

Empowerment in business development through marketing expansion and business legality in Anugrah Art Batik Rembang

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ABSTRACT

Batik is valued as the Indonesian nation's identity and a part of Indonesian culture, specifically Javanese culture. There are various batik types, usually named after their origin place; one of them is Lasem's batik. Anugrah Art Batik, a member of micro-small-medium-enterprises, MSMEs, is one of Lasem's batik businesses that produce various written batik that serves orders for batik uniforms and designs in Kasreman Village, Rembang Regency, and Central Java. The challenges faced by Anugrah Art Batik are the lack of marketing management and business legality. Inadequate marketing resulted in lower-than-optimal sales. A community service program was carried out to help overcome the problems through Business Work Lectures, including creating banners and signs for the business, making batik catalog books, digital marketing by creating Facebook and Instagram accounts and managing business legality. The four programs were expected to increase sales according to the business target and hoped that it would be able to compete by continuing to develop its businesses.

KEYWORDS

Development
Marketing;
Business Legality;
MSME



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1. Introduction

MSMEs contributed 60% or Rp8.573 trillion to the country's Gross Domestic Product (GDP). MSMEs also contribute to absorbing 97% of the total workforce and collect up to 60.4% of the total investment. MSMEs have a significant role in the economic growth of a country. It is critical to assist, empower, and develop MSMEs to be sustainable. Some studies on MSMEs have been widely performed and have become a reference in community service, such as an artificial intelligence framework for the MSME sector with a focus on the design and manufacturing industries by Sharma [1] and MSME perspective on selected resilience and sustainability interventions in the Philippines Post-Haiyan by Badoc-Gonzales [2]. Trinh investigated the investment behavior of MSMEs during a period of decline [3]. Vivel-Búa studied the effect of company and environmental characteristics on hotel continuity across all MSME segments during 2007-2015 [4]. Developing an extended theory of planned behavior model to explore circular economy readiness in manufacturing MSMEs in India researched by Singh [5].

CSR and green process innovation as antecedents of performance of micro, small, and medium enterprises, the moderating role of perceived environmental volatility was investigated by Achi [6]. Models for MSMEs have been made, such as the sustainability maturity model for micro, small, and medium enterprises based on the data analysis evaluation approach by Vásquez [7]. Esubalew studied the influence of Entrepreneurial Competence Mediation on the Relationship between Bank Finance and the Performance of Micro, Small, and Medium Enterprises [8]. The Maturity Level of MSME has been measured in research conducted by Dewi [9]. Singh analyzed material and information Flow and Optimization of Manufacturing Processes in MSMEs with the Application of Value Stream Mapping (VSM) techniques. The MSMEs' performance needs attention [10]. It is in line with research by Blommerde-Winters on the role of NSD performance and standard service development processes in the performance of micro, small, and medium enterprises. Some factors influence MSMEs' behavior [11]. Gautham modeled the factors that influence behavior-based security in MSMEs using the TISM approach [12]. A dissertation on MSMEs was written by Vedhathiri entitled collaborative dissertation based on the needs of msme human resources to increase competitiveness and overcome disruption

[13]. There are some MSMEs determinants, as written by Khurana [14] and Vivel-Búa [15], namely determinants of the integration of sustainability with innovation for Indian manufacturing firms and Risk determinants in the hotel sector.

Tejamaya [16] analyzed the important factors in the implementation of occupational health and safety management systems in micro, small, and medium enterprises. COVID-19 affects MSMEs, as investigated by Shafi [17] in his research: the impact of the COVID-19 pandemic on micro, small, and medium enterprises operating in Pakistan, and in other research by Hossain [18]: MSMEs in crisis strategy and combating COVID-19: a systematic literature review and cases from the emerging economy. Prajapati [19] studied the impact of COVID-19 on sustainability advocates and performance index evaluation. Gunawan [20] assessed the readiness of micro, small, and medium enterprises to use e-money using the Unified Theory of Acceptance and Use of Technology (UTAUT) method. Many factors impact MSMEs, including natural disasters. The impact of the 2016 floods on micro, small, and medium enterprises in western Sri Lanka was investigated by Samantha [21]. The priority resilience strategy for micro, small, and medium enterprises in dealing with natural disasters was investigated by Utami [22]. Singh [23] [24] examined the ecological aspect of cutting fluid application in the small-scale industry in the North Indian region and analyzed and prioritized Lean Six Sigma enablers with environmental aspects using the best-worst method. The moderating effect of firm size on the effect of corporate social responsibility on the economic performance of micro, small, and medium enterprises was investigated by Sánchez-Infante Hernández [25]. Other research is non-technical capability of business process management and antecedents in social media implementation for micro, small, and medium enterprises by Handayani [26] and the maturity model of built-environment flood resilience capability by Adeniyi [27].

Some indicators to measure MSMEs need to identify as written in Gani's [28] investigation on sustainability Priority and ranking of indicators of sustainable manufacturing in Indian MSMEs using the fuzzy AHP. Another is the adoption of energy efficiency measures in the buildings of micro, small, and medium-scale Portuguese companies by Cunha [29]. Rosca [30] studied pyramid-based consumer value chain integration, an empirical study of the drivers and outcomes of performance. Malik researched the adoption of a circular economy SMEs in emerging markets [31]. Toward a multilevel conceptual framework, Bateman's [32] moved from a "developing" to an "anti-development" local finance model in East Asia, abandoning the winning formula. More than half of China's CO₂ emissions come from micro, small, and medium enterprises, said Meng [33].

Some approaches applied to MSMEs business are the probabilistic approach by Abdoulauf [34] for guided wave dispersion in heterogeneous and anisotropic elastic plates and the MCDM approach by Agarwal [35] for green manufacturing. Yáez-Araque [36] investigated corporate social responsibility in micro, small, and medium enterprises: a multigroup analysis of family firms vs. non-family firms. Castillo [37] analyzed factors in the dimensions of intellectual capital in micro, small, and medium enterprise exports. Trinh used panel quantile regression to investigate the internationalization and growth of Vietnam's micro, small, and medium enterprises [38]. The impact of a symbiotic relationship on the performance of micro, small and medium enterprises in the context of a small town was investigated by Kijkasiwat [39].

Anugrah Art Batik is a UMKM that creates various batik patterns and designs for uniforms. Ms. Siti Purnita Yuni and her husband established MSME in 2013. It began with only five employees and has since grown to 28. Initially, these MSMEs produced only about 20 pieces per month, but now they produce 400–600 pieces per month. At the time, the products were only sold in the city of Rembang, but with time and their persistence, Anugrah Art Batik has begun to expand and is now sold in other cities such as Semarang, Surabaya, and Jakarta, but in small quantities. The issues faced are a lack of marketing and business legality. The use of technology is required to encourage the company's success by broadening market access and reaching consumers. The community service program, through Business Work Lecture, aims to assist Anugrah Art Batik as an MSMEs partner in resolving the problems.

2. Method

The Business Work Lecture in the community service program ran for one month, from October 21 to November 21, 2021. This service program's implementation stages were:

- a. pre-survey problem identification. Conducting interviews and observations to identify the issues confronting SMEs Anugrah Art Batik.
- b. Needs Analysis. Needs Analysis aimed to determine what plans and programs Anugrah Art SMEs require.
- c. Programming. The program was designed to be useful, effective, and on target by addressing the problems of Anugrah Art's MSME partners.
- d. Program implementation. The community service team implemented the program according to the prepared program.

3. Results and Discussion

The implementation of community service activities embodied in the Business Work Lecture was held from October 21 to November 21, 2021 partnering Anugrah Art Batik in Kasreman Village, Rembang District, Rembang Regency, Central Java. Several programs implemented for business development through marketing expansion and business legality are described below.

a. Banners and signs

The activity was the creation of banners and signs (see figure 1) as promotional media to expand marketing so that the public or consumers could mark the business and find the location of the MSMEs.

b. Catalog

The cataloging was intended to provide consumers with multiple examples of image patterns from Anugrah Art Batik. Customers can order the batik based on their preferences and budget. Figure 2 displays the Batik catalog.



Fig. 1. Banner and Sign



Fig. 2. Anugrah Art Batik Patterns Catalog

c. Digital Marketing through the creation of Facebook and Instagram accounts specifically for SMEs

Figure 3 depicts the Facebook and Instagram accounts for Anugrah Art Batik. MSMEs are capable of engaging in digital marketing. Initially, online marketing was less than ideal; however, with Facebook and Instagram now offering business features, it was hoped that sales would increase.

d. Assistance in making business legality permits

As a result of the assistance in obtaining business legality permits, Anugrah Art Batik now has a business license. Figure 4 shows the business legality licensing assistance. MSMEs can benefit from legal certainty and empowerment as a result of obtaining a business license.



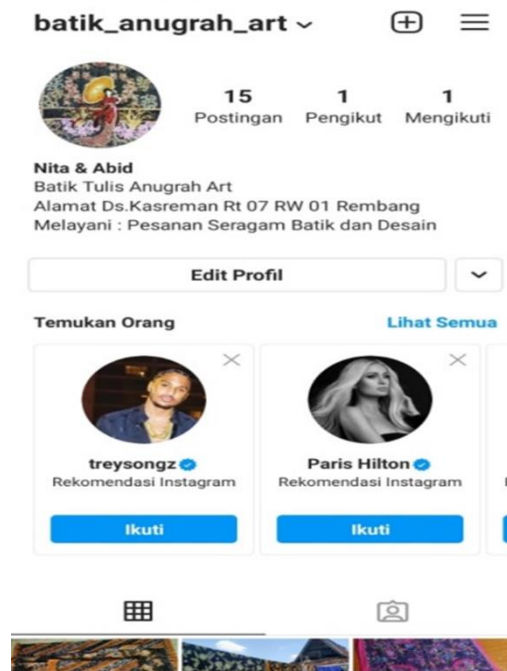


Fig. 3. Batik Anugrah Art's Facebook and Instagram accounts for SMEs



Fig. 4. Business Legality Licensing Assistance.

4. Conclusion

Anugrah Art Batik, one of the MSMEs in Rembang Regency, has been developing and growing during the COVID-19 pandemic. It requires assistance from the Community Service Team, which is realized through Business Work Lectures to overcome its problem. The challenges to face are a lack of marketing management and business legality. It is exacerbated by a lack of knowledge and technology. Community service projects include making banners and signs for expanding the business, creating batik catalog books, digital marketing through Facebook and Instagram accounts, and establishing business legality. Through the transfer of knowledge and assistance from the service team, it is expected that Batik Anugrah Art UMKM can continue to develop its business and have a sustainable competitive advantage.

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Author Contribution

The community service program through this Business Work Lecture seeks to contribute to helping SMEs Anugrah Art actors, to help solve the problems they face.

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Conflict of Interest

The authors declare no conflict of interest.

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