Digital Marketing of Handicraft SMEs in Medan City: Learning Evaluation

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Abstract

This study aims to identify the obstacles craft Small and Medium Enterprises (SMEs) face in Medan, especially Sekar Handycraft SMEs, to understand digital marketing better. During the pandemic, Sekar Handycraft's direct marketing faced challenges that led to a decline in sales during the pandemic. Meanwhile, digital marketing design is still in its infancy. It uses a qualitative method by conducting in-depth interviews with members of Sekar Handycraft as primary data and digital marketing design with secondary data through the Semrush, Social Blade, and Google Trends websites for learning evaluation. The results show a need for more specific skills in implementing digital marketing designs. There is a significant difference between unbalanced direct and digital marketing design skills. The main barriers to technology adoption are individual innovation skills, ease of direct transactions, and skills gaps. As a result, proper digital marketing design integration takes time to implement. It is essential to gain knowledge and awareness of the potential of Sekar Handycraft's digital interactions through a digital optimization strategy approach.

Keywords: digital marketing, handicraft sme, learning evaluation

1. Introduction

1.1 The Background of the Study

The Covid-19 pandemic hit SMEs all around the world, including Indonesia. Only innovative and artistic SMEs may endure and flourish (Kurniawati et al., 2021). This hurts many economic actors, particularly SMEs because the proliferation of COVID-19 has prompted the government to impose harsh measures such as lockdowns and significant restrictions on community activities (Kuckertz et al., 2020; Syaifullah et al., 2021). SMEs must play a significant role in employment creation and the expansion of the global economy (OECD, 2020). As a result, the traditional marketing system is beginning to be disregarded because new digital marketing strategies are currently thought to be growing and expanding (Bouwman et al., 2019).

SMEs still have a minimal (33.3 percent) impact on Medan City's economic growth. According to the author, SMEs face barriers to the growth of the creative economy, innovation, capital, marketing, the caliber of commercial players, market access, and technology use. Due to the high proportion of handicraft business units, Medan City has 165 (15.8 percent) SMEs, including 124 micro, 37 small, and four medium-sized businesses. The Handicraft SMEs economic sector in Medan City creates a variety of souvenirs, including bamboo crafts, ulos, batik, leather shoes, colorful lamps, and wood carvings. The handicraft industry has the most potential and may tailor its business operations to local socioeconomic circumstances. As a result, the handicraft sector in Medan employs the most people (Thamrin & Harahap, 2022).

The development of the Sekar Handicraft SME, founded on October 10, 2015, was inspired using cloth waste and garbage for handicrafts and renting children's traditional clothes. Especially in Ladang Bambu subdistrict, Medan Tuntungan District, Ms. Rohayati, the founder of the Sekar Handicraft SME, they have learned a lot about processing waste into handicraft products by inviting people around the environment and empowering women. Sekar Handicraft
SMEs have spread their product knowledge by word of mouth. Over time, many people began to wonder about the product, and eventually, some of them were ordered. Ms. Rohayati created a brand name and logo to produce a better product. The suggested name, "Sekar," is the name of Ms. Rohayati last child, and "Handcraft" refers to the focus of the business on crafts. Finally, the Sekar Handycraft brand name was approved on January 6, 2017. However, the early 2020 trip, the COVID-19 outbreak, and the policy of limiting community activities all significantly impacted the decline in sales of Sekar Handicraft products (Umkmsekarhandycraft.com, 2022).

The author empowered and helped digitize Sekar Handycraft on August 27, 2021, as part of the service team at the University of North Sumatra. Through creating and managing websites and social media, as well as product planning and shooting, efforts are made to optimize the digitization (Alamudi, 2021). Therefore, the method of directing creativity towards the digitization of SMEs through the use of technology in online marketing produces renewable products that are considered to have the potential to boost product sales (Dutta et al., 2021). Since Sekar Handcraft's employees are not yet accustomed to using technology, there are still some obstacles to its realization within one year. In addition, this behavior is influenced by traditional methods often used to manufacture handicraft products. The author is motivated by this situation to research further the proper digital marketing learning for Sekar Handycraft SMEs.

In sustainable marketing performance, MSMEs must continue to improve capabilities and sharpen the implementation of digital marketing strategies, in order to improve performance and opportunities and create added value for customers (Zahara et al., 2023). In addition, brand awareness is important to increase the relationship between attitudes toward digital marketing and customer purchase intentions (Hien & Nhu, 2022). During the pandemic, innovation and the innovation process had a significant impact on MSME performance (Sari et al., 2023; Sudjatmoko et al., 2023). Adoption of internet technology with social media marketing, as one of the benefits of the SME sustainability (Patma et al., 2021). Social media can be used to increase market share in the medium and long-term (Jibril et al., 2019). Craft SMEs in Medan City are facing problems in developing digital marketing so in a pandemic situation their income decreases.

The author highlights the challenges Handicraft SMEs in Medan City face, including those related to human resources, product innovation, raw materials, company management, marketing, and the use of technology. According to Arda research, business sites far from raw materials, government bazaars as the only source of marketing, personnel with insufficient skills, and bad business management are all obstacles that hinder the growth of the Batik craft SMEs (Arda, 2018). According to this factor and the findings of Ramadini study on SMEs engaged in the craft of batik, it was even discovered that the proprietors of these SMEs were merely brokers with no novel ideas for using the digital marketing (Ramadini, 2016). Gultom research found that MSME handicrafts manufactured from garbage lack a marketing strategy, have inadequate financial management, and fail to utilize technology (Gultom et al., 2019). Additionally, Meliala discovered that human resources, capital, marketing, facilities, and infrastructure cause the primary issues facing SMEs in the shoe industry (Meliala et al., 2014).

Moreover, Pudyastuti research found that human resources for rattan artisans were powerless to improve product innovation, marketing, and competitive performance in the SMEs (Pudyastuti, 2017). Researchers Angin and Dalimunthe observe that the lack of capital for rattan craft SMEs hinders their ability to procure raw materials and needs a marketing strategy, according to the findings of related studies (Angin, 2017; Dalimunthe et al., 2014). Overall, Muchtar shows that the handicraft business network is not owned by SMEs, and business owners cannot develop by transforming local values to create the most up-to-date goods (Muchtar & Qamariah, 1941). Based on previous research, the business phenomenon identified is an obstacle for handicraft SMEs in Medan, most of which require digital marketing to improve business performance. In the community service of writers, Sekar Handycraft SMEs also experienced a loss of income because they were considered not to have included digital marketing in selling their products (Thamrin, et al., 2022a). Therefore, digital marketing learning through the digitization of Sekar Handycraft SMEs is very important for the craft industry's growth.

1.2 The Problem of the Study

Increasing product sales, building brand exposure, and entering new markets all need digital marketing learning (Saura et al., 2021). Through digital data analysis, this study seeks to understand how Sekar Handycraft SMEs use digital marketing. This task examines the keywords used by UKM Sekar Handycraft in product posts, trend analysis, internet traffic, and social media. The AIDA model, which consists of a four-step formula to get attention, attract interest, arouse desire, and then inspire action in the form of a purchase, is also used in this article to examine Sekar Handicraft SMEs (Hassan et al., 2015). This study offers suggestions that can inspire handicraft SMEs in Medan, particularly Sekar Handycraft, to enhance their knowledge of digital marketing.
2. Method

The participatory approach is a community-based approach, which highly values community participation in problem formulation and planning processes. Research efforts at the Sekar Handicraft UKM in Medan Tuntungan District, Medan City, Indonesia, in 2021 will be the subject of this research (Thamrin & Harahap, 2022). Sekar Handicraft was chosen because it often participates in exhibitions and bazaars at all levels, from regional to national, with assistance from the Office of Cooperatives and SMEs, making it a model for SMEs for other craft SMEs in the city of Medan. Data collection was carried out by direct observation, interviews, and Focus Group Discussion (FGD), as well as documentation. The first step is to make observations, collect information and data, and analyze initial findings. Second, conduct FGDs with informants who are directly involved. There were 15 informants who were interviewed using the Community-Based Participatory Research Design method. This approach is generally used when the aim is to promote change or community action on the problems they face, particularly learning digital marketing in Handicraft SMEs (Leavy, 2017). Research informants included Sekar Handicraft administrators who were interviewed to find out the application of digital marketing designs to Sekar Handicraft SMEs. Third, data analysis. Data analysis techniques go through the stages of data reduction, data presentation, and drawing conclusions (Miles et al., 2018). The interactive model from Miles and Huberman is considered appropriate in viewing participatory models in the field. Fourth, draw further conclusions by looking at digital marketing evaluations carried out using secondary data from the Semrush, Social Blade, and Google Trends websites.

3. Results and Discussion

3.1 Barries to Acceptance of Design Digital Marketing Technology

SMEs in Medan City continues to face challenges in using digital marketing, particularly in the traditional handicraft sector. This condition impacts the purchasing power of Medan City residents when it comes to handicraft products (Tambunan, 2009). As a result, the distinctiveness of new shapes and designs allows handicrafts to grow and develop (Muhr & Junita, 2016). Call it Sekar Handycraft, which has advantages in marketing the Business to Customer (B2C) model, done directly without intermediaries. The offline marketing conditions of Sekar Handycraft have a significant influence on buyers. However, the pandemic conditions that caused activity restrictions made B2C face direct challenges. As a result, wedding souvenirs, wallets, purses, masks, and ulos have been amassed.

The determination to open training classes in making handicraft products demonstrates Sekar Handycraft role in developing handicraft products in Medan. As a result, many handicraft SMEs in Medan are growing under the supervision of Sekar Handicraft (Siregar et al., 2022). However, there are challenges in the process of implementing digital marketing. There are several impediments to Sekar Handycraft adoption of digital marketing technology.

First, acceptance of individual innovation. In the network era, technological innovations are quickly incorporated into business methods, and marketing media is digital. Individuals working in Sekar Handycraft place a high value on innovation. Innovation is the rate at which ideas, practices, and individuals or organizations accept change (Bhagat & Sambargi, 2019). Adopting behavior in accepting change, such as in marketing, is also called the innovation (Nasution et al., 2023). According to the informant, accepting digital marketing with various foreign systems takes much work. The impact of habits that carry out direct transactions between sellers and buyers varies greatly across digital systems. Craftsmen are not used to working on items other than their creation, such as managing content, posting, and responding to comments. This condition is considered time-consuming; artisans are more at ease making crafts and displaying them in the shop.

The difficulty of integrating digital marketing approaches with traditional marketing practices is emerging as a significant skill gap. Not to mention that specific technical skills (matrix evaluation and lack of future predictions) become change gaps (Royle & Laing, 2014). Sekar Handycraft still considers digital marketing to be novel and challenging to master. Although digital marketing is now used for business, it is still inefficient in managing metrics and predictions. Sekar Handycraft, in a Google trends search, did not become the central review, but Medan crafts and Medan souvenirs (See Figure 2).
Of the five keywords used by the author, there are two main keywords in the Google trend search: Sekar Crafts, Medan Crafts, Medan Crafts, Medan Crafts, and Medan Souvenirs. Based on the graph, consumers often search for handicraft products in Medan City using the keywords Medan Crafts and Medan Souvenirs. Although Sekar Handycraft produces most of Medan's handicrafts, the keyword Medan crafts are more famous. When the matrix management is correct, this condition can be changed. The craft keyword exceeds the field souvenir keyword, not only existing handicraft products but also food products and others.

Second, Comfort perception. According to an informant from Sekar Handycraft, who has a competitive advantage in marketing the Business to Customer (B2C) model with direct transactions, with buyers coming to the sales location. Traders must be able to communicate effectively to persuade buyers and introduce various handicraft products. This is a self-taught skill. The seller can see the buyer's psychological character through this natural communication process, which aims to influence the buyer to increase the transaction. Individuals in charge of Sekar Handycraft admit that it is difficult to break the habit of selling. When the sales pandemic declines due to buyers not visiting the store, the impact is most felt. One of the old technology adoptions in applying Sekar Handycraft digital marketing needs to get used to using technology. Moreover, the conventional way that is often done in making handicraft products affects this behavior.

Third, the Skill gap. Sekar Handycraft management is dominated by people between the ages of 45 and 60 unfamiliar with digital marketing. According to the informant, the board members understand digital marketing by posting photos on social media without any strategy to attract the attention of potential buyers. Skill gaps can be seen in the limited use of internet devices and the need for more skills in managing media content. The participation of young people in SME activities is minimal. The habit of young people using gadgets or other information technology devices makes it easier for them to manage websites and social media now for handicrafts (Thamrin & Harahap, 2022). However, this technology is complicated to use for older people. Specifically, not understanding the various content management models and the use of specific words that can entice buyers.

3.2 Barriers to Marketing Communication Planning

Marketing communication planning is a critical step in the development of digital marketing. This strategy allows for integrating and coordinating its numerous communication channels to convey a clear and consistent message to maximize profit (Thamrin, et al., 2022b; Ridho et al., 2023). Digital media is one of the tools. This is referred to as Integrated Marketing Communications (IMC). It emphasizes the planning of marketing communications to gain the loyalty of diverse buyers. The consumption habits of different generations and other factors influence purchase decisions. IMC can assist users in facilitating consumer loyalty (Bormane, 2019), such as stimulating debate and identifying agreements (Laurie & Mortimer, 2019). This allows potential buyers to be aware of these reviews.
If it is observed that the potential for handicraft development is very strategic, the keywords for field crafts are 53 percent higher than the more general keywords, namely souvenirs from the field, at 47 percent. (See Figure 3). This condition demonstrates that domestic and foreign tourists are more likely to purchase traditional products from the field in the form of handicrafts rather than food, etc. This means that potential buyers of handicrafts are more widely dispersed outside of Medan. Digital platforms are the primary source of finding usable local souvenirs. Sekar Handicraft is outside the top of the list of handicrafts with a high potential for purchase. This condition is inextricably linked to the lack of knowledge in digital marketing planning. Sekar Handycraft main issue is the consistency with which keywords are used. They tend to post photos and prices without involving the use of specific words to attract potential buyers.

“Our people don’t know much about digital marketing. We prefer to directly offer goods to buyers. If we post on social media, it’s based on individual wishes. That’s why our digital marketing posts are rarely the same. Sometimes we say handicrafts, sometimes souvenirs from the field, never certain, we never plan it first, the important thing is to post it first”. (Informant R).

Meanwhile, searching Sekar Handycraft's website on the Samerush page yielded no results because Samerush only displays data from the top 100 websites (See Figure 4). The Google page for website traffic with the keyword Sekar Handicraft displays the location, social media, and website of Sekar Handicraft (See Figure 5).

However, a Google page search using the keywords Medan handicrafts yielded no results for the location, social media, or the Sekar Handicraft website. Sekar Handicraft's competitors' top searches include Medan Ulos Souvenirs, Art & Craft Charts, and Dilla Handicrafts. The keywords used in the fieldwork are influenced by Google trends data, which shows that consumers use these keywords when purchasing Medan handicraft products. As a result, mentoring and training in digital marketing are now essential for the development of handicrafts to ensure the business's long-term viability (See Figure 5).
A search on social blade shows that social media Facebook now handycraft only gets grade C+. This condition is influenced by social media, Facebook, Sekar Handicraft, only gets 105 likes, although in the last 30 days of searching, Sekar Handicraft's social media consistently posts handicraft products every day (See Figure 6).

A search on social blade shows Instagram social media now that handicrafts only get a grade of D+. Social media Instagram influences this condition; now, Handicraft only gets an engagement of 1.21 percent. Searching the last 30 days of Instagram social media now, handicrafts showed no significant graphs. This condition is due to Sekar Handicraft's Instagram account, which has been inactive since October 9, 2021 (See Figure 7). Search engine marketing is one of the digital marketing channels that has a vital role in contributing website traffic with a search model. This means that search engines using Google significantly influence directing potential buyers to the site. Sekar Handicraft has not fully implemented this potential in optimizing disseminating information and online promotion. This condition makes the search for Sekar Handicraft very minimal. According to the informant, limited ability and direct marketing culture make social media accounts not well managed.

"We find it difficult to divide the time between opening a shop and managing social media to sell. Moreover, many of us don't master social media. Many of us focus more on offline business than online. That's why our accounts are not well managed. As a person, we are limited to those who can master online, that's why our online marketing carelessly posts if someone is interested, we give the address their contact. Indeed, there were one or two direct orders that we processed immediately. Most people actually come to the store. We want to manage social media, it's still difficult to understand". (Informant R).

3.3 Sekar Handicraft's Design Digital Marketing Optimization Strategy

The significance of optimization to deal with changes in buyer behavior, Sekar Handicraft's digital marketing is essential. This includes buyer targeting, impression management, and influencing potential buyers. To accomplish this, an optimization strategy is required, which includes the following steps: At this stage, Sekar Handicraft must create innovative and sustainable digital marketing by the times. Product quality should be maintained, and product marketing via digital marketing should also be considered. The previous conventional marketing method was eventually replaced with a digital market. As a result, digital marketing aims to raise consumer awareness, interest, and trust in handcrafted products. As for how to implement digital marketing, First, Attention starts by creating a Facebook marketplace, online shops in e-commerce, and activating various social media in marketing, as well as being able to display attractive product photos. According to the informant, the optimization carried out is still very limited, due to skills, limited
resources, and mastery of technology. So far, Facebook's social media has only been managed to post and distribute products. Optimization is only used for posting.

"So far we have only posted on Facebook. If there are comments, we will answer the questions. Then many will immediately visit. On average, we only post photos, then give information when we get there. We don't know how to optimize it so people come, and the content is effective. No one manages it too". (Informant R).

Second, Interest, Sekar Handycraft can consistently do digital marketing, which is thought to gain consumer attention or trust. However, maintaining consumer trust and interest in the face of rapid business growth is a significant concern for Sekar Handicraft. It is possible to maintain consumer interest by providing something interesting based on the model that the community prefers. At the very least, each product can combine various models and colors and continue to evolve in advertising via various marketplaces and e-commerce.

"We are indeed continuing to target online marketing. Moreover, yesterday during the pandemic, direct shopping activities were limited. We usually post innovative products online. It's still limited. But there are members of our group who have started learning about e-commerce. Although most of them are on social media. We consistently update craft models so that buyers continue to look for what they need". (Informant R).

Third, Desire, Creates a stronger emotional connection and desire. Handicrafts can now implement this method through socialization or campaigns emphasizing the importance of purchasing local products. Furthermore, Sekar Handicraft can offer a buy one gets one free promotion or use 5 percent of the proceeds from each sale per item to make donations to those in need. These methods have been developed by several large corporations and have been effective in creating an emotional connection between producers and consumers.

"Indeed, we often promote products assisted by parties related to the branding of local handicrafts in the city of Medan. We do this to increase the emotionality of buyers to buy our goods. As for our marketing strategy, we often do price discounts and there are social movements for members to help the community, such as assisting social activities and gathering together. As members, we prioritize kinship". (Informant R).

Fourth, Action, Sekar Handycraft must make an impression, provide an experience, and satisfy customers. As a result, customers constantly visit the website, make phone calls, sign up for newsletters, visit stores, and so on. At this point, handicrafts have significantly impacted consumers, such that consumers volunteer to take action rather than simply purchasing products based on their utility.

"In terms of impressions, we do have direct advantages in trading. Consumers come, and we continue to invite them to chat, so they buy. Online, we usually use the unique Medan languages, and continue to convey the latest designs and advantages. Even though it is still limited, we will continue to develop it". (Informant R).

4. Conclusion

study's findings, several challenges exist in the design of Sekar Handycraft's digital marketing. Individual innovation for learning, ease of direct selling, and a skill gap apparent from the age of members are barriers to technology acceptance. This condition limits Sekar Handycraft's ability to plan digital marketing design communications. Due to the lack of digital information and interaction, developing learning optimization strategies such as attention, interest, desire, and impression is very important. Sekar Handicraft enables the application of digital analytical capabilities that drive the handicraft industry by integrating digital marketing design activities across all fronts and enhancing individual capabilities. Sekar Handycraft must take various digital optimization steps to realize this development potential. It is essential to expand this research in the future by considering the high potential of Sekar Handycraft's digital interaction in digital marketing design.

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