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## **Revitalizing MSMEs through Marketing Digitalization and Business Continuity Management (BCM) Toward MSMEs In Kota Medan, North Sumatera.**

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### **Abstract**

Micro Small and Medium Enterprises (MSMEs) experienced enormous economic pressure during the COVID-19 outbreak. These conditions have a direct effect on their business performance, especially on the value of sales, products and services produced, thereby impacting the sustainability of their business. Since Medan known as one of biggest city in Indonesia, where the existence of MSMEs have the significance role to generate income within the community, therefore this paper is intended to analyze how MSMEs are able to rise and can continue their business activities through efforts to implement the concept of Business Continuity Management (BCM) and digital marketing.

**Keywords:** MSMEs, Business Continuity Management, and Digital Marketing

### **INTRODUCTION**

This paper contains a study of the efforts made by various stakeholders in efforts to revitalize MSMEs to achieve a better state after the COVID-19 pandemic. During the pandemic, the condition of MSMEs in Indonesia can be illustrated by survey results, among others, BPS of the Republic of Indonesia, in September 2020, reported that there was a decrease in income for micro and small businesses by 84% and medium and large businesses by 82%. Furthermore, the Asian Development Bank (April-May 2020) in 4 countries: Indonesia, the Philippines, Thailand, and Laos involving 3,831 MSME respondents explained that the contribution of MSMEs to Gross Domestic Product in these 4 countries was more than 50%.

The implementation of regional restrictions has a negative impact on MSMEs, but some MSMEs continue to operate despite experiencing a decline in income of more than 40%. Based on the results of the ADB survey, it can be seen that 61.1% of MSMEs in Indonesia have reduced their number of workers, in March 2020, it was 59.8%. The large-scale reduction of workers was carried out in March-June 2020 and continued until October 2020 (Tayibnapis, et al, 2021).

The condition where the decline in operating income, which was followed by a drastic decrease in production, and a decrease in income also occurred in Medan City. The Medan City Cooperatives and MSMEs Service (2021) noted that out of 70,000 MSMEs in Medan City, there were only 1602 MSMEs that were able to survive the challenges of the COVID-19 pandemic, this was because the MSMEs referred to were able to make breakthroughs in business activities through digital marketing and remain can carry out business management.

## LITERATUR REVIEW

### 0.2. MSMEs in Indonesia

The Ministry of Cooperatives and SMEs noted that the number of micro, small and medium enterprises (MSMEs) reached 65.47 million units in 2019. This number increased by 1.98% compared to 64.19 million units in the previous year. This amount reaches 99.99% of the total business in Indonesia. Meanwhile, large-scale businesses only amounted to 5,637 units, or equivalent to 0.01%.

In detail, as many as 64.6 million units are micro-enterprises. The amount is equivalent to 98.67% of the total MSMEs throughout Indonesia. A total of 798,679 units are small businesses. The proportion is 1.22% of the total MSMEs in the country. Meanwhile, medium-sized enterprises only amounted to 65,465 units. This amount contributes 0.1% of the total MSMEs in Indonesia.

MSMEs in Indonesia contribute 61.1% of Gross Domestic Product, and the economic recovery of the ultra-micro and MSME sectors is very urgent amid the pressure of the Covid-19 pandemic. However, the facts show that the problems faced by entrepreneurs are so complex that stimulus and capital assistance alone are not sufficient. Other assistance needed by MSMEs includes entering the digital economy system, opening up markets, and increasing product competitiveness.

Communication and socialization are also needed in an effort to empower MSMEs, including solutions to raw material problems and increasing MSME certainty consistently. The recovery of MSMEs cannot be separated from the use of information technology, considering that digitalization is the key for entrepreneurs to survive and thrive in the midst of the COVID-19 pandemic.

### 03. Marketing Digitalisation

The concept of digital marketing is one of the leading forms of marketing today. Digitalization is one of the most important areas of interest of the century. It has become a compelling variable in regulating and changing customer trends, relational connections, business organizations, and business, and public activities. Like several different techniques, the promotion has received incredible attention in the business and scientific world, as well as in many other fields (Kaplan and Hoenlein, 2010).

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The idea of digital marketing emerged from what began as a monetary product trade measure between a seller and a buyer, now being completed with computerized information moving forward. Digital marketing involves establishing correspondence and collaboration between the buyer and the organization so that the shopper is involved in the purchasing behaviour to assist the brand directly on the web with strategies from traditional media and to further the brand in a roundabout way (Kotler and Keller, 2012).

Companies should understand digital marketing correctly and adopt the right strategies. Digital is a reliable bilateral communication channel and an undeniable marketing actor company for today's customers and companies (Leeftang et al., 2014). Due to innovative progress and the penetration of the Internet into all walks of life and the rise of other demands, business framework associations have begun to exploit the opportunities of this new framework to fulfil their intended interest groups.

## **04. Digital marketing process**

Philip Kotler (2010) describes the marketing management process; "Marketing activities are analysing emerging market opportunities, researching and selecting target markets, formulating marketing strategies, marketing plans, organizing, implementing and controlling marketing activities". Chaffey and Smith (2013) stated that the first way to make a digital marketing plan in a digital marketing strategy is to understand the status quo of the company. Companies should conduct a SWOT analysis to understand their strengths and weaknesses, threats, and opportunities. The company must then set goals as part of the marketing management process.

After analysing the market, the company should set goals to develop a digital marketing plan. After that, the company used digital positioning to create a digital marketing strategy. Personalization and selection of target market segments are very important in digital marketing. In this strategy, the company should clearly articulate the benefits it offers to customers through digital channels. The marketing mix of digital channels should be reviewed. Then implement and check the strategy by measuring the effectiveness.

## **05. Business Continuity Management Principles**

Nowadays, implementing Business Continuity Management in companies is considered as a form of asset for them. Its purpose is to maintain, if necessary, temporarily and in a degraded mode, the company's essential services, as well as the planned resumption of activities. As such, it enhances organizational resilience (Bhamra et al., 2011; Bennasar, 2010). Most of the relevant literature advocates that BCM is a decision-making process; it includes the concepts of business resilience, long term performance, and value preservation. (Gibb and Buchanan, 2006) stated that the BCM aims to provide uninterrupted availability of key organizational activities and resources to ensure the achievement of key objectives and missions.

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BCM is also defined as a “holistic management process” that identifies potential threats to an organization and their impacts on business operations. This management the process provides a framework for building organizational resilience with the capability of an effective response that safeguards the interests of its key stakeholders, reputation, brand and value-creating activities” (ISO, 2012). Hence, BCM strives to provide an “uninterrupted availability” of all key activities and resources which consist of recovering operations within a “predefined time”, and reducing the “time required” to restore conditions to a state of business as usual (Rejeb et al., 2012).

Even in modern organizations which apply high technologies, BCM is strongly present. In fact, in (Labus et al., 2019) it was referred to as (e-BCM). Applying BCM typically follows a procedural approach, known as the BCM life-cycle which phases are generally composed of main common stages that are found in most research: (1) initiating the BCM project, (2) understanding the organization, (3) identifying risks and their business impact, (4) designing a continuity plan and the necessary procedures, (5) implementing the settled measures (6) testing their effectiveness and exercising them for incidents (7) continuous maintenance and update of measures.

## **06. Analysis digital marketing dan Business Continuity Management toward MSMEs Revitalisation**

MSMEs in Indonesia, particularly in Medan, faces the challenge of implementing a sustainable business management model (BCM) and digital marketing for revitalization and as an effort to rebuild the business after the COVID-19 pandemic as well as a mechanical process to increase MSME resilience in various business challenges. This phenomenon can be a model for rebuilding MSMEs in Indonesia, especially in Medan, since now and for the future.

The concept of sustainable business management is in accordance with the needs and challenges of today's MSMEs, where digital marketing, being part of the BCM process, can consistently and continuously be applied in the long term where the business world is bound to the needs of digital technology, and MSMEs are no exception. BCM will be a vehicle for the sustainability of digital marketing.

All digital marketing channels, especially social media, have a significant influence on consumers' buying preferences. The shift from traditional to digital marketing with the internet has had a huge impact on consumers. Social networks, elements of digital marketing, and social media, when used properly, provide essential services for companies to reach their customers. As technology develops, traditional marketing has evolved into digital marketing. The importance of social media platforms in reaching consumers is increasing. Digital marketing and social media channels are rapidly replacing the classic and common channels of traditional marketing.

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