

## MARKETING MIX STRATEGY IN INCREASING MSMEs INCOME (CASE STUDY IN PURWODADI CITY, GROBOGAN REGENCY)

<sup>1</sup>Dika Kusumajaya, <sup>2</sup>Ratih Pratiwi, <sup>3</sup>Eva Fatimah

<sup>1,2,3</sup>Faculty of Economics and bussines, Semarang. Wahid Hasyim University

Corresponding email : [dikakusumajayz@gmail.com](mailto:dikakusumajayz@gmail.com)

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**Abstract.** MSMEs are trading businesses managed by individuals or business entities that meet the criteria for small or micro businesses. In Purwodadi City itself, MSMEs are a very vital sector. Given the existence of MSMEs, the people's economy in Purwodadi City, Grobogan Regency avoids poverty. However, UMKM in Purwodadi City itself still has several problems, especially in overcoming fluctuations in income or unstable income, which are experienced by MSME actors in Purwodadi City, Grobogan Regency. This study aims to determine the marketing strategy in Purwodadi City, Grobogan Regency, analyze the conditions of the scope and provide solutions based on relevant knowledge and expertise so that they can encourage and support the income of MSME players in Purwodadi City, Grobogan Regency. The method used in this research is descriptive qualitative method. Data collection techniques in this study used literature studies, observations, interviews and documentation. One form of strategy that is able to support the sales of MSME actors in Purwodadi City, Grobogan Regency is the use of a marketing mix which includes product, promotion, place and price. If consumers get satisfaction and comfort and can form customer loyalty, then it will have an impact on increasing income.

**Keywords:** Strategy, Marketing, MSMEs, Grobogan

### INTRODUCTION

MSMEs are business entities managed by individuals or companies that meet the criteria for MSMEs or micro businesses. In accordance with the definition of MSMEs, the criteria for MSMEs are distinguished individually, including micro, small and medium enterprises. Micro Enterprises, UMKM or commonly called UMKM play a good role in improving the Indonesian economy. In addition, MSMEs help the government to overcome one of Indonesia's problems which can reduce Indonesia's unemployment rate by creating new areas for the community where MSMEs are located.

When Indonesia was hit by the economic crisis in 1998, MSMEs became a solution for a healthy economic system and became one of the industries that was not affected even by the global crisis that hit the world. In companies that have been followed by small industries, this cannot be separated from the results of policies and programs implemented by the government. The government has so far taken steps to provide assistance programs in the form of production facilities, management, financing and partnerships which are expected to increase efficiency in several economic sectors that can support MSME operations in Indonesia, with the hope that this MSME industry can compete in the market.

Indonesia's economic growth which continues to increase cannot be separated from the participation of MSMEs, which account for 90% in all business units. The contribution of MSMEs to the Gross Domestic Product (GDP) or the market value of goods or services is 60.5% of employment, which is 96.9% of total national employment. Previously, the

condition of MSMEs declined due to the Covid-19 pandemic, especially in the 2020-2021 period. Based on a survey conducted by UNDP and LEPM UI on 1,1800 MSMEs surveyed, it was found that at that time more than 48% of MSMEs experienced material problems, 77% of income decreased, 88% of MSMEs decreased their demand. for products and 97% of MSMEs are depreciated. In Indonesia itself, MSMEs can also be affected by inflation, price increases are a problem for people's welfare because they affect purchasing power. When inflation increases, people's purchasing power will decrease, whereas if inflation is low, people's purchasing power will increase (Romadhoni, 2021). Even if production costs do not increase, MSMEs are unable to control the decline in consumer purchasing power that occurs as a result of rising prices for other manufactured goods (Rosa & Idwar, 2019). Especially if MSME capital comes from loans that are closely related to lending rates which are very vulnerable to macroeconomic conditions.

Purwodadi City is the capital city of Grobogan Regency which is located on the provincial road that connects Surabaya via Cepu and to (Jepara, Pati, Kudus, Rembang, Blora) via Panturan. Purwodadi City, especially the Grobogan Regency area, has various tourist destinations, both natural tourist destinations and culinary tourism. In addition to the natural tourism sector, the culinary tourism sector is also a sector that can help support the economy of Purwodadi residents, quoted from the data contained in the Central Java Province KUMKM Data One Portal, there are around 2,068 MSMEs in Grobogan district which are dominated by the food/beverage sector. 694 MSMEs. There are various kinds of special and unique culinary delights in the city of Purwodadi which are a competitive advantage in facing competition. Therefore, in carrying out MSME activities in Purwodadi City, Grobogan Regency, we are obliged to apply the 4P strategy in the marketing mix. This strategy can make it easier for MSME actors to attract consumer interest. Within the 4 P's there are elements of Place, Product, Price and Promotion.

MSME actors in Purwodadi City, Grobogan Regency, on average, are 22 to 65 years old, some of them have limitations in utilizing technology, this is very unfortunate considering that technology users can help MSME actors to promote their sales. The local government also seems to be aware of this, so several efforts have been made to maximize the potential of MSMEs in the food tourism sector, such as introducing ways to register businesses and receive adequate funding to start a business, to free consultations for MSME actors or potential MSME actors. In addition, the government's full support for MSMEs is enough to minimize the threat of competition from larger businesses or national brands. however, the efforts made by the government seem still not relative.

This is because culinary MSMEs in Purwodadi City, Grobogan Regency are included in the category of income fluctuations, or erratic income. thus, the authors feel the need for research related to the art of marketing mix management in increasing MSME income in Purwodadi City, Grobogan Regency. As for the purpose of this research in general to examine the impact of the original marketing mix strategy on increasing MSME income in Purwodadi City, Grobogan Regency, the writer hopes that this research can contribute to science in the field of marketing, especially in increasing MSME income in the culinary field. So that this research can be used as a support or as a reference for other researchers related to this research.

## **FORMULATION OF THE PROBLEM**

1. Is the marketing mix important for SMEs?

2. Do umkm in Purwodadi experience income fluctuations?
3. What is the function of the marketing mix in increasing MSME income?

### **PROBLEM OBJECTIVE**

1. To find out the importance of the marketing mix in increasing MSME income.
2. To find out whether MSMEs in Purwodadi are still experiencing income fluctuations or not.
3. To increase MSME income.

### **RESEARCH METHOD**

This type of research is descriptive qualitative, according to Krisyanto in (Akhmad, 2015), descriptive qualitative is a technique that describes the meaning of the data collected, pays attention to and captures as many aspects of the situation under study as possible to be general and comprehensive. The descriptive method means that the researcher analyzes the collected data, which can be in the form of words, pictures and not numbers (Moleong, 2010). Data can come from interview scripts, field notes, photos, videos, personal documents, notes or memorandums, and other official documents.

There are also steps for conducting descriptive research, as explained by Nazir in his research (Qanita, 2020), namely:

1. Choose and formulate a problem.
2. Determine the purpose of the research to be carried out.
3. Formulation of a theoretical framework or mental image.
4. Tracing literary sources, such as books, articles, or journals.
5. Conduct field observations

Data collection techniques in this study used several data collection techniques in research, tools or instruments that can be used as data collection tools to obtain more accurate daily data. according to Rukajat (2018), data collection is the most strategic stage of research because the main purpose of research is to collect information. Data collection techniques in this study are:

#### **1. Literature Study**

Literature study itself is a technique by collecting the required data through journals, articles, previous research, the internet, as well as reading from books that are relatively supportive of this research.

#### **2. Observation method**

The observation method is a news gathering method based on data collected and stored research and personal observation at research locations.

#### **3. Interview**

Interview means one of the data collection techniques. Ask exclusive questions that are asked during the interview. Interview is the most flexible way to collect data can be answered directly so that it can confirm the data during observation.

#### **4. Documentation**

from Rukajat (2018) collects good documents in the form of writings, drawings and someone's monumental works Written documents, namely in the

form of diaries, history of drawings, namely photos, sketches, biological drawings and others.

Data collection techniques can be obtained using this method according to the sources available at the research location. The data that has been obtained is then analyzed using the SWOT analysis technique with a qualitative SWOT analysis approach.

SWOT analysis is a systematic identification of various factors to formulate company strategy. This analysis is based on common sense which can maximize strengths and opportunities while minimizing weaknesses as well as weaknesses and threats (Karomah, 2020). SWOT analysis is also a way to systematically identify factors to formulate a strategy. SWOT analysis itself has the goal of maximizing strengths and opportunities, but can minimize weaknesses and threats. in the SWOT analysis itself there are internal and external factors.

- Internal factors are: according to (Ramdani & Supriyat 2014) internal strategy means analysis that formulates and evaluates the strengths and weaknesses of the company itself and, in addition, provides a basis for identifying and evaluating the company's operational relationships with competitors. (Suparyana, 2020)
- External factors are: based on (Wang and Chang 2009) five strengths originating from external company factors, namely industry conditions, competitors, opportunities to enter the same market as the company, suppliers, buyers and substitute products that can increase revenue, especially MSMEs. (Suparyana, 2020 )

**Table 3.1 Internal and External Factors**

Internal Factors	Product	Types of products Product quality
	Price	Product price
	Promotion	Availability of promotional media for MSMEs in the culinary field Utilization of promotional media
	Human Resource	SMEs Community contribution
	Government	The role of government in the development of MSMEs in the culinary field
External Factors	Social	Community conditions
	Economic	Visits and purchasing power of tourists
	Technology	Application of information technology for SMEs
	Competitor	Competitiveness

SWOT analysis means analysis based on strengths-weaknesses- opportunities-threats or strengths-weaknesses-opportunities-obstacles. with the help of a SWOT analysis, you have to do some final research. The SWOT analysis uses the Internal Factor Assessment (IFE) matrix and the External Factors Assessment (EFE) matrix, where IFE contains strengths and weaknesses and EFE contains maintained opportunities and threats. The SWOT matrix displays eight boxes, namely the two adjacent boxes on the left which are extrinsic factors (opportunities and threats), the two highest internal factors (strengths and weaknesses), and the remaining four boxes at the top are information issues that lead to tactics. the origin of the interaction between external and internal factors. from Setiawan et. al in Qanita (2020), the results of the SWOT analysis, there are four other ways of management, namely SO, WO, ST and WT. The SWOT Matrix is explained as follows

**Table 3.2 SWOT Matrix**

IFE EFE	Strenght (S)	Weaknesses (W)
Opportunity (O)	Strenght SO (is a strategy to exploit strengths and opportunities)	Strenght WO (It is a strategy that minimizes weaknesses and takes advantage of opportunities)
Threats (T)	Strenght ST (It is a strategy to use force as well as overcome threats)	Strategi WT (Is a strategy by minimizing weaknesses and avoiding threats)

## RESULTS AND DISCUSSION

Based on the description described above, the results of the analysis will be explained using internal and external factors and using the SWOT matrix analysis in table 3.2 as follows:

### 1. Internal factors

- Strengths by knowing what strengths MSME have in the culinary field in Purwodadi City, Grobogan Regency, can help increase the potential of MSMEs in the district.
- Weaknesses of all factors that are unfavorable or detrimental to MSMEs in the culinary field in Purwodadi City, Grobogan Regency.

### 2. External factors

- Opportunities, namely all available opportunities can be in the form of government policies, regulations or provisions that apply to the national or global economy that offer opportunities for culinary MSMEs in Purwodadi City, Grobogan Regency to grow and develop in the future.
- Threats are things that can cause losses in relation to tourism, for example competition with larger businesses or national brands.
- SWOT Matrix Analysis.

#### 1. SO strategy

Food in the Grobogan district has a variety of culinary specialties and drinks that are an attraction for tourists as well as local residents, for example Wedang Blung and Garang Asem which are culinary specialties in Grobogan. To increase the opportunities for MSMEs in the food sector, especially to increase the income of MSME actors, the local government

has collaborated with several tourist destinations, hotels or travel agents to be able to help market MSME culinary products. In addition, food festivals that are held beforehand also help increase exposure and attractiveness of food products.

## 2. Strategy ST

Even though changes in culinary trends continue to occur, MSME actors in the culinary field remain consistent in maintaining the taste quality of their products, both culinary and beverage. as a result, the food in Purwodadi, especially in the Grobogan district, is relatively known for its quality and authentic taste and distinctive taste, which conveys distinct advantages over food in Purwodadi.

## 3. WO strategy

The government in Purwodadi City understands very well that if not all MSMEactors, especially in the culinary field, know and understand how to market their products properly and also the correct financial management method so that the profits they get are more optimal, the government itself has provided free consulting services for perpetrators. MSMEs or prospective MSME actors and occasionally the government provides socialization on marketing methods and promotion of products to the community in the hope that this will have a good impact on the businesses of MSME actors.

## 4. WT Strategy

Weaknesses in technology as well as threats to technological developments are a nightmare for MSME actors who don't know how to make the best use of technology to increase their income. however, this can be minimized if SMEs are willing to learn and try to apply marketing mix knowledge as well as other marketing strategies.

## CONCLUSION

Based on the results of research conducted on MSMEs in Purwodadi City, Grobogan Regency, namely the marketing mix strategy is very effective when applied to Purwodadi City, Grobogan Regency. customer. As well as MSME actors learning about a marketing mix strategy, they can learn knowledge and skills in using technology which are also very important in supporting the marketing mix strategy. By understanding technology, MSME actors can truly maximize the elements contained in the marketing mix, namely the 4 P of Price, Place, Promotion and Product.

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