, the customer is only a few clicks away from the purchase. Unlike other mediums that require people to get up and make a phone call, or go to a store, digital marketing can be seamless and direct.

Some of the weaknesses and challenges of digital marketing that must be considered include: 1. Skills and training The right knowledge and expertise to do digital marketing is the key to successful marketing success. Digital marketing tools, platforms and trends change rapidly and require up-to-date information. 2. Time consuming The task of optimizing online advertising campaigns and creating marketing content can be time-consuming. Because this is a measure of success in order to ensure a return on capital. 3. High competition Global customer reach by means of facing global competition. This is a challenge in itself in attracting the attention of customers. 4. Complaints and negative feedback or criticism of the business brand will damage the reputation of the business because it is an indicator of the customer deciding to buy the product. 5. Security and privacy issues A number of legal considerations surrounding the collection and use of customer data for digital marketing purposes have led to the need for guarantees so as not to be involved in legal cases.

Business actors in the city of Bandung who use digital marketing are increasing, even at the national level it has increased by almost 100% (according to the explanation of the Minister of Cooperatives and SMEs, Teten Masduki in an interview "Two Sides" on a private television station). However, in the application there are still simple and advanced categories, even the importance of an e-mail address or website still needs to be continuously educated because it is still in the process of adapting to enter digital marketing, this is also illustrated by the profiles of business actors who have been interviewed but their business profiles there are still those who

do not have an e-mail or website and others which are supporting instruments in digital marketing. So it is very important to continue to encourage business actors in implementing digital marketing-based information technology support.

SWOT Analysis

The running of the entrepreneurial spirit program for MSME actors in utilizing digital marketing will raise a lot of Teknopreneurship, a business actor who starts a business with knowledge, so that he has high reasoning power and sharp analysis in seeing every opportunity and threat, through a SWOT Analysis study, as shown in the figure. below this :

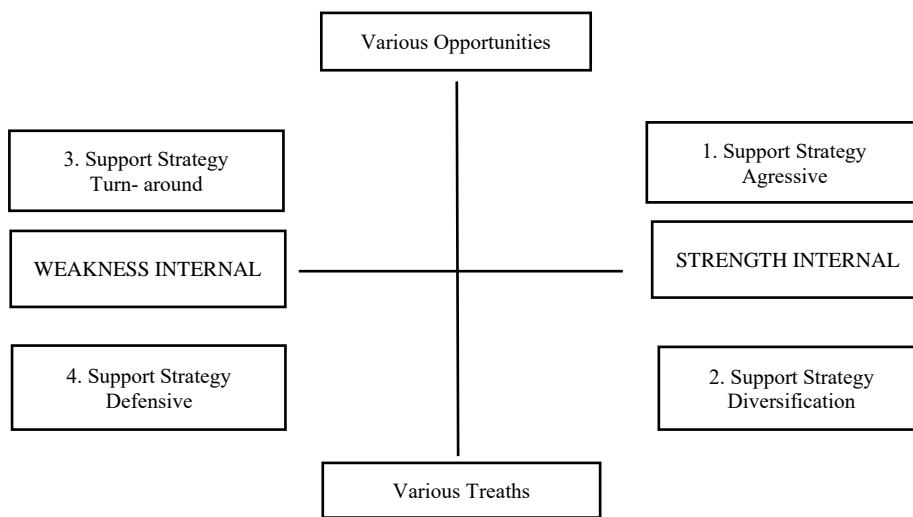


Figure 1. SWOT Analysis Diagram

Quadrant -1 : This is a very favorable situation. The company (MSME actors) has strengths and opportunities, so they can take advantage of existing opportunities. The strategy that must be applied in this condition is to support an aggressive growth policy (Growth Oriented Strategy).

Quadrant - 2: Despite facing various threats, this company (MSME actors) still has internal strength. The strategy that must be determined is to use strength to take advantage of long-term opportunities by means of a diversification strategy (product/market).

Quadrant – 3: The company (SME actors) faces a very large market opportunity, but on the other hand, it faces several internal constraints or weaknesses. The business conditions in quadrant 3 are similar to the Question Mark in the BCG matrix. The focus of the company's strategy (MSME actors) is to minimize the company's internal problems, so that it can seize better market opportunities.

Quadrant – 4: This is a very unfavorable situation, the company (MSME business actors) is facing various internal threats and weaknesses.

Through SWOT analysis, companies can see an overall evaluation of the strengths, weaknesses, opportunities and threats. The fundamental purpose of a SWOT analysis is to identify trends, strengths and conditions that have a potential impact on the formulation and implementation of a company's marketing strategy. This is the most important step for two

reasons. First, any change in the external environment can have a serious impact on the markets of a company (MSME players). By anticipating and taking action, companies will be able to benefit from these changes. Second, this step provides an opportunity to compile the most important aspects for evaluation.

SWOT Analysis Factors To analyze more deeply about SWOT, it is necessary to look at the SWOT analysis factors. Namely, external and internal factors of a company. The following is an explanation of each of these factors:

a. External Factors;

These external factors affect the formation of opportunities and threats (O and P). Where this factor is concerned with conditions that occur outside the company that affect the company's decision making. These factors include the industrial environment and macro business environment, economics, politics, law, technology, population, and socio-culture.

b. Internal factors;

These internal factors affect the formation of strengths and weaknesses (S and W). Where this factor concerns the conditions that occur in the company, which also influences the formation of company decision making. These internal factors include all kinds of functional management: marketing, finance, operations, human resources, research and development, management information systems and corporate culture. External and internal factors in the SWOT perspective have an assessment of the condition of a company, as for the assessment measured under several circumstances. This situation will be described by researchers, namely as follows:

Based on the picture above, there are 2 (two) conclusions that can be drawn and are feasible to be applied by a company, namely:

1. A good company is if the opportunities (opportunities) are greater than threats (threats), and vice versa.
2. A good company is if its strengths are greater than its weaknesses and vice versa.

Table 1
External and Internal Factors SWOT Analysis

EFAS	IFAS	STRENGTHS (S) a. Strategic location b. Competitive Price c. Friendly HR d. Product quality e. Service Flexibility	WEAKNESSES (W) a. Large capital in business establishment b. Management is not working optimally c. Conditions during a pandemic d. Production equipment maintenance e. Transportation
		OPPORTUNITIE(O) a. Extensive market share b. Competitors / IT tools competition c. Expanding the place of business	STRATEGI SO a. Increase the number of product/service variations offered b. Expand market share with social media c. Make an affordable price
			STRATEGI WO a. Improve cost efficiency b. Applying for credit to the bank to increase business capital in collaboration with production equipment technicians

d. Products that are always evolving	d. Provide attractive offers and special discounts on certain purchase quantities, especially for regular customers	c. Need to create a business focus with ownership of innovative goods/services
e. Behavior patterns and community needs are growing		d. Innovative products/services
THREATS (T)	STRATEGI ST	STRATEGI WT
a. Development of Technology / IT	a. Developing competitiveness in digital marketing	a. Selection of the shipping service used
b. The emergence of new competitors with the power of IT	b. Improving service to customers through social media support and IT sophistication	b. Convenience attention
c. Expensive Raw Materials		c. Employee quality selection increases competition

The SWOT matrix in table 1. above, produces four strategic alternatives that can be taken by MSME owners or managers in facing increasingly competitive competition, which are as follows:

1. Streght-Opportunities Strategy;

This condition is usually a condition expected by a company, because the advantages or strengths possessed by a company are used to take advantage of all existing opportunities, so that a company can have a good competitive advantage when compared to similar companies. There are several strengths of MSMEs in taking advantage of existing opportunities, including:

- a. Enhancing Design Innovation and Creativity; Improving innovation and creative design in this case is carried out by MSMEs so that later the businesses run are capable of meeting consumer needs, so that customers do not switch to other goods/services.
- b. Expanding Market Share; Judging by the operational location of MSMEs, there are indeed several business competitors, although the scope of business is still at a level that is not much different. Thus the establishment of a new business becomes important, but it must be with careful planning in order to create a business that is different from the others.
- c. An affordable price; The implementation of the pricing strategy is one of the strategies applied by the owner or manager, in implementing their competitive strategy to face increasingly fierce market competition. The creation of competitive prices for MSMEs applies lower prices, usually attracting consumers to come, so that they eventually have more customers. In addition, MSMEs also provide discounted prices to customers who buy or order goods for large parties, this is also one of the business strategies undertaken by MSMEs in maintaining consumer confidence.

2. Weaknesses-Oportunities Strategy;

This strategy is determined based on the utilization of existing opportunities by minimizing existing weaknesses, including:

- a. Improve Cost Efficiency; Capital owners use capital that comes from their own funds and the amount is very limited. For this reason, in this case the business owner must make cost efficiency, so that business actors will continue to meet the needs of their business operations.

- b. Applying for Credit to the Bank; for Additional Business Capital Opportunities to get big profits in running MSMEs are indeed great, but this business certainly requires a large enough capital to guard. In this case, MSMEs also add capital to several non-bank fund providers in their area with the banking relaxation policy from the Government to help increase their business capital.

3. Strengths–Threat Strategy;

This strategy uses the company's strengths to overcome existing threats. Some of these strengths are as follows:

- a. Developing Competitiveness; Competitiveness is very important in the success of a business. A company has competitiveness when its customers get the impression that its products or services are better than competitors' products or services. MSMEs create this impression by providing various goods and services according to various designs and sizes, so that customers have satisfaction with the desired product/service.
- b. Improving Service to Customers; Service to MSMEs is already good, but this does not guarantee that customers will not switch to competitors, therefore in this case MSMEs continue to improve services so that customers feel satisfied. One of the things to do is to maintain customer loyalty, and maintain customer comfort

4. Weaknesses-Threats Strategy;

This strategy seeks to minimize existing weaknesses, as well as avoid threats. In this condition, MSMEs are required to immediately improve themselves, because only then can a company survive in the face of increasingly competitive competition. Some of the strategies are:

- a. Selection of the Shipping/Transportation Service Used; The use of the wrong delivery service can cause a loss to this business, such as it can result in void of goods or damage to the ordered goods due to unprofessional working methods and the existing transportation services. Which selection is able to send processed goods in a shorter time, but the cost factor is still considered and communicated with suppliers to get the best transportation price.
- b. Pay attention to the Comfort of the Environment; This is necessary so that customers get satisfaction when shopping.
- c. Selection of Employee Quality to Increase Competition; To get the best workforce, it is necessary to carry out a labor selection process, because skilled workers are good, but looking for skilled workers coupled with other advantages such as appearance and friendliness is much better.

Maintaining Good Relationships with Customers; is the most important asset of a company both large companies and small businesses are customers. Therefore, each company will provide the best service for all its customers. MSMEs in the midst of increasingly fierce business competition must be able to provide good service to their customers, so that their customers remain loyal. So that MSMEs do not lose customers, they must establish good relationships with customers, namely by knowing the names of customers and greeting them when they visit and trying to make visitors feel comfortable. SWOT analysis can be used to assist strategic analysis and logical reference in a systematic discussion of the MSME situation and the main alternatives that might be considered. A deep understanding of SWOT Analysis is an integral part of the digital marketing development strategy because it can also be used as an analysis of the entrepreneurial spirit of MSME business actors to measure strengths, weaknesses, opportunities and threats when businesses face the current pandemic situation.

CONCLUSION

As from the results of the analysis of the entrepreneurial spirit of MSME business actors in using digital marketing that has been discussed, the researchers draw conclusions from the results of the discussion by referring specifically to the meaning of the Entrepreneurial Spirit for Business Actors in MSMEs in Bandung City, The Implementation of the Entrepreneurial Spirit in Digital Marketing in MSMEs in Bandung City, Application of Entrepreneurial Spirit in Digital Marketing to MSMEs in Bandung City, with the following conclusions: The meaning of the entrepreneurial spirit of MSME actors in Bandung City has understood the area of attitude that must be creative, innovative and independent. This understanding is a reaction because in the midst of increasingly sharp competition with very fast technological developments, if you do not have the attitude that exists in the entrepreneurial spirit, your business will be left behind by competitors. The spread of the Covid-19 virus has encouraged MSME actors in Bandung City to use computer technology devices or gadgets to carry out digital marketing efforts because business actors feel that with the declining sales target they need to take breakthrough steps in marketing goods or services. The use of digital marketing is increasing in the MSME environment, even at the national level it has increased by almost 100%. But in the application there are still simple categories that are advanced and sophisticated.

REFERENCES

- Franchi, T. (2020). The impact of the Covid-19 pandemic on current anatomy education and future careers: A student's perspective. *Anatomical Sciences Education*, 13(3), 312.
- Garg, I., & Walia, S. (2012). Micro, small & medium enterprises (MSMEs) in post reform India: status & performance. *International Journal of Latest Trends in Engineering and Technology*, 1(3), 134–141.
- Kusi, A., Opata, C. N., & Narh, T.-W. J. (2015). Exploring the factors that hinder the growth and survival of small businesses in Ghana (a case study of small businesses within Kumasi metropolitan area). *American Journal of Industrial and Business Management*, 5(11), 705.
- Lumunon, D. F., Massie, J. D. D., & Trang, I. (2021). The Effect of Training, Digital Transformation, and Work Motivation on Employee Performance during the Covid-19 Period: A Study on Culinary UMKM Employees in Manado City. *CENTRAL ASIAN JOURNAL OF LITERATURE, PHILOSOPHY AND CULTURE*, 2(8), 22–37.
- Maulina, E., & Fordian, D. (2018). Analysis of Restricting Factors of Small Medium Enterprises in Bandung, West Java-Indonesia. *Review of Integrative Business and Economics Research*, 7, 297–307.
- McInnes, S., Peters, K., Bonney, A. D., & Halcomb, E. J. (2017). *An exemplar of naturalistic inquiry in general practice research*.
- Mukherjee, S. (2018). Challenges to Indian micro small scale and medium enterprises in the era of globalization. *Journal of Global Entrepreneurship Research*, 8(1), 1–19.
- Olwig, K. (2021). *Nature's ideological landscape: a literary and geographic perspective on its development and preservation on Denmark's Jutland heath*. Routledge.

- Pietromonaco, P. R., & Overall, N. C. (2021). Applying relationship science to evaluate how the COVID-19 pandemic may impact couples' relationships. *American Psychologist*, 76(3), 438.
- PRAMONO, R., Sondakh, L. W., BERNARTO, I., JULIANA, J., & PURWANTO, A. (2021). Determinants of the small and medium enterprises progress: A case study of SME entrepreneurs in Manado, Indonesia. *The Journal of Asian Finance, Economics, and Business*, 8(1), 881–889.
- Purnomo, H., Irawati, R. H., Achdiawan, R., & Shantiko, B. (2013). Action research approach to strengthening small-scale furniture producers in Indonesia through policy development. *Commoners and the Changing Commons: Livelihoods, Environmental Security, and Shared Knowledge, the Fourteenth Biennial Conference of the International Association for the Study of the Commons, Japan, June 3-7, 2013*.
- Purwaningsih, E. (2019). Intellectual Property Rights in Supporting Entrepreneurship in Indonesia Micro Small Medium Enterprises Scale. *Journal of Advanced Research in Law and Economics (JARLE)*, 10(39), 336–347.
- Salvato, C., Chirico, F., & Sharma, P. (2010). A farewell to the business: Championing exit and continuity in entrepreneurial family firms. *Entrepreneurship & Regional Development*, 22(3–4), 321–348.
- Sudhakar, B. D., Kattapogu, N., & David, A. (2017). Marketing Assistance and Digital Branding- An Insight for Technology Up-Gradation for MSME's. *International Journal of Management Studies & Research*, 5(1), 1562–2455.
- Sunrowiyati, S., Suprajang, S. E., Hidayah, M., & Turmudzi, I. (2021). Entrepreneurship Innovation and Their Problems: A Case Study on MSME Entrepreneurs in Blitar City Indonesia. *International Journal of Social Science and Education Research Studies*, 1(1), 25–31.
- Tambunan, T. (2019). Recent evidence of the development of micro, small and medium enterprises in Indonesia. *Journal of Global Entrepreneurship Research*, 9(1), 1–15.
- Tambunan, T. T. H. (2012). Development of Micro, Small and Medium Enterprises and Their Constraints: A Story from Indonesia. *Gadjah Mada International Journal of Business*, 14(1).
- Vindegaard, N., & Benros, M. E. (2020). COVID-19 pandemic and mental health consequences: Systematic review of the current evidence. *Brain, Behavior, and Immunity*, 89, 531–542.
- Wijaya, B. S., Hanathasia, M., & Kania, D. (2016). Synergizing Entrepreneurial Spirit and the Mindset of Branding through Branderpreneurship: Evidences from Indonesia. *Social Sciences*, 11(2), 129–138.