Marketing Management Training for UMKM Assisted by Baznas Microfinance Village (BMD) Gunungsari

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Abstract: Usaha Mikro Kecil Menengah (UMKM) play a strategic role in Indonesia's economic growth, but they still face various obstacles, especially in product marketing. This research aims to identify and address the challenges in marketing the products of UMKM, particularly those under the guidance of Baznas Microfinance in the Gunungsari Village, NTB. The main focus of this research is marketing management training as a solution to enhance the marketing capabilities of UMKM. This research employs a qualitative descriptive approach to collect data through in-depth interviews, observations, and analysis of related documents. The findings indicate that marketing constraints for UMKM involve a lack of human resources understanding effective marketing concepts. Therefore, the Community Service Team initiates marketing management training as a concrete effort to strengthen the marketing capacity of UMKM. The training aims to improve the understanding of UMKM actors regarding marketing strategies, branding, and the application of technology in product promotion. The results of the training are expected to make a positive contribution to the development of UMKM, enhance product competitiveness, and expand market reach. This article provides a systematic, factual, and accurate overview of the role of marketing management training in empowering UMKM. By publishing this article in Lumbung Inovasi, it is hoped to contribute to a broader understanding of UMKM marketing literacy and inspire relevant parties in the development of similar training activities in various regions.

Keywords: Management, Marketing, Microfinance


INTRODUCTION

Usaha Mikro Kecil Menengah (UMKM) play a significant role in driving the Indonesian economy forward. In addition to providing new employment opportunities, UMKM played a crucial role in boosting economic growth after the 1997 financial crisis when larger companies faced challenges in expanding their operations. Presently, UMKM have made substantial contributions to both regional and national income. UMKM are small community businesses initiated by individuals. While some may perceive UMKM as benefiting only specific parties, they play a vital role in reducing unemployment in Indonesia by providing job opportunities for many unemployed individuals. Additionally, UMKM harness various untapped natural resources in their regions, contributing to both regional and national income by processing these resources.
Despite the evident role of micro, small, and medium enterprises in the national economy, they encounter various obstacles. These challenges are multifaceted and interconnected, encompassing issues such as inadequate capital, both in quantity and source, a lack of managerial and operational skills, the absence of formal company structures, weak organization, limited marketing capabilities, unhealthy competition, and economic pressures, resulting in limited market reach. Among these challenges, the availability of capital remains a critical factor for UMKM, impacting their working capital needs and investment capital for business development.

The Baznas Microfinance Village program (BMD) has been instrumental in providing interest-free capital loans and support to UMKM nationwide, aiming to enhance MSME productivity. The program has been particularly impactful in the Gunungsari village area, where it has partnered with 986 UMKM throughout Lombok island, leading to significant progress in productivity for these enterprises. This initiative aligns with the broader goal of poverty reduction and economic development, contributing to economic stability solutions, especially during the Covid-19 pandemic. Furthermore, the program has been reported to contribute to the economic welfare of the mustahiq (less privileged) individuals.

In addition to financial support, the training and mentoring provided by the Baznas Microfinance Village program have focused on digital marketing, financial management, and human resource competencies, which are crucial for UMKM development. Digital marketing has been recognized as a key strategy for UMKM development, enabling direct interaction with consumers, market expansion, increased awareness, and improved sales. Proper financial management has also been highlighted as a critical factor influencing the performance and competitiveness of UMKM. The use of digital applications and electronic supply chain management has been emphasized as essential for UMKM marketing and product distribution in the current information-technology era.

The integration of digital marketing training and assistance, along with the support provided by Baznas Microfinance, has the potential to significantly contribute to the economic empowerment and stability of UMKM. These initiatives not only provide essential skills and resources but also align with the broader goal of poverty reduction and economic development (Daud, et al., 2023; Febriansyah, 2021).

While increased production is promising, it must be complemented by effective product marketing to reach consumers. Marketing is of paramount importance as it is the primary objective of production. Without adequate marketing capabilities, UMKM cannot successfully develop their businesses. Marketing proficiency is, therefore, a crucial attribute for UMKM. Stanton defines marketing as a comprehensive system of business activities focused on planning, pricing, promoting, and distributing goods or services to meet the needs of both existing and potential buyers. Dharmesta and Handoko emphasize that marketing management is a core function performed by companies to ensure their continuity, growth, and profitability.

Baznas Village Microfinance is an initiative by BAZNAS RI through its zakat bank division. This program, abbreviated as BMD, primarily provides...
business capital to UMKM through interest-free loans, offering new hope for the growth of UMKM by alleviating their capital constraints. Nevertheless, addressing MSME challenges involves more than just providing capital. The ability of UMKM entrepreneurs to effectively market their products remains a significant challenge, even for those assisted by Baznas Microfinance in Gunungsari Village. Some UMKM partners, particularly those in the culinary sector, like lontong production in Langko village, Lingsar sub-district, West Lombok district, often face difficulties in marketing their products, leading to unsold inventory.

IMPLEMENTATION METHOD

This service takes place in Gunungsari village, in July–August 2023. The implementation method involves transferring knowledge to partners through outreach activities. Before the training activities are carried out, observations are first carried out with the aim of a) To be able to clearly explain marketing management for UMKM assisted by Baznas Microfinance Village (BMD) Gunugsari, b) To obtain in-depth information regarding obstacles and describe appropriate solutions to overcome the obstacles faced by UMKM Assisted by Baznas Microfinance Village (BMD) Gunugsari, and c) Making the research relationship with respondents closer, so that it can make it easier for researchers to collect data.

The steps taken by field service include:

1. Make detailed observations about the research object. Regarding the obstacles faced by UMKM assisted by Baznas Microfinance Village (BMD) Gunugsari. Carrying out documentation and recording data related to facilities and infrastructure, the IKIP Mataram library which supports the digital library system.
2. Conduct in-depth interviews regarding the obstacles faced by UMKM assisted by Baznas Microfinance Village (BMD) Gunugsari
3. Take documentation data related to conditions or location descriptions that describe the situation and business opportunities for UMKM assisted by Baznas Microfinance Village (BMD) Gunugsari

The data sources in this research are:

1. MSME players under the guidance of the Gunugsari Village Microfinance Baznas (BMD).
2. Baznas microfinance HR, which is related to MSME data obtained from admin, Account officer and BMD Gunungsari manager.
3. The public/consumers regarding users of services and products produced by Basnaz partners

Data Analysis Techniques

The data analysis used in this case is an inductive analysis technique, namely data processing that starts with specific problems and then general conclusions are drawn. Thus, it is clear that this inductive analysis begins with the empirical facts found and then matching them with the existing theoretical basis.
RESULTS AND DISCUSSION

Determination of samples in this community service in an effort to increase marketing for UMKM assisted by Bazas was carried out using a random sampling method and taken from various groups of UMKM assisted by Baznas microfinance villages spread across West Lombok. The names of the UK actors selected to become samples are:
1. L. Muhammad Raiyatuddin penyet chicken entrepreneur
2. Yeni Suzana wet snack entrepreneur
3. Halimatuzzohriah cake entrepreneur
4. Nurmaawaton, rice cake entrepreneur
5. Rukmin is a cassava tape entrepreneur
6. Erna Rofika Getuk entrepreneur
7. Fauzun Hudaini is a palm sugar producer
8. Nova Siswandi wallpaper installation services
9. Wawan Wuriyaman, donut entrepreneur
10. Subayyin Zam-Zami electronic repair services

From the results of the interviews, information was obtained that the UMKM in the sample on average lacked understanding regarding marketing techniques to market their products or services. So far, the method used is only by traveling around the market or bringing their merchandise to markets or crowded places to offer their merchandise, while service entrepreneurs only use marketing techniques door to door or by word of mouth. This technique will certainly use up a lot of energy with less than optimal results and the market reached is quite limited.

Figure 1. Interview process regarding examples and forms of product design for partners

This is the basis for thinking in implementing efforts to increase marketing through community service. Some of the efforts trained in this activity include:
1. Training on bookkeeping of business results

Bookkeeping is very important in the buying and selling process. Many UMKM do not understand the bookkeeping model so that the capital obtained
and profits are mixed up and cannot be managed properly, giving the impression that the business has a low turnover and cannot be developed simply because of improper recording.

**Figure 2.** Socialization related to the training that will be carried out

2. Product branding

Product branding plays a pivotal role in marketing, and it goes far beyond just slapping a logo on a package. An effective product branding strategy involves creating a distinct identity for a product that resonates with consumers, evokes emotions, and ultimately influences their purchasing decisions. At the heart of this strategy is the packaging appearance, which serves as the product’s first point of contact with potential customers.

a. Creating a Memorable Impression: The packaging is often the first thing a consumer sees when encountering a product on a shelf or online. It’s the product’s calling card, and it needs to make a memorable impression. A well-designed and attractive package can pique a consumer’s curiosity, encouraging them to pick it up, examine it, and potentially make a purchase.

b. Establishing Brand Identity: The packaging is a powerful tool for establishing and reinforcing brand identity. It should reflect the values, personality, and story of the brand. Consistency in branding across products helps consumers recognize and trust a brand, which can lead to brand loyalty. Think of iconic brands like Coca-Cola or Apple, where the packaging is instantly recognizable.

c. Communicating Information: Beyond aesthetics, packaging serves a practical purpose by conveying essential information. This includes product details, ingredients, usage instructions, and more. An attractive packaging design should strike a balance between aesthetics and functionality, ensuring consumers can easily access the information they need.

d. Differentiating from Competitors: In a crowded marketplace, an eye-catching package can set a product apart from its competitors. This is particularly important for industries where numerous similar products
exist. A distinctive package design can help a product stand out and be easily recognizable in a sea of choices.

e. Eliciting Emotions: Good packaging design doesn't just provide information; it also elicits emotions. The choice of colors, fonts, imagery, and overall design can create an emotional connection with the consumer. For example, eco-friendly packaging can appeal to environmentally conscious consumers, while luxurious packaging can evoke a sense of indulgence.

f. Adapting to Trends: The world of design is constantly evolving, with new trends and innovations emerging all the time. Brands need to stay current and relevant by periodically updating their packaging to align with changing consumer preferences and industry trends.

g. Sustainability: In today’s eco-conscious world, sustainable packaging is a key consideration. Brands are increasingly opting for eco-friendly materials and practices to reduce their environmental footprint. A commitment to sustainability can also enhance a brand’s image and attract environmentally conscious consumers.

h. Consumer Experience: Packaging isn't just about aesthetics; it also impacts the overall consumer experience. Easy-to-open, resealable, and user-friendly packaging can enhance customer satisfaction and loyalty.

In conclusion, product branding, especially through attractive packaging, is an essential aspect of marketing. It not only influences a consumer's decision to purchase but also establishes a brand's identity and reputation. Successful product branding involves a thoughtful and strategic approach to design, messaging, and functionality, ensuring that the packaging not only looks good but also meets the needs and expectations of consumers in a competitive market.

**Figure 3** Product branding design and assistance with packaging installation

3. Product legality
Product legality and certifications play a crucial role in ensuring public trust in the products being marketed, especially when it comes to food products. In many countries, two essential certifications are the NIB (business license number) and halal certification. These certifications not only validate the authenticity of the business but also cater to the specific needs and beliefs of various consumer groups.

**a. NIB (Business License Number):**

- The NIB, also known as a business license number, is a fundamental requirement for any business entity. It signifies that a business is registered and authorized to operate legally within a specific jurisdiction.
- Having a valid NIB reassures customers that they are dealing with a legitimate and recognized business entity. It also helps in establishing trust, as consumers are more likely to purchase products from businesses that adhere to the legal framework.
- Facilitating UMKM (Usaha Mikro, Kecil, dan Menengah or Micro, Small, and Medium Enterprises) in obtaining their NIB is an essential step towards formalizing their operations. It not only supports their credibility but also enables them to participate in the formal economy, access financial services, and engage in legal business transactions.

**b. Halal Certification:**

- Halal certification is particularly significant in the food industry, especially in countries with a significant Muslim population. Halal means permissible or lawful in Islam, and halal-certified products adhere to strict Islamic dietary laws.
- Acquiring halal certification demonstrates a commitment to catering to the dietary requirements and religious beliefs of Muslim consumers. It not only increases market reach but also builds trust among this consumer segment.
- Facilitating UMKM in obtaining halal certification is vital for tapping into the growing halal market globally. It ensures that their products meet the stringent criteria necessary for Muslims to consume them with confidence.

Facilitating UMKM in the process of obtaining both NIB and halal certification is a proactive approach that benefits not only the businesses but also the consumers and the overall economy:

- **Economic Growth:** Encouraging UMKM to obtain these certifications helps them formalize their businesses, which can lead to increased economic growth. Formal businesses are more likely to contribute to tax revenues and create employment opportunities.
- **Consumer Trust:** Certifications like NIB and halal provide consumers with the assurance that the products they purchase meet legal and dietary
standards. This trust is essential for repeat business and word-of-mouth referrals.

- Market Expansion: Halal certification, in particular, opens up opportunities in the global halal market, which is estimated to be worth trillions of dollars. UMKM with halal-certified products can tap into this lucrative market.

- Regulatory Compliance: Helping UMKM navigate the often complex process of obtaining these certifications ensures that they adhere to all relevant regulations. This reduces the risk of legal issues and penalties down the road.

- Cultural Sensitivity: Recognizing the importance of halal certification shows cultural sensitivity and inclusivity, which can foster a more harmonious and diverse business environment.

In conclusion, facilitating UMKM in obtaining NIB and halal certification for their food products is not only beneficial for individual businesses but also for the broader economy and consumer trust. It promotes legal compliance, cultural sensitivity, and market expansion, ultimately contributing to a thriving and trustworthy business ecosystem.

4. Online marketing

Online marketing has indeed become a powerful tool for businesses, especially for small and medium-sized enterprises (UMKM). Platforms like Facebook (FB), Instagram, and other social media channels have revolutionized the way businesses connect with their target audiences. Here, we will explore why online marketing is so effective and how UMKM players can leverage it to expand their reach and engage diverse customer groups.

a. Wide Reach: Social media platforms have billions of active users worldwide. This vast user base provides an excellent opportunity for UMKM players to reach a global or local audience, depending on their goals and capabilities. Whether a business is selling handmade crafts or offering digital services, the potential customer base is substantial.

b. Targeted Marketing: Online marketing allows for highly targeted advertising. Through user data and preferences, UMKM players can tailor their marketing efforts to specific demographics, interests, and behaviors. This ensures that their products or services are showcased to the most relevant audience, increasing the chances of conversion.

c. Cost-Effective: Compared to traditional marketing methods like print ads or TV commercials, online marketing tends to be more cost-effective. UMKM players can set their advertising budgets, and many social media platforms offer flexible pricing models, such as pay-per-click or pay-per-impression. This allows businesses to get more bang for their buck and track the return on investment more accurately.
d. Engagement and Interaction: Social media platforms foster engagement between businesses and customers. UMKM players can respond to comments, answer queries, and build relationships with their audience. This two-way communication not only boosts customer satisfaction but also provides valuable feedback that can help improve products or services.

e. Analytics and Data Insights: Online marketing tools provide extensive analytics and data insights. UMKM players can measure the performance of their campaigns in real-time, allowing them to make informed decisions and optimize their strategies as needed. This data-driven approach enhances the effectiveness of marketing efforts.

f. Global Presence: Through online marketing, UMKM players can establish a global presence even without physical stores or offices in various locations. With a well-executed online strategy, businesses can attract international customers and expand their market reach beyond geographical boundaries.

g. Creativity and Branding: Social media platforms provide ample opportunities for creativity in marketing campaigns. UMKM players can showcase their brand personality, tell compelling stories, and create visually appealing content. Effective branding can help businesses stand out and establish a loyal customer base.

However, it’s essential for UMKM players to approach online marketing strategically:

a. Consistency: Regular and consistent posting is crucial to maintain audience engagement and visibility.

b. Quality Content: High-quality content is more likely to resonate with the audience and encourage sharing, which can help expand the reach.

c. Adaptation: Stay updated with the latest trends and adapt marketing strategies accordingly to remain competitive.

d. Customer-Centric Approach: Focus on providing value to customers rather than just promoting products or services.

e. Security and Privacy: Ensure that customer data is handled securely and in compliance with data protection regulations.

In conclusion, online marketing through platforms like Facebook, Instagram, and other social media channels is a highly effective way for UMKM players to reach a diverse range of audiences. With the right strategies, businesses can leverage the power of these platforms to expand their reach, engage with customers, and achieve their marketing goals efficiently and cost-effectively.

**CONCLUSION**

Marketing management training for UMKM assisted by Baznas Microfinance Village (BMD) Gunungsari has a significant impact in improving
management capabilities, empowerment and sustainability of MSMEs. Through this training, MSMEs can manage product marketing more effectively, improve business performance, and contribute to local economic growth. BMD’s important role in supporting the development of UMKM in Gunungsari village is reflected in their commitment to providing assistance and training to micro business actors. In addition, this training promotes community collaboration and empowerment as well as identifying local business potential that can be developed further. Overall, this training has an important positive impact in improving economic prosperity at the village level and encouraging UMKM business growth.

RECOMMENDATION
Some groups still need training regarding financial bookkeeping and training in using financial-related applications.

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