

Skill Empowerment for Crafts SMEs Managers in Facing Digital Marketing Demands (Case Study in Keparakan, Yogyakarta, Indonesia)

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Abstract

Keparakan has made achievements up to the national level in various competitions' global potential. Leather handicraft products have been able to penetrate international markets such as America, Japan, Germany, and Korea. Small-scale home industries are flourishing and proliferating in recent years. There are no less than 30 handicraft business units that absorb a workforce of around 160 people. The object of community service is the UKM Association in the Keparakan area of Yogyakarta. The purpose of this community service program is to improve the skills of SME voters and employees in facing digital marketing, both in the fields of marketing, operations, and human resources. The method used is assisting in doing digital marketing, creating quality products, and assisting in improving Human Resource soft skills. This service is important because craft SMEs are very much affected by the COVID-19 crisis, so they must be empowered to be strong in facing the power of mastery of the internet and digital technology.

Keywords: handicraft SMEs, improving product quality, and digital marketing.



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I. INTRODUCTION

Keparakan sub-district, which in recent years has made achievements up to the national level in various competitions global potential. Leather handicraft products have been able to penetrate international markets such as America, Japan, Germany, and Korea. Small-scale home industries are flourishing and overgrown in recent years. There are no less than 30 handicraft industry business units that absorb a workforce of around 160 people. Leather handicrafts dominate the number of craftsmen, which are 16 craftsmen. So far, SMEs have proven to have strong resilience against crises and are more able to equalize the conception of economic development, including job opportunities, but not in this Covid-19 pandemic crisis. All SMEs are faced with bankruptcy due to a lack of demand. The problem experienced by SME entrepreneurs is the decrease in sales turnover because the tourism and other service UMKM partners in Keparakan have not mastered digital marketing. So that they are unable to compete with other SMEs, while the problem experienced by the general public is that people in the Keparakan area are not yet literate with digital technology, so it will be challenging to realize keparakan as the first informatics village in Yogyakarta. The industrial revolution 4.0 is an industry that emphasizes digital technology. Industry 4.0 requires SMEs to be able to prepare

themselves for the revolution in industry 4.0 and gain a competitive advantage. To create a competitive advantage in the market, companies want to take advantage of these technological advances to overcome current challenges and serve customers in new and previously unimaginable ways. Technology adoption of digital marketing is the choice in marketing products in the digital era (Krasnov et al., 2018). The results of previous research conducted by Sugandini, Rahatmawati, and Arundati (2016, 2018) on handicraft SMEs show that handicraft SMEs in Yogyakarta are faced with the demands of digital marketing, but unfortunately, many SMEs are not ready to adopt digital marketing. The human resources whose works in these UKM does not have expertise in information technology and is not technologically ready.

II. LITERATURE REVIEW

Industrial Revolution 4.0

The industrial revolution 4.0 is an industry that emphasizes digital technology. Industry 4.0 requires SMEs to be able to prepare themselves for the revolution in industry 4.0 and gain a competitive advantage. Digital marketing is developed through multimedia communication, namely the internet, call centers, mobile phones, interactive television, which makes it possible to establish contact with customers faster and at lower costs (Krasnov, Nikonorov, and Yanenko (2018). Results of previous research conducted by Sugandini, Rahatmawati, and Arundati (2016, 2018) on handicraft SMEs show that handicraft SMEs in Yogyakarta are faced with the demands of digital marketing, but unfortunately, many SMEs are not ready to adopt digital marketing. The main problem is that the human resources working in these SMEs do not yet have expertise in information technology, and technology is not, however, ready.

Digital Marketing

Advances in Information Technology (IT) are taking production systems to a new level. These new developments allow developing organizations to serve customers in new ways by using new businesses that can create value for the customer. To create a competitive advantage in the market, companies want to take advantage of these technological advances to overcome current challenges and serve customers in new and previously unimaginable ways. Digital marketing adoption technology is an option in marketing products in the digital era (Krasnov et al., 2018). Digital technology in customer service and sales will increase business value (Hood, Brady, and Dhanasri, 2016), namely: reducing sales costs and reducing customer retention.

III. RESEARCH METHODOLOGY

This activity was carried out for three months. The first stage step is the Socialization Program Dissemination of the Skills Empowerment program for SMEs Managers Facing Digital Marketing Demands carried out together with the Mergangsan District Apparatus, the Head of Keparakan Village, Village Officials, community leaders, and UKM players. Here, the community service team presented several community service programs that will be carried out in Keparakan Village. The second stage is Creating community empowerment concepts in Keparakan is used to map the potential of the craft industry is facing digital marketing demands in Keparakan and get data on all SMEs whether they are owned by individuals, groups, or other small businesses. The drafting was carried out by involving the head of the Keparakan Urban Village industrial group to get the most current data and get the ease of obtaining data. The third stage is Socialization Of The Program To People Who Do Not Have Businesses, the socialization phase of community service programs to

people who do not have a business is intended to provide understanding, motivation, and skills so that they can foster an entrepreneurial spirit in society and motivate that digital marketing provides business opportunities. The fourth stage is Socialization And Assistance Of Digital Marketing To The Owner/Managers Of Handycraft SMEs, the socialization stage of community service programs to the community to provide understanding and skills of SMEs in making social media for marketing their products to face the demands of digital marketing. The last stage Making Blogs For Businesses For SMEs, creating a blog or website for the Kelurahan Keparakan is carried out after each UKM has a social media account to facilitate the search for information related to various industrial potentials, including the handicraft industry in Kelurahan Keparakan..

IV. FINDING AND DISCUSSION

Before conducting the mapping, the profile and potential of Keparakan Village were described.

Profile and Potential of Keparakan

Keparakan Village has an area of 0.53 km², with a population of 9,947 people or 3,132 families. Keparakan was inaugurated as the Keparakan industry village and became one of the villages for culinary, craft, arts, and cultural tourism. Keparakan is located on the bank of Code River and is prone to flooding. Keparakan, which in recent years has made achievements up to the national level in various competitions, it still has global potential. Leather handicraft products have been able to penetrate international markets such as America, Japan, Germany, and Korea. Small-scale home industries are flourishing and overgrown in recent years. There are no less than 30 handicraft industry business units that absorb a workforce of around 160 people. Leather handicrafts dominate the number of craftsmen, which are 16 craftsmen. There are six bag crafters and eight craftsmen engaged in convection products, batik, and accessories. These micro and small industries dominate and have a significant influence on regional economic turnover. The local market in Yogyakarta and its surroundings reaches around 60%. The coverage of the national market, such as Jakarta, Bogor, Depok, Tangerang, Bekasi, East Java, Palembang, and Sulawesi reaches 35%. And the other 5% managed to penetrate the international market.

So far, SMEs have proven to have strong resilience against crises and are more able to equalize the conception of economic development, including job opportunities, but not in this Covid-19 pandemic crisis. All SMEs are faced with bankruptcy due to a lack of demand. The partner in this community service activity is Keparakan village government, in this case, represented by the chief of the village. The target of the community service program is the skill empowerment on digital marketing for the managers of handicraft SMEs in Keparakan, realizing Keparakan as a tourist village. Keparakan sub-district, Mergangsan District, Yogyakarta City, which is able to become one among the 10 Best National Kelurahan in Indonesia. It is considered auspicious because it has four superior zones that are not owned by other kelurahan in Indonesia. The four zones are the tourism village, the arts and culture village, the culinary village, and the tourism industry village. In Kelurahan Keparakan, the four zones are represented by Dipowinatan Village as a tourism village, Pujokusuman, as a cultural arts village, Keparakan Lor, as a culinary village, and Keparakan Kidul as a small industrial village. There are 79 SMEs in the leather and batik crafts industry, with 203 employees. Divided into several regions, the first is Keparakan Lor, Kampung Keparakan Lor is famous for its culinary. Many culinary SMEs exist in this area and have the potential to be developed, such as bakpia, various snacks, and cakes. This culinary tourism in Keparakan is prepared to support cultural and artistic tourism in the Keparakan sub-district.

The Second is Keprakan Kidul, Kampung Keprakan Kidul is one of the tourist villages that is quite well known among the wider community and is rich in enormous and promising economic potential. This benefit to gain the people's own income to meet their daily needs. The potency of Keprakan Kidul is a small handicraft and industry (UMKM). As a tourism village, Keprakan Kidul presenting a high enough income for the community. Many handicraft products from the Keprakan Kidul Tourism Village are marketed and sold in a tourist area such as Prambanan, Malioboro, and Tugu-Jogja. The majority of goods sold are leather handicrafts, such as bags, shoes, cloth, and so on. The third is Pujokusuman, pujowinatan has a cultural site frequented visit by tourists, known as ndalem pujokusuman. In ndalem the pujokusuman has art and cultural tourism, such as classic dances or better known as "sendratari." The fourth is Dipowinatan, Dipowinatan Tourism Village is a village developed by the Yogyakarta Tourism Office for tourism purposes. The town is one of 17 currently being developed by the Yogyakarta City Government. The main advantage highlighted by this village is the concept of life in or recreation that blends with the surrounding community while combining with the cultural elements and localities of the existing population. Inside the village, visitors will be treated to several unique facilities such as visiting Javanese family houses wearing traditional Javanese clothes and coupled with artistic entertainment as well as Javanese culinary offerings.

The implementation of Community Service Activities

Community Service Activities are prioritized in the digital marketing program; there are several stages carried out in this community service. Namely, Socialization and coordination of community service programs at the Head of Keprakan Village and community leaders in charge of craft and tourism UKM, Create a community empowerment concept that is mutually agreed upon between the service team and the Keprakan sub-district, Socialization of community service programs to people who do not have businesses, Socialization of community service programs to owners of craft and tourism UKM and other services, Assistance in making digital marketing programs for Kelurahan Keprakan, doing digital marketing for handicraft SMEs, making blogs for business for MSMEs, the inauguration of all programs that have been implemented, publication, creating textbooks, and producing other research outputs.

To support community service activities and resolve partner problems, based on the results of discussions and agreements that have been mutually negotiated, there are several things that are proposed in this community service program and become the output of community service, namely: Assistance to digital marketing craft SMEs, Soft Assistance skill managers and employees of Craft UKM, and Making social media for handicraft UKM.

V. CONCLUSION AND FURTHER RESEARCH

The implementation of community activities can run smoothly. Village officials and their apparatus, as well as the community, were very enthusiastic about participating in these activities. They realize the importance of digital marketing for the development of SMEs in Keprakan Village. Support from the government, partners, companies, SMEs, and universities is expected to further increase sales of digital marketing-based handicraft products from local and international customers. Technology assistance, training, and mentoring are expected to be able to develop SMEs in Keprakan Village, both with appropriate technology and information technology. Support is needed by SMEs and the community in Kelurahan Keprakan in the long term and not only sporadic or ad hoc.

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