

Expanding the Market for MSMEs Keripik Tempe in Denpasar City through Digital Marketing Strategies with an Empowerment-Based PAR Approach

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Abstract

Purpose: This Community Service activity aims to expand the marketing scope of the MSME keripik tempe "Crackels" by providing materials on the importance of utilizing digital marketing and Instagram as a platform for business product promotion.

Method: The activity was conducted using the Participatory Action Research (PAR) method, involving several stages such as planning, implementation, and evaluation.

Practical Applications: The practical application of this activity included the direct implementation of digital marketing strategies by MSME actors, such as creating and managing Instagram accounts for product marketing. The MSME participants learned how to create engaging content and follow trends to increase the appeal of their products, resulting in a significant increase in followers and sales. Additionally, they utilized other applications like WhatsApp to support promotions, making marketing efforts more effective and efficient.

Conclusion: This community program successfully increased the number of followers and sales for the MSME keripik tempe "Crackels" beyond the Renon area. For sustainability, additional activities such as creative content training, advanced digital marketing strategies, and regular evaluations are needed to help MSMEs effectively utilize digital technology and marketing strategies.



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Introduction

Micro, Small, and Medium Enterprises (MSMEs) are one of the most significant drivers of Indonesia's economy. In addition, MSMEs represent one of the largest industries in terms of employment. According to Ariyanto et al. (2021), MSMEs are businesses owned by a group engaged in various sectors that meet the criteria for small-scale enterprises. MSMEs play an essential role in improving Indonesia's economic growth (Jaelani & Suhaemi, 2021). As of now, Indonesia has approximately 64 million MSMEs, contributing 61.7% to the national GDP (Ekonomi, 2021). This large number of MSMEs indicates that they are a primary driver of the Indonesian economy. However, many MSMEs in Indonesia lack sufficient knowledge and mastery of digital technology, particularly as a marketing tool. This limitation hinders MSMEs from expanding their market reach, as their interest in adopting digital technology remains low.

"Crackels" is an MSME specializing in keripik tempe located in Denpasar, Bali. Established in 2023, this MSME operates in the food and beverage sector, focusing on producing keripik tempe with various flavors, such as cheese, BBQ, and chili, which are distributed to coffee shops in the Renon area and sold online via WhatsApp. However, due to the inefficiency of its current sales and marketing strategies, "Crackels" struggles to expand its market reach. To address this, the business needs to adopt marketing strategies such as Instagram ads, Instagram shops, and Instagram stories. Since its inception, "Crackels" has not utilized digital marketing through Instagram. By applying more in-depth online marketing strategies, the business could expand its market reach and increase its brand recognition.

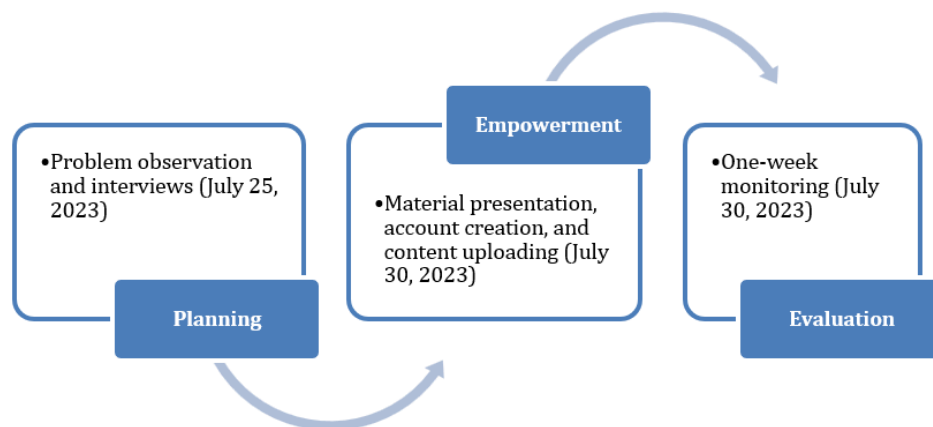
Digital Marketing involves promoting goods and services online via social media to reach a wider audience (Bakhri & Futiah, 2020). Digital marketing has become highly popular and beneficial for businesses, as social media is widely used for various activities, including online shopping. Consequently, many companies have transitioned to online marketing to reach a broader consumer base. Advances in technology, such as mobile phones, the internet, and digital marketing, play a significant role in this shift, benefiting businesses and society while providing opportunities to explore the broader impact of technological progress across various industries. Digital marketing in Indonesia continues to grow rapidly, supported by increasing internet users, which reached 202.6 million in 2021 and are estimated to grow by around 10% annually (Mtarget, 2023). This growth presents opportunities for businesses to leverage digital platforms, including social media. The trend of social commerce, combining e-commerce with social media, has gained popularity, facilitating transactions on platforms like Instagram and Facebook. Implementing effective digital marketing strategies significantly enhances MSMEs' competitive advantage in the market (Rusmana et al., 2023).

Social media serves as a platform for online interaction without spatial or temporal limitations (Rustian Saumi Rafi, 2012). Instagram, one of the most popular social media platforms, offers various features that support efficient marketing processes, such as Instagram ads, Instagram stories, and the ability to upload video or photo content. Digital marketing makes it easier for the public to access information about products or services being offered. Digital marketing training for MSMEs helps them adapt to dynamic market conditions and increases economic opportunities. Implementing digital strategies is crucial for business development, providing practical insights into the relevance of digital marketing and strengthening MSME resilience in the face of competition (Airlangga et al., 2023). For keripik tempe businesses, adopting digital marketing strategies is essential, as the proper approach can positively impact market expansion. This initiative aims to assist MSMEs in promoting their products online using Instagram, ensuring they can compete in broader markets. The goal of this fieldwork activity is to expand the market reach of MSME keripik tempe and ensure their competitiveness in a larger market.

Method

The method used in this Community Service activity is the Participatory Action Research (PAR) method (Figure 1). This approach aims to facilitate learning processes to address problems, meet practical community needs, and advance knowledge. The PAR method in this community service activity focuses on empowering MSMEs by ensuring that MSMEs act as the primary agents, while lecturers or students serve as secondary agents who facilitate the activities.

Figure 1. Stages of community service using the Participatory Action Research (PAR) method



Empowerment is a method of fostering community independence by reducing reliance on others. The success of a community in achieving social change stems from its ability to cultivate self-sufficiency. In this context, the community service project for the "Crackels" tempeh chips MSME was carried out in three stages: planning, implementation, and evaluation. The planning phase, conducted on July 25, 2023, involved problem observations and interviews. Observations revealed that the MSME struggled with limited public awareness due to minimal use of digital marketing. Interviews further showed that while the MSME owner was aware of Instagram, it had not been utilized as a marketing tool. Additionally, the business lacked a logo but possessed product photos suitable for social media promotion. This two-day planning phase provided a detailed understanding of the challenges faced.

The implementation phase, conducted on July 30, 2023, included delivering material on digital marketing and Instagram tools, creating an Instagram account, and uploading product photos to Instagram stories and feeds. Many MSME owners were unaware of the importance of social media and content creation in boosting marketing efforts cost-effectively. This stage aimed to provide the business with an Instagram account and foundational knowledge of digital marketing, addressing the challenge of high direct marketing costs. The evaluation phase involved a week-long monitoring period to assess the business owner's understanding of digital marketing and the use of social media as a business tool. Results indicated a slight increase in sales and higher Instagram story viewership from areas outside Renon, Denpasar, suggesting improved market reach and product awareness.

Result

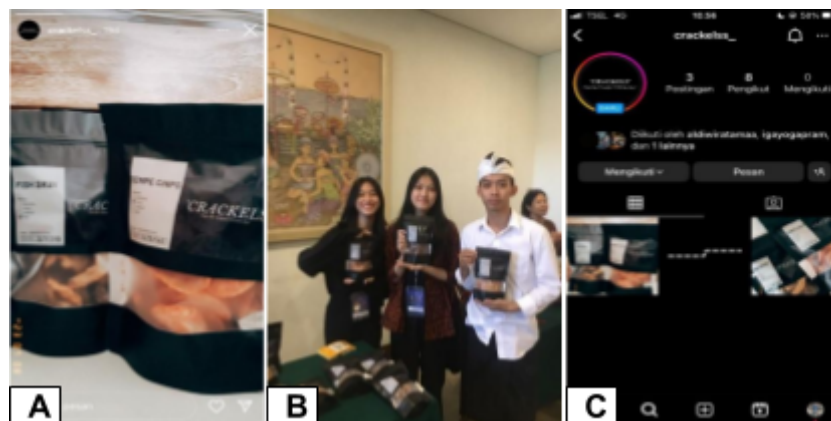
The issue discussed in this report focuses on efforts to expand the marketing reach of the tempeh chips MSME in Denpasar through digital marketing training and hands-on application to enhance outreach. The main challenge lies in the MSME's limited understanding of the importance of digital marketing and how Instagram tools can simplify product promotion and expand marketing opportunities.

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During the planning phase, the team coordinated with the tempeh chips MSME “Crackels” (Figure 2A) on July 25, 2023. Initial coordination was done via personal WhatsApp messages to introduce the community service team. The team conducted observations and general interviews to identify the challenges faced by the MSME. Subsequently, materials were prepared on digital marketing and Instagram tools, with the activity scheduled for July 30, 2023.

The implementation phase took place on July 30, 2023. The team conducted a discussion-based training session directly with the MSME alongside a concurrent activity held by the Chamber of Commerce and Industry (KADIN) to create practical solutions for the MSME’s sustainability (Figure 3A). The training materials introduced the basics of digital marketing, its business benefits, and Instagram tools and features suitable for product promotion. After gaining a deeper understanding of the materials, the team helped the MSME create an Instagram account and begin promoting the business by uploading content to Instagram Stories and feeds (Figure 2B).

Figure 2. Digital marketing training, Instagram account creation, and promotion via Stories and feeds



In the evaluation phase, the team monitored the program's progress, starting from July 30, 2023. Monitoring focused on the Instagram account's development to determine whether the activities had been effectively implemented. Evaluation continued for one to two weeks. The team discovered that the MSME experienced a significant sales increase, with new buyers coming from areas outside Renon, Denpasar. According to interviews, average sales before the training were 7 packs per day, while post-training sales rose to an average of 16 packs per day (Figure 3), with 30% of buyers originating from outside Renon.

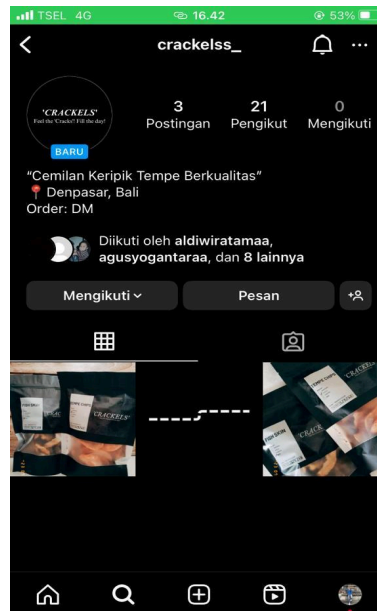
Figure 3. Increased sales

| Data Penjualan Keripik Tempe by Instagram | | | | | | |
|---|----------------|-----------|----------|--------------------|--------------------------|------------|
| No. | Nama Pelanggan | Date | Quantity | Flavour | Pembayaran Transfer/Cash | Keterangan |
| 1 | Yanti | 10/8/2023 | 1 | BBQ | Transfer | Lunas |
| 2 | Rahma | 11/8/2023 | 2 | BBQ & Chilli | Transfer | Lunas |
| 3 | Wanda Pratama | 11/8/2023 | 1 | Chilli | Transfer | Lunas |
| 4 | Ghossan | 13/8/2023 | 2 | BBQ | Transfer | Lunas |
| 5 | Lestari | 14/8/2023 | 1 | Chilli | Transfer | Lunas |
| 6 | Thessa | 14/8/2023 | 3 | BBQ (1) Chilli (2) | Transfer | Lunas |
| 7 | Frisca | 15/8/2023 | 2 | BBQ | Transfer | Lunas |
| 8 | Niken | 16/8/2023 | 4 | BBQ (2) Chilli (2) | Transfer | Lunas |
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Additionally, the number of Instagram followers grew. As the MSME had just created the account, follower count increased from 0 to 21 within a week of monitoring (Figure 4). Using Instagram for online promotion via Stories and feeds proved effective in attracting interest, with viewers becoming curious and eventually wanting to try the product.

Figure 4. Increase in Instagram followers



Discussion

Micro, Small, and Medium Enterprises (MSMEs) are one of the most vital strengths in Indonesia's economy. Additionally, MSMEs are among the largest industries in terms of employment generation. According to Ariyanto et al. (2021), MSMEs are businesses owned by a group engaged in various industries that meet the standards for small enterprises. MSMEs play a significant role in improving the economic well-being of the Indonesian community (Jaelani & Suhaemi, 2021).

Today, the world has entered the era of the digital economy. As stated in Tapscott's book, the new economy involves the use of information technology, though it is not always directly linked to the IT market (Permana & Puspitaningsih, 2021). It is crucial for entrepreneurs to understand the concept of the digital economy to sustain their businesses. To compete and enhance their sales capabilities, MSMEs must develop strategies, particularly in marketing.

The rapid advancement of technology has significantly impacted marketing activities, leading to a shift toward digital marketing (Wiediawati, 2019). Digital marketing involves promoting products and services and exploring markets using online digital media, such as social networks, that can reach a broad audience (Dewi et al., 2023). Research by McKinsey indicates that around 30% of entrepreneurs in Indonesia use digital technology to grow their businesses (Dewi Sri Woelandari, 2019). Leveraging digital marketing provides hope for entrepreneurs to expand their online product marketing (Juli Sulaksono, 2020).

This community engagement program successfully attracted the attention of one MSME entrepreneur. The business owner actively participated in activities, including learning about digital marketing and applying it directly through Instagram. Before the training, the participants did not fully understand the importance of digital marketing in expanding their business reach. Additionally, the "Crackels" product had not previously utilized digital marketing via Instagram.

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After the implementation, the MSME saw an increase in both Instagram followers and sales. This improvement was attributed to the MSME's establishment of an Instagram account and the application of digital marketing strategies, such as posting product photos on Instagram feeds and stories. The business owner also promoted their products through their personal Instagram account and shared the Instagram link via their personal WhatsApp. Moreover, they actively followed current content trends to attract a wider audience, including choosing appropriate music, content creation techniques, captions, hashtags, and more.

It is hoped that this fieldwork will help MSME entrepreneurs better understand the benefits and practical applications of digital marketing as a strategy for business development.

Conclusion

Micro, Small, and Medium Enterprises (MSMEs) are a vital force in Indonesia's economy and the largest source of employment. In the digital era, MSMEs must adapt to technology to enhance competitiveness and marketing strategies. Based on evaluations, the community engagement program successfully increased the number of Instagram followers and sales of the "Crackels" tempe chips MSME beyond the Renon area.

To ensure sustainability, additional initiatives are needed, such as training in creative content creation, advanced digital marketing strategies, sales optimization through marketplaces, as well as regular mentoring and evaluations. These activities will assist MSMEs in leveraging technology and digital marketing strategies, making them better equipped to compete in a broader market.

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