
THE ROLE OF E-MARKETING ON SME'S PERFORMANCE IN BANDUNG CITY: A QUALITATIVE APPROACH

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Abstract

Nowadays, e-marketing has been transformed into the most powerful tool for business performance in the digital technology era. The concept of e-marketing has become increasingly important for many entrepreneurs to sustain competitive advantage. The purpose of this paper is to investigate the role of e-marketing for SME's Performance in Bandung City and identify the source of resilience adopted by entrepreneurs during covid-19. However, there are few studies which analyze both relations. This research aims to fill the gap. Data were collected and obtained in-depth interviews with the owners of selected SMEs, and focus group discussion (FGD) conducted in Bandung City. Thus, this research was performed by means of a qualitative approach. The results show the multifaced nature of e-marketing evolving the use of the internet, adoption of e-commerce and social media, and the acceptance of technology for business performance. While resilience stands for navigating survival and pace digitalization in time of crisis. This research is limited to the extent of the relationship involved in both cases. The research on e-marketing and resilience is still poorly defined. Future research of quantitative approaches is needed to promote the development of e-marketing concept and its roles in connectivity era.

Keywords: E-marketing, SME's Performance, Resilience, Qualitative Approach

Introduction

The pandemic COVID-19 has changed everyone's view on the way of life (Ratten, 2020). It's still unclear when this deadly pandemic will end. Instead of pandemic and humanitarian health issues, many businesses choose to shut down and face enormous challenges (Huang & Farboudi Jahromi, 2021). However, the COVID-19 has double challenges for Small Medium Enterprises (SMEs) to adapt with changing business environment, and to digitalize the business especially in terms of marketing and emerging technologies (Zamani, 2022). Despite SMEs are most threatened to COVID-19 crisis and vulnerable (Hossain et al., 2022), SMEs could contribute to the development of economy of a country as well as society (Cortes & Lee, 2021). It is important for SMEs to adopt latest technology in marketing and play an essential role in economic development (Ho et al., 2022), and finally sustainable (Starbird et al., 2022) and resilience (Ciasullo et al., 2022). SMEs is not only facing local market competition, the rise of global market competition (Distanont & Khongmalai, 2020) has effected business operation.

In Indonesia, many SMEs has transformed their business into digital (Wardaya, 2019; Diandra, 2021) the reason is to sustain competitive and growth as expected (Bashir et al., 2022). Expansion of market and gain new market attention is another critical reason during COVID-19 besides resilience, although the context of adoption of technology in marketing appear to more impactful when it comes to SMEs (Zamani, 2022). Since 2019, there are 8 million SMEs going online with approximately 59,2 million enterprises utilizing an online platform for marketing purposes (Kemenkop, 2019). COVID-19 has affected SMEs performance in Bandung, govt of west java targeting 2 million SMEs go digital until end of 2020 (Diskuk Jabar, 2020) out of 4,5 million SMEs. The govt of java initiated the training of digital platform supported by popular marketplace in Indonesia like Blibi, Shopee, and Tokopedia (Diskominfo Bandung, 2022). Online

opportunities is open to everyone to perform SMEs growth (Lányi et al., 2021) with cost reduction, enhance new target markets, and increase effectiveness and efficiency of business (Narayanan, 2019).

The context of e-marketing in digital technology era plays an important role in for growth of business in highly competitive market and innovation, likewise, SMEs expand rapidly as digital economy (Popescu et al., 2020). Another research on marketing done by (Anser et al., 2020) proposes the use of information and communication technologies (ICTs) for e-marketing could attain a strategic performance of business. The research of e-marketing in developing economy mostly related to e-commerce marketing capabilities (Gregory et al., 2019) while others define e-marketing as foreign market entry mode (Cassia & Magno, 2022). Increasing interest of SMEs players towards digital orientation vary in e-marketing adoption (Agus et al., 2020) and some of them are still struggling in digital transformation process (Dethine et al., 2020). Rapid transformation internet and the use of ICTs for business has transformed the local marketplace into the global one (M. A. Islam & Alghobiri, 2019). SMEs could utilize the potential of those markets for e-marketing purposes and improve their interaction in social media to engage larger consumer (Fatima & Ali, 2022). At the same time, e-marketing concept could be the answer of environmental uncertainties in time of crisis, rethinking survival, and strategic growth (A. Islam et al., 2021). Digitalization of business and availability of online tools for business expansion has shaping the modern way of interaction between consumers and producers to deal with (Lányi et al., 2021) distribution products and services. However, SMEs realized those potential by adopting and implementing new technologies such as digital marketing for survival and resilience of business (Olsson & Bernhard, 2021; Purnomo et al., 2021).

Some researchers define social media as the new wave of online business marketing (Nistor, 2019; Atarodi et al., 2019), while others identify the use of social media for marketing as an acceptance of technology including perceived usefulness, and perceived ease-of-used (Syaifullah et al., 2021). The theory of Technology Acceptance Model (TAM) has been pointed out. SMEs with private ownership structure and hierarchical organizational could sustain innovative in time of crisis (Ciasullo et al., 2022) but lacks of strategic responses could endanger the situation.

This study proposes the relationship between e-marketing concept and resilience of SMEs performance especially in Bandung City. The interlinkage associated with the utilization of digital technologies such as marketplace and social media platforms for marketing purposes are well discussed, including the contribution of SMEs owner's experience to stay competitive in time of crisis. There is a lack of resources addressing the relationship of e-marketing and resilience concepts especially during COVID-19 and shed light about the role of e-marketing for SMEs performance. Moving into the research question, this study was conducted to analyze and investigate the absence of such studies and fill the gap. *How did the pandemic COVID-19 effect SMEs performance in Bandung City? How do you use e-commerce and social media platforms for marketing purposes and business resilience in time of crisis? and what are your suggestions on future marketing implementation for SMEs in digital technology era?*

Research Method

Methods used in this research are a qualitative approach. Qualitative study attempts to understand the role of e-marketing for SMEs performance in different perspectives. To have better understanding of SMEs performance during COVID-19, the researchers identify the problems based on SMEs owner's experience, challenges, and difficulties in time of crisis. Data were collected through in-dept interviews and using focus group discussion technique (FGD). Unlike personal interviews, focus group discussion gather the information (O.Nyumba et al., 2018) from the professional, SMEs players, academicians to deal and agree with the current topics. However, this inductive approach should offer new insight in interactive discussions. Participants of research were selected from professionals (P), SMEs players (PL), govt agencies (G), and academicians (A). There are six participants in this discussion with different knowledge, backgrounds, and experiences. Data were analyzed through qualitative content analysis, then classified, and coded based on participant categories.

Results and Discussions

Findings in this research revealed the contribution of participants on the role of e-marketing for SMEs performance in Bandung City during COVID-19, marketing and resilience, and future marketing implementations. The results of each question were displayed below:

How did the pandemic COVID-19 effect SMEs performance in Bandung City?

Findings related to the first research question are present in the statement. Examining the answers that are recorded, P stands for Professional states that *"COVID-19 outbreaks is a global crisis and has effects every side of our life, business performance getting down, and some SMEs lose their market and customers"*. PL stands for SMEs players stated, *"I'm afraid of losing my business, and not able to stand without income from my business"*. Professionals and SMEs Players have the same point of view that pandemic COVID-19

seriously affects their performance. The next category is govt agency which represent by G presents the government policies to drug SMEs to go digital as soon as possible *“instead of quarantine, government focus on providing help and training SMEs players for marketing their products in marketplace and social media”*. While A category is for Academician states, *“SMEs must be creative and innovative, and take opportunities of digital technology era, collaborate with other partners as part of resilience strategy”*.

How do you use e-commerce and social media platforms for marketing purposes and resilience in time of crisis?

The second question of this research implies the use of e-commerce and social media platforms for marketing purposes which leads to the cross of e-marketing concept and resilience for SMEs performance. Within this framework, the researchers identified the interest of every SMEs players in time of crisis by utilizing the digital technology for their marketing purposes. Professional participants with category P suggest *“SMEs must act on the utilization of e-commerce and social media as part of their marketing programs, they can take free training programs that are provided by government or learn by them self through videos”*. PI stands for SMEs players noted, *“we got improved and our income has increased because of use of internet for marketing purposes during COVID-19”*. G stands for government agencies implies, *“we have provided some training programs for SMEs players about the use of marketplace for marketing products and got supported by local marketplace players such as Blibli, Shopee, and Tokopedia”*. The last category is A for Academician, suggest *“Every SMEs player could maximize the use of their handphone for marketing and connect with the people outside of their business, and find new customers. In this way, the company could reach a larger market and online customers”*.

What are your suggestions on future marketing implementation for SMEs in digital technology era?

The last question is related to the recommendations of future marketing implementation for SMEs in Bandung City. Participants are free to talk based on their own experience and practice of business for SMEs players, especially during COVID-19. It is important for every participant to contribute to the last research question and balance the understanding of marketing for SMEs in digital technology era. In this case, only professionals and academicians suggest some inputs to the body of research. P category states, *“mindset and mental of entrepreneurs must be created before implementing any marketing programs, focus on a single marketplace and deep understanding of systems is much better for SMEs player, and the use of social media as key communication strategy for maintaining customer loyalty”*. A for Academicians indicated the pandemic COVID-19 opens the market opportunity and time to strong ties and collaboration with SMEs networks. A category concludes, *“in short run, the best marketing channel for SMEs is social media, and marketplace for the long run”*.

COVID-19 had a great impact on the global economy and small medium enterprises suffered serious consequences. The nature of e-marketing in time of crisis has emerged as resilience that allows SMEs to adapt and grow stronger than before. The use of the internet, adoption of e-commerce and social media, and the acceptance of technology could improve SMEs' performance and create resilience. Resilience topics is not only discussing about entrepreneurial skills (Portuguez Castro & Gómez Zermeno, 2020) but also navigating survival (Purnomo et al., 2021), and pace digitalization (Olsson & Bernhard, 2021) in time of crisis.

The results of the data obtained from the focus group discussion in Bandung city represent the negative effect of COVID-19 on SMEs performance and e-marketing using e-commerce and social media has increased business resilience in digital technology era. Finally, the participant declares the flexibility of SMEs in choosing their own fate and adapting with fast changing environment. Thus, strengthening the digital capabilities, and providing training of marketplace for SMEs players should be supported by the government to create resilience in time of crisis (Fath et al., 2020).

Conclusions

The research on e-marketing and resilience is still poorly defined but it is important to understand the role of e-marketing for SMEs' performance. Pandemic COVID-19 has effects SMEs performance, many of them reduce their production, fear loss of their consumers and markets, and some choose to shut down their business. The traditional way of marketing is no longer comfortable for many entrepreneurs, the use of e-commerce and social media platforms could contribute to business performance and sustain competitive advantage. The findings of the current research will contribute to the field of e-marketing and

entrepreneurship addressing the pandemic COVID-19 challenges and development. Future research of quantitative approaches is needed to promote the development of e-marketing concept and its roles in connectivity era.

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