Communication during Pandemic: The Digital Marketplace to Support SME's Business in Indonesia

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ABSTRACT

The local digital marketplace is an innovation for the development of digital ecosystems in Indonesia. This innovation has the opportunity to improve the local SME's business, prepare the SMEs players to enter into a greater competition, and to improve the national economy. For this reason, the current study tries to find out the employment of business communication concepts in digital marketplace application that aims to support SME businesses during the pandemic. By using the Snowball sampling technique, we conducted interviews with parties who could answer the research problems. This study found that business communication in managing the digital marketplace application has run well between managers and internal and external stakeholders. This study suggests improving the ability of SME entrepreneurs and promoting them to local entrepreneurs or communities to expand the digital market in the region.

Keywords: Business communication, digital marketplace, SME

INTRODUCTION

Coronavirus Disease (Covid-19) has become a global disaster since the end of 2019. The virus that first broke out in Wuhan, China, has not only killed millions of people but also almost paralyzed the wheels of the economy. Almost all countries in the world are affected, including Indonesia. Several regions in Indonesia finally made regulations that limit community activities, one of which is East Kalimantan Province which designated Covid-19 as an Extraordinary Event through the Decree of the Governor of East Kalimantan Number 360 / K.246 / 2020 dated March 20, 2020.

Small, and Medium Enterprises (SMEs) are one of the impacted economic sectors during the pandemic. They experience a decline in turnover due to work from home and physical distancing policies that make people do more activities at home [1]. Nationally, as many as 1,785 cooperatives and 163,713 MSME actors were affected [2]. Meanwhile, the results of research by Bank Indonesia Representative of East Kalimantan, 90.10% of MSMEs in East Kalimantan experienced a decline in sales during the pandemic and 49.20% of MSMEs were forced to terminate employment [3].

To overcome the impact of the pandemic, the Government directs SME entrepreneurs to migrate to digital commerce, one of which is through mobile applications [4]. This is also implemented by the Samarinda City Government through a digital marketplace application called Behambinan. Behambinan is the result of the adoption of the Gendong Gandeng Program, which is an SME empowerment program from the Yogyakarta City Government that aims to alleviate poverty. This program was launched in 2018 and also has a local marketplace application

called Nglarisi. Unfortunately, the Nglarisi application does not optimally support MSME businesses digitally due to technical problems, the ability of Gendong Cooperate members to use the application is still lacking, and the lack of demand [5].

This condition shows that the provision of applications alone is not the final solution to form a digital ecosystem, especially amid a pandemic. Communication management is needed to support the development of these applications, both promotion, marketing and education to consumers and business actors. It is also mandated by the strategic program of the E-commerce Roadmap for Volume XIV Economic Policy Package launched by the Government in supporting the development of e-commerce in Indonesia.

Creating a digital ecosystem has long been one of the Government's visions to advance the MSME sector [6]. However, the use of e-commerce in the MSME sector in Indonesia is still low [7]. Until 2020, only 13% of the 8 million MSME players nationally are connected to the digital ecosystem [8]. The existence of a pandemic is an opportunity to accelerate the transformation of MSMEs to be digital-based in Indonesia.

LITERATURE REVIEW

There are six main elements of the definition of business communication, namely purpose, communicators and communicants, messages, symbols, channel and target [9]. Business communication must have a purpose regarding the company's intent. To execute the purpose, the business managers exchange symbols or signals in packaged messages with related parties (stakeholders). The messages contain ideas, opinions and instructions related to business interests. Finally, communication is carried out using personal and impersonal channels to achieve of the goals that have been set.

Business communication is a broad internal and external knowledge that aims to create business value [10]. Seven principles need to be applied which are summarized in the acronym 7C by Murphy and Hildebrandt (1991)[9], as follows:

1. Completeness, there is complete information that can be trusted and does not raise questions for the recipient of the message;
2. Conciseness, the existence of concise information and easily understood by the recipient of the message;
3. Concreteness, the existence of a real message without using complicated language in order to avoid ambiguity in the message being conveyed;
4. Consideration, an understanding of the situation and context of the delivery of messages;
5. Clarity, the existence of information that is oriented to the recipient;
6. Courtesy, the manner in which the communication process occurs;
7. Correctness, the existence of a careful arrangement of messages to avoid errors in the preparation of information.

These business communication principles must be applied so that effective business communication can be achieved. Communication effectiveness can be measured by using some indicators[10], including: (a) the ability of communicators to predict communicant perceptions; (b) proper use and management of information technology; (c) the communicator understands the communicant's frame of mind; (d) there is mutual trust (credibility) between communicators and communicants; (e) ability to manage feedback; (f) compatibility between communicators and communicants.

The computer network is the internet where business transactions are conducted virtually [11]. E-commerce can be viewed from 4 perspectives [12], namely:

1. From a communication perspective, as a form of transaction for goods, services, information, or payment using computer networks or other electronics.
2. From a business perspective, e-commerce is an application of technology results with the aim of creating automation of business

transactions and business work processes in them.

3. From a service perspective, e-commerce is seen as a medium in meeting the wants and needs of companies, consumers, and management processes to improve the quality of goods and speed of service.

4. From an online perspective, e-commerce provides space for buying and selling goods and information via the internet and other online technologies.

The marketplace is a phenomenon that was born from the development of new media. The advantages offered are communication with the help of an internet network that is able to connect people to one another quickly and concisely without time or distance constraints. Even though there are many advantages offered, new media is still innovating, one of which is providing fast interactivity just like face-to-face communication, it's just that the interactivity model is different in each application. New media has caused several changes [13], namely:

1. The occurrence of digital transformation and convergence,
2. Increased interaction and network connections,
3. The process of sending and receiving is more flexible,
4. The public adapts to new media,
5. Diverse sources of media in various forms,
6. Media institutions as institutions become blurred
7. The flexibility of any location,
8. Communication and personal media.

The character of the marketplace as a platform in new media is able to create virtual conditions that look real [14]. In the marketplace, people can make buying and selling transactions without seeing goods or services directly, but through various features of the marketplace application. McKenna & Bargh (2000) explain that there are three characteristics that distinguish the internet from other communication media [15], namely: (a) based on text-based nature, where physical existence is not considered important; (b) distance is also no longer important, allowing the formation of associations of people from various locations with the same interests; and (c) users have the ability to manage interactions, both time and place. This factor then makes the marketplace an alternative to today's shopping.

MATERIALS & METHODS

The main instrument in qualitative research is researchers who must have broad insight from concepts and theories to ask, analyze, and then construct the meaning of the situation under study [16]. Qualitative research seeks to see the meaning of social and cultural phenomena to obtain descriptions of particular categorizations [17]. The focus of this research is the implementation of the principles of business communication in the local marketplace application Behambinan. This study uses two primary data, namely data obtained directly from research subjects according to the specified instruments, and secondary data, namely published data to assist analysis in research [18]. Researchers will use the snowball sampling technique to determine informants. The snowball sampling technique requires 2-12 initial respondents who can provide further informant recommendations [19]. This study obtained secondary data from literature texts, such as books and articles of scientific papers (journals), as well as information from other media such as reports and online articles that could support primary data and relevant to this study.

RESULT

This research began by interviewing the digital marketplace application management team from the Information and Communication Office of Samarinda City. From this team, we examined technical information on application management and its development. The team also identified internal stakeholders and external stakeholders related to the application

management process. Based on the interview, we know that the digital marketplace application is still in the development stage of features and systems for the long-term goal to support digital business in East Kalimantan. There are several weaknesses seen in this development, namely the unconnected digital marketplace application with a non-cash payment system and a limited delivery system, as well as technical constraints such as the application that has not been connected to the IOS system.

Based on the first interview, there are two parties who are considered to play an important role in the problem studied, namely the Population Control and Family Planning Office and the UKM Office. Both of them play a role in managing the entrepreneur community in Samarinda City and have paid great attention to the Behambinan application. In the follow-up interviews conducted with the two agencies, information was obtained that internal communication with the platform management team was going well. They have a communication group on WhatsApp which is the main channel for providing information or discussions between the technical management team and entrepreneurs who are members of the Behambinan application. Subsequently, the Population Control and Family Planning Service provided a recommendation to interview one of the entrepreneurs who had joined the Behambinan application. Therefore, the interview was continued to obtain an overview of the business communication experiences that have been carried out so far. We also conducted interviews with customers (external stakeholders) of the Behambinan application. Customers are those who download, use, and transact in the Behambian application. Of the three customers we interviewed, it is known that the Behambinan promotion is still limited. They still use competitor apps more often than Behambinan apps due to several factors

such as the availability of food choices and attractive marketing offers.

DISCUSSION

The results of this study indicate that the Behambinan digital marketplace application has been managed by considering consistent communication between the team and internal stakeholders such as collaborating parties and SME entrepreneurs. Communication messages are in line with business objectives, namely disseminating the latest information on application development, technical instructions for using the platform, and discussions regarding usage problems. The entrepreneur who uses Behambinan admits that she often took the initiative to ask questions regarding the management of Behambinan. The team will solve the problems of each member, either through online communication or in person at the office. The openness that exists makes internal stakeholders feel involved in managing this application.

There are two different points of view from the partners in managing this application. The first view supports the management of this application by providing consistent guidance to entrepreneurs to be more active. In this first view, interpersonal communication between the person in charge of the agency and the entrepreneurs in the fostered community is the key to attracting entrepreneurs' interest to be active in using the Behambinan application. Meanwhile, the second view sees the Behambinan application as only an option from the various sales channels that entrepreneurs can utilize. Even though the application is a local platform released by the government, they do not want to force entrepreneurs in their community to use the application. Thus, they ask entrepreneurs to take advantage of any application (including competitors) to maintain their business activities. Nonetheless, these two agencies highlight the same things regarding technical limitations (does not have smartphones) that have caused many

entrepreneurs under their communities does not interest in using the Behambinan application, as well as the lack of digital skills of entrepreneurs.

This application manager has also implemented the principles of business communication. First, this application is designed to be as effective as possible to facilitate the communication process between the management team and business members and customers. Effective communication makes entrepreneurs trust the management team to solve the technical problems they face in using this application. Externally, they also provide verbal promotions by government officials, official government websites, and social media to introduce the Behambinan application as a trusted platform. Second, the management team has used information as clearly as possible in the internal and external communication processes carried out. Internally, the management team always provides updated technical information and technical instructions in verbal and video form to member entrepreneurs through selected communication channels. For consumers, the information in the Behambinan application is also quite clear and uncomplicated. Third, there are messages with language that is easy to understand. Based on the confessions from the entrepreneurs we interviewed, the information obtained from the management team is very clear. However, for entrepreneurs with low digital skills, the information is quite confusing, so they still need direct assistance. Meanwhile, for consumers, the management team often packs interesting messages using jokes or expressions in the local language to make it more attractive to consumers. Fourth, there has been an understanding between the management team and internal stakeholders and external stakeholders. To internal stakeholders, they provide an opportunity to discuss confusing information either through communication media or in person. Meanwhile, for external stakeholders, using familiar language interspersed with jokes to greet customers is a good strategy for creating engagement with customers. This fact also explains the fifth principle, namely clarity. Furthermore, the sixth principle has been implemented by creating an atmosphere of kinship so that entrepreneurs and customers do not hesitate to interact with the Behambinan application. Finally, the Behambinan management team has also developed a communication plan prior to interacting with internal and external stakeholders. In addition, they are also supported by government officials in the promotion of the Behambinan application. So, the use of this digital marketplace application can be optimally utilized by the city government itself before reaching the general public market.

CONCLUSION

Business communication is essential in managing a digital marketplace application to support SMEs during a pandemic. However, the management team also needs to consider other aspects that are the main obstacles in developing this application. First, promotion is an indispensable element in the success of this application. The promotion strategy should assess entrepreneurs as well as the community as the market. It can not only focus the promotion activities on government institutions. This application must have the courage to introduce itself as a competitor to similar applications that have existed earlier to form the interests and interests of entrepreneurs and the public. Second, the success of this application demands a well-developed digital market environment. This is an obstacle found in this local application business communication process where local entrepreneurs still do not have the digital ability to be more active and independent in developing their business through this application. This fact shows the need to increase digital capabilities as part of the next application business communication strategy.

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