



## Marketing Strategy of Batik Tulis Kenongo to Compete During the Covid-19 Pandemic

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### Abstract

This study aimed to analyze the marketing strategy of Batik Tulis Kenongo SMEs to compete during the Covid-19 pandemic. This type of study was a descriptive qualitative. The data sources used were primary data sources through direct interviews with five informants, namely the owner of the Batik Tulis Kenongo SMEs, two employees, and two customers. The data analysis technique used data reduction, data display and concluding drawing. The results showed that the marketing strategies that Batik Tulis Kenongo could use to compete during the Covid-19 pandemic were to focus on competitive prices, take advantage of recommendations from old consumers to increase the targeted market share, online marketing to increase customer buying interest, develop knowledge and human resource skills to increase productivity, focus on maintaining competitive selling prices and expanding the market through online marketing. Further research is expected to be able to measure the effectiveness of the use of social media to support digital marketing so that it can be used as consideration for SME actors in determining marketing strategies.

### How to Cite

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## INTRODUCTION

Small and Medium Enterprises (SMEs) have a very important role in increasing Gross Domestic Product (GDP) and increasing the national economy. The occurrence of the Covid-19 pandemic throughout 2020 - 2021 has an impact on economic activity in Indonesia, including SME activities. The policy of social distancing and physical distancing by the government as an effort to prevent the spread of the Covid-19 virus turned out to suddenly stop economic activity, namely a decrease in demand and disruption of the supply chain.

The Covid-19 pandemic has had a major impact on SMEs, especially when there are social distancing and physical distancing policies. Sales have decreased drastically, it is difficult to market products, there are problems with funding or capital, production and distribution activities have decreased, and difficulties in obtaining raw materials are the impacts experienced by business actors (Azizah et al., 2020).

In this Covid-19 pandemic situation, SMEs are the affected part. According to the Ministry of Cooperatives and Small and Medium Enterprises the impact of the Covid-19 pandemic on SMEs includes decreased sales, problems in the financing aspect, problems with distributing goods, and difficulties in getting raw materials (Thaha, 2020). In addition, there was a decrease in sales which resulted in a decrease in income.

The marketing strategy for SMEs is difficult in the current pandemic conditions. In the midst of the Covid-19 pandemic, SMEs are required to change their marketing strategy from offline to online in order to maintain their economy. In the face of the Covid-19 pandemic, several SME actors have tried to innovate by utilizing the internet and social media for online sales. According to Azizah et al. (2020) strategies that can be carried out by business actors during the Covid-19 pandemic include serving consumers through online platforms, increasing total quality management related to hygiene, and changing tempo-

rary business methods so that financial reports remain positive.

By using social media, SME actors can increase their sales. In addition to getting more profits, they can also be more intense in communicating with customers (Anugrah, 2020). With criticism and suggestions submitted by customers, SME actors can develop the business they run. This communication is important because in addition to getting suggestions and input from customers, SMEs can also find out the wishes of their customers to the developments of their competitors.

According to Alfin (2021) the strategies that can be taken by business actors to survive in the midst of the Covid-19 pandemic include, (1) switching to e-commerce marketing because people currently prefer online shopping, (2) conducting digital marketing with the aim of reaching a wider market share, (3) improving the quality of consumer products and services in order to create a good relationship between business actors and consumers, (4) implementing a customer relationship marketing strategy with the aim of growing consumer trust so that consumers are loyal. For SMEs, it is not easy to return to the same environment as before the Covid-19 pandemic. It takes a very strong courage to implement marketing entrepreneurship in the process of re-creating competitive advantage and improving market performance.

This condition requires business actors to be smarter, adaptive, and innovative in implementing strategies to still be able to gain competitive advantage even during the pandemic. Competitive advantage strategy is the allocation of resources, namely how business actors decide to use the resources they have.

Business actors who will decide whether to spend their resources on things that make their business the same as other businesses, or to be different with their own uniqueness. If SMEs decide to be different, then SMEs can choose one of the strategies to compete which is considered in accordance with market conditions and company conditions. One of the SMEs affected by the Covid-19 pandemic and

trying to implement strategies to create competitive advantage during the Covid-19 pandemic is the Batik Tulis Kenongo SMEs.

Batik Tulis Kenongo SMEs is located at Jalan Wirajaja No. 3 Winongo, Madiun City. This business was founded in 2011 with Mrs. Eny as the owner. These SMEs focus on batik products using written techniques. In this effort, batik is prioritized with the Kenongo flower motif as its trademark but also has various other motifs. Products marketed in the form of cloth. Fabric products by Batik Tulis Kenongo SMEs are sold for IDR 200,000 to IDR 500,000 per piece of cloth depending on the motif and level of difficulty in making it. Usually orders come from within and outside the city.

During the Covid-19 pandemic, there was a decline in product sales by Batik Tulis Kenongo SMEs because 70 percent of the marketing carried out was still using traditional marketing, one of which was word of mouth. This marketing method turned out to be very influential on the decline in people's purchasing power, especially during the Covid-19 pandemic, where there were restrictions on several economic activities.

This situation also has an impact on employees who work for these SMEs. Where currently there are some employees and craftsmen temporarily laid off. The action to lay off some employees and craftsmen was carried out because of the accumulation of stock and the expenditure was greater than the income earned. This is due to a decrease in demand from consumers, so that SMEs owners experience problems with funding for production.

Funding constraints were felt during the Covid-19 pandemic where product orders had drastically decreased by up to 50 percent. This business is of the make to order type, so this pandemic has greatly affected existing sales. The decrease in orders was due to a decrease in people's purchasing power. With these problems in SMEs, there are several solutions that can be used, one of which is an effort that can be made to increase competitive advantage in the midst of a pandemic, namely by in-

novating in marketing strategies.

Marketing strategy is one way to win a sustainable competitive advantage for companies that produce goods or services (Arifien et al., 2019). The marketing strategy can be seen as one of the basics used in compiling the overall SMEs planning. There are several marketing strategies that can be carried out by SME actors, including knowing market segmentation which consists of geographic, demographic, psychographic, and behavioural segmentation. Next there is a target market with a market position (Arifien et al., 2019).

Digital marketing is an alternative for SMEs with a limited promotional budget. The use of social media such as Facebook, Twitter, Instagram, and websites is an alternative that can be used to create brand awareness, engagement, sales and even loyalty (Wardhana, 2015). Digital marketing strategy has an effect on competitive advantage.

Online marketing strategies or often referred to as online marketing strategies are all efforts (businesses) carried out to market a product or service through or using online media, namely internet media (Setiawati & Widartati, 2017). Online marketing strategy has a positive effect on SME profits. Online marketing can make it easier for business people to increase profits, but marketing cannot avoid the three components that always accompany it, namely competitors, consumers and companies (Anugrah, 2020). The positive side of the Covid-19 pandemic urges the public to be technology literate related to changing the mindset of online transactions.

The Covid-19 pandemic has created serious challenges for SMEs around the world, including Batik Tulis Kenongo SMEs. However, the business cycle must not stop. SMEs must still exist because of their very significant role in supporting the economy. In difficult conditions like today, SMEs must continue to achieve the maximum possible results. SMEs also need to think outside the box and produce innovations that can increase their competitive advantage in order to continue their business during the Covid-19 pandemic. Innovati-

on and business strategy affect the competitive advantage of SMEs (Harjadi & Wachjuni, 2019). The purpose of this study is to analyze the marketing strategy of Batik Tulis Kenongo SMEs to compete during the Covid-19 pandemic.

## METHODS

This type of study used a descriptive qualitative study. The data sources used primary data sources through direct interviews with five informants, namely the owner of the Batik Tulis Kenongo SMEs, a production employee, an administrative employee, and two customers. Source triangulation was chosen to see the validity of the data by comparing the interview data from the five informants. The data analysis technique used data reduction, data display and concluding drawing.

## RESULTS AND DISCUSSION

Batik Tulis Kenongo SMEs, Madiun during the Covid-19 pandemic are required to be out of the box and produce innovations that can increase competitive advantage. Since the Covid-19 pandemic, everyone is required to do physical distancing so that it is not possible for SME actors, one of which is Batik Tulis Kenongo's business to carry out product promotion methods directly from person to person. A new marketing strategy is needed so that the business being undertaken can survive during the Covid-19 pandemic.

Various platforms have been provided, such as Facebook and Instagram. Therefore, it is necessary to make efforts to develop promotional strategies through social media. Batik Tulis Kenongo has made these efforts, namely by promoting efforts through Facebook and Instagram, which have enthusiasts ranging from young people to many old people so that it is considered more effective.

Batik Tulis Kenongo SMEs started doing online marketing through social media, such as Facebook and Instagram, besides that it was also done offline. The strategy was car-

ried out with the aim of maximizing sales results so as to increase revenue. Pradiani (2017) research results proved that the use of social media as a marketing tool could increase sales volume. Social media was seen as the most effective and efficient means of promotion and was able to increase sales volume significantly.

Promotional designs were made to attract customers and expand customer reach. Opportunities to use social media could affect the marketing level of the Batik Tulis Kenongo SMEs business, if done optimally. Optimization of existing social media to add to the network of marketing relations and allocate funds to improve information technology so as to facilitate online product marketing. For example, placing paid digital ads on social media that could expand market share. By marketing products online, consumers can easily find products offered by sellers, where online marketing strategies can quickly reach a broad marketing area and can increase sales (Atmaja & Verawati, 2020; Jamiat & Supyansuri, 2020; Nurani & Widhajati, 2019).

Digital advertising is more effective and inexpensive than traditional advertising such as sales, brochures, or catalogues which can cost more, and it was originally used by Batik Kenongo before the pandemic. During the current Covid-19 pandemic, it is important to apply health protocols and comply with social distancing and physical distancing rules to prevent the increase in the spread of Covid-19. Social media is one of the effective means to keep running their business but by complying with the social distancing and physical distancing rules imposed by the government.

The use of social media provides good prospects for increasing the sales volume of SMEs products that have been impacted by the Covid-19 pandemic (Zagoto et al., 2022). This is because the digital marketing system provides an online buying and selling platform that facilitates the ordering and purchasing process, so that customers can interact with SMEs owners to make transactions directly.

Batik Tulis Kenongo SMEs has been promoting products produced by offering di-

rectly to customers because this method is considered effective because customers can directly see the products being sold so that it can generate trust. However, when the Covid-19 pandemic that occurred made the way of promoting SME actors change, the method of promotion from person to person was no longer effective due to social distancing and physical distancing policies aimed at minimizing the spread of Covid-19 which was increasingly widespread.

Efforts need to be made in product marketing so that customers can still see the products produced and influence customers to buy. During the Covid-19 pandemic, Batik Tulis Kenongo SMEs can make efforts to market their products online through social media more effectively.

The decline in orders to 50 percent has encouraged Batik Tulis Kenongo SMEs to prepare various strategies to survive the Covid-19 pandemic. Efforts are being made to survive by increasing competitive advantage through online marketing innovations. Business competition in the midst of the Covid-19 pandemic has resulted in SMEs having to try to innovate in online marketing so that products can be sold and earn income. According to Andayani et al. (2021) the empowerment strategy, the most needed by SMEs actors during the Covid-19 pandemic is the empowerment of online product marketing through digital market platforms.

In this Batik Tulis Kenongo SME, the costs incurred each month for product marketing before the pandemic period was around IDR 3,000,000 to IDR 5,000,000, the allocation was for banner printing costs, marketing personnel and advertising. During the Covid-19 pandemic, by doing online marketing, SMEs reduced marketing costs to IDR 1,500,000. Lower marketing costs because online marketing required lower costs.

The SWOT matrix was used to identify the internal conditions of SMEs which include strengths and weaknesses and also the external conditions of SMEs which include opportunities and threats. By knowing these

four aspects, it is expected to be able to maximize strengths, minimize weaknesses, reduce threats, and build opportunities to create competitive advantages in market share.

Based on the results of the interviews that have been conducted, a SWOT analysis was carried out to identify the strengths, weaknesses, opportunities, and threats of Batik Tulis Kenongo SMEs to create a competitive advantage. that show on the Table 1.

Based on the SWOT matrix, it can be shown that Batik Tulis Kenongo SMEs must focus on competitive prices, take advantage of recommendations from old consumers to increase the targeted market share, online marketing to increase customer buying interest, develop knowledge and skills of human resources to increase productivity, focus on maintaining competitive selling prices and expanding the market through online marketing.

The strategy to increase SME turnover can be done by expanding market share, improving product quality, improving production and packaging machines, maintaining production prices, creating marketing websites, establishing good relationships with customers and the government (Kristanto et al., 2017). Product quality has a positive and significant influence on the competitive advantage of SMEs (Dahmiri et al., 2021).

Batik Tulis Kenongo SMEs must continue to innovate related to activities carried out starting from designing, producing, marketing, submitting and fully supporting the product scheme. Therefore, various efforts are needed, namely the application of a good marketing strategy, in order to continue to be able to uphold high competitiveness. Digital marketing and competitive advantage have an influence on business success (Agustiana, 2020).

Competitors who are currently a strong threat are batik entrepreneurs in the Madiun area themselves, such as Batik Murni (Halmahera Street), Batik Arum Melati (Pulanggeni Street) and other batik businesses who are actively promoting on various social media platforms.

**Table 1.** SWOT Analysis Matrix for Batik Tulis Kenongo SMEs

		Strength	Weakness
		INTERNAL	S-1) Affordable price S-2) Product quality guaranteed S-3) Having a systematic production and distribution procedure
EXTERNAL	Opportunity	Strategi SO	Strategi WO
	O-1) There is customer trust O-2) Wide market share	SO-1) Focus on competitive price (S-1, S-2, O-1, O-2) SO-2) Take advantage of recommendations from existing customers to increase the targeted market share (S1, S2, S3, O1, O2)	WO-1) Online marketing to increase customer buying interest (W1, W3, O1, O2) WO-2) Development of human resources knowledge and skills to increase productivity (W1, W2, W3, O1, O2)
	Threat	Strategi ST	Strategi WT
	T-1) Competitors T-2) The decrease in people's purchasing power due to the pandemic	ST-1) Focusing on maintaining competitive selling prices (S1, S2, T1, T2)	WT-1) Expanding market through online marketing (W1, T1, T2)

There are several strategies that can be carried out by batik SMEs according to Arda (2019) among others, developing internet-based marketing to expand market share, introducing various product variations by making product patents and batik logos. in collaboration with several universities to develop web portal-based SMEs and student exchanges for internships or Field Work Practices.

Promotions carried out by Batik Tulis Kenongo SMEs currently through direct person-to-person promotions and through Whatsapp, Facebook, and Instagram broadcasts are still lacking due to obstacles in the knowledge of managing social media. Oktapriani et al. (2020) stated that there was a positive and significant promotion effect on competitive advantage. It can be interpreted that if a company is right in carrying out promotions, then the company will certainly win the competition. In order to dominate the market, SMEs need to get information easily and quickly, both information about the production mar-

ket and the market for production factors to expand the marketing network of products produced by SMEs (Violinda, 2018).

Online marketing is an alternative for SMEs with a limited promotional budget. If a company utilizes online media in marketing to the maximum, it can be ascertained that the company will excel in the competition (Oktapriani et al., 2020; Sulaeman & Wulandari, 2022). The use of social media such as Facebook, Twitter, Instagram, and websites is an alternative that can be used to create brand awareness, engagement, sales and even loyalty (Wardhana, 2015). The most widely used social media are e-mail, web blogs, and facebook. Social media is an effective means of communication, by means of which SME actors can increase market share and assist business decisions (Anugrah, 2020).

Thus, of course the right innovation is needed in increasing or rising from a decline in product sales. One of the strategies in product marketing that is carried out during the

current pandemic is to utilize social media so that the reach of product promotions becomes wider.

## CONCLUSION

Based on the results of data analysis and discussion, it was concluded that the impact of Covid-19 was very large for Batik Tulis Kenongo's business, especially in decreasing turnover by 50 percent, so various efforts were made, including focusing on competitive prices, taking advantage of recommendations from old consumers to increase market share targeted, online marketing to increase customer buying interest, development of human resource knowledge and skills to increase productivity, focusing on maintaining competitive selling prices and expanding the market through online marketing. Promotions that were originally before the pandemic period were only through printing banners, marketing personnel and advertising, now using social media more. The most effective marketing is to use online media, namely Facebook and Instagram because the facts show that there are restrictions due to the pandemic causing many consumers to use online marketing media in making purchases of a product. This study has not measured the effectiveness of digital marketing through social media to increase the competitive advantage of SMEs. Further research is expected to be able to measure the effectiveness of the use of social media to support digital marketing so that it can be used as consideration for SME actors in determining marketing strategies.

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