

INTEGRATION OF NON-APBN FINANCING AND DIGITAL MARKETING MODELS TO ENHANCE PERFORMANCE AND COMPETITIVE ADVANTAGE OF GREEN ECONOMY BASED SMEs

¹SRIYONO; ²SARWENDAH BIDURI; ³BAYU PRASOJO

^{1,2&3}Faculty of Business, Law, and Social Science
Universitas Muhammadiyah Sidoarjo, Indonesia

Email: sriyono@umsida.ac.id

ABSTRACT

It has been widely known that the existence of SMEs helped the Indonesian economy, in addition to the management of SMES that have different characteristics also proved to have power in the face of the occurrence of macroeconomic change And this has been proven for several events. Nevertheless, the classic problems are caused and the need for support and attention from all sides. Especially in model financing, nowadays there are many financing models that occur in SMEs. The purpose of this research is integration of Non APBN Financing and digital marketing to enhance performance and competitiveness in several locations namely Sidoarjo District, Mojokerto Regency and Pasuruan Regency. This type of research is interpretive qualitative. Data collection is done with in depth interviews, observation, and documentation. Data analysis is done using four stages, including data collection, data reduction, display data, and conclusion. The results of this study show that through the integration of financing derived from the budget of non-APBN (CSR) and digital marketing can improve the performance and competitiveness of SMEs. The type of financing given to SMEs uses facility grants model and not in the form of direct money.

Keyword: Integration, Financing, Digital Marketing, Green economy

Background

SMEs in Indonesia have a low competitiveness when compared with other ASEAN countries such as Malaysia and Thailand, The advantages of competing under Malaysia and Thailand, according to The Global Competitiveness Index 2015 – 2016 rankings and 2014 – 2015 Comparisons Indonesia is located at 37 in the Malaysia rank of 18 and Thailand at 32 rank. (Schwab,2015), this data shows that SMEs' performance and competitiveness have problems in the world.

Declining competitiveness is also one of which can be due to the way of marketing a less effective product, as

known that marketing is the spearhead of the production process, nowadays other problems faced by SMEs entrepreneurs also It is difficult to market SMEs products in Industrial ERA 4.0 this is called for innovation and creativity is lacking so that it becomes a difficult obstacle to be able to compete with products originating from other countries (Nagayya, 2011).

Currently, SMEs capability is generally only able to provide working capital less than a third of the required amount, so most of the working capital is fulfilled by borrowing on other parties such as from the Bank (commercial Bank, Saryah Bank, regional Bank), cooperatives,

Venture capital, regional Bank. Due to this, it is required that special financing models for SMEs can improve performance and competitiveness. The financing Model can possibly adapt to the characteristics of the SMEs and can pay attention to the business format of green economy, so that there is a synergy between financing institutions, SMEs based on green economy and Financial.

Preliminary research has been conducted by Sriyono (2014) on the implementation of Green Economy in SMEs development in Sidoarjo Regency. Green economy builds on an awareness of the importance of ecosystems that balance economic activity with resource availability. In addition, the green economy approach is intended need strategy to synergize the activity. (Becherer, R. C., & Helms, M. M., 2014)

Currently production activities conducted by SMEs entrepreneurs only oriented to the advantage and not yet oriented to the production of green Economy (Sriyono, 2014), so it can sometimes cause pollution and if you left it will disrupt the Sustainability of the SMEs activities), and if this is allowed then the SME business that will be done can not be sustainable (Wang, Huili and Chunyou Wu, 2011). The purpose of this study is to determine the implementation of models conducted by previous researchers, whether it can be implemented through non-APBN funds and digital marketing in SMEs to improve performance and competitiveness.

Methodology

The type of research used in this research is qualitative (Hermawan and Amirullah, 2016)) using an interpretive approach. The selection of this type of research and

approach is because it is appropriate because of this research, where the core research is to interpret the results in depth interview obtained from Key informant. The research is also meant to gain insight into something new, as well as a little known, and can provide complex details of the phenomenon that is difficult to reveal by quantitative methods (Basuki, 2011)

The research informant is the leader of the company that is represented by the PR section or the part related to CSR and other informant is the SMES owners represented by the responsibility of the daily implementing SMES. Key informant are:

A. Mojokerto District

1. The Public Relation and CSR section of PT. MSI (ARF); To get data and inquire about implementing CSR funds in what they do. In addition, it also asks the Village cooperative manager (HSD) about the implementation of CSR.
2. Personnel section of PT. MBI (ASP); To get data and inquire about implementation of CSR funds, see (BPK SYH) Hopefully SMES who receive funds.

B. Regency of Sidoarjo

1. The public relation of BSR from PT. IPTD to obtain data and inquire about the implementation of CSR funds and to meet SMES as the implementation of the
2. Public relation of ARS from PT. STS to obtain data and inquire about the implementation of CSR funds and to meet SMES as the implementation of the

C. Pasuruan Regency

1. The Public Relation/CSR section of STP PT IVTM to obtain data and inquire about the implementation of CSR funds and to meet SMES as implementation
2. The Public Relation/CSR section and MTN from PT. The SPN to obtain data and inquire about the implementation of CSR and SMES funds as implementation

Data collection techniques are performed with in depth interviews, observations, and documentation. The In depth interview is conducted using a semi-structured interview guiding the interview guide. The interview guidelines are based on the research objectives established by the relevant theories and concepts. Some of the steps done in data collection and conclusion are done through observation stages, data collection, data reduction and data display and conclusion.

The validity test of the research data is done by testing credibility and transferability test (Senton, 2004). The credibility test is done with method triangulation, source triangulation, and triangulation theory. Triangulation test method and source is conducted with cross check between the results of interview method in depth interview with Data documentation (Rahardjo, 2010:2-4).

Results and discussion

1. Benefits of Corporate Social Responsibility for SMEs

The result of the coding and data reduction process, the informant opinions on the meaning of corporate social responsibility for the company can be separated into three important parts, namely 1) CSR significance for SMES; 2)

financing; and 3) Digital Marketing as well as the important impact of CSR financing models and Digital Marketing to improve SMEs performance and Global competition, researchers are not only basing on data analysis with coding and data reduction, but also with the process Analysis during data collection and interpretation is associated with the supporting theory

As conveyed by BSR, the CSR section of PT. IPTD is located in Sidoarjo District about CSR activities as follows:

For our company CSR activities is an activity that can not be negotiable anymore or in other words should we do. We have a strong reason to implement CSR in every business activity we let alone our company is a company that has factories in several areas. Our CSR activities are our responsibility to the existing environment around the company.

To execute data from AR opinion, we triangulated the source with the same question on Mr. ASP from PT MBI in Mojoketo District Interview results are as follows:

Our company is a company spread all over the world so for CSR activities there is no need in questioned anymore. In our place CSR activities are already a central level planning section. This also means that this CSR activity is very important to us.

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To follow up with the question, we triangulated the source with the BPK TRN from PT SPN Pasuruan District. The answer result as follows:

For us that the CSR to participate in the condition of the area i, so the main objective is to join the development in the area. So the form that we provide can be in the form of infrastructure assistance, help other facilities that can support the activity

2. Financing

The important thing that is asked by researchers to SMES that are around the company is whether the company provides financing for SMES capital, the answer done by KND in the Sidoarjo District answer the following:

We never get direct financing of cash from the company, but we in give the opportunity to choose the unused raw materials then the goods we sell and the money for our business, the money in addition to the wholesale power Job

Then we give the same question to triangulate the source, the same question we asked the SMEs located around the company in Pasuruan District, the answer as follows:

The company has not been giving cash, but we are told to manage plastic waste and others, we jointly manage and we sell and the money we use for capital in the same with the other, when the waste is much

then the money is We gain also many

The same question we asked the SMEs in Mojokerto, District do they ever get financing from the company through CSR, the answer as follows:

If the provision of capital or debt we have never been able to from the company but there are land of companies that cover the area of 2 HA we are told to manage and given the initial capital, after the result is reduced capital continues

Based on the answers obtained from three SMES about financing originating from the company through Corporate Social Responsibility funds, directly and cash they all never feel to receive but they are given facilities that can Funds used for financing

3. Business Communication Facility

The first question we want to know is whether SMES in their daily work use what communication facilities, answers obtained from ARF SMEs Sidoarjo District is as follows:

Communication that I often use this Android mobile phone, either by way of direct phone or SMS and WhatsApp. Nowadays if you do not have HP will miss the information

The answer to this question is triangulated with RMN originating from Mojokerto District answer as follows:

For our daily communication that uses mobile phone like this (while showing the goods) me every day of communication with this Mas "the same question we give to RMN who emerging from Mojokerto District, the answer as follows:" Make Communication then I yes rely on

mobile phone only Sir, because currently mobile phone the most helpful

We do triangulation also with SMES located in Pasuruan District then obtained the same answer is:

Me and my subscription when communicating using this mobile phone Sir (Android), with this tool then all my affairs so lancer. Nowadays mobile phone is already a major need for me. If there is no HP then all matters so it goes wrong

4. Internet (web, Instagram, email, Facebook, Twitter) to performance and competitiveness

The next step is how far the SMEs use the Internet facilities in conducting business activities. Questions we ask SMEs entrepreneurs how to walk communication with customers and with distributors, what impacts on performance and competitive, the answers we get from Mojoketo District as follows:

When I was the transaction using an Internet facility, such as by email, Alhamdulillah All staff I have also mastered the internet so if there is something to tell customers or buyers I use email, if There is a new product eating me telling my fruit to be announced in Instagram, or on Facebook. This has a positive impact on our performance and competitiveness with overseas products

The answer then we triangulated the source of the SME in Sidoarjo District replied with the same answer as follows: some problems that are difficult to avoid, the above is the conformity with the

For us, SMEs entrepreneurs are already a must to use Internet facilities either email, Facebook, twitter and web. If not so our PA will be outdated. So I think the Internet usage is very important, because by raising the Internet will increase our competitiveness because our products become known by the people of the world and will eventually improve our performance

The same answer we received also from SMES in Pasuruan District, Sidoarjo District has a similar answer, that with the financing will be utilized to many things so that it can improve the performance and Increase competitiveness.

Based on the answers compiled from several SMEs conducted in depth interview turned out to have the same answer, then also triangulated method through documentation and observation field using the existence of additional capital financing Can improve the performance and competitiveness of SMEs.

Discussion

1. Financing for SMES that must be fulfilled by SMEs that cause difficult to fulfilled, for it needs to be a maximum and effective breakthrough to overcome it (Bădulescu, D., 2010)

Many programs launched by the financial institutions, especially banking, among others, of some programs that have been done, with all its efforts and limitations, it is not to give implications in accordance with expectations (Bank Indonesia, 2014). This is due to

program so that the amount of financing funds is not appropriate, the requirements

This is due to some problems that are difficult to avoid, among them is the conformity with the program so that the amount of financing funds are not suitable, the requirements that must be fulfilled by the SMEs that cause difficult to fulfilled, for it needs to be a maximum and effective breakthrough to overcome it (Djuitaningsih, 2010)

2. Role of CSR for SMEs

The consequences of the company's existence as an 'agent of development' in the midst of society then have a responsibility to the impact of a development so that the company can do an answer in the social form Known as Corporate Social responsibility (CSR). There are two foundations that should be considered in implementing CSR which is business ethics and the social dimension of

3. Digital Marketing

The information technology revolution has transformed the world landscape of marketing in recent years. The previous method of marketing communication was traditional and conventional, now integrated in the digital World (Stokes, Rob. 2008). Large, small, and individual companies have now begun using digital and social media as a tool to promote or draw closer to consumers, but unfortunately the number is still very limited. The utilization of digital marketing is still not maximally compared to the growth of a drastic number of Internet users. (Demishkevich M. 2015)

The daily Internet usage has improved, business people need to be aware of the issue. Nowadays, many businessmen create websites, blogs, or create accounts on Facebook, Instagram or Twitter to market or promote their

business activities. CSR or often interpreted as "being socially responsible" is clearly a different way for different people in different countries. This means the implementation of CSR in each country must be adjusted to the social and environmental context. So it is necessary to apply prudence in implementing the concept of CSR from developed countries in developing countries (Frynas, 2009).

The implementation of financing carried out by the company to SMEs is not done directly but through the provision of facilities to SMEs through the facility so the SMEs receive funds, so that through the funds can be used as Capital. Once the funds are obtained the system is used on a large part given in the form of grants but its implementation is not in cash

products. This progress is considered very useful to be used as a business marketing strategy that is also done by SMEs.. The most popular online activity in the world by NTIA (2017) is that email users have the highest percentage and then follow the Internet text message. This has an enormous impact on the performance and competitiveness enhancement of the resulting product (Boling R, 2014).

However, the use of digital marketing not only affects performance enhancement and competitiveness but also has an impact that SMES entrepreneurs have to look for as a behaviour and motivation (Caniëls MCJ, 2014). Strengthening of technology for SMES must be carried out sustainably and the support of all stakeholders, this must be done because the support from all parties both through policy, cooperation and collaboration will make the impact significant and positive. Although Many

factors that will affect the implementation of digital marketing, but this implementation is a solution to improve competitiveness (Dahnil MI, 2014)

4. Performance and competitiveness

The addition of capital will also give an opportunity to make the addition of the asset does not end, so that it will increase the capacity of production that will eventually improve performance (El-Kafafi S., 2011) In addition also increase the competitiveness, because there are Quality improvement so that the supply orientation will be wider (Chin, T. A., Tat, H. H., & Sulaiman, Z. (2015).

Conclusion

Based on the research results, the integration between Non-APBN financing and Digital Marketing is the key to be considered for the purpose of business success, availability of capital and knowledge about the understanding of Internet use as a tool Main product communication, knowledge of Internet use as well as the most important is target consumers who want to be achieved by business actors

The knowledge to utilize digital marketing as one of the tools to do market need is an absolute requirement to increase the power of the company, therefore it is necessary the initiative and willingness of SMES to follow the development of digital world that increasingly expanding among the community. The knowledge of current market conditions.

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