

STRATEGY TO IMPROVE MSME PRODUCT BRANDING THROUGH DIGITAL MARKETING IN THE 5.0 ERA

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ABSTRACT

There have been significant changes in economic life, business and trade in the era of Society 5.0. The presence of digital transformation in society has marked significant changes in business and trade activities. In order to survive and compete with many competitors, entrepreneurs need to implement HR development strategies to increase their competitiveness, one of which is by integrating their business with digital technology innovation. The aim of this research is to find out the right strategy to increase MSME product branding to increase the competitiveness of MSME product branding through digital marketing in the 5.0 era. This research uses a qualitative descriptive method, with data collection using the literature study method from various literature and relevant data related to the research topic. The research results show that the strategy for increasing MSME product branding that is needed to maximize the competitiveness of MSMEs in the 5.0 era is related to the ability to operate digital technology, as well as implementing creative and innovative marketing strategies through the use of digital technology, such as social media, media and websites to support MSME business activities and maximize their competitive advantages.

Keywords: Strategy, Competitiveness, MSMEs, Human Resource

INTRODUCTION

The era of society 5.0 is a modern era that makes it easy for people to carry out all activities, including overcoming problems, issues and challenges by utilizing technological advances and innovation developments during the Industrial Revolution 4.0, which is basically centered on technological developments. At this time, major changes are emerging in the country's sectors, starting from the information technology sector, health, education, to the economic sector.

This era of progress allows people to carry out activities and activities of daily living, including economic, business and trade activities by integrating them with existing technology, information and communication systems, so that all forms of carrying out activities can be easier to access and carry out. Society 5.0 emerged at the same time as the Covid-19 pandemic which not only had an impact on the health sector, but also had an impact on the economic and trade sectors globally. This is due to various regulations, rules and protocols set by the government in order to prevent the transmission of the Covid-19 virus to the community (Risnawaty et al, 2022). Policies implemented by the government, such as PPKM,

PSBB and physical restrictions, have caused business actors to experience a decrease in income, due to low purchasing power and public access (Astuti, 2021). Moreover, due to these difficult times, many companies are threatened with bankruptcy, because they are no longer able to survive and generate sales. As a result, many workers were laid off, giving rise to the problem of persistent economic difficulties, which is characterized by a decline in the level of social welfare. Therefore, many of them are involved in starting their own businesses, or what are also known as Micro, Small and Medium Enterprises (MSMEs).

The revival of the national economy has an important role in the progress of a country (Pakpahan, 2020). Law No. 20 of 2008, to be precise in its 8th article, states that MSMEs are productive businesses owned by individuals or business entities which are marked as meeting the provisions and requirements for the formation of micro businesses, which are contained in statutory regulations. In 2022, the number of MSMEs spread across Indonesia will be 20.76 million units, which has increased by 26.6% from the previous year or

previously reached 16.4 million MSMEs. (dataindonesia.id, 2023).

In Indonesia, MSMEs are the hope for the national economy, this is because MSMEs are an alternative to move the economy strongly. MSMEs are dominated by home industries, which makes MSMEs considered an important role in efforts to reduce unemployment and poverty. This was proven when Indonesia was able to face the economic crisis in Indonesia in 1997/1998, large companies were expected to survive at that time, but in fact many failed. MSMEs from the small community economic sector on a local scale, local sources and simple production processes where products are sold locally are able to enable MSMEs to continue moving amidst the crisis. This situation shows that MSMEs have better resilience to crises, which is possible because MSMEs have characteristics including an organizational structure and a MSME workforce that is more flexible in adapting to market changes. According to Yusup (Afifah & Rachman, 2022) MSMEs are the wheels of the country's economy that will support the people's economy which must continue to run, but there are many obstacles that keep their popularity low. With the increasing number of developing MSMEs, it is hoped that they can overcome these problems by creating job opportunities for the community.

The intense competition means that entrepreneurs who have low quality human resources are unable to compete and survive in these difficult times. One of them is their inability to utilize technology to support their business promotion and marketing activities. Especially for people in certain areas that are underdeveloped and have minimal access to technology, they will experience difficulties in using information technology to support their business operations. As a result, the continuity of their business is threatened and they find it difficult to meet their daily needs. This is in line with research conducted by Diah et al. (2021), which underlines that the main reason many business sectors lose competitiveness is due to a lack of competency and adaptive ability of their human resources. In fact, the presence and advancement of technology currently opens up good opportunities and opportunities if they can adapt, in supporting their business marketing activities, so that they can reach consumers more widely without being limited by space or time (Hardilawati, 2020).

From some of these articles, it was also conveyed that there are still research gaps that often occur in the context of increasing MSME product branding (Micro, Small and Medium

Enterprises) through digital marketing in the 5.0 era. Researchers can explore further to identify specific gaps based on recent developments.

Therefore, it is necessary to implement a product branding strategy through digital media, such as digital ads, social media, and other interactive platforms to improve competitive advantage for MSME's business in Indonesia. This makes researchers can delve into these areas to identify specific gaps, challenges, and opportunities in the context of MSME product branding through digital marketing in the 5.0 era. It's essential to stay updated with the latest literature and industry developments for a comprehensive understanding of the current landscape.

RESEARCH METHODS

This research was carried out on objects in the form of MSMEs in Indonesia, to be studied and studied comprehensively regarding the HR development strategies they implement to survive and compete in the pandemic era. This research takes a qualitative-descriptive approach, emphasizing data collection through literature study. Literature study is an activity of collecting relevant data and information regarding this research topic, which can be obtained from scientific journals, articles, writing scientific publications such as theses, theses, or related data in related news, to then be analyzed using techniques. qualitative analysis.

In this context, data collected from previous research and various literature sources is simplified or reduced, by selecting research data that is essential and relevant to this research. Next, the reduced data is presented to support the author's arguments so that conclusions can then be drawn on the research results.

RESULTS AND DISCUSSION

Development of MSMEs in Indonesia

MSMEs are productive businesses owned by individuals or business entities which are characterized as meeting the provisions and requirements for the formation of micro businesses, which are contained in statutory regulations. Currently, MSMEs are one of the mediators driving the national economy which is meaningful for Indonesia's economic progress. These MSMEs cover various types of sectors, both from the craft and fashion industries, culinary, hobbies, arts, and so on (Hardilawati, 2020).

Basically, there has been a significant growth in the number of MSMEs over time. In 2022, the number of MSMEs spread across

Indonesia will be 20.76 million units, which has increased by 26.6% from the previous year or previously reached 16.4 million MSMEs. (dataindonesia.id, 2023). This is dominated by the regions of West Java, Central Java, East Java, DKI

Jakarta, North Sumatra, down to the lowest areas in the form of Papua and Maluku. In this case, the MSME business prospects will continue to result in a continuous increase in the number of MSMEs.

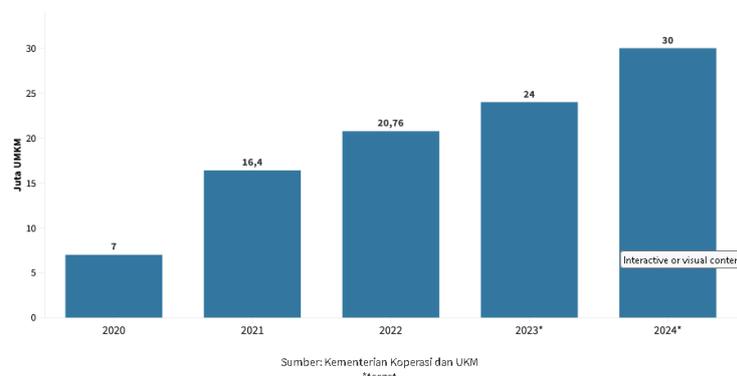


Figure 1. Number of MSMEs entering the Digital Ecosystem in Indonesia

Source: Google.com (2023).

Based on the graph presented in the image above, it can be stated that there has been a drastic increase in the number of MSMEs that have switched from conventional media to the digital scale from 7 million in 2020, to 14.4 million in 2021, 20.76 million in 2022, 24 million in 2023, and is targeted to reach 30 million in 2024. In order to achieve this target, the Ministry of Cooperatives and Human Resources is implementing a program called Digital Heroes, by utilizing business service centers in an integrated manner accompanied by mentoring activities for MSMEs in various regions to increase people's abilities and awareness in utilizing digital technology for business development.

One type of innovation that is most crucial in supporting business success is marketing innovation. Marketing innovation is a form of new idea or idea that is applied in marketing and promoting the goods or services produced by the company to the wider consumer, by utilizing abilities, capabilities, as well as various equipment and infrastructure such as technology to support the success of the marketing process. With the existence of marketing innovation effectively, it is hoped that an MSME business can more easily reach the expected market target and improve its competitive strategy (Manahera et al, 2019).

However, on the other hand, it is not easy for MSME business actors to survive during the pandemic, especially with very tight competition in the industrial market, making it increasingly difficult for business actors to survive if they do not have a competitive advantage strategy in the quality of their human resources. This is because the quality of human resources is one of the most crucial factors in supporting the success and performance of a business, both in managing

operational activities, implementing financial and business management strategies, market targeting, as well as promotional and marketing strategies for the products or services it produces. This can be supported by the use of digital technology elements to make it easier for them to manage their business, as well as reach a wider market reach (Jaya et al, 2020).

For this reason, human resource development is needed. Human Resources (HR) development is important in achieving the goals of a business. Whether the goal is successful or not, a business must have individuals with superior competence, who are available at the right time and place. Goals cannot be realized without the active role of human resources even though the tools owned by a company are very sophisticated (Hasibuan, 2014), therefore the quality of human resources must always be developed and directed in order to achieve the goals set by the company. Good human resource management is shown to increase the contribution that workers in the organization can make towards achieving organizational goals. The formation of an organization that manages human resources is intended not as a goal but as a tool to increase the efficiency, effectiveness and work productivity of the organization as a whole. (Siagian, 2014).

MSME business actors must be able to have good productivity to meet the targets that have been set. Good performance of business actors with a high work ethic will help the business to meet its targets and help the business gain profits, whereas if HR performance declines and is poor it will be detrimental to the business. The goal of HR planning is to ensure that the organization: obtains and maintains the required quantity and quality of human resources, is able to anticipate

problems that arise from potential excesses or shortages of human resources. Therefore, businesses must be able to manage each human resource well so that their performance can be maximized. In this case, we need professional and talented human resource in order to design, assemble, and arrange product with attractive yet interactive design, which shows product differentiation and diversification to improve audience awareness to make purchase on those products. In other words, the products should be different from the competitors.

In other words, HR is required to be able to better master the use of science and technology as well as understand and use digital potential optimally to develop their business, for example by utilizing social media such as Instagram, Twitter, TikTok and Facebook, accompanied by the use of various features found on social media. creatively and innovatively, for example by promoting through short videos, reels, stories, or digital advertisements with attractive and anti-mainstream designs. Not only that, business actors who already have sufficient capital can implement endorsement or promotion strategies carried out by influencers and public figures to increase popularity and public trust in the products or services offered.

Business actors need to pay attention to the use of social media technology, because the Covid-19 pandemic has changed the public's perspective and perception of efforts to purchase products or use services online, which is easier, more practical and efficient (Arianto, 2020). Moreover, the world is increasingly advanced, if business actors do not immediately adapt to entering the digital world, it is feared that it will be increasingly difficult for them to survive and maintain the continuity of their business in the future (Hardilawati, 2020). Thus, it is necessary to carry out socialization to instill awareness among business actors to be more aware of technological developments accompanied by training so that they can gain the ability and skills to operate those technology for their business success. Those strategy is considered as an effective product branding strategy to improve customer attractiveness in purchasing the products.

Strategy to Improve MSME Product Branding

Improving branding on MSME products through digital marketing in the 5.0 era really requires a more careful and planned approach. The 5.0 era emphasizes stronger connectivity between humans and technology, this can influence how we interact with customers. The following are several strategies that can help improve the branding of MSME products owned:

1. Understand customers more deeply
This is very useful for collecting data and analyzing in order to understand customer behavior and preferences. This can also help create more relevant and effective messages and campaigns.
2. Creating higher quality content
This is because content is king in the digital era. creating informative, educative and interesting content will be able to highlight the advantages of the product you have.
3. Optimize SEO (Search Engine Optimization)
Your website and digital content must be optimized for search engines. This will help the products we sell appear in organic search results, which can increase brand exposure.
4. Take advantage of social media
Use the most relevant social media platforms for your audience. Be active in interacting with customers, post regularly, and use paid advertising to reach a larger audience. Social media that can be used such as TikTok, Instagram and Facebook.
5. Using Influencer Marketing
Working with influencers who are relevant to your industry or product can help you reach a larger audience and build trust.
6. Creating Effective Email Marketing
Collect a list of customers and send relevant content, offers and product updates regularly via email. Make sure the message you convey can be tailored to the customer's interests.
7. Continuously Innovate
In the 5.0 era, innovation must be done quickly. Always look for new ways to market your products, and don't hesitate to try new things.
Apart from that, it is important to remain flexible and ready to adapt to the changes that will occur in the digital world. Investing in continuous learning and understanding of new trends and technologies will also help to stay relevant in this ever-evolving digital era (Riptiono, 2022).
Then strategies in increasing MSME product branding through digital marketing in the 5.0 era can also be done by:
 1. Use of Technology 5.0: In this case explore the extent to which MSMEs have adopted and utilized 5.0 technologies such as artificial intelligence (AI), Internet of Things (IoT), and advanced data processing to improve their branding strategies.
 2. Cross-Channel Integration: In this case, MSMEs are addressing the challenges of cross-channel integration in digital marketing strategies and aligning their efforts across

multiple platforms to achieve brand consistency and increase visibility.

3. Effective Performance Measurement: Focus on developing effective metrics and KPIs to measure the success of MSME product branding campaigns in the 5.0 era.
4. Use of Big Data in Marketing: In this case, MSMEs can utilize big data to understand consumer behavior more deeply and analyzing big data can guide strategic decisions in branding efforts.
5. Adoption of Relevant Content Marketing Strategies: In this case MSMEs can create and deliver relevant and engaging content in an ever-changing digital environment. Content marketing strategies can be adjusted to consumer preferences and expectations in the 5.0 era.
6. Relationship Building through Social Media: In this case MSMEs can build and maintain strong relationships with consumers through social media platforms and seeing this interaction can increase brand loyalty.
7. The Importance of User Experience: In this case, MSMEs can improve user experience in their digital marketing aspects. Starting from website design, navigation, and overall interaction can affect brand perception.
8. Customer Security and Satisfaction: In this case, digital security measures can affect customer satisfaction and consumer trust in MSME brands.

CONCLUSION

Based on the results of the research and discussion that have been presented, it can be concluded that the strategy for improving MSME product branding in the 5.0 era is the most appropriate and relevant to pay attention to and master in order to adapt and be competitive in the 5.0 era, namely to emphasize stronger connectivity between humans and technology, this can influence how to interact with customers. There are several strategies that can help improve the branding of your MSME products, such as understanding the behavior and preferences of your customers, having social media ads, creating an SEM (Search engine marketing) account, email marketing and collaborating with influencers. Therefore, it is necessary to implement product branding strategies through digital media, such as digital advertising, social media and other interactive platforms to increase the competitive advantage of MSME businesses in Indonesia. This makes researchers interested in conducting research on implementing strategies to increase

MSME product branding through digital marketing in the 5.0 era.

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