

## The Maximization of Digital Marketing and Business Legality in the Development of De Thela Msme in the New Normal Era

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### ABSTRACT

**Purpose** One of the business sectors that has a quite important role for the national economy and has contributed to the absorption of labor and the distribution of development results is Micro, Small and Medium Enterprises (MSMEs). In the new normal era (Adaptation of New Habits) increasing the ability to use digital marketing will be able to help businesses deal with economic pressures, due to the Covid 19 pandemic which has caused a decrease in people's purchasing power where many people have shifted to buying online. In addition, in running a business, it is necessary to have complete documents or business legality. Likewise, De Thela's MSMEs based on observations have problems in terms of their limited ability to use digital marketing and do not yet have business legality. Therefore, assistance is needed to overcome these MSME problems through digital marketing assistance through social media and the importance of having legality in developing a business.

**Methods** – The methods used in the implementation of community service include problem identification, preparation, assistance, monitoring and evaluation of assistance.

**Result and discussions** – This community service activity has yielded results for De Thela's MSMEs including (1) De Thela's MSMEs have created social media content and joined the Shopee Food and Tukoni marketplaces so they can expand product marketing; and (2) UMKM De Thela has business legality by obtaining a Business Identification Number (NIB).

**Conclusion** – The results of this community service activity have implications where it is hoped that digital marketing assistance and business legality will make it easier for De Thela's MSMEs to develop businesses and increase sales and business sustainability, especially in the new normal era.

**Keywords:** *Digital Marketing, Business Legality, MSMEs*

### INTRODUCTION

Cassava is an annual shrub plant that grows 1-4 meters high and has large, finger-like leaves with 5 to 9 leaflets (Ullah, Ali & Farooqi, 2010). Cassava is traditionally enjoyed as a substitute for the staple food of rice. In addition, the low fat and cholesterol in cassava coupled with the high fiber content make cassava also good for consumption (Rahayu, Anam & Riptanti, 2018). Cassava is widely used as a raw material for various processed products, both food, feed and fuel.

Crispy fried gethuk is one of the processed products from cassava produced by De Thela Micro, Small and Medium Enterprises (MSMEs), in addition to cassava sticks and bolubi (sweet potato balls) at a price of IDR 12,000.00/pack (1 pack contains 10 pieces) for original crispy fried

gethuk and chocolate variant and 1 pack containing 12 pieces for chocolate and cheese variant bolubi). UMKM De Thela is an UMKM that produces frozen food from processed cassava with the slogan "delicious tastes affordable !!!". UMKM De Thela was founded by Yesy Purwatiningsih on September 10 2021 and is located at Pucanganom Village, Sumberagung Village, Moyudan District, Sleman Regency, Special Region of Yogyakarta (DIY). Pucanganom Village has regional potential, one of which is cassava, so that this natural potential is utilized by UMKM De Thela into various kinds of processed cassava products which can increase the economic value and use value of cassava as a non-rice food ingredient.



Figure 1. De Thela Products from Processed Cassava  
(Source: Personal documentation, 2022)

One of the business sectors that has an important role for the Indonesian economy and has a contribution in absorbing labor is MSME. However, during the Covid-19 pandemic, many MSMEs experienced losses due to the instability of public consumption which was increasingly limiting. The Covid-19 pandemic which was followed by the Large-Scale Social Restrictions policy and the Imposition of Restricting Community Activities as an effort to suppress the spread of Covid-19 had an impact where people have switched to making purchases online. Likewise, currently entering the new normal era (New Habit Adaptation) encourages new changes in the business world by shifting offline businesses to digital businesses. According to Purnomo (2019) SMEs to gain wider marketing access can utilize social media or market places to support their marketing activities.

One of the MSMEs that has been affected by the Covid-19 pandemic is the De Thela UMKM which has limitations in its product marketing strategy because many consumers have shifted their purchases online. Business competition is quite tight at this time, demanding culinary business actors to be more creative and innovative. Competition is not only in terms of product quality, but also leads to the development of promotional media (digital marketing). According to Suswanto & Setiawati (2020) digital marketing is considered the right action for business people to take as an effort to promote a product using digital media that can reach consumers in a timely, personal and relevant manner. Digital marketing uses digital media to bring products or services to markets that aim to attract customers and build interactions between business people and consumers (Yasmin, Tasneem & Fatema, 2015). Digital marketing includes social media marketing, content marketing branding, web design and so on. The goal of digital marketing is to increase market share, increase sales revenue, reduce promotion costs, and achieve Customer Relationship Management goals such as increasing customer satisfaction, purchase frequency or customer reference rate (Winarsih &

Fuad, 2020). Therefore, optimizing digital marketing is needed especially for De Thela MSMEs as an effort to expand product sales and increase income in the new normal era.

In addition to the problem of limited digital marketing, De Thela MSME actors also have other problems in the absence of business legality or completeness of documents. This is because MSME owners do not understand and do not know about socialization regarding access to registration of permits or Business Identification Numbers (NIB) through the Online Single Submission (OSS) system. Business legality is very important for MSME owners to be able to develop their business. This is in line with the results of the assistance provided by Yuwita, Astutik, Badriyatul & Rahayu (2021) stating that business legality through licensing is very important for MSMEs so that business actors can easily access capital to develop their businesses and compete with other business actors. Therefore, this community service activity also provides assistance to obtain business legality so that UMKM De Thela can develop their business and increase business income and business continuity, especially in the new normal era.

## **METHOD**

Based on the background above, the obstacle that occurs in UMKM De Thela is that it has limitations in its product marketing strategy because many consumers divert purchases online, so assistance is needed in developing promotional media through digital marketing. In addition, the problem faced by UMKM De Thela is that they are still not aware of the importance of business legality. Therefore, this community service activity also provides assistance to obtain business legality so that UMKM De Thela can develop their business. The steps for implementing this community service activity are carried out as follows:

1. Identify problems with De Thela's MSMEs so that they can find the obstacles and challenges they face through interviews with data sources, namely business actors. The results of the interviews show that De Thela's MSMEs face obstacles in terms of limitations in digital marketing and do not yet have business legality.
2. Prepare a form of assistance that is in accordance with problem identification from the results of observations and interviews with business owners, so that the assistance provided can help solve problems faced by business actors. The drafting of the mentoring concept is carried out by discussing with business owners.
3. Assistance in the form of preparing digital marketing strategies and managing business legality through NIB registration on the OSS system, so that business actors can promote business products online and have business legality to develop their business.
4. Monitoring and evaluation of mentoring to measure the success of mentoring activities for UMKM De Thela through observation of the implementation of activities and interviews with business owners after each completion of the mentoring program. Measuring the effectiveness of the success of mentoring is done by comparing it from previous mentoring programs, if there is an increase or development then the mentoring program is running effectively.

## **RESULTS AND DISCUSSION**

Assistance activities are carried out in accordance with the steps that have been determined. The first stage is to provide assistance in the form of digital marketing. The preparation of a digital marketing strategy begins with outreach regarding making Instagram feeds neater and more attractive. Furthermore, to develop wider marketing of its products, it is carried out by providing assistance through social media such as Whatsapp, Shopee Food and joining a culinary marketplace

from Jogja which was built to help MSME players whose sales have been hit hard due to the pandemic, namely Tukoni. The role of social media can help market products more effectively and cheaply so that products are known to consumers, increase sales volume and make it easier to expand market networks. This is in line with Oktaviani & Rustandi's research (2018) which shows that digital marketing plays a role in increasing brand awareness (consumers' ability to recognize products through logos, images, colors and other types). Therefore, business owners can manage social media to increase brand awareness by getting to know the character of the digital world regarding creative content in digital marketing.

The second stage is to provide assistance in the form of managing business legality through the Online Single Submission (OSS) system. A business permit is a form of permit granted by the government to the community to officially run their business and must be owned by business actors. The government has provided broad access to all aspects that support the creation of well-developed MSMEs, one of which is through the OSS system (Latif, Adi, Lasiyono & Miradji, 2021). This is in line with Ministerial Regulation No: 41/M-Ind/Per/6/2008 whereby any person or entity that establishes a medium-scale business with a capital of Rp. 5,000,000.00 to Rp. 200,000,000.00 is required to have business legality. Integrated Business Licensing or Single Online Submission (OSS) is a business license issued by the OSS institution to business entities through an integrated electronic system on behalf of ministers, heads of institutions, governors or regents/mayors (Purnawan, Khisni & Adillah, 2020). Business legality is obtained by completing a number of permits owned including Building Permits, Industrial Business Permits, Trading Business Permits, and Taxpayer Identification Numbers.

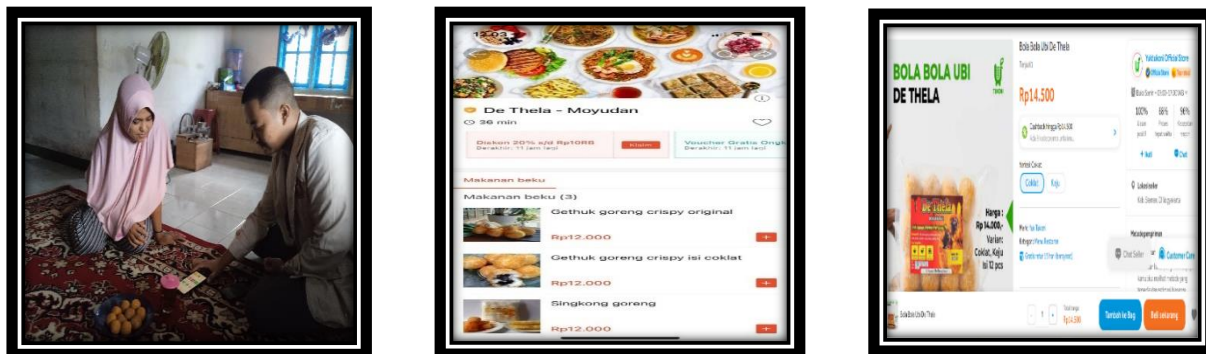
Community service activities for UMKM De Thela have provided digital marketing assistance and business legality. Before the mentoring was carried out, initially observations and interviews were carried out with business owners to get to the problems faced by De Thela's MSMEs. Some information related to the obstacles faced, namely related to the marketing system that is being implemented where the management of digital marketing has not been handled properly. In addition, the lack of awareness of business actors on the importance of having business legality as an effort to develop a business.

### **Digital Marketing Assistance**

Digital marketing assistance for De Thela products is carried out by utilizing social media as a means to promote businesses, so as to minimize costs that must be incurred by business owners. The preparation of a digital marketing strategy begins with outreach regarding making Instagram feeds neater and more attractive. Furthermore, to develop wider marketing of its products, it is carried out by providing assistance through social media such as Whatsapp, Shopee Food and joining a culinary marketplace from Jogja which was built to help MSME players whose sales have been hit hard due to the pandemic, namely Tukoni. Social media has advantages over other marketing communication media, namely Always On and Everywhere (Powers, Advincula, Austin, Graiko & Snyder, 2012: 482).

The role of social media can help market products more effectively and cheaply so that products are known to consumers, increase sales volume and make it easier to expand market networks (Rahmawati, Rubiyatno, Sutadi & Rahayu, 2022). This is in line with Oktaviani & Rustandi's research (2018) which shows that digital marketing plays a role in increasing brand awareness (consumers' ability to recognize products through logos, images, colors and other types). Therefore, business owners can manage social media to increase brand awareness by getting to know the character of the digital world regarding creative content in digital marketing. The

existence of creative content can increase De Thela's Instagram social media insight and engagement which in turn can build brand awareness.



**Figure 2. De Thela UMKM Product Marketing Assistance Activities Through Social Media**  
(Source: Personal documentation, 2022)

### **Business Legality Assistance**

Business legal assistance is carried out through the OSS system. A business permit is a form of permit granted by the government to the community to officially run their business and must be owned by business actors. Therefore, with business owners having business legality, it is hoped that it will make it easier for business actors to obtain patents, business development and so on. The government has provided broad access to all aspects that support the creation of well-developed MSMEs, one of which is through the OSS system (Latif, Adi, Lasiyono & Miradji, 2021). This is in line with Ministerial Regulation No: 41/M-Ind/Per/6/2008 whereby any person or entity that establishes a medium-scale business with a capital of Rp. 5,000,000.00 to Rp. 200,000,000.00 is required to have business legality. Integrated Business Licensing or Single Online Submission (OSS) is a business license issued by the OSS institution to business entities through an integrated electronic system on behalf of ministers, heads of institutions, governors or regents/mayors (Purnawan, Khisni & Adillah, 2020). Business legality is obtained by completing a number of permits owned including Building Permits, Industrial Business Permits, Trading Business Permits, and Taxpayer Identification Numbers.

The first step that the community service team can take regarding business legality is to get an NIB (Business Permit Number). NIB is the registration and identification of business actors conducting commercial activities. NIB management is carried out through the OSS system after registering the required documents. The way to get it is by first registering through the OSS system, after completing the documents required for registration. The next step that the community service team took was to determine the category of business fields to be developed. After analyzing the business sector categories through the Indonesian Business Field Standard Classification (KBLI) and De Thela's business with processed cassava products according to code 10750 (food and processed food industry). After the documents are completed and the code has been obtained, the NIB will be officially issued by the government.





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**Figure 3. Evidence of De Thela MSME Business Legality**

(Source: <https://oss.go.id>, 2022)

## CONCLUSION

Community service activities in an effort to optimize the development of UMKM De Thela have been carried out well. The assistance activities carried out include digital marketing assistance through the preparation of digital marketing strategies by creating social media content and joining the Shopee Food and Tukoni marketplaces. Apart from that, business legality assistance is also provided through OSS to obtain Business Identification Numbers (NIB). This mentoring activity was carried out with great enthusiasm which was assessed from two-way communication in the form of discussions with De Thela MSME owners. The results of this community service activity have implications where it is hoped that digital marketing assistance and business legality will make it easier for De Thela's MSMEs to develop businesses and increase sales and business sustainability, especially in the new normal era.

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