

RECOVERY MARKETING STRATEGY FOR CUSTOM BAG PRODUCER-HOME INDUSTRY DURING THE COVID-19 PANDEMIC

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Abstract: The covid-19 pandemic has a significant impact on various sectors in Indonesia, including creative industry sector. This research aims at describing recovery marketing strategy during the Covid-19 pandemic carried out by custom bag producer-home industry located at Mojolaban District, Sukoharjo Regency, Central Java, Indonesia. This study used a qualitative and descriptive method with documentation, observation, interview as techniques for collecting data. The research findings show that the recovery marketing strategy during the Covid-19 pandemic can be done through segmenting, targeting, and positioning to attract consumers. In addition, the supporting factors to run entrepreneurship efficiently and effectively are promotion through online media, partnerships, excellent service, and awarding.

Keywords: *Recovery marketing strategy, custom bags, covid-19 pandemic*

1. Introduction

Indonesia as one of the largest countries in the world turns out to have various important roles among countries in Southeast Asia. Among the most prominent roles is the development of the Micro, Small and Medium Enterprises (MSME). In the midst of increasingly rapid development of MSME, their movement has decreased due to the emergence of Covid-19 in 2020, which has a direct impact on economic turnover. Data from the Ministry of Cooperatives and Small Medium Enterprises states that there are around 163,713 MSMEs and 1,785 cooperatives affected by Covid-19 (Novika, 2020). The sector that was worst hit by the existence of Covid-19 was MSMEs, stating that around 96% of MSMEs experienced a negative impact on their business and 75% of them experienced a decline in sales of their products (Nofianti, 2020). The main problem faced by MSMEs is none other than the decline in demand from the public or consumers significantly.

Several researchers have conducted researches on strategies or efforts that can be carried out by MSME entrepreneurs to restore their business before and during the Covid-19 pandemic. In the results of research on efforts to increase the economy of MSMEs before the Covid-19 pandemic, Setyanto et. al (2015: 105) stated that the strategy for developing Laweyan Batik MSMEs in improving the economy was by innovating, updating products and starting to apply social capital by expanding business networks. Furthermore, Prasetyo (2016: 150) stated that the right strategy to be implemented by micro and small business owners such as trivial home industry has implemented the business model canvas, namely the strength opportunities (SO) strategy or can be called an aggressive strategy. Then, Rismawati et.al (2019) found that

business people can adjust themselves by compiling a marketing strategy through the STP strategy (Segmenting, Targeting, and Positioning) to attract consumers. Marketing strategy is an important element that must be considered by business people.

In the results of research during the pandemic, Asmini et.al (2020: 121) described that the business cycle management used as a basis for finding business opportunities after the Covid-19 pandemic which then creates an appropriate recovery strategy in the community economy. In contrast to Asmini et.al, Hardilawati (2020: 89) suggested strategies that can be carried out by MSMEs to survive are by trading online or by e-commerce, starting to do promotions digitally along with establishing and optimizing customer relationship marketing. Similar to Hardilawati, Azizah et.al (2020: 59) found that strategies that can be undertaken by business actors include serving consumers through online platforms, increasing total quality management related to hygiene, and changing temporary business methods so that financial reports remain positive. This research is related to the research conducted by Asmini et.al (2020) as well as Hardilawati (2020) and Azizah et.al (2020) which discussed the challenges and strategies undertaken by MSME entrepreneurs in order to maintain their business during the Covid-19 pandemic.

The purpose of this research is to find and analyze the marketing recovery strategy carried out by custom bag producer-home industry at Mojolaban District, Sukoharjo Regency, Central Java as one of MSMEs which produces custom bags in order to maintain their business during the Covid-19 pandemic. This research is expected to find new concepts in marketing recovery strategy so that they can be used to enrich science as a reference for future researchers.

2. Literature Review

Recovery Marketing Strategy

Marketing strategy is a way to win a sustainable competitive advantage for companies that sell goods or services. There are several definitions of strategy stated by experts. Hamel and Prahalad (1994) defined strategy as actions that are incremental (always increasing) and continuous, and are carried out based on the perspective of what customers expect in the future. Then Marrus (2001) was of the opinion that strategy is a process of determining top leaders' plans that focus on long-term goals of organization, along with the preparation of ways or efforts to achieve these goals. Related to marketing, Chandra (2002) defined marketing strategy as a plan that describes company's expectations of the impact of various marketing activities or programs on demand for its product or product line in a particular target market. Marketing programs include marketing actions that can affect demand for products, including in terms of changing prices, modifying advertising campaigns, designing special promotions, determining distribution channel choices, and so on.

Recovery marketing is a common practice by marketers in products and services industry to anticipate direct or indirect impact of negative events on market potential and customers. In other words, recovery marketing is a marketing effort that is intended to recover, restore, or otherwise lose something as a result of a negative event or situation, such as situation during the Covid-19 pandemic which affects the process of moving goods and/or services from producers to consumers.

By adapting recovery marketing strategies to the tourism industry, Carlsen & Liburd (2008) argued that there are six categories related to crisis management and marketing recovery and communications: (1) clear clarification of definitions, concepts and typologies; (2) risk

identification and appropriate assessment; (3) managing the recovery and restoration process based on needs (priority scale); (4) implementation of marketing and promotion measures during and after the crisis occurred; (5) rebuilding main infrastructure; and (6) rebuilding customer trust by prioritizing a risk management perspective.

Micro, Small and Medium Enterprises

In Indonesia, the government defines micro, small, and medium enterprises (Indonesian: *usaha mikro kecil menengah*, UMKM) based on their assets and revenues according to Law No. 20/2008:

Table 1. Defines UMKM

Type	Maximum assets, Rp	Maximum revenue, Rp
Micro	50,000,000	300,000,000
Small	500,000,000	2,500,000,000
Medium	10,000,000,000	50,000,000,000

The annual revenue of Rp 50 billion is approximately equal to US\$3.7 million as of March 2021.

Micro-enterprises play a critical role in the Indonesian economy, in which they supply 99.8% of the country's employment and account for more than 95% of all enterprises in Indonesia. However, these firms experience many impediments, including a lack of capital, skills, and technology, which creates poor competitiveness. Maksum et.al (2020) reported that although the Indonesian government has implemented many policies to deal with these problems, none have been adequate in improving the capacity and productivity of micro, small, and medium enterprises (SMEs).

Custom Bag Producer-Home Industry

Home industry is a home business product of goods and categorized as a small scale industry because this type of economic activity is centered at home. The existence of home industry is expected to bring significant changes to the improvement of quality of life of a community.

Custom bags are bags made or done to order for particular customers. Types of custom bags produced by home industry at Mojolaban District, Sukoharjo Regency, Central Java include tote bags, drawstring bags, backpacks, duffels & gym bags, pouches, lunch bags & coolers, fanny packs, travel, and messenger bags.

3. Research Method

This study used a qualitative and descriptive method with documentation, observation, interview as techniques for collecting data. The researcher conducted in-depth interviews with the 42 owners of custom bag producer-home industry at District Mojolaban, Sukoharjo Regency, Central Java, Indonesia to explore how this approach may contribute to their businesses. The research was conducted at District Mojolaban, Sukoharjo Regency, Central Java, Indonesia from September 2020 to March 2021.

4. Results and Discussion

3.1. Results

Findings of the research have proven that the marketing recovery strategy carried out by custom bag producer-home industry at Mojolaban District, Sukoharjo Regency, Central Java as one of MSMEs which produces custom bags is able to maintain their business during the Covid-19 pandemic.

The research findings show that (1) the recovery marketing strategy during the Covid-19 pandemic is done through segmenting, targeting, and positioning to attract consumers and (2) the supporting factors done to run entrepreneurship efficiently and effectively are promotion through online media, partnerships, excellent service, and awarding.

The respondent surveys revealed some interesting results supporting recovery marketing strategy. All the owners of custom bag producer-home industry claimed that by implementing the recovery marketing strategy, the home industry can still produce custom bags so that the family economy is well maintained.

Most of selected hoteliers, wedding organizers, and Indonesian Hotel and Restaurant Association (IH&RA) members as home industry partners stated that by helping to market custom bag products to customers who conduct celebratory activities such as wedding ceremonies and meetings in hotels, restaurants and meeting houses with health protocols recommended by government during the Covid-19 pandemic, they are very helpful in procuring souvenirs for guests in large numbers, quality, and prices on demand.

Based on the in-depth interview with Pak Karel, the marketing manager of PT Mitra Karina Jaya as an agent that is trusted by home industry owners to market their custom bags online and deliver them to consumers with excellent service, he has summited his comments about the recovery marketing strategy during the Covid-19 pandemic in brief sentences:

“I am convinced that by the recovery marketing strategy, the custom bag producer-home industry will continue to exist during the Covid-19 pandemic and will be more successful after the pandemic has passed.”

3.2. Discussion

An important result that can be taken from the implementation of recovery marketing strategy is to provide assurance to customers and stakeholders that they will be able to continue to enjoy the products that have been considered right for them without being affected by conditions during the Covid-19 pandemic. An even better thing to do is if the recovery marketing plan has been prepared by the product providers not as a reactive step but rather an anticipatory step before the Covid-19 pandemic occurs and by considering all possible impacts on customers and all stakeholders.

The speed and timeliness of recovery itself is strongly influenced by the degree of integrated coordination between marketing communication plan, recovery plan, and risk management strategy for operational activities. In addition to understanding, the scope of damage to the level of efficiency and effectiveness in preparing operational infrastructure facilities and formulating targeted marketing messages is very important to ensure the recovery marketing plan can be able to run as expected.

Finally, the goal of recovery marketing strategy is to ensure that all products and services can be marketed and delivered to users as soon as possible during the Covid-19 pandemic. The

recovery marketing strategy carried out by the custom producer-bag home industry at Mojolaban District, Sukoharjo Regency, Central Java illustrates how the company implements this strategy which is translated into the right applicable recovery marketing plan and is proven to be able to quickly restore the trust of customers and stakeholders in time with the ultimate goal is to maintain customer loyalty in the long run.

5. Conclusion

This research has been able to fulfill research purpose articulated in the Introduction. The research findings show that the recovery marketing strategy during the Covid-19 pandemic can be done through segmenting, targeting, and positioning to attract consumers. In addition, the supporting factors to run entrepreneurship efficiently and effectively are promotion through online media, partnerships, excellent service, and awarding.

From the results of the research and discussion above, it can be concluded that the custom bag producer-home industry in Mojolaban District, Sukoharjo Regency, Central Java is able to implement recovery steps through the right marketing strategy, which of course is also balanced with tactical steps to improve the quality of its products and services. The steps taken have proven to be able to restore old customer respect for company commitments and policies.

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