

## Marketing Plan to Increase Competitive Advantage of MSMEs

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### ABSTRACT

Marketing planning is essential for a company. Effective marketing planning helps MSMEs to be able to target the appropriate market share and have a sustainable competitive advantage related to increasing sales turnover. However, implementing appropriate marketing strategies is still an obstacle for MSMEs. In this case, MSMEs who are members of Genpro DIY Kedu apparently still have problems regarding how to arrange effective marketing plans. Therefore, this community service program aims to provide technical understanding and training in marketing planning for MSMEs. After participating in this program, MSMEs are expected to be able to develop an effective marketing plan to increase sales and their competitiveness.

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## **INTRODUCTION**

Micro, Small and Medium Enterprises (MSMEs) have an important role in supporting the economy in Indonesia. MSMEs contribute to workforce absorption, namely Micro Enterprises 109.8 million, Small Enterprises 5.9 million and Medium Enterprises 3.8 million, which is equivalent to 96.92% of the total workforce in Indonesia (Jayani, 2021). Based on the contribution of MSMEs Indonesia to Indonesia's GDP in 2019 Micro Businesses contributed 37.4% of GDP which is almost the same as Large Companies which contributed 39.5% of GDP, with Small Businesses contributing 9.5% of GDP and Menengah businesses contributing 13.6% of GDP (Santika, 2023). This shows that the Indonesian business landscape is dominated by MSMEs with a potential total contribution greater than large companies. This means that concrete steps are needed to help MSMEs have better market access.

MSMEs often face various challenges in developing their business. One of the challenges faced is how MSMEs can survive in tight and increasingly dynamic market competition. To be able to win market competition, MSMEs must always strive for effective marketing strategies to be able to create and retain customers. Effective strategic planning positively influences on organizational performance (Arasa & K'Obonyo, 2012). This is in line with the findings of Hartono (2013) who stated that marketing planning is an important element for MSMEs as a form of strategy that needs to be carried out to increase the competitiveness of MSMEs. Marketing planning is the key to MSME success (Van Scheers & Makhitha, 2016). Marketing planning is a series of activities that need to be carried out which constitute the implementation of marketing strategies in order to achieve marketing targets (Petrů et al., 2020). Marketing planning is the process of analyzing environmental, competitive, and business factors, as well as forecasting business trends (Van Scheers & Makhitha, 2016). Proper marketing planning can be a success for the business. For this reason, it is necessary to understand the importance of marketing planning which also influences sales turnover.

Some MSMEs do not yet have a marketing plan even though effective marketing planning is important for their competitive advantage. MSMEs have weaknesses in the knowledge and skills of their human resources to prepare marketing plans (Majama & Magang, 2017; Mpofu & Chigwende, 2013) even though knowledge about strategic planning is important for MSME players. The more educated MSMEs' owners are, the more successful their strategic planning is (Veskaisri et al., 2007). However, MSMEs are more likely to pursue profits compared to how consumers know the products they sell (Novita et al., 2022). In addition, MSME owners rely on intuition in making decisions (Van Scheers & Makhitha, 2016) and sometimes still do not understand business strategy (Majama & Magang, 2017). As a result, subjectivity in understanding the market often occurs even though understanding market conditions and trends is important for competitive advantage.

Genpro (Global Entrepreneur Professional) is a MSME community that has a network in 34 provinces and 200 city districts spread across Indonesia. The majority of Genpro members in the DIY - Kedu region are micro and small businesses that still have marketing obstacles in business development. The main obstacle in the marketing function problem was observed to be related to the difficulty of Genpro members in marketing products to consumers. This is due to Genpro members' lack of understanding and skills in marketing planning which results in sales targets not being achieved. Therefore, the Marketing Plan Training Program is proposed for Genpro DIY Kedu members in an effort to provide marketing planning training to increase the turnover and competitiveness of MSMEs, especially in the DIY Kedu area. The aim of this community service activity is to help MSME members of Genpro DIY Kedu improve their understanding and skills regarding effective marketing. This service also helps plan and implement marketing plan well in order to increase the income and business competitiveness of Genpro DIY Kedu members.

### IMPLEMENTATION AND METHODS

Community service program is carried out in the form of training and assisting related to marketing planning. In this training, material about marketing planning is delivered by practitioners who are a team of experts who have experience assisting various companies. Next, the explanation of the material was followed by a discussion which aimed to build interaction with the participants through asking questions and answers about the problems faced. Then, this program also facilitates appropriate solutions so that the marketing plans made could be effective and realistically implemented by MSME members of Genpro DIY Kedu. This discussion also discusses case studies to provide an overview of systematic, effective and efficient ways of making marketing plans. Participants are also given the opportunity to practice preparing their business marketing plans. On this occasion, the service team also provided assistance in making appropriate marketing plans according to the conditions of the participating MSMEs.

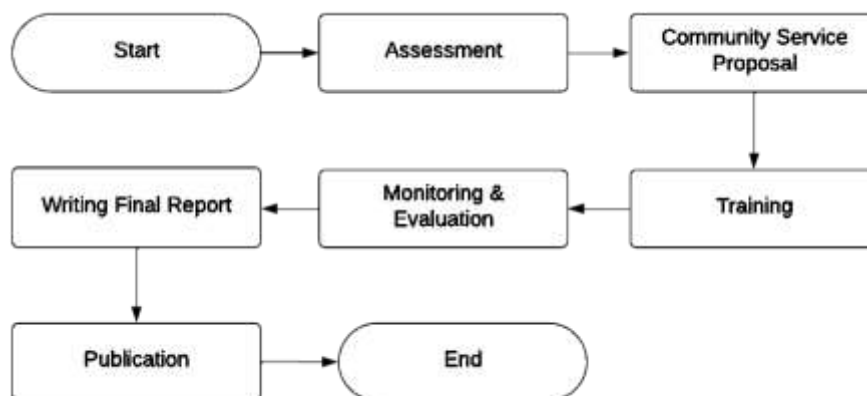


Figure 1. The Flow of Community Services Program

### **Phase 1: Assessment**

The community service team held discussions with the DIY Kedu Region Genpro management to assess MSMEs condition. The assessment was carried out to analyze the situation and identify existing problems among Genpro DIY Kedu members. The identification results are used to find problems that the majority of members have problems in marketing their business. This happens because members do not yet have the skills to prepare business marketing plans.

### **Phase 2: Community Service Proposal**

Based on the assessment that has been carried out, the community service team prepares a service proposal. This proposal is intended for a marketing planning training program for Genpro DIY Kedu members.

### **Phase 3: Training**

The community service team hold marketing planning training for MSMEs. The aim is to increase the knowledge, understanding and skills of MSMEs in making marketing plans so that promotional activities run smoothly and can increase the turnover of MSMEs. Before carrying out training, material explanation activities are carried out to provide understanding to MSMEs.

The training is attended by Genpro member MSMEs who pass the selection. Member representatives who take part in the training are expected to be able to share the knowledge and skills they have gained with other members. During the training, participants receive assistance in direct practice in making marketing plans so that they can be directly implemented in their respective businesses. Apart from that, during the mentoring process participants get the opportunity to discuss the real problems they face in order to immediately find the right solution in making an appropriate marketing plan that suits their business conditions.

### **Phase 4: Monitoring & Evaluation**

Monitoring and evaluation is carried out the outcomes obtained. Furthermore, monitoring is carried out on partners through mentoring after training so that the impact of implementing the training can be known for its usefulness.

### **Phase 5: Writing Final Report**

Final reports are prepared as documentation of a series of community service activities that have been carried out and service outcomes that have been realized.

### **Phase 6: Publication**

Publication is carried out by publishing the results of service in service articles published in national journals and articles published in mass media.

## **RESULTS AND DISCUSSION**

Community service activities consist of a series of activities that are in accordance with the activities that have been planned. The activities described start from the process of proposing activities to the process of completing the training. The series of activities are as follows.

### **Identify Problems Through Needs Assessment**

The assessment was carried out by discussing with the DIY Kedu Region Genpro management. This assessment was carried out to analyze the situation and identify existing problems among Genpro DIY Kedu members and find the problems they were facing. From the results of problem identification, it was found that the majority of Genpro members for the DIY Kedu Region do not understand how to plan a good marketing strategy. The obstacles faced by MSMEs are regarding the use of digital marketing to build brands, marketing planning and selling planning. These three things are important to synergize in order to be able to compete in the market. MSMEs are still weak in marketing planning because they are less open to market orientation and research. Marketing activities are informal and only reactive to opportunities in the market (Izvercian et al., 2016). Therefore, marketing planning training is important for MSMEs.

From the results of the discussion, it was agreed to plan the implementation of community service activities. The aim of this service is to provide practical understanding and experience to Genpro DIY Kedu Region members regarding how to build their brand, marketing plan, and selling plan. The implementation of this program is divided into 2 (two) parts, namely explanation or presentation of material and training.

### **Training for Marketing Plan**

Before training, selection was conducted to determine participants. The requirements for participation in this training are 1) members who have at least 2 (two) employees; 2) the business has been running for at least 2 (two) years; and members have a commitment to follow the series of the program until completion. Members who meet the requirements as participants sent their representatives to take part in this training. The implementation of training was divided into 2 (two) stages, namely explanation of the material and training. The explanation of the material is intended to provide knowledge to participants (Genpro DIY Kedu Region members). The material provided is about marketing planning, starting from explaining the importance of brands and how to build a brand. From this material, it is hoped that participants will be able to understand more about the importance of a brand before starting other marketing plans. Apart from branding, this training also provided detailed material regarding marketing strategy planning regarding how to understand consumers, competitors and trends as well as selling planning.

### Marketing Plan Concepts

Participants were given an explanation of how to plan marketing. Marketing planning is an integration of branding, marketing and selling. In the explanation of the material, business practitioners who have been active for the past 15 years were presented to convey about sustainable marketing strategies. During the explanation of this material, each participant was also given the opportunity to ask questions (see Figure 2). This first material contains the importance of branding, marketing and selling which must be integrated. To start it all, understanding the category of consumers you want to target and their needs is important. Furthermore, market dynamics starting from changes in trends must also be read by business people, especially MSME owners. By understanding this, MSMEs are able to target the business they run in accordance with the target market. So, how to understand consumers is necessary.



**Figure 2. Questions and Answer Session**

To understand consumers and their needs, market conditions and competitors, mapping is needed or what is known as a canvas. Canvas consists of several types which aim to better identify target consumers, market conditions and competitors. The canvas models used include: 1) customer canvas, 2) competitor canvas, 3) company canvas, 4) change analysis, 5) marketing strategy. Each canvas model has a function to map the marketing parts that need to be analyzed. By creating this canvas, business people can create strategies to get their products purchased by applying several tactics. The next material discussed brands. Starting by providing examples of big brands and the value offered by each of these brands. In this case, it was also explained how important it is to build a brand in marketing to attract consumers. Brand will also be related to reputation and sales. A strong brand can grow a good reputation or image for the company (Lathifah & Anwar, 2023) thereby expanding market share which has an impact on increasing sales (Panjalu et al., 2024). Branding can also influence purchasing decisions because consumers are more interested in known products (Muyasar, 2023). In MSMEs, the brand given to a product is usually related to the value of the owner (Spence & Essoussi, 2010).

Furthermore, the material also discusses how to compete in a competitive market. Every company must have a better 5P strategy (better product, better packaging, better price, better promotion, better people). These five can be a company's advantage to compete. The next thing of concern was the team implementing it in the company. The material explanation also explains the implementation of 5 (five) marketing cycles to increase sales. The cycle contains new buyers, loyal buyers, how to get people to come to our business more often, how to get people to make more transactions, and how to become an credible team. This marketing cycle will also become training where each participating MSME must map it out. Finally, participants were given material regarding sales projections.

### **Marketing Plan Training**

After providing the material, participants were asked to practice preparing a marketing plan. Each participant was asked to map their business. This mapping is based on previous material where participants need to identify their market. Each participant was asked to formulate a map related to marketing planning starting from the brand, data regarding consumers, competitors, positioning and tagline concepts, communication, and how to measure the effectiveness of the marketing activities that have been carried out. Through this mapping, MSMEs identified weaknesses and problems. The service team also helped assist MSMEs in compiling the mapping (see Figure 3).



**Figure 3. Participants doing Assignments**

The participating MSMEs were also given the opportunity to present their work results and consult on problems. The aim of this presentation and consultation is not only to benefit the MSMEs whose problems are discussed, but also to benefit other MSMEs so they can learn from each other. The discussion was made open and every MSME was given the opportunity to ask questions. The presenters and service team assisted each MSME participant in this discussion and consultation session.

Furthermore, participating MSMEs were also asked to conduct competitor analysis. Participating MSMEs were also given the opportunity to make comparisons with competitors. Comparisons are made by comparing the marketing mix of its competitors. For example, Figure 4 is a table where participating MSMEs compare the product, price, promotion, packaging and people of several competitors with different brands. They gave a score to each brand. Each score is summed and the brand with the highest score is the brand that is a fairly strong competitor.

Table 1						
Perbandingan "Scoring" dengan Kompetitor						
Brand	Produk	Price	Promotion	Packaging	People	
Aladdin Karpet (middle low segment)	2	2	2	2	3	11
Toko Berkah (high segment)	3	1	2	3	1	10
Taat Karpet (middle segment)	2	2	1	1	1	7
ABC Karpet (Middle high segment)	2	2	3	2	1	10
Pilar Karpet (middle segment)	2	2	1	1	1	7
Rizquna Karpet (Low segment)	1	2	1	2	1	7
Al Hilal (low segment)	2	3	1	1	1	8
Teman (middle segment)	2	2	1	1	1	7
Al Hidayat (middle segment)	2	2	2	1	1	8
Hidayah Karpet (Low segment)	2	3	1	1	1	8

Scoring  
 > 3  
 = 2  
 < 1

Figure 4. Example of Competitor Scoring

Next, participants began to develop their marketing plans which are summarized in the marketing cycle (see Figure 5). Planning is conducted by developing marketing strategies for several things they are facing. For example, strategies used to make customers loyal to the products offered. The aim is to repurchase. To achieve this, MSMEs can make offers back to consumers. Another strategy, for example, is to get consumers to shop more. The strategy that can be used for this is to give a discount for the next purchase or give a discount if purchased in large quantities. Then, MSMEs were asked to make sales projections by predicting sales turnover during 2024. This is in accordance with the training objectives which not only teach how to prepare marketing plans but also make sales turnover projections. The aim is to evaluate whether the marketing strategy that has been implemented increases sales turnover or not. If this strategy is not effective, MSMEs need to re-strategize.

SIKLUS MARKETING		
No	Bagaimana Cara	Cara 1
1	Dapatkan Pembeli Baru	Sales Kanvasing
2	Ubah Mereka Jadi Pelanggan Setia Kita	Penawaran Pembelian kedua
3	Buat Mereka datang lebih sering ke bisnis kita	Produksi karpet dengan motif khusus
4	Buat mereka belanja lebih banyak	Potongan harga dengan minimal pembelian
5	Buat mereka incredible marketing kita	Program referral berdasarkan rekomendasi customer

Figure 5. Example of Marketing Cycle

In this practice, all participants received direct assistance and the opportunity to discuss problems facing their businesses with each other. It is hoped that the marketing plans prepared by participants are in accordance with the real conditions of their business and can answer the problems they face. Through this activity, participants are expected to have more knowledge and skills to make marketing plans. Finally, the provision of this knowledge and skills can increase the amount of business turnover.

### Monitoring, Evaluating, and Following Up Program

After the training, monitoring and evaluation is executed to see whether this training activity has gone well and then the level of usefulness of this activity. First, monitoring and evaluation for activities was conducted through executive committee meetings which aim to identify and analyze the smooth running of the event and various obstacles faced during the event. Each section was monitored and evaluated to can organize the next event better.

Second, evaluation is carried out on training participants. Monitoring and evaluation of training participants is carried out to see the progress of each participant in the practices carried out during the event. The hope is that the knowledge and skills gained during the training can be implemented. In fact, this knowledge and skills can be shared with individuals within the business, other Genpro DIY Kedu members who cannot take part in the training, or other MSME owners. The program is said to be effective if there is an increase in knowledge transfer results from before to after training (Pudrianisa et al., 2023).

Finally, as a continuation of this program, the service team and Genpro DIY Kedu are working together to monitor the needs of other MSMEs and plan to continue this in the digital marketing planning program. This is part of the follow-up after MSMEs understand the basics of marketing planning. Digital marketing is also the key to the success of MSMEs, although currently MSMEs are still having problems implementing and understanding it (Maharani et al., 2021; Novita et al., 2022).

## CONCLUSIONS AND RECOMMENDATIONS

Marketing planning is important for MSMEs to start developing. Mistakes in marketing planning can affect business development. MSMEs need the ability to prepare marketing plans. Preparing a marketing plan starts from how to map consumers and competitors, build a brand, and develop a marketing strategy. Apart from that, participants were also given training on how to make sales projections and analyze the impact of preparing an effective marketing plan on sales turnover. MSMEs that are able to develop good marketing plans will later be better known and can target a wider market share, which ultimately has an impact on increasing sales turnover.

The needs of MSMEs are answered with this training activity. This training has provided participants with insight into branding planning including building a brand and also received practical training. Through practical activities, participants not only master concepts but try to apply the knowledge they receive. Apart from that, practice has also given participants the opportunity to get feedback from the presenters. Service activities in the form of training have been carried out smoothly. In the future, more specific training activities such as digital marketing can be carried out considering the need for this training for the further development of MSMEs. Moreover, Genpro DIY Kedu also needs to evaluate each MSME to find out whether the practices of the training carried out are still being implemented or not. Activities can also be continued by leading to digital marketing planning.

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