



THE CREATIVE MARKETING STRATEGY IN DEVELOPING PANDAN WOVEN PRODUCTS IN THE MARKET AT MSMEs “JAXEE”

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ABSTRACT

The economic crisis caused by the COVID-19 pandemic at the beginning of 2020 has significantly impacted the micro, small and medium enterprise (MSME) sector in this country. In this context, this research examines the strategic efforts UMKM "JAXEE" Pandan Woven adopted to develop the market for their pandan woven products.

Data collection techniques used in this research include documentation, interviews and observation. The collected data was then analyzed using content analysis methods (documentation research) and descriptive analysis. "JAXEE" Woven Pandan is an MSME that produces woven pandan souvenirs such as bags, fans, wallets, hats, sandals, key chains and other products with various color patterns. The importance of the latest innovations in pandan woven products and the development of fashion trends are the main focus of "JAXEE" to remain competitive in this industry. They are starting to pay attention to competitive aspects by following technological developments, utilizing social media, and having personal websites to increase visibility and customer relationships. Besides that,

Keywords: Marketing Strategy, MSMEs, Pandan Woven, Covid-19.

INTRODUCTION

The business world is one area of human life that changes quickly and dynamically. In the past, business activities carry out door-to-door, selling in the market, opening stalls in shops, offering face-to-face, or other conventional methods. Although the technique is still used by society in general, times have changed along with the existence of the industrial era 4.0 and generation society 5.0, so all aspects of life must follow them without the exception of the business world. Nevertheless, business and humans cannot separate from human nature because humans are economical and social creatures (Yulianti et al., 2022).

At the beginning of 2020, the Indonesian economy and the world experienced an unexpected event, namely the Covid-19 pandemic. This disease not only has a public health impact but also has a significant impact on economic activity. Based on data presented by the National Development Planning Agency (Bappenas, 2020), the economic effects of this pandemic are very pronounced. The decline in economic activity caused by restrictive measures, lockdowns and a drop in consumer confidence have all contributed to a significant slowdown in economic growth.

The large number of educated unemployed figures from intellectuals who have graduated from vocational high schools, high schools to college graduates, because they are still oriented towards

looking for work, not creating jobs, and this happens at all levels of education, both at the high school level and in university level (Indrajaya, 2019).

One of the sectors directly affected is micro, small and medium enterprises (MSMEs). MSMEs have an important role in the Indonesian economy and contribute the majority of labour absorption in various regions. However, the COVID-19 pandemic significantly declined demand for products and services produced by MSMEs. The results of research by Damore, Aswekahyuno, Hirawan, Setyati, & Simanjuntak (2020) show that the wholesale and trade industry experienced a decline in economic growth of 12.2% in the first semester of 2020 compared to the previous year.

This significant impact is not only limited to the wholesale and trade industry but also involves various other sectors. Declining sales, increasingly complex capital problems, decreasing orders from consumers, difficulties in obtaining raw materials, and bad credit are serious challenges faced by business actors, including MSMEs (Rahman, 2020).

In the midst of globalization and high competition, MSMEs must be able to continue to compete to improve both new breakthrough products and services, by developing human resources and technology as well as expanding marketing areas to increase the selling value of MSMEs and to be able to compete with foreign products that are flooding industrial centers and Indonesian manufacturing (Sampoerna et al., 2018).

In this context, it is important to understand how MSMEs can face these challenges and grow their businesses. One approach is to adopt creative marketing strategies. Innovative marketing strategies can help MSMEs to regain consumer trust, increase visibility and expand the market share of their products. Therefore, this research will examine and analyze the creative marketing strategies implemented by the Pandan Woven MSME "JAXEE" in overcoming the impact of the COVID-19 pandemic and developing the market for their pandan woven products.

In the MSME sector's crisis, its role in the economy becomes increasingly important and strategic. The government needs to pay special attention to this sector because MSMEs are not only one of the largest contributors to the Gross Domestic Product (GDP) but are also significant job creators. Data from the Ministry of Cooperatives and Small and Medium Enterprises (2018) shows that 2018 MSMEs contributed 99.9% of the total business units, around 62.9 million. Furthermore, MSMEs absorb 97% of the full employment, with about 89% of this workforce in the micro sector. MSMEs also contribute 60% to the country's Gross Domestic Product (GDP).

However, the ongoing COVID-19 pandemic has significantly impacted the MSME sector. In this context, the General Chair of the Indonesian MSME Association (Akumindo), Ikhsan Ingrabatun, estimates a decline in MSME turnover in the non-culinary sector of 30-35%. One of the main causes of this decline is dependence on product sales that involve face-to-face or physical meetings between sellers and buyers. MSMEs that sell non-culinary products, especially those that rely on foreign tourists as their main market, have felt a significant impact due to the decline in tourist visits caused by the pandemic (Cas, Jus, & Age, 2020).

There is a need for a deeper understanding of how MSMEs can overcome the challenges faced by the COVID-19 pandemic and increase their competitiveness in a changing market. One approach that can implement creative marketing strategies to help MSMEs adapt to rapidly changing situations and develop markets for their products. Therefore, as a case study, this research will analyse and evaluate the creative marketing strategies the UMKM "JAXEE" Woven Pandan adopted in facing the impact of the COVID-19 pandemic and developing their business.



Figure 1 Selection of MSMEs and Post-Covid-19 Economic Growth

Data depicting the impact of the COVID-19 pandemic on the MSME sector reflects the challenges small and medium businesses face. In this data analysis, only 4% of MSMEs managed to increase their sales higher than before the pandemic, and the same number (4%) could maintain the same sales level as before. Most MSMEs experienced a decline in their sales, with 14% experiencing a decrease of 10% to 30% from pre-pandemic sales. Furthermore, 15% of MSMEs faced a more significant decline in sales, namely 31% to 60%. 26% of MSMEs experienced a more drastic drop in sales, exceeding 60%. What is even more worrying is that 37% of MSMEs could not carry out sales activities during the pandemic.

This data clearly illustrates that since the beginning of the pandemic, 58% of MSMEs have experienced a significant decline in sales turnover, indicating the serious impact of the pandemic on their business. Only 8% of MSME players can survive and maintain their sales levels amidst the pressure of the current pandemic.

Various factors contribute to this decline in sales turnover. One of the main factors is the spread of the COVID-19 virus, which affects public health and reduces mobility and consumer confidence. Apart from that, the government's social distancing orders also greatly impact businesses that depend on direct interaction with customers. Along with stay-at-home charges, many people also prefer to cook and meet their needs from home, making them less inclined to shop for products from MSMEs.

Many perpetrators rolling business mat, no meet its business targets, and resources buy Public drop and place shop shops, malls for visitors are limited or closed _ while. At the start in 2022 Indonesia started economy running normally again for various activity especially economy Public slow gradually soar increase and the Government to continue develop economy good once micro nor macro (Sri Yulianti et al., 2023).

In this context, it becomes increasingly important for MSMEs to take innovative and creative strategic steps to overcome the challenges faced by the pandemic and restore their businesses. One strategic action is to implement creative marketing strategies and adapt to changes in consumer trends during the pandemic. This research will focus on how the MSME "JAXEE" Pandan Woven, as a case study, succeeded in implementing creative marketing strategies to develop the market for their pandan woven products in a challenging situation due to the COVID-19 pandemic.

MSMEs in Kebumen Regency, Indonesia, are facing rapid growth in the woven pandan leaf souvenir sector, especially Woven Pandan Souvenir products. Although these products are increasingly in demand by customers, the rapid growth of MSMEs in this sector also brings intense competition and increasingly limited business opportunities. Large companies and MSMEs need solid business planning, effective marketing strategies and good management to survive and compete in a competitive business environment. Setting clear goals is key to directing a business towards sustainable growth and positively impacting the local economy and community.

This research focuses on developing business plans and creative marketing strategies to support the continuity of Woven Pandan "JAXEE" MSMEs in overcoming intense competition and adapting to changes in a dynamic business environment.

THEORETICAL BASIS

Marketing strategy

According to Kotler and Keller (2018), marketing strategy involves a view and mindset that includes the target market, marketing mix, and marketing budget as a tool to achieve marketing goals (Chi Bui et al., 2021). It also includes planning to manage internal factors such as costs, advertising, product design, and market understanding to maximize business opportunities (Tjiptono, 2015). Marketing strategy consists of policies, rules, targets and objectives that guide a company or organization in facing environmental changes, including competition (Assauri, 2017). In the book "Marketing Strategy," Robert W. Palmatier and Shrihari Sridhar explain that marketing strategy is a series of decisions and actions to establish a sustainable differential advantage, focusing on creating value for stakeholders.

Creative Marketing

Creative marketing is an approach that emphasizes innovation, originality and creativity in developing marketing strategies. It involves thinking outside the box to create marketing campaigns that are engaging and different from competitors. Kotler and Armstrong (2016) state, "Creative marketing is an effort to generate, communicate, and provide customer value through an approach that is unique, innovative, and different from others."

Market Development

Market development in marketing theory refers to expanding market share or creating new market opportunities for certain products or services. Philip Kotler (2016) states, "Market development is a marketing strategy that tries to expand existing markets or create new markets by introducing existing products or services to market segments that have not yet entered."

MSME Management

MSME management involves management principles specific to micro, small and medium enterprises. It includes business planning, strategic decision-making, resource management, and effective marketing management. By this approach, Hisrich and Peters (2002) stated that "MSME management is the application of appropriate and efficient management practices to achieve business goals in the context of small and medium enterprises."

Woven

Pandan woven, made from thorny pandan leaves, has very beneficial characteristics. Pandan leaves have long and strong fibres, making them suitable for use as a basic ingredient for various products (Meniti Harapan Di Perlahan Pandan Leaves, 2020; Irfandi et al.). Weaving is a technique for making fine art by overlapping (crossing) woven materials such as warp and weft. The warp is the basic weaving material, while the weft is a weaving medium by inserting it into the ready-made warp (Weaving Crafts as Local Conservation, 2015, Asidigianti Surya Patria, Siti Mutmaniah).

Wicker crafts are part of human cultural heritage that has existed since prehistoric times, used for clothing and daily equipment. Over time, woven crafts continued to develop and became an inseparable part of people's lives, even an essential need. Weaving is a community skill activity in making goods by weaving ribbons or woven leaves based on warp and weft, carried out carefully, neatly and with patience.

Types of Webbing

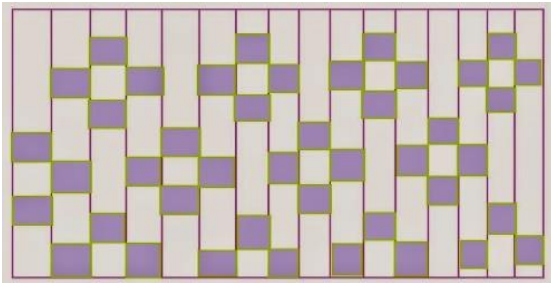


Figure 2 Flat Woven

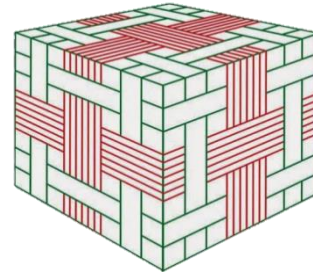


Figure 3 Three-Dimensional Woven

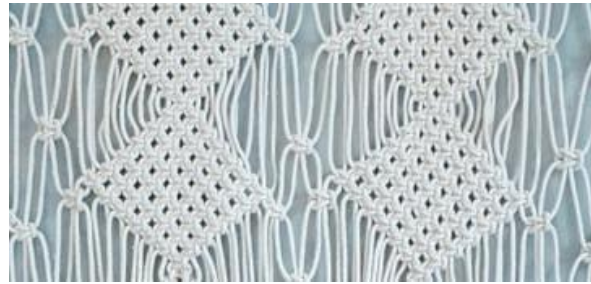


Figure 4 WebbingMacrame

RESEARCH METHODS

This research aims to analyze and identify the creative marketing strategies UMKM "JAXEE" Pandan Woven used to develop the market for pandan woven products. The following are the research methods as following:

Research design

This research uses a qualitative approach. This approach allows researchers to understand the creative marketing strategies used by the UMKM "JAXEE" Woven Pandan. In this research, the data was collected through documentation, interviews and observation.

Data collection technique

1. Documentation: Data will be collected from internal company documents, such as marketing reports, promotional materials, and sales records.
2. Interview: Interviews will be conducted with the owner of the Pandan Woven "JAXEE" MSME or a member of the marketing team to gain a deeper understanding of the marketing strategy used.
3. Observation: Direct observations will be carried out at MSME locations to observe the implementation of marketing strategies, interactions with customers, and visual aspects of products and branding.

Research Place

This research was carried out at the UMKM "JAXEE" Woven Pandan in Penimbun, Jl. Karanggayam, RT.02/RW.07, Cilongok, Karanggayam, Kebumen Regency, Central Java 54365, Indonesia.

Data analysis technique

The collected data will be analyzed using two main techniques:

1. Content Analysis (Documentation Research): Data from internal documents will be analyzed to identify themes, trends and patterns in the marketing strategies used by the UMKM "JAXEE" Woven Pandan.
2. Descriptive Analysis: The results of interviews and observations will be analyzed descriptively to describe the MSMEs' marketing practices and strategies.

By using this method, this research will provide an in-depth understanding of how the MSME "JAXEE" Pandan Woven uses creative marketing strategies in developing the market for their pandan woven products.

RESEARCH RESULTS AND DISCUSSION

1. MSME Profile

Micro, Small and Medium Enterprises (UMKM) "JAXEE" Woven Pandan was founded by Mr. Mohammad Suwoto in 2016. Its location is at Penimbun, Jl. Karanggayam, RT.02/RW.07, Cilongok, Karanggayam, Kebumen Regency, Central Java 54365, Indonesia. Even though its location is far from transportation centres and the city centre of Kebumen, UMKM "JAXEE," Woven Pandan continues to operate smoothly and has experienced significant development since its founding.

Produced Products

MSME "JAXEE" Pandan Woven specializes in producing pandan woven products. These products include bags, fans, wallets, hats, sandals, key chains and various other products with multiple color patterns. These products have high artistic value and are widely known.

MSME Marketing Strategy

MSME "JAXEE" Woven Pandan has expanded its marketing reach to two cities, namely Bali and Jakarta. The woven craft business in Kebumen continues to grow, and the products are not only sold as semi-finished goods, but also in the form of finished goods with high economic value. Demand for woven pandan products comes from various regions, even from abroad, such as Belgium. This hat product from MSMEs is an item for the opening ceremony of the Asian Games in Jakarta.

UMKM "JAXEE" Woven Pandan has implemented various marketing strategies to promote its products. Their marketing strategy has four main components: product, price, distribution channels, and promotion.

a. Product:

- MSME "JAXEE" Woven Pandan offers a variety of souvenirs, including bags, wallets and fans. These products are superior products that target various groups of consumers with multiple needs.
- They also accept special orders (customize orders) to meet customer desires and preferences.
- Quality is the main priority in determining products, which is considered the main capital in maintaining business continuity.

b. Price:

- Prices for product variations, such as bags, wallets and fans, range from Rp. 7,500.00 to Rp. 120,000.00, and pricing involves careful calculations and considerations.
- UMKM "JAXEE" Woven Pandan uses a relative price strategy by comparing and adjusting prices with competitors' prices.

c. Distribution channel:

- After determining the right product and price, the next step is to choose an effective distribution channel.
- Pandan Woven products are distributed through package delivery services such as JNE, JNT, Post Office, and others, as well as direct delivery by the owner to the Kebumen area.
- Payment making via transfer and on-time delivery is prioritised.

d. Promotion:

- UMKM "JAXEE" Woven Pandan uses a "word of mouth" promotion strategy by relying on word-of-mouth recommendations.
- They also actively utilize social media such as WhatsApp, Facebook and Instagram and have their website.
- The owner recognizes the effectiveness of marketing via social media, especially for reaching market segments outside the region that increasingly rely on technology and easy access to information.

With this combination of strategies, UMKM "JAXEE" Woven Pandan succeeded in developing its market, overcoming the constraints of a less strategic location, and competing in a competitive market. Marketing techniques focusing on product quality, competitive prices and effective promotions have been the keys to their business success.

UMKM "JAXEE" Woven Pandan has a development plan that includes three main aspects: information technology, product types, and business development stages.

2. Information Technology Development

UMKM "JAXEE" Woven Pandan has utilized information technology by integrating the telephone, sending short messages and making telephone calls. Consumers can easily order products over the phone, which reduces the need to go to the manufacturer in person.

Also, owners use Android devices to make ordering easier and as a promotional platform via social media such as WhatsApp, Facebook and Instagram. They have also launched an official website to expand the reach of promotions. With these better promotional efforts, UMKM "JAXEE" Woven Pandan hopes to increase public awareness about their products and, in turn, increase sales.

Product Type Development

Apart from souvenir products, which have become their mainstay, UMKM "JAXEE" Woven Pandan continues to innovate products to meet consumer demand. They plan to expand the product range by focusing on developments in an office environment, such as stopmaps and others. It will help them explore new markets and increase product diversification.

Business Development Stages

UMKM "JAXEE" Woven Pandan plans business development stages, which include:

- a. Product Design: Efforts will focus on product diversity and more attractive motifs, which are expected to increase consumer buying interest. The owner also plans to invest in more advanced machinery to increase production efficiency. They also envision making Pandan Woven "JAXEE" MSMEs an educational tourism destination.
- b. Marketing Plan: MSME "JAXEE" Woven Pandan plans to expand their marketing area, especially in active tourist areas, focusing on tourists and domestic tourists. Promotional strategies will still include word of mouth, social media and website marketing, emphasising creating a product catalogue that lists various product variants and their prices.
- c. HR Plan: UMKM "JAXEE" Woven Pandan currently has six permanent employees and 2 additional employees. They plan to increase the number of employees to around 15-20 permanent employees to handle the significant increase in orders. Other employees will involve nearby neighbours who will receive special training, in line with the owner's aim to improve the welfare of the local community.

CONCLUSION

In the context of the pandemic, MSME "JAXEE" Woven Pandan has demonstrated creativity and perseverance in innovating to face economic challenges. Here are some important points that can draw as a conclusion:

1. Product Diversification

MSME "JAXEE" Pandan Woven has succeeded in producing various pandan woven products, including bags, fans, passport holders and others, according to consumer demand. It shows their flexibility and ability to meet diverse market needs.

2. Diversified Marketing Strategy

UMKM "JAXEE" Woven Pandan uses various marketing strategies, including word-of-mouth marketing and social media such as WhatsApp, Facebook and Instagram. They also have a personal website. It helps them reach a wider market, especially outside the region.

3. Varied Pricing

Prices for UMKM "JAXEE" Woven Pandan products vary, depending on the type and size of souvenirs consumers purchase. It allows them to compete in a market with various social classes and income levels.

4. Efficient Delivery System

UMKM "JAXEE" Woven Pandan has chosen various package delivery services such as JNE, JNT, and Post Office to ensure their products arrive on time to consumers. A flexible payment system, both direct and via bank transfer, also makes the transaction process easier.

5. Increasing human resources: In the face of rising orders, UMKM "JAXEE" Woven Pandan has planned to increase the number of their employees and provide special training. It shows their commitment to developing businesses and empowering local communities.

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