

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

The popularity of outdoor activities among the youth and company workers highly increased before the pandemic. Many of them rented the outdoor activity equipment to the rental company or the individual. Therefore, many parties see a business opportunity in accommodating service for people from the micro business up to the medium one.

The growth of MSMEs has significantly contributed to society in general, and individuals in particular. This growth can be seen from 2018's data when the number of MSMEs in Indonesia reached 99.99% of the total number of businesses (Kementerian Koperasi dan UMKM Republik Indonesia, 2019). Unfortunately, during the pandemic, most MSMEs had problems with their capital and human resources. Thus, they affect the business to keep on operating. Based on an International Labor Organization (ILO)'s survey of 571 MSMEs in Indonesia in 2020, 80% of the businesses were tight in cash flow, and 34% of them lost income up to 25% of their usual profit (International Labour Organization, 2020).

Delila is one of the outdoor equipment rentals in Semarang since 2019. The rental business is located in a highly strategic location, in the center of Semarang City, surrounded by various educational facilities such as schools and campuses. It belongs to MSMEs which has a large number of customers from various circles. During the

first year of operation, Delila could generate an average revenue of up to Rp. 2,000,000 per month. Unfortunately, when the pandemic hit in 2020, Regional and National regulations demanded many businesses keep themselves low. There was a 100% decline in revenue, which is Rp. 0 in the first six months of social restriction. In 2020, MSMEs were on the verge of collapsing. Fortunately, the operation of Delila can be said to be better in 2021 with average revenue of Rp. 1,500,000 per month after the government lifted the regulation of social restriction.

For three years of its operation, Delila as a small business underwent many problems due to the pandemic such as adaptation to its marketing strategies and government regulation. Delila tried using manual and internet-based marketing via the website and social media before and during Covid-19. Delila owners use media differently following the needs of the consumers. When many other enterprises could not prolong their business, Delila could survive. Based on the explanation earlier, this research will look at how Delila decided on its marketing strategies to increase sales before and during the pandemic.

Research on marketing strategies is varied and usually completed with a SWOT analysis. One of the studies by Meyliana (2011) on *Analisa Strategi E-marketing dan Implementasinya pada Rental Company* elaborates that marketing during the research held become a trend in doing promotion, increasing new customers to expand target market, and maintaining old customer loyalty to increase the company sales point volume. Meyliana's research found that rental companies tend to develop E-marketing, enriching customers and the company revenue. In

addition, the research of Nisa et al., (2021) on *Strategi Pengembangan Bisnis Melalui Pendekatan Segmenting, Targeting, Positioning dan Penerapan Customer Relation Management* focuses on the marketing approach by using SWOT analysis to expand the business. The studies of Meyliana (2011) and Nisa et al., (2021) aim to increase the number of customers and elevate the income of the enterprise. This study focuses on the marketing strategies used by Delila to increase the sale of the business before and during the pandemic using the 7Ps analysis.

1.2 Field of the Study

The field of the study of this research is the creative industry in the outdoor equipment rental business.

1.3 Scope of the Study

This study will only investigate the marketing strategies to increase sales in one of the rental businesses, i.e. Delila before and during the pandemic.

1.4 Research Questions

The research question is “What kind of marketing strategies are used at Delila before and during pandemics?”

1.5 Objectives of the Study

The objective of the study is “To find out the marketing strategies used by the owner of Delila before and during the pandemic”.

1.6 Significance of the Study

Theoretically, this research tried to prove some notions on strategies in marketing. This can also provide several insights into marketing strategies in both small and medium platforms. The results of this study are expected to particularly encourage the owner of Delila in improving their sales, and generally encourage the people involved in MSMEs to use the applicable marketing strategies to increase the number of customers and revenue.

1.7 Definition of Term

a. Marketing

Marketing is the analysis, planning, implementation, and control of programs designed to create, build, and maintain profitable exchanges with target buyers to achieve company goals (Kotler & Armstrong, 2008 as cited in Yulianti et al., 2019, p.2).

b. Marketing Strategies

Marketing strategy is the process of deciding marketing costs, marketing mix, and marketing allocation in response to projected environmental and competitive conditions (Yulianti et al., 2019, p.8). In addition, a marketing strategy can be analyzed with a short-term, long-term approach, and the overall plan of any organization or business. This strategy is created with the fundamental objective of achieving a sustainable competitive advantage by understanding the needs and wants

of customers. Therefore, the marketing strategy has a very important role in the success of the company in general and in the field of marketing in particular.

c. MSME

In Chapter I Article 1 of Law Number 20 of 2008 on Micro, Small, and Medium Enterprises, it is stated that MSMEs are productive economic individuals or business entities that meet the criteria implied by the regulation.

