

THE INFLUENCE OF THE MARKETPLACE IN INCREASING THE COMPETITION OF MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMES)

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ABSTRACT

The aim of this research is to analyze the influence of the marketplace in increasing competition for Small and Medium Enterprise (SME). This research uses a qualitative descriptive method to analyze the influence of the marketplace. Data was obtained through library research or literature study. The development of information technology today has a significant impact on competition in the business world, one of which is SME. Some marketplaces that are widely used include Tokopedia, Shopee, and Lazada. SME players can take advantage of the marketplace to attract more customers in the competition in the market. However, there are still many SME players who have not optimally utilized the existing features, thus becoming an obstacle in competing with other competitors.

Keywords: SME, Marketplace, Competition

INTRODUCTION

Currently, technological advances are accelerating which affects micro, small, and medium enterprises (MSMEs). The ability to utilize technology is one of the supports for the success of a business. With technological advancements, MSMEs can take advantage of marketplaces to introduce products to consumers. This is the main factor in the increasingly fierce competition in the world of sales. So far, most MSMEs have only sold and promoted products offline. However, with the sophistication of technology from year to year, MSME actors should be able to take advantage of existing platforms, both social media and marketplaces.

The use of social media has a role in the competitiveness of MSMEs. MSMEs can use platforms such as Instagram, Facebook, and TikTok as support in promoting their products by creating content both photos and videos that attract consumer interest. In addition, the marketplace also plays an important role in increasing the competitiveness of MSMEs. MSMEs can use platforms such as Shopee, Lazada, Tokopedia, Bukalapak, and Blibli to sell products online. This is a marketing strategy in competition in the business world that keeps up with the times by utilizing increasingly sophisticated technology (Anggriani Saputri et al., 2023).

The use of social media and marketplaces is also a challenge for MSMEs. One of them is the limitation of Human Resources (HR) in maximizing the platform. In addition, finance also has an effect on optimizing online platforms due to a lack of costs for human resources, so they have difficulty in adding employees to manage social media and

marketplaces (Anggriani Saputri et al., 2023). Therefore, sellers must be able to develop marketing strategies with new innovations, creativity, and technological knowledge in order to compete in the business world.

THEORETICAL FOUNDATION

Micro, Small, and Medium Enterprises (MSMEs) MSMEs have a different meaning from each literature according to several agencies or institutions and even laws. Based on Law number 20 of 2008 concerning MSMEs, it is defined as follows (Nur Sarfiah et al., 2019). Micro businesses are productive businesses owned by individuals or individual business entities that meet the criteria set forth in this Law. A small business is a stand-alone productive economic business carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled or part either directly or indirectly of a medium or large business that meets the criteria of a small business. Medium business is a stand-alone productive economic business carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or is a direct or indirect part with small businesses and large enterprises with an amount of net worth or annual sales proceeds as regulated in this law. According to the Central Statistics Agency (BPS), micro businesses are businesses that employ less than 5 people, including family members who do not receive compensation. In contrast to small businesses employing 5 to 19 people. Meanwhile, medium businesses employ the most workers, namely 19 to 99 people (Hasanah et al., 2020). Currently, MSMEs have utilized technology such as digital platforms as a means of carrying out marketing strategies. This is a new opportunity in the MSME business model in increasing their sales.

Marketing

Marketing is at the heart of the relationship between business and society. So, marketing can be interpreted as a liaison between sellers and buyers according to needs, not only to expand sales but the entire business that is rewarded with profits (Retzen Lupi Nurdin Nurdin, 2016) Pemasaran adalah inti dari hubungan antara bisnis dan masyarakat. Jadi, pemasaran dapat diartikan sebagai penghubung antara penjual dan pembeli sesuai dengan kebutuhan, bukan hanya untuk memperluas penjualan tetapi seluruh bisnis yang mendapat imbalan dengan keuntungan (Retzen Lupi Nurdin Nurdin, 2016)

To maintain its existence, companies must be able to understand customer needs and wants and combine them with market conditions. In conducting marketing, marketing management is needed to analyze the planning, implementation, and control of programs that will be designed with the aim of obtaining profits.

Marketplace

Marketplace is one of the new business models that is starting to develop with the advancement of information technology. Everyone can carry out the buying and selling process easily, quickly and cheaply with the existence of a *marketplace* because there are

no limits of space, distance, and time. Some of the *marketplaces* that are visited by many consumers include Tokopedia, Shopee, and Lazada. Each *marketplace* has its own characteristics.

Tokopedia, which was established on August 17, 2009, uses green as its identity and is committed to achieving digital economic equity. Shopee is a new *marketplace* that was established in 2015, has an orange identity and its mission is to provide the best work experience to partners, customers, and employees. Meanwhile, Lazada's *online* store was founded in 2012 with a blue logo and aims to meet all buyers' needs, from ordering to shipping goods.

The *marketplace* is an option for MSME actors because it is easy to create a store account, there are no service fees, product purchase flows and designs have been provided, so that store owners can choose their own as desired. In addition, a marketing strategy has been formed, so that owners can focus on product quality and stock only. A business actor must provide complete product information, price information and so on.

MSME actors do not have to do promotions because the *marketplace* site itself already has a promotional strategy that can have a positive impact on the business or business that is being run. The advantage of the *marketplace* is that business people do not need to spend capital to build systems and make regular repairs because everything has been handled by the *marketplace* provider.

RESEARCH METHODS

In this study, the author used a qualitative descriptive method. The type of qualitative descriptive research method is a method by describing data descriptively on a certain phenomenon. Qualitative research is by collecting data, analyzing, and interpreting data, not using statistics.

The collection of data obtained in this study is through *library research* or *literature study* by looking for theoretical reference sources based on the object of a problem to be analyzed. In making conclusions based on theory and strong empirical evidence, data obtained from previous articles or research will be processed as supporting data. The subject of this research is MSME actors and the object of this research is the *marketplace* which affects the competitiveness of MSMEs.

RESULTS AND DISCUSSION

In the results and discussion section, the researcher obtained several case studies of MSMEs that still do not utilize the marketplace in conducting competition in the business world. Marketing is still carried out offline by distributing to small traders, shops, and the like. However, some MSME actors already have online stores. However, on the e-commerce platform they have not been optimal in utilizing existing features, so they are still inferior to other competitors. Currently, MSMEs have become an important part of the Indonesian economy and it is known that only 3.97 percent of MSMEs in Indonesia have just joined the online market (Anggriani Saputri et al., 2023). MSMEs have a proportion of

99.99% of the number of business actors in Indonesia or as many as 56,534,592 units. Based on data from the Central Statistics Agency (BPS), it shows that during the economic crisis of 1997-1998, the number of MSMEs increased by 85 million to 107 million workers until 2012. In 2016, the growth of MSMEs increased by 4.17% from 34.64% to 38.81%, while large businesses decreased by 0.26% from 9.94% to 9.68%. This shows that MSMEs are able to survive after the 1998 crisis (Nur Sarfiah et al., 2019). In several studies, it has been proven that e-commerce is effective in increasing sales. This is because offline marketing alone is not enough to attract customers. By using e-commerce, MSME actors can reach more potential customers. E-commerce is one of the marketplaces that has a very wide market reach throughout Indonesia and has the potential to attract consumers to buy products from every business. Some of the e-commerce that is usually used are Shopee, Lazada, Tokopedia, and Blibli. However, the lack of knowledge in the field of technology makes e-commerce users not take full advantage of existing features, such as not having activated the free shipping feature, less attractive product descriptions, less attractive product photos, and others.

Data from several studies state that *marketplaces* affect sales because they are useful for helping increase business sales turnover. This is because the range of *the marketplace* itself is very wide so that buyers find it easier to find the products they need or want. Competition in the business world is getting tighter, the *marketplace* also has an impact on this competitiveness. The impact of *the marketplace* is to increase market access, increase *brand awareness*, improve customer relationships, and speed up transaction procedures. Therefore, MSMEs can take advantage of opportunities from the use of *marketplaces* to develop marketing strategies and increase sales turnover through *online media* by branding and expanding market reach.

With the existence of *the marketplace*, MSMEs have more time to focus on creating new products, increasing customer satisfaction through services and being able to reach all regions in various countries. Of course, this method will be profitable for consumers because they can easily get the products they need without having to come to the store and spend a lot of time just shopping for necessities.

By offering products on several platforms, it will encourage competition between MSMEs in developing their respective businesses. This, of course, is not only about offering products, but also regularly promoting and increasing creativity in marketing each product by developing a targeted marketing strategy. Product offers can also be done by following social media trends, such as Tiktok, Instagram Reels and Instastory by regularly providing information about each product.

CONCLUSION

From the results and discussions, the researcher drew the conclusion that *the marketplace* has an important role in the competitiveness of MSMEs by utilizing the features that have been provided on each platform. However, one of the obstacles to the competitiveness of MSMEs is the lack of optimal use of IT by business people. In fact,

currently *online* media or known as *e-commerce* has a wider market reach for all regions, both Indonesia and abroad. However, there are still many who have not studied more deeply about the sophistication of today's technology, so the winners in the business world are those who understand how to use *the marketplace* not just *offline*.

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