A STUDY OF ENTREPRENEURIAL MARKETING IN SMALL AND MEDIUM ENTERPRISES (SME's) AT UD. KAMANG WANGKO IN LEILEM

SEBUAH STUDI TENTANG PEMASARAN KEWIRAUSAHAAN DI USAHA KECIL DAN MENENGAH (UKM) BIDANG KERAJINAN KAYU DI UD.KAMANG WANGKO LEILEM

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Abstract: In Indonesia, SMEs have historically been the main player in domestic economic activities, especially as a large provider of employment opportunities, and hence a generator of primary or secondary sources of income for many household. The purpose of this study is to know the various Entrepreneurial Marketing that applicable for wooden craft and to identify the critical success factor of wooden craft industry. This research is use qualitative type of research, interview method to explore the entrepreneurial marketing of small and medium enterprise in Leilem wooden craft. The population of this research is all elements that can be respondent about the entrepreneurial marketing of small and medium enterprise in Leilem wooden craft. Based on the results of the analysis it was found that Entrepreneurial Marketing in SMEs can increase revenue, selling, building a good communication with the buyers who increase the number of the products wooden craft in Leilem. The result from this research for the company or entrepreneurs and upcoming a new entrepreneurs that interested in opening a new business of wooden craft, it is crucial for the owner to understand about the importance of entrepreneurial marketing.

Keywords: entrepreneurial marketing, smes, wooden craft

Abstrak: Di Indonesia, UKM secara historis telah menjadi pemain utama dalam kegiatan ekonomi domestik, terutama sebagai penyedia peluang kerja yang besar, dan karenanya menjadi sumber penghasilan utama atau sekunder bagi banyak rumah tangga. Tujuan dari penelitian ini adalah untuk mengetahui berbagai Pemasaran Wirausaha yang berlaku untuk kerajinan kayu dan untuk mengidentifikasi faktor keberhasilan kritis industri kerajinan kayu. Penelitian ini menggunakan jenis penelitian kualitatif, metode wawancara untuk mengeksplorasi pemasaran kewirausahaan usaha kecil dan menengah dalam kerajinan kayu Leilem. Populasi penelitian ini adalah semua elemen yang dapat menjadi responden tentang pemasaran kewirausahaan usaha kecil dan menengah dalam kerajinan kayu Leilem. Berdasarkan hasil analisis ditemukan bahwa Wirausaha Pemasaran di UKM dapat meningkatkan pendapatan, penjualan, membangun komunikasi yang baik dengan pembeli yang meningkatkan jumlah produk kerajinan kayu di Leilem. Hasil dari penelitian ini untuk perusahaan dan pebisnis dan calon pebisnis baru yang tertarik untuk membuka bisnis kerajinan kayu, hal ini krusial untuk pemilik usaha kerajinan kayu untuk mengerti tentang pentingnya pemasaran kewirausahaan.

Kata Kunci: pemasaran kewirausahaan, ukm, kerajinan kayu

INTRODUCTION

Research Background

In this 21st century people of Indonesia are making progress in every aspect of situation, rather in job, in economical, in infrastructures, and more businesses are growing so fast. Fifty to seventy years ago people of Indonesia are struggling with the government. The second president of the Republic of Indonesia was Soeharto, He made our country had a good international relationship progress but the internal nationalist he made our country silence of progress for 32 years ago. Until the onset of the 1997/98 economic and political crisis, the Indonesian economy has grown by an average of 7 percent per annum. The economy experienced a slowdown in the mid-1970s and again in the mid-1980s when the world economy was in a recession. Each time, however, the Indonesian economy was able to come out stronger, as the 'crises' forced the government to undertake the necessary reforms in order to sustain the country's economic growth (Soesastro, 2016:23-24). In crisis condition that happened, SMEs were tried to survive and grow. It proves to have the ability as the providers of goods and services for consumers and made great contributions to increasing the country's foreign exchange. Moreover, the SMEs may also be the one solution to decrease the unemployment rate in Indonesia by providing jobs and absorbing the potential local labor. SMEs need the government's programs to create a nation economic independence and public welfare. The importance of SMEs are based on several reasons, namely the SMEs performance is tend to be better in terms of generating a productive workforce, and chart of dynamics itself, SMEs are often achieve an increase of productivity through investing and technological change, and taking an advantage in the large businesses flexibility. In Indonesia, SMEs have historically been the main player in domestic economic activities, especially as a large provider of employment opportunities, and hence a generator of primary or secondary sources of income for many households. For low income or poor farm households in rural areas, SE units of fewer than 20 workers in non-farm activities are especially important. These enterprises have also been an important engine for the development of local economies and communities (Tambunan, 2006:9). These problems could be arise because the absences of intersection in mostly SMEs In Indonesia which still have not running the business with the modern management principles, and not have a formal business entity, as well as the limitations of assets owned. Leilem village is a village that is famous for its furniture industry, because of the limitations of land so that makes wood craftsman home community as a place to open a craft business. The newer homes that serve as places of business became a phenomenon in the community of the village of Leilem. The construction of the furniture industry in the village of Leilem sub-district of Sonder yet planned in mature as other industrial area which has been in the region of North Sulawesi. Small and medium size industries tend to occupy the land settlements. From it emerged a phenomenon where the craftsmen of wood retaining his efforts in the midst of a lack of land, maintaining efforts at once by the House which became residential.

Research Objectives

The objectives can be achieved from this research are:

- 1. To know the various Entrepreneurial Marketing that applicable for wooden craft industry in UD. Kamang Wangko Leilem.
- 2. To identify the critical success factor of wooden craft industry in UD. Kamang Wangko Leilem.

THEORITICAL REVIEW

Marketing

Marketing usually focused on one product or services. Today, marketing must understood not in the old sense of making a sale but in the new sense of satisfying customer's need. Marketing defined by Drucker (2010:11) is not only much boarder than selling; it is not a specialized activity at all. It encompasses the entire business. It is the whole business seen from the point of view of the final result, that is, from the consumer point of view. Concern and responsibility for marketing must therefore permeate all areas of the enterprise.

Entrepreneurial Marketing

Entrepreneurial Marketing (EM) is an amalgamation of two distinct management areas. Existing as distinct disciplines, marketing and entrepreneurship have evolved to capture many aspects of marketing that are often not explained by traditional marketing concepts and theories. An early definition of entrepreneurial marketing was offered by Morris (2011:6). Proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation.

Proactiveness

Proactiveness related to the environmental conditions where firms operate. It takes into consideration firm's actions and firms internal changes which might influence the environment and allow the firm achieving competitive advantages.

Risk taking

Risk taking means the predisposition of the firm to engage\its resources in uncertain activities Eggers. Risk taking ranges in different levels and is usually proved to be lower for SME's and higher for BIG companies. It varies from investing a new product or launching it on a completely new market to investing in stock market. Risk taking effectiveness is measured by the level of performance and reputation.

Innovation

Innovation is a marketing action that supports new ideas, experimentations, process to create new services, products or advanced technological processes that lead the company to new markets. Conclude that SMEs choose to focus on innovation to produce new solutions for the customer, since they do not have the resources to meet industry standards.

Opportunity Focus

Opportunity focus for entrepreneurs means to "serve unsatisfied needs and capture new opportunities before their competitors". It is shown by the firms desire to move forward their businesses, expand to new market be number one in the area of their operations.

Resources Leveraging

Resources leveraging means expanding resources and using in non-standard way to create greater value. Entrepreneurs have the ability to recognize a resource, which was not used optimally and seek new ways how the resource could be used to accomplish the marketer's purpose. Emphasize several ways to leverage resources by entrepreneurs such as bartering, borrowing, renting, leasing, sharing, recycling, contracting, outsourcing.

Customer Intensity

Customer Orientation is emphasizes the relationship between company and customers. It is defined a "customer-centric" orientation employing innovative approaches to create, build, and sustain customer relationships. Enterprises have to be build customer equity, strong relationship between enterprises and customers, and an emotional connection between the firm and the customer in order to influence on the customer's perception of the company.

Value Creation

Value creation means discovering new sources of customer value and creating unique combinations to produce value. Entrepreneurs can create new value by using existing technology to serve customers in an unconventional manner. "No matter how hard a person works, the customer will only appreciate the work if value is created; the more value that is created the better the business will do".

The characteristics of SMEs marketing

While SMEs face consistent limitations differentiating them from larger organizations, these dynamic characteristics have their origins in undetermined features, such as the environmental conditions in marketing. Therefore, to analyze the characteristics affecting the marketing activities of small businesses, one needs to

consider sets of these characteristics. SMEs manager or leader only have a little or no formal education or just have a weak opinion against the importance of education in a training. In a reality, SMEs have obstacles to maintaining and development of enterprises (business) which is lack of the knowledge of business management.

Previous Research

Entrepreneur can learn from past mistakes, what when wrong and how to avoid such mistakes in the future. They also learn from past successes, know the circumstances both internal and external that contribute to the successes, know the circumstances both internal and external that contribute to the successes.

RESEARCH METHODOLOGY

Type of Research

In conducting this research, the researcher used qualitative analysis interview method to explore the entrepreneurial marketing of small and medium enterprise in Leilem wooden craft. According to Denzin and Lincoln (1998), qualitative research involves the collection of a various of empirical materials case study, personal experience, introspective, life story, interview, observational, historical, interactional, and visual texts – that describe routine and problematic moments and meanings in individuals' lives. Accordingly, qualitative researches use a wide range of unrelated methods, hoping to always get a better settled on the subject matter at hand.

Place and Time of Research

This research was conducted in UD. Kamang Wangko at Leilem Village and the research will conduct from September to October 2017.

Population and Sample

Population is identifiable group of elements (e.g, people, products, organizations) of interest to the researcher and pertinent to the information (Hair, 2006). According to Sugiyono (2007) in qualitative research there is no population term but only social situation, which consists of three elements: place, actors and activity. Sample in qualitative research also is not statistical sample but a theoretical and constructive sample because the purpose is to gain theory and the source data is the source of constructed phenomenon that was previously unclear before.

Data Collection Method

For this current research, there are two sources of data that are used to make an appropriate result.

Primary Data

This research gets the primary data from the result of questionnaires. Primary data is data originated by the researcher specifically to address the research method. According to Hair (2006), Primary data are the result of conducting some type The data needed for this research were gathered through interview and observation in the social situation.

In-depth Interview

In-depth interview is an unstructured one-to-one discussion session between a trained interviewer and a respondent, Hair, Money and Samouel (2003). In this research, the interviews were held face-to-face. Started that interview is a useful data collection method for exploratory research.

Secondary Data

Secondary analysis is the scrutiny of available data by previous studies or other researchers who probably have not been involved in the collection of those data. Secondary data is data obtained indirectly. Data from internet sites, articles, several journals as the literature review, book regarding to the study of this research.

Instrument of Research

The key instrument of this research is the researcher. The researcher is trained and has good understanding about all aspects of this research. The researcher was equipped with a note book, a recorder, and a camera in order to conduct interviews.

Data Analysis Method

In analysis of qualitative data Sugiyono (2007) stated, "Data analysis is the process of systematically searching and arranging the interview transcripts, field notes, and other materials that you accumulate to increase your own understanding of them and to enable you to present what you have discovered to others. Qualitative data analysis is a typical of inductive which when the data are being gathered, the next step is the data are being developed to find pattern or model or to become hypothesis. After the hypothesis, it needs advance data to draw conclusion using triangulation to become theories".

Qualitative Data Analysis

According to Hair (2007), there are several steps in qualitative data analysis.

Data Collection

Data collection is the process where the researcher find information or data from any kind of source such as books, internet website and gather deeper information from the informant.

Data Reduction

Data reduction is involves selecting, simplifying and transforming the data to make it more manageable and understandable.

Data Display

Helps qualitative researches to organize information and view it in a way that enables them to identify linkages and develop explanations that relate their findings to existing theories.

Drawing and Verifying Conclusion

Drawing conclusion involves deciding what the identified themes and patterns and how they help to answer the research question. Verification involves checking and re-checking the data ensure the initial conclusions are realistic, supportable and valid.

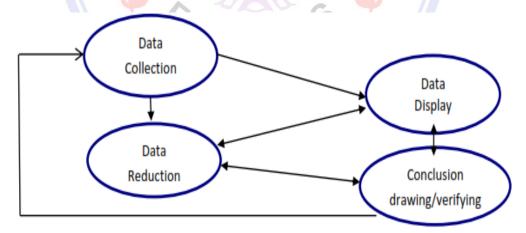


Figure 1. Steps in Qualitative Data Analysis Source: Research Methods for Business (2007)

Reliability and Validity

Hair (2007) describes "In qualitative research, reliability is the degree of consistency in assignment of similar words, phrases or other kinds of data to the same pattern or theme by different researches. Validation in qualitative research is the extent to which qualitative findings accurately represent the phenomena being examined".

RESULT AND DISCUSSION

Result

Informant 1

The first Informant is the owner of UD. Kamang Wangko in Leilem, and she has been an owner of this wooden craft company in Leilem for 12 years since 2005. Meyke Regah as the owner said the company established since 2005 and have a temporary employees. For now the company has 6 employees and she paid the employees per day for the salary. The key of her success is that she is able to build good communication. The consumer will receive only good quality of raw material as well as a non-stop promotion. Because there are many companies of wooden craft in Leilem, this company provides a good quality of wood and makes the wood softer, so the products that they produce can compete in the market. According to Informant 1, Meyke explained this is very important because can make it easier and more effective to selling their product to customer. Meyke explained campaign that she created through social media and word of mouth are the most important aspect for marketing development of the wooden craft products that will be promoted by her, where through social media and word of mouth she promotes the products for selling and it makes more buyers come for order the products. Because of course there will be many guests or tourists who come to see the products that exist and this effect of the entrepreneurial marketing of the wooden craft that she has. Most buyers of wooden craft purchased product by order in advance or made by order compared to the existing product therefore our sales not through any intermediary or reseller. Meyke explained for the order and transportation process. For buyers who come directly to meet her will immediately make a purchase contract and discussed for the payment system.

Informant 2

The second informant is the worker Iwan Pua. According to Informant 2, he explained entrepreneurial marketing is very important because it is the most effective tool to do promotion to the buyers and for take many buyers for buy the products of wooden craft that they will be selling. Iwan explained that UD. Kamang Wangko has so many products that the raw materials has 100% of wood with knockdown system that is interesting to be marketed like door, window, chair, table, wardrobe, wheel ox, wooden bed and the other furniture specialist.

Informant 3

The third informant is the other worker of UD. Kamang Wangko in Leilem, Delin Langi. She is a women worker and who specialize in wood painting. She has been working almost for a year. She received a daily wage. Delin explained that she also help the company to promote their product to the people that she meet and also through word of mouth for marketing development of the wooden craft products. She promotes the product for selling and it attracts many buyers to order the product. She said there are three types of ordering which are social media, phone number or directly through owner. If the buyer live around North Sulawesi there is no transportation cost but it will be different if the buyer live not in North Sulawesi. For the risk she said there are a lot consequences that need, for the example when the worker was unable to work because not good condition so that the process the process of making wooden craft being delayed. Sometimes all problem that cannot be handle makes the buyers feel disappointed and dissatisfied.

Informant 4

The fourth informant is the other worker of UD. Kamang Wangko in Leilem, Welly Pangkong. He is a wooden craftsman. He has been working for 1 year and has a temporary work. He also received salary per day. Welly explained that he also help the company to promote their product to the people that he meet and also through word of mouth for marketing development of the wooden craft products. He is promotion the product for selling and it makes many buyers come for order the products. Orders may be placed through social media, phone call and also by directly meeting up with the owner. Regarding the transportation of the product, there will be free shipping for the North Sulawesi area and a fee will be charged to areas outside of North Sulawesi. There are some risks that cause the quality of the wood to not meet customer satisfactions. One of those reasons is because of the health condition of employees are not feeling well, processes may be delayed.

Informant 5

The fifth informant is the other worker of UD. Kamang Wangko in Leilem, Ferdi Wahongan. He is a wooden craftsman. He has been working for 6 year and has a temporary work. He also received salary per day. Ferdi explained that he also help the company to promote their product to the people that he meet and also through word of mouth for marketing development of the wooden craft products. He also explained that promotion of wooden craft itself not monotonous, it should take a broader and more open promotional action to create a wider and better known marketing network everywhere, with any party to any institution that can be expanded. Therefore, in improving product quality he said to multiplying the types and variations of product, the industry must consider product quality in term of both model design and quality of raw materials and how to manufacture. By looking at the weaknesses that exist in the industry, such as self-effort and simple bookkeeping to avoid the threat of increased production cost, UD Kamang Wangko wooden craft industry can implement strategies to improve business management with the program that already be done by company.

Informant 6

The sixth informant is the other worker of UD. Kamang Wangko in Leilem, Oke Tenda. She is a women worker and also a carpenter to painting the wood. She has been working for 2 year and has a temporary work. She received salary per day. Oke explained the existence of these institution industry actually are needed to surf the members and the community of craftsmen and carpenter in order to provide support for capital assistance in the form of credit. In the form of supply of raw material of wooden craft, industry should provide competitive prices as well for the purpose of promotion and product marketing entrepreneurs who become members of cooperative. Oke also explained to produce a good quality wooden craft need support provision of cheap raw material such as teak wood, cempaka wood, and red wood.

Informant 7

The third informant is the other worker of UD. Kamang Wangko in Leilem, Rini Rumangkang. She is a women worker and also a carpenter to painting the wood. She has been working for 1 year and has a temporary work. She received salary per day. Rini explained that she also help the company to promote their product to the people that she meet and also through word of mouth for marketing development of the wooden craft products. She is promotion the product for selling and it makes many buyers come for order the products. Mentioned by Miss Rini there are many problems that occur. Sometimes the problems occur inside the company, because the worker is sick so the process of making the products is delayed. The problem can also occur from the products, the consumer is not satisfied with the final product and refused to accept it. For the delivery option, the location of the consumer is somewhat crucial because if the location of the consumer is in North Sulawesi the delivery will be done by using a pickup truck, usually the delivery dependent to the size and quantity of the products.

Discussion

Wooden furniture is always attractive. The natural color of wood with beautiful grains is always the most sought after material in furniture industry. There is a village in Indonesia that is famous for its furniture products. Its name is leilem. Located in province of North Sulawesi, Leilem can easily be reached by car from Manado city. When entering the village, visitors will be able to see boards that are arranged in inclined position in front of the villagers houses. These wooden planks, and blocks, facing the sun are being dried before undergoing further treatment. When the wooden planks have reach the desirable dryness, they will be planed

and sewn in particular sizes. Then they will be assembled and nailed or pinned to form a cabinet or table. Majority of the buyers come from the surrounding towns and villages in Minahasa but in recent years, through the promotion on the internet, the number of national and international customers is increasing. Here, people can buy tables, beds, desk, bookshelves. The manufactures in Leilem village realize that they cannot rely on wood that is directly cut from forests in Minahasa. The supply of wood is dwindling now. Most of them are going to the southern region of Minahasa to find wood.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the result and discussion the previous chapter there is can be concluded by the Entrepreneurial Marketing in SMEs of Wooden Craft at UD Kamang Wangko in Leilem. Reviewing the 7 informant that previously has been observed using interview and observational method, showing the indicators of entrepreneurial marketing that applying by the informants is very importance on marketing development of Wooden Craft. Because it can increase revenue, selling, building a good communication with the buyers who increase the number of the products wooden craft in Leilem. The companies of UD Kamang Wangko wooden craft in Leilem in this study more use promotion on word of mouth and social media because everyone easy to access the internet networks and easy to meet other people. The owner of the company and entrepreneur of UD Kamang Wangko wooden craft realize the importance of entrepreneurial marketing properly to meet their own target in doing business and even they can overcome issues that appear using their own way that they are running.

Recommendation

- 1. For the company or entrepreneurs and upcoming a new entrepreneurs that interested in opening a new business of wooden craft, it is crucial for the owner to understand about the importance of entrepreneurial marketing. Some people did not really notice the importance of entrepreneurial marketing in this business, this happened because there are so many people who have limitations in the field of promotion and they are still having trouble with using sophisticated media or technology such as internet networks access in the business process and might impact the whole business. That is why knowing the indicators of entrepreneurial marketing for help the company or entrepreneurs to become professional in promotion and development of the products until professional in controlling and calculating the whole business performance.
- 2. For the government, it is also crucial for the government to develop and support the company and entrepreneurs of Minahasa by help them in finding the channels of suppliers that could be promoting the products of Minahasa wooden craft. Because of the wider promotion and that is spread then this will also bring the impact of local revenue and also for the economic systems of North Sulawesi.
- 3. For the university, hopefully can give the students, lecturers and other parties in university knowledge and additional information regarding entrepreneurial marketing and also to knowing all the theories about small and medium enterprises and the indicators inside.
- 4. For the future researcher, the researcher hopefully will help in doing their research using the findings regarding with the topic, and even help as guidance in selecting the method of the research.

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