

## **Government Efforts In Increasing Business Competitiveness And Marketing Msme Products Case Study In Kunciran Indah Village Pinang District, Tangerang City**

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### **ABSTRACT**

This research aims to identify and explain the development of MSMEs, marketing strategies, and efforts to increase the competitiveness of MSME businesses in Kunciran Indah Village, Pinang District, Tangerang City. The research method uses a qualitative approach and key informants who come from sub-district officials and MSME business actors in Kunciran Indah Sub-district. The results of the research explain that the development of MSMEs in Kunciran Indah Village, Pinang District, Tangerang City is increasing from year to year, especially with the impact of the Covid-19 outbreak, where many people have been laid off or opened up new opportunities for business and developing MSMEs as an alternative livelihood . To increase business competitiveness, in addition to providing coaching and assistance by sub-districts and the Department of Industry, Trade, Industry and Cooperatives, there is also involvement of professional business actors and campuses. Apart from that, a UMKM outlet in Kunciran Indah Village was established with the name Pinang Beres which is integrated within the UMKM of Pinang District. The research suggestion is that the efforts of the Kunciran Indah Subdistrict Government in collaboration with the Pinang District and the Tangerang City Industry and Trade Service, regarding administrative guidance and assistance, capital and marketing, do not just stop following the cessation of the Covid 19 outbreak, because not all MSMEs have received the same opportunities, as well as MSMEs that Having received the opportunity, there are still many who need a continuous business assistance process .

Keywords: MSMEs, Business Competitiveness, Product Marketing

## INTRODUCTION

The informal business of MSME entrepreneurs has become an alternative for absorbing labor and producing goods and services because it is an engine for stimulating economic growth and playing an increasing role in helping the Indonesian economy. MSMEs have high resilience in supporting the country's economy even during a global crisis. Furthermore, micro, small and medium enterprise (MSME) activities are businesses that are managed by individuals and are not formed by independent business entities and open up new job opportunities for the community . MSMEs are believed to be the solution to these problems so it is hoped that MSMEs will continue to grow and develop in Indonesia. MSMEs are considered to be able to help the Indonesian economy because of their real nature in creating new jobs, resources and services.

MSMEs have proven to be resilient to crises and able *to survive* . The role of micro, small and medium enterprises in the economy can at least be seen from their position as the main players in economic activities in various sectors providing the largest employment opportunities, important players in the development of local economic activities and community empowerment, creators of new markets and sources of innovation, as well as their contribution in payments through export activities refer to 2021, data from the Ministry of MSMEs states that there are around 59.2 million *self-employed* business people and around 165 percent of the population have become entrepreneurs *from start -up businesses* and able to develop his business.

Apart from that, related to marketing strategy, namely in meeting customer needs and desires, companies can do this by offering products that offer products that have value *to* consumers, customers are willing to pay for a product because the product has value. Customers will switch to other products when they find other products that have higher value than the products they currently consume .

The right marketing strategy is the most important thing and is the main priority in the continuity of the company's sales. A less mature marketing strategy will be a *blunder* and a weakness for the company in competing with other companies that have implemented modern strategies. Thus, companies that lag behind in implementing sales strategies will lead the company in a worse direction. Marketing strategies can basically influence the steps taken by a company to increase product quality and customer quantity effectively and efficiently. The existence of consumers has an influence on the company's ultimate achievement, namely gaining profits through purchasing goods and services .

In Tangerang City, the potential for MSMEs is quite large and increases every year. The increase in the number of MSMEs that occurs every year also provides greater job opportunities for the residents of Tangerang City. Until the end of 2019, according to BPS 2020, the number of MSMEs in Tangerang City reached 128,380 businesses consisting of 102,598 micro businesses, 25,488 small businesses and 294 medium businesses. Meanwhile, the total assets of all MSMEs reached IDR 6,071,625,930,000, and were able to absorb 229,529 workers .

This figure has increased significantly, compared to the number of MSMEs in 2018 which amounted to 127,743 with an asset value of 5,761,625,930 and absorbing a workforce of 2,571 people. The type of micro business category is a business with a maximum net worth of 50 million and has maximum sales proceeds of IDR 300 million. Meanwhile, businesses that fall into the small business category are businesses that have net capital ranging from IDR 50-500 million with sales reaching IDR 300 million-IDR 2.5 billion per year. Meanwhile, it is called a medium business, if it has net capital of IDR 500 million - IDR 5 trillion, with sales of IDR 2.5 - 50 billion per year .

Apart from the development and improvement of MSMEs in Tangerang City, in general, MSME actors are currently facing three big problems. First, there are difficulties in accessing capital in the banking sector which wants to help MSME players in making it easy to apply for capital credit with affordable interest .

Second, the low quality of MSME products. There is a lack of adequate guidance and training for MSMEs from the relevant agencies who are able to provide training for MSME players regarding good production activity mechanisms so that MSME products are more competitive. Lastly, weak market penetration by domestic MSME players. Following this, the majority of MSME players are still not integrated into the digital ecosystem. Nowadays business development, especially in marketing products, has been greatly influenced by the use of technology and information, including social media. Therefore, MSMEs must be able to adapt to developments in technology and information .

Especially during the Covid-19 Pandemic, conventional marketing systems were very limited. So MSMEs in Tangerang City need to be more creative and innovative in running their business, namely being willing and able to use information technology in marketing their products .

One of the areas in Tangerang City that has quite developed MSME growth is in Pinang District, Tangerang City, especially in Kunciran Indah Village. The outbreak of the Covid 19 pandemic is a national disaster, but in Kunciran Indah Village, on the other hand, it is a blessing. Indeed, the Covid 19 pandemic outbreak has had an impact on several people who have dropped out of work, so they have switched professions from the formal sector to the informal sector .

In general, people only switch professions to the informal sector by choosing to become entrepreneurs in the MSME sector, be it food, services or other products. The existence of the Covid 19 pandemic has also encouraged MSMEs to grow, considering that several trading businesses such as malls and other formal culinary establishments are prohibited from operating or serving customers directly. This is actually an opportunity for MSMEs to do business online, whether using personal social media or collaborating with *e-commerce service companies* .

The growth of MSMEs is also inseparable from government support, where to open up MSME business opportunities in 2020 and 2021, the Central Government is facilitated by the Tangerang City Government through sub-districts and sub-districts encouraging people to do business in the MSME sector, one of which is by providing capital and access to business training. as well as marketing.

Some of the phenomena above are the basis for formulating research problems, including:

1. How is the development of MSMEs in Kunciran Indah Village, Pinang District, Tangerang City?
2. What is the classification of MSME businesses in Kunciran Indah Village, Pinang District, Tangerang City?
3. What is the profile of superior MSMEs in Kunciran Indah Village, Pinang District, Tangerang City?
4. What is the government's role in fostering and participating in the development of competitive MSME businesses in Kunciran Indah Village, Pinang District, Tangerang City?
5. What strategies have been implemented by MSMEs to increase business competitiveness and marketing of MSME products in Kunciran Indah Village, Pinang District, Tangerang City?
6. What obstacles do MSMEs have to increase business competitiveness and marketing of MSME products in Kunciran Indah Village, Pinang District, Tangerang City?

The problem formulation above is the research objective to find the truth in the field using qualitative methods and several key informants to confirm the facts at the research location.

## **RESULTS AND DISCUSSION**

Based on the problem formulation, some information was obtained and then analyzed, with the following results:

### **1. MSME Strategy in Increasing Business Competitiveness**

Development of MSMEs in Kunciran Indah Village, Pinang District, Tangerang City from year to year is increasing, especially with the impact of the Covid-19 outbreak, where many people have been laid off or opened up new opportunities for business and developing MSMEs as an alternative livelihood .

The Kunciran Indah Village Head has become a driving force for the development of MSMEs in Kunciran Indah Village, Pinang District, Tangerang City, so that MSMEs are increasing from year to year, especially with the impact of the Covid-19 outbreak, where many people have been laid off or opened up new opportunities for business and developing MSMEs as alternative livelihood .

The increase in the number of poor people in Kunciran Indah Subdistrict cannot carry out normal poverty data collection, because many of them live in housing, which was initially included in the upper middle class, but due to Covid they have become poor people. For them, in general they have quite good human resources, and when they are willing to try and adapt to the situation, many of them run independent businesses and enter the MSME type of business . The explanation above has been confirmed with the Head of Kunciran Indah Village , Pinang District, Tangerang City , namely Mr. Yudi Hendra Permana, S.IP., M.Si.

### **2. Classification of MSMEs in Kunciran Indah Village**

In general, the classification of MSMEs in Kunciran Indah Subdistrict consists of culinary, food and processed drinks, clothing, trade services, handicrafts and other business services .

The leadership of the Kunciran Indah Village Head is considered capable of encouraging the economy to continue to spin in the post-Covid-19 pandemic, the Kunciran Indah Village is increasingly aggressively promoting the village's MSME products, namely through the MSME Outlet owned by the Village which is located in the Ruko and the Pinang Beres Outlet which is owned by the District Pinang, which is located at the Pinang District office and which is in the rest area of the KM 13.5 toll road on the Jakarta-Merak route. In these two outlets there are 100 types of MSME products being marketed .

The efforts of the Kunciran Indah Subdistrict Government are considered positive by the community, especially MSME players, considering that the existence of MSME outlets initiated by the subdistrict is able to improve the product image and branding of MSME products with a wider marketing reach. The impact of this sub-district government's efforts is to increase the income of MSMEs.

The explanation above has been confirmed with the Head of Kunciran Indah Village , Pinang District, Tangerang City , namely Mr. Yudi Hendra Permana, S.IP., M.Si.

### **3. Profile of Featured MSME Products in Kunciran Indah Village**

The Head of Kunciran Indah Village, namely Mr. Yudi Hendra Permana, S.IP., M.Si, regarding the classification of MSMEs in Kunciran Indah Village explained: "The superior MSME products in Kunciran Indah Village are processed food and beverage products which are a priority to become food. typical as souvenirs from Tangerang City and has been marketed through Village MSME outlets and Pinang Beres Outlets."

The village head added his explanation that: "The outlet concept promoted by Pinang MSMEs means that marketing techniques do not only come from outlets. However, all products are also

sold through the marketplace and even social media such as Facebook and others, so that the income value can increase further. In terms of food, MSMEs have rocking flowers, in handicraft MSMEs have bags made from water hyacinth, there are many superior products that are not inferior to other cities, they have even reached global marketing, for example water hyacinth crafts and herbs made from red ginger . ”

One of the MSME actors and head of MSMEs is Oktavia Djiah Pratiwi, explaining: "The Tangerang City Typical Souvenir Center Outlet in the Rest Area of Kilometer 13.5 of the Merak - Jakarta Toll Road has a different concept. This souvenir center outlet which was inaugurated by the Mayor of Tangerang is open to superior products or the best representatives from MSMEs in 13 sub-districts of Tangerang City. For people outside Tangerang City, if you want to buy souvenirs typical of Tangerang City, the place is here . ”

Oktavia Djiah Pratiwi explained: "MSMEs in Kunciran Indah Subdistrict are divided into three categories, namely, *going international* , intermediate and beginners. They also use cashier and bookkeeping applications which can handle several outlets with one system . ”

#### **4. Village Development for MSMEs**

Mr. Yudi Hendra Permana, S.IP., M.Si, as Head of Kunciraan Indah Subdistrict, gave an explanation of the government's role in fostering and participating in the development of competitive MSME businesses in Kunciran Indah Subdistrict, namely: " To increase business competitiveness in addition to coaching and assistance is carried out by sub-districts and the Department of Industry, Trade, Industry and Cooperatives, as well as involvement from business professionals and campuses. "Apart from that, a UMKM outlet in Kunciran Indah Subdistrict was established which was integrated within the UMKM of Pinang District under the name Pinang Beres."

The role of sub-districts was also added by Oktavia Djiah Pratiwi as head of MSMEs by explaining: "The Kunciran Indah Sub-district Government and the Pinang District Government work together well to help MSMEs, starting with providing convenience to MSME business actors in processing business permits, such as creating a Business Identification Number (NIB). ), Home Industry Food Number (PIRT), and IPR Provision. "Apart from that, by collaborating with the campus, we provide assistance to the business administration of MSMEs and other e-commerce business actors."

#### **5. MSME Strategy in Increasing Business Competitiveness**

To explain research problems related to the strategies that have been implemented by MSMEs to increase business competitiveness and marketing of MSME products in Kunciran Indah Village, Pinang District, Tangerang City, researchers tried to explore answers from respondents as MSME business actors in Kunciran Indah District.

One of the MSME business actors in Kunciran Indah Subdistrict, namely Mr. Alvin, gave the following statement: "To increase the competitiveness of MSMEs, business actors are increasing their marketing capabilities through Kunciran Indah Subdistrict MSME outlets and Pinang District MSME outlets (Pinang Beres) and Ecommerce and media players social. "The role of social media in marketing MSME products has proven to be very effective in helping, especially during the Covid 19 Pandemic, where many business outlets were prohibited from opening their business outlets, so that the public and business actors were forced to carry out product purchase transactions through online marketing channels."

Mr. Alvin then added his explanation that: "MSMEs during the Covid Pandemic grew like mushrooms, where the basis of their business growth was done at home but by implementing an online sales system. "The conditions were felt to be very helpful, where at that time many people were experiencing economic decline because businesses in the formal sector were not running or had experienced layoffs in their work agencies."

## 6. Obstacles Faced by MSMEs

Regarding the explanation of the constraints faced by MSMEs to increase business competitiveness and marketing of MSME products in Kunciran Indah Village, Pinang District, Tangerang City, researchers also explored in-depth information from other MSME business actors, namely Mrs. Sri Wahyuni. Mrs. Sri Wahyuni has a background as a housewife and also acts as head of the family (single parent), where before the Covid-19 outbreak worked as administrative staff in a hotel services business company. However, because hotel services were required to close temporarily according to government regulations at that time, some employees were offered to receive early retirement by receiving sufficient compensation for business capital.

Mrs. Sri Wahyuni, who is a migrant resident from the Lamongan area and armed with her knowledge in culinary services, used capital from the company to open a catfish pecel business. In carrying out this business, he faced the following obstacles: "In general, the obstacles for MSMEs in developing their businesses are access to capital and ongoing digital business assistance. Moreover, the catfish pecel business which was started from scratch in the first 3 months of opening did not yet get regular customers, so it was not immediately busy, like now." The explanation from Mrs. Sri Wahyuni was further: "In the first months of opening the business, the capital I got from compensation from the company where I worked ran out, because I had a one-year contract for my business, I was forced to sell the jewelry I had to continue the business. "Thank God, after 2 years of running the catfish pecel business, I already have regular customers and quite a lot of people and I am also able to serve online purchases in collaboration with Grab Food."

## 7. MSME Marketing System

In connection with the explanation of the marketing efforts that have been carried out by MSMEs in Kunciran Indah Village, Pinang District, Tangerang City, researchers also explored in-depth information about other MSME business actors, namely Fitri, whose fate was similar to that of Mrs. Sri Wahyuni, because of the Covid 19 outbreak, she stopped at PT. Mayora as finance staff and chose to switch businesses to the MSME sector. The business chosen was selling cellphones along with cellphone accessories and simple electrical equipment at a kiosk. Mrs. Fitri explained that: "In running his business he joined the MSME business group formed by the sub-district and sub-district within the Tangerang Beres MSME. In this group, I was given knowledge and business assistance by implementing digital marketing."

Mrs. Fitri also provided further explanation: "The business she manages with her husband is carried out by renting a kiosk, but currently product sales rely more on digital marketing. Where I stand by at the kiosk, while my husband is in charge of delivering the goods for sale. So kiosks are currently used for offline marketing and online marketing is the mainstay."

This business, which is managed together with her husband, has a background as a housewife and also acts as head of the family (single parent), where before the Covid-19 outbreak she worked as administrative staff in a hotel services company. However, because hotel services were required to close temporarily according to government regulations at that time, some employees were offered to receive early retirement by receiving sufficient compensation for business capital.

## 8. Utilization of Digital Marketing

If you look at the answers from key informants Mrs. Sri Wahyuni and Mrs. Fitri and explained previously by the head of UMKM (Octavia), it is clear that MSME actors in Kunciran Indah Subdistrict have been able to utilize current technology to carry out marketing of their products using digital technology, especially social media. Face Book, Instagram and Tik Tok.

However, as a comparison, the researchers tried to interview other sources who act as MSME business actors in other Kunciran Indah sub-districts, namely Mrs. Yuni. Mrs. Yuni has been running a business selling food for more than ten years.

According to Mrs. Yuni regarding digital (online) marketing: "It's just limited to digital marketing using Facebook social media. "We want to provide assistance with official e-commerce companies such as Go Food and Grab Food and digital marketing training via Tik Tok and Instagram." From the researchers' investigation, it turns out that Mrs. Yuni is not included in the MSME business group formed by Kunciran Indah Village, so she has not received assistance in digital marketing methods.

According to Mrs. Yuni: "He found it difficult to use digital marketing, because I was a junior high school graduate and immediately got married, so creating a Facebook book was also related to the business being made by his children and a lot of help from the children. Meanwhile, as long as there is a child, he wants to help his mother, most of them are lazy."

### **9. MSME Competitors**

To get information about MSME competitors, researchers tried to dig up other sources who act as other MSME business actors in Kunciran Indah Subdistrict, namely Mr. Edward. Mr Edward opened a business in the motorbike repair sector.

According to Mr. Edward: "In the motorbike repair business he runs, there are not many business competitors, perhaps only from official motorbike repair shops such as AHAS, but the market segment is also different. So he thinks that in running his business I don't have enough competitors. "My motorbike repair business is also not affected by Covid, in fact it is getting busier."

In contrast to what was conveyed by Mr. Edward, Mrs. Sri Wahyuni and Mrs. Yuni are of the opinion that: "Business competitors are business actors who already have good capital and are usually in the form of franchisees that have collaborated with e-commerce companies."

Meanwhile, according to Mrs. Fitri: "Many of today's business competitors have large capital and also have a wide product distribution network so they are able to sell at cheaper prices. However, I am sure that my good fortune will not be confused, because I prioritize trust in the products I sell and do not disappoint my customers. Because many products are sold by competitors, the prices are cheap but the product quality is poor."

### **10. MSME Product Prices**

Regarding prices, Oktavia Djiah Pratiwi as chairman of MSMEs explained that: "The prices of MSME products are quite competitive, and the competition is still quite high, due to limited production scale and packaging which is still expensive, even though profits are reduced, the prices still feel competitive."

Then he also added an explanation: "With the existence of three MSME segments or classifications in marketing, namely, going international, medium and beginner, this can also help in the prices offered, especially in overcoming price competition from competing MSME products."

### **11. Complaints about MSME Products**

Regarding customer complaints regarding MSME products, Oktavia Djiah Pratiwi as chairman of MSME explained that: "Packaging standards are still the main complaint from MSME customers. "This needs to be resolved in stages, so the solution of categorizing MSMEs into international, medium and beginners is carried out so that MSMEs that are classified as beginners can improve product quality right down to the packaging."

Apart from that, Oktavia Djiah Pratiwi as head of UMKM added the following explanation: "To provide product guarantees to customers, MSME players who are members of the UMKM Outlet are given assistance up to IPR Copyright, with the aim that if the marketing of the product

has gone international, it will not be claimed by anyone. others or prevent plagiarism of MSME products by other people."

### CONCLUSIONS AND RECOMMENDATIONS

The results of this research explain that the development of MSMEs in Kunciran Indah Subdistrict, Pinang District, Tangerang City is increasing from year to year, especially with the impact of the Covid-19 outbreak, where many people have been laid off or opened up new opportunities for business and developing MSMEs as an alternative livelihood. . The classification of MSMEs in this sub-district consists of culinary, food and processed drinks, clothing, trading services, handicrafts and other business services and is categorized into go international, medium and beginner. To increase business competitiveness, in addition to providing coaching and assistance by sub-districts and the Department of Industry, Trade, Industry and Cooperatives, there is also involvement of professional business actors and campuses. Apart from that, a UMKM outlet in Kunciran Indah Village was established with the name Pinang Beres which is integrated within the UMKM of Pinang District.

The recommendation from the results of this research is the development of the MSME market with government intervention, from the sub-district, sub-district to service levels, for example for local markets in malls, mini markets, hotels and so on. Apart from that, collaborative efforts between the Subdistrict Government and the government hierarchy above it must be a sustainable program.

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