

# Improvement Efforts in Marketing Value Drivers through E-Marketing for Small and Medium-Sized Enterprises (SMEs) in Superior Processed Products in Semarang Regency, Indonesia

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**Abstract** - The purpose of this study is improving the marketing value driver for Small and Medium-sized Enterprises (SMEs) through Online Social Networking. The research method of this study used a qualitative method. This research describes and illustrates analytically why and how the patterns of problems occur. We collected data through technical documentation, observation and interviews with the owner of SMEs, workers, buyers, and regulators. The result of preliminary research indicates that SMEs superior products in Semarang Regency are still done marketing activities traditionally. They do not use e-marketing for increase the SMEs expansion market both locally and to the international arena (export quality products). Suggestions, they can use Online Social Networking (JSO) for achieving a competitive advantage.

**Keywords** - Marketing Value Drivers, SMEs, Online Social Networking (JSO), Competitive Advantage

## I. INTRODUCTION

Small and Medium-sized Enterprises (SMEs) has an important role in Indonesia economy, it was proven in 1998 when the monetary crisis happened in Indonesia, SMEs acted as a basis that saved the economy when big companies collapsed. SMEs is the primary factor of people's economy that has a strategic role in manpower employment, decreasing poverty, and local community empowerment. That is why government's role is needed to develop SMEs creating superior regional products, so it improves regional income.

SMEs is an economic agent that has the most about business units in the national economy structure. It can recruit many man powers even it has slight relatively output comparing to big industry (BPS 2008). Characteristic comparison of SMEs community and big industry can be seen in Table I.

**TABLE I**  
**TOTAL OF BUSINESS, MAN POWER, OUTPUT VALUE OF BIG INDUSTRY, SMEs IN INDONESIA (2007)**

No.	Types of Industry	Total of Business		Total of Man power		Output Value	
		Unit	%	People	%	Billion (IDR)	%
1	Big Industry	26.981	0.84	4.663.372	8.13	1.585.053	89.4
2	SMEs	<b>3.218.517</b>	<b>99.17</b>	<b>52.689.726</b>	<b>91.87</b>	<b>188.063</b>	<b>10.6</b>
	Total	3.245.578	100.00	9.953.098	100.00	1.773.116	100.00

Source: BPS 2008 (Central Bureau of Statistics 2008)

Many SMEs development strategy has been done to recognize special quality in certain areas or products. However, the most important thing is how the SMEs development strategy can improve the wealthy, so the contribution to society economy can increase. Value chain matrix to SMEs Torakur as the results of previous studies, shows that the marketing undertaken by SMEs Torakur still traditional in nature. The level of sales can be improved by SMEs agent using online social networking. SMEs should find out how to use online social networking to place himself in the market and the relation with buyer. From the initial identification of superior processed food products in Semarang Regency, researchers detected that there are three fast growing products; they are Tahu Bakso (Tofu with Meatball Inserted), GeplakWaluh (Pumpkin Finely Pounded), and Torakur (Tomato Date Palm Tasted). In this paper, it will be discussed the result of value chain analysis from superior snack products "Torakur" and analyze its marketing value driver. The purpose of this study is to analyze the marketing value driver through Online Social Networking (JSO) of SMEs of Torakur product in Semarang regency.

## II. METHODS

This research used qualitative approach. It is a descriptive research that explains and describes analytically on why and how the marketing value driver through value chain of each agent. Data collection was done through documentation, observation and interviewing SMEs Torakur agent in Semarang regency. Data collection was done in two months.

## III. RESULTS AND DISCUSSIONS

### • Step 1: Matrix of Value Chain Mapping

Based on the results of previous research in the form of value chain matrix, we can see the main marketing constraints of SMEs Torakur is they do not have many agents to reach a wider distributions.

The following fig. 1 show, us the value chain of SMEs Torakur.



Fig. 1 The Value Chain of Torakur

### • Step 2: Mapping of Geographical Flow of Products or Service.

Torakur is a product that has never existed before, and became Bandungan regional specialties. The taste tomato Dates or Torakur be one option to become a local tourist souvenirs when they traveled in the area Bandungan. Not many know what Torakur yet most of us already know the product Torakur definitely interested in buying curiosity tomato with the taste of dates.

### • Step 3: Mapping of Relationship and Linkages among the Actors in Value Chain of Torakur.

Mapping the relationship between actors of torakur value chain begins with mapping the actors in the value chain. The next step is to

analyze what kind of relationship that exists between each offender. This was done to answer the main question: what type relationships and linkages are established? The relationships between value chain actors torakur be mapped in the image below:

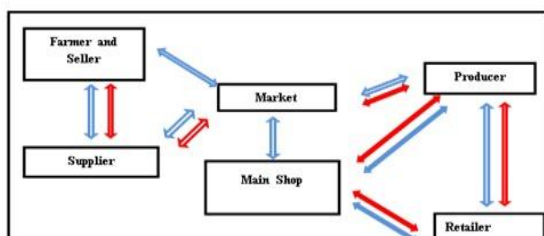


Fig. 2 Mapping the Relationship of Torakur

• **Step 4: Mapping the Obstacles and Solution**

Torakur is an innovative product that has never existed before, and until now it has its own market Torakur also a Bandungan typical food and innovative products that became one of the choices for the tourists in Bandungan as their souvenirs. As long as Bandungan remain an attractive tourist destination, Torakur sales will remain consistent, coupled with the role of the media such as television already several times covered Torakur can add to increased sales Torakur and some of the wishes of the owner Torakur to expand the network of relationships, adding outlets, and improve the packaging can be one more power to improve Torakur continue this effort.

• **Step 5: JSO Education Training Programme as the Solutions**

We can find Torakur in various areas in the district of Semarang, in particular is Bandungan, because there are already more than 30 outlets that sell Torakur. Until now Torakur sales have reached all area in Central Java, Yogyakarta and outside Java. They buy via phone or email and sent directly to consumers via courier service. But this effort is not enough, some SMEs has already offered their Torakur product in their blogs or other social media. Unfortunately, they only just putting up a product catalog or profile.

The existence of e-commerce, a wide range of Internet community (blog, linux lovers, designers and the like), nowadays, which can be used for transactions has not been used optimally. Unfortunately has not so intensively into the solution.

Marketing knowledge is still lacking will be how to run a business or partnership to increase their efforts so as to achieve the position of large companies are still blocked and the principle of family so far is still a weapon trust them to run their businesses. They hope their network of SMEs can improve their efforts and encouragement from the government to fully support existing SMEs. SMEs need to increase the network to improve the performance and selling them.

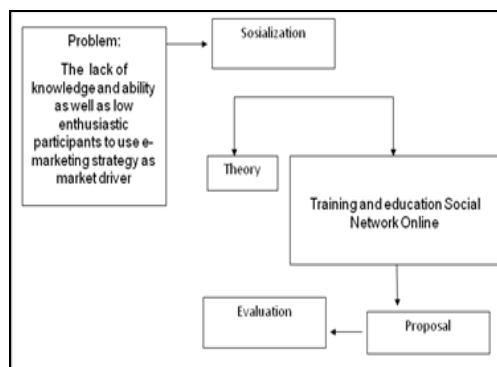


Fig. 3 JSO Education Training Programme

Online Social Networking, will give them so many benefit, such as the connections facilities between users highly interactive. It will enabling the company to develop a public relations function optimally, because the company has an account in the JSO can communicate with consumers on an individual basis. Then, a detailed user profile information to provide opportunities for site administrators to organize segmented advertising facilities.

**IV. CONCLUSIONS**

This research found that the marketing value driver of SMEs of torakur is still relatively simple. They do not have many agent yet or network to reach a wider distribution of their product. Their lack of knowledge and ability as well as low enthusiastic SMEs to use e-marketing strategy

as market driver has retarding their business development.

Practical recommendation from this research is needed to examine Torakur agent marketing strategy pattern, giving them marketing theory, doing JSO training, mentoring and evaluating.

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**(Arranged in the order of citation in the same fashion as the case of Footnotes.)**

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