

MARKETING COMMUNICATION STRATEGY FOR MICRO, SMALL, AND MEDIUM ENTERPRISES SECTOR IN BUILDING COMPANY'S IMAGE

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Abstract

Corporate image is essential for a brand's effective placement, particularly in the SME sector (Micro, Small, and Medium Enterprises). Corporate image is an opportunity for every company to differentiate itself from its competitors and transmit fundamental values such as trust forged in the company-client relationship to consumers. Consumers associate highly positioned large chains with professionalism, seriousness, and serenity. For this reason, it is challenging for MSMEs to position themselves in such a competitive market. This study aims to describe the marketing communication strategy for the MSME sector as an economic model to build a corporate image to compete in an increasingly competitive market. This study uses a qualitative approach with descriptive methods in analyzing research results. The results of the study show that MSMEs and companies in Indonesia are starting to build their solid and consistent corporate identity, thereby successfully gaining a place in the minds of consumers. The sort of clientele one may attract is determined by the company's image and, of course, the first impression made, which is critical if they are to separate themselves and stand out from the competitors. In the past, marketing communication was not the main thing for the MSME sector because it would be a waste of costs and increase costs for them. However, with the times, this has shifted where the marketing communication strategy is considered an essential intangible asset for MSMEs because it will be able to tell the comparative advantage of MSMEs and the company's image.

Keywords: Marketing Communication, MSME, Entrepreneurship, Business, Corporate Image, Corporate Identity.

A. INTRODUCTION

Communication is something that every individual does every day, covering the entire scope of human life; communication is done when people wake up and start their activities (Fisher, 1984; Craig, 1999). Everyone communicates to meet their daily needs (Maxwell, 2010; Kaifi, 2011). A communication strategy is a method or tactic of a comprehensive master plan for an organization's actions to achieve its goals, guided by communication planning and communication management (Steyn, 2003; Gregory, 2007).

Strategy can be viewed as a pattern of goals, policies, programs, actions, decisions, or resource allocations that define how the organization is, what it will do and why it will do it (Snow & Hambrick, 1980; Carter & Narasimhan, 1996). Therefore, strategy is an extension of the mission to bridge the organization (or community) and its environment. Strategies are usually developed to address strategic issues; strategies explain organizational responses to critical policy choices (Hakansson & Snehota, 1989; Nickols, 2016). In order to develop a communication strategy, an analysis of thought is needed by taking into account the factors that support and hinder because it is essential in preparing a communication strategy. Therefore, a communication strategy is fundamental to increasing communication messages'







effectiveness. Helping achieve communication goals includes the accuracy of the targets, the effects to be generated, and the expected feedback. Reducing potential communication barriers reduces the chance of failure (Dresler-Hawke & Veer, 2006; Clampitt et al., 2000).

Despite the changes in the economic and institutional environment, the productive function of the organization continues to be one of the most important; nonetheless, survival and growth in this area need the impetus of what is commonly known as an image and communication plan. While manufacturing is the primary priority of businesses in order to satisfy customer needs, communication is seen as a supplementary tool (Cheney, 1983; Chandler, 1992). In today's market, beyond the intangible assets that define value for businesses' goods and services, when offers are becoming more similar to one another, uniqueness is often achieved by variables that extend beyond the physical attributes of the product itself (Volkov & Garanina, 2007). Traditionally, communication has been associated with the company's marketing activities and was limited to products, looking for the best way to market them (Andersen, 2005). It is based on its intrinsic characteristics and then on brand attributes, considering that a good brand image benefits the product compared to competitors. Practically untiUntil20th century, business communication was limited to advertising or developing unique development to promote a product. On the other hand, there is a tendency to communicate with the company through contact with the media, trying to be present in it (Beard et al., 2021).

The communication efforts that companies and institutions must undertake to differentiate themselves from their competitors must be parallel to those of the business and, therefore, their strategy and image and communication management must be at the level of corporate decisions or, similarly, at the peak of those who make strategic decisions at the corporate level. Company (Lazarevi-Moravčević, 2019). Nonetheless, in this context, the limitation of small companies to easily manage their communications is expected due to a lack of resources and, above all, because of the reaction to this type of action which is considered limited in scope (Bayazovna, 2020).

Cooperatives and micro, small and medium enterprises (MSMEs) are representatives of the Indonesian people in the life of the national economy, so they need to be given high priority in national development (Suprayitno, 2007). For this reason, it is necessary to have an integrated, systematic, and sustainable communication strategy in developing cooperatives and MSMEs in Indonesia. Micro, small and medium enterprises (MSMEs) have a significant and strategic role in the national economy. First, because of the many industries in every sector of the economy. Second, the potential for employment is tremendous. Each investment unit in the MSME sector can generate more workers than the same investment in large companies (Sarfiah et al., 2019).

This study seeks to develop a diagnosis of MSME communication strategies in Indonesia because it is considered that this sector has a significant impact due to external factors such as the entry of large quantities of products into Indonesia. In addition to internal problems that SMEs have not mitigated, which have resulted in effects such as low competitiveness, high production costs, designs that do not match the current requirements of the plaintiffs, and the





most complex object of study. Thus, these sectors have been chosen because of their relevance in the Indonesian economy; these sectors are significant for GDP and creating jobs, noting that currently in the country, the conditions for strengthening this sector are extraordinary.

B. METHOD

This research employs a descriptive methodology with a qualitative approach. A qualitative approach is a research and comprehension process based on a technique that analyzes social phenomena and human issues. In this method, the researcher generates a complex image, analyzes words, provides thorough responses from respondents, and conducts research in natural settings (Creswell et al, 2007). Bogdan and Taylor indicate in (Moloeng, 2007) that qualitative methodology is a research technique that generates descriptive data in the form of written and spoken words and observed behavior from individuals.

Qualitative research is conducted in natural settings and is inherently imaginative. In qualitative research, the principal instrument is the researcher. Therefore, researchers must have a comprehensive understanding of theory and concepts in order to pose questions, conduct analyses, and design more transparent objects of study. This study focuses more on the relationship between meaning and value. Qualitative research is used when the issue is ambiguous, to uncover hidden meanings, to comprehend social interactions, to construct ideas, to assure the quality of data, and to investigate the history of development. Observation, interviews, and documentation approaches are often used to gather data in qualitative research; based on these notions, the aforementioned three data collecting techniques are used in this study.

C. RESULT AND DISCUSSION

1. Corporate Marketing Communication Strategy

Organizations cannot survive in isolation but need to contact their audience and engage in dialogue with community members – individuals or legal entities – to create and maintain a climate of sympathy and a shared understanding of their demands and aspirations. According to Kreps (1990), in these organizations or individuals with direct contact, the organization's representatives are known as the appropriate organizational environment. External communication enables organizational members to coordinate their activities with the appropriate environment.

Marketing Communications is how a firm interacts with its internal stakeholders (workers, mostly) and external stakeholders (customers and suppliers, primarily) through its goods or services. In addition, the data it broadcasts about who it is (its identity) and what it desires (Ewing, 2002). In other words, marketing communication is a sequence of choices expressed in various activities (advertising, brochures, and media relations) in order to fulfill the organization's objectives. This may be enhanced through getting more knowledge (fame) and recognition (short-term and long-term enhancements to the company's image and reputation, respectively) (Bruhn & Schnebelen, 2017). Communication is a vital asset for the







organization's effective operation. However, in the corporate world, it receives little attention and is usually misinterpreted.

The key goals of managing these resources must involve the organization's interaction with its immediate surroundings. As a starting point, success requires a shift in thinking and organizational culture that favors communication. To attain this purpose, marketing communications must be characterized by two fundamental axes: I comprehensive communication and (ii) proactive communication. In terms of completeness, product communication (commercial) and corporate communication must be handled in a balanced and interconnected way (corporate and internal communication). Through product communications, mar this communications are explained logically. Simultaneously, corporate communication is best understood when split into two distinct forms: corporate communication (from outside the firm) and internal communication (from inside the company) (Podnar & Jancic, 2006).

Second, communication should be proactive rather than reactive. This is a priori rather than a posteriori, as is common in many small businesses where communication is mostly reactive (responding to urgent needs). The ideal situation is to manage corporate communications as they are set up, aligning all activities to be completed without waiting for a requirement to be produced.

The majority of writers agree on the notion of commercial communication, particularly product communication to refer to advertising, although they disagree on the concept of corporate communication itself. Some refer to organizational communication as business communication. Others define corporate communication as the intended external audience of the corporation (Christensen, 2002), and internal communication as the internal communication audience. Advertising communication is the most researched due to its lengthy history. However, given of the options available, corp, corporate communications plays an important role in separating the numerous very similar companies that compete in today's marketplace.

Internal communication is another component of this formula. It is produced as a result of a communication mechanism that enables the organization to maintain coordination among its many sections (Dolphin, 2009). Coordinated activities and collaboration will help the company achieve its strategic objectives. Internal communication facilitates the introduction, socialization, acceptance, and assimilation of new corporate principles and management norms (Rugman & Verbeke, 2003). A fundamental aim of good internal communication management is to address the communication requirements of the people or groups that comprise the business. In this regard, communication is as crucial for workers as it is for management.

Despite the fact that the significance of internal communication has been emphasized from multiple viewpoints - economics, human resources, and management - it is vital to emphasize that companies do not have appropriate coverage. Internal communication, as various writers (Cowan, 2017) have pointed out, is one of the most ignored aspects of corporate communication, but it is also one of the most intriguing in recent times. On the other hand, the







internal communication revolution remains unchanged from a few years ago, and its genuine significance is more theoretical than practical. It should be noted that internal communication is advantageous in both big and small businesses, where major difficulties may occur as a result of a lack of communication or its wrong usage in seemingly simple structures (Scholes, 1997).

We live in a "civilization of pictures," whose perceptions and studies are as erratic and unpredictable as the ebb and flow of today's communication panoramas created by this civilization. Corporate image and brand are rapidly becoming strategic resources that must be managed in this context. Business communication is a crucial management tool for this goal. A new theoretical approach, the 'Company,' has sprung up around this approach. This attitude emphasizes the importance of managing the company's image as an intangible resource and regards communication as a useful instrument. Corporate communication focuses on components that impact the company's image from outside, whereas internal communication is created at the organization's heart to manage, above all, the corporate culture and knowledge of the company—workers, who are the organization's foundation (Gray & Balmer, 1998).

Images have been shown to be immaterial resources. Starting from this premise, the vision and significance of intangible assets when a small and medium-sized firm is formed to expand and grow via commercial operations that allow it to create revenue and advantages (Gabrielsson et al., 2004). The initial need is a minimal infrastructure that will enable it to manufacture a product or deliver a service, followed by a strategy to advertise its actions in order to recruit clients. In most situations, this strategy is employed when goods and businesses are established and just at the beginning of the activity, so that communication choices are always restricted. Until recently, a small business may contemplate advertising, distributing brochures, developing an ad network to promote word of mouth, and so on; but, in most instances, the activities were not integrated. Furthermore, as expected by the references, they are often developed in response to urgent demands rather than planned a priori.

On the other hand, many firms' communications activities, particularly the smaller ones, are limited to product communication. In many circumstances, and depending on the sort of company, at least one identity is necessary to identify it to the public, a "brand" for the product, which is usually nothing more than a logo developed by the director himself. Or firm executives or workers. In the following lines, Monge and Margolin (2008) advocate communication as a holistic management tool. Corporate communication is responsible for managing a company's capital image and making it beneficial both internally and externally. A major corporation was formed, and it seeks to develop and grow by engaging in commercial operations that create cash and profit.

The situation described concisely reflects the panorama experienced by MSMEs in areas with a new level of development. For them, business communication is an expression that is still not very well known beyond the meaning of each word separately.





2. The Role of Marketing Communication in the Micro, Small, and Medium Enterprises (MSME) Sector

There is a widespread misconception that communications, advertising and image campaigns, corporate social responsibility, and other aspects of communication are only the domain of large corporations. However, in order to understand this scenario, it is crucial to consider how these instruments are used and where the institutional image ranks in the MSME priority ranking table. As we have noticed and been protagonists in the past decade, all firms have an implicit or explicit strategy, whether successful or failed, short or long term, market segmented or not, and so on. Furthermore, given the framework indicated, every organization must compete with other strategies. MSME's competitive edge and communication function stem from having a better strategy and technique than the competition, as well as a highly trained human staff (Jones & Tilley, 2003).

Companies who saw possibilities and upgraded their manufacturing lines and management teams have entered new situations with benefits and strengths. Maintaining the march, expanding, and consolidating is a long-term task that demands considerable thought. These businesses, however, serve as role models for other MSMEs. When we examine the literature on the diagnosis and management of MSMEs, we see that previous to the 1990s, these enterprises were associated with underdevelopment, being economically tiny enough to be a force in GDP, and, of course, having production methods that did not incorporate quality standards.

MSMEs are emerging as advocates of industrial production and services after decades of convertibility. Large organizations have reached a crisis because they reflect authoritarian uniformity and rhythm, strict hierarchies, and severe normative frameworks. When challenges are expressed in the need for flexibility, decentralization, debureaucratization, horizontal leadership, shared space, agility, rapid adaptation, personalization of management and consumption, skills, and scalable or small-chain jobs, MSMEs emerge with a clear natural identity, better suited to all of these concepts than large firms, which stimulated exogenous conversion for small and medium-sized micro enterprises due to their gigantism (Wingwon, 2012).

The challenge for micro-enterprises and MSMEs is to rethink their organizational culture as a foundation for innovation. From a cultural standpoint, these organizations offer comparative advantages: conviction in achievement, steadfast personalize in the face of economic ups and downs, conventional management approaches, and so on (Stockdale et al., 2012).

MSMEs face numerous challenges in managing the limited communication resources available to them for their businesses, either because they incur costs on ineffective campaigns, are not always directed to the right audience, wasting time and money, or do not invest in any communications campaign at all. Well-managed integrated marketing communication may be done at a low cost and with great performance as long as it is handled by experts who can build successful strategies with the necessary instruments to reach the intended objectives (Ibrahim, 2003). In connections with customers, product packaging, and staff, among others, the notion







of identity is connected to the goal and vision of the organization. These are acts and operations that can be made more successful and efficient by an organization's marketing, advertising, and communications technologies. The high cost and lack of professionalization of MSMEs are the basics of these instruments, which are regarded exclusively for big businesses. The management adaptation of these enterprises to new situations may be a process that improves the evolution of society as a whole, since it is rooted in a reevaluation of culture, diversity, and new social-community networks geared toward a higher quality of life.

The benefits of MSMEs include excellent company-product-client ties, strong consumer loyalty, and adaptability in meeting public needs for a product, among others, making small and Medium Enterprises an essential link between corporations and society. Many management theorists are now of the opinion that huge corporations should be built from tiny cell enterprises. (Kathuria, 2018). Imagine that small and medium-sized businesses can develop extra value for their organizations and goods, such as brand value and elegantly designed packaging, and enhance their interactions with internal and external consumers using customer relationship management (CRM). In this situation, they would be able to build great corporate value management, therefore enhancing their capacity for adaptability and engagement with society.

It is well knowledge that managing communications in these organizations is challenging. The sales management strategy that appeals to the success gained in a wide organizational context does not, in theory, include a success guarantee. On the other hand, incorporation is not totally viable owing to the large expenses required, the lack of investment, the State's unwillingness to undertake reengineering plans, the background of economic instability, and the idiosyncrasies of their organization/culture.

In terms of unified communications. It is not about finding speculative differentiation, but rather about finding an articulation that avoids overlapping roles, tasks, and functions and transforms our knowledge into concrete and functional actions for a service, which in the case of MSMEs will be a continuous improvement of the business (Lim et al., 2022).

Given the increasing relevance of communication and acquired intangible resources for businesses in general and MSMEs in particular, it is necessary to perform empirical research proving MSME entrepreneurs' understanding and usage of diverse communication resources and entrepreneurship. This will be the first step in identifying potential flaws and faults and determining the best course of action in each instance.

The study of communication in big companies is more advanced for two primary reasons: commercial motivations and the availability of financial resources to support this sort of research. In the case of micro, small, and medium-sized enterprises, communication research is still in its infancy. However, communication and image remain outstanding issues for MSMEs.

The majority of MSMEs in Indonesia continue to operate at a poor level of knowledge-practice business communication. Even beginning with the category supplied by the entrepreneur, meaning the compilation of an endogenous index, the level is somewhat low. There does not







seem to be an association between the age or size of the company and the established business communication index. Companies within the MSME sector that belonged to the most sophisticated service industries had a higher worldwide index of business communication knowledge practices. However, there were an abnormally large number of instances in both industry and less established services.

The building businesses themselves are all below average. In certain circumstances, a lack of drive to boost firm turnover has been identified as one of the most concerning aspects. It should be observed, however, that the concept of product communication penetrates the concept of corporate communication. In addition to offering goods and services, businesses must also develop specific forms of communication behaviors, according to the majority of individuals contacted. This is the outcome of a pretty limited perspective that solely considers communication as a tool for increasing sales levels.

Confirmed that they are not included in the business management terminology utilized in the acquired responses. Thus, issues such as corporate image, identity, reputation, and corporate social responsibility are not conveyed in the provided ideas, at least not directly. The most worrying factors in this respect are the most obvious, such as logos, logo symbols, and other elements associated with the organization's exterior visual appearance. However, we must not overlook the fact that all solutions for managing intangible assets transform into great commercial potential instruments in the medium and long term.

However, awareness of several dimensions of business communication was detected, such as the perception of the need to improve and uniform the image, the increased interest in technology incorporation, or even the first attention to the most visual aspects of the organizational identity that announced a renewed interest in the corporate image.

D. CONCLUSION

The current emphasis of the global economy is on the development and maintenance of micro, small, and medium businesses (MSME). This is because, regardless of the degree of development, this sector contributes considerably to economic growth in many nations. Small-and medium-sized enterprises (SMEs) have shown, in both good times and bad, that their importance in the economy of any nation beyond the anecdotal beginnings of huge organizations. The accumulation of MSMEs has a tremendous influence on job creation, the invention of new goods and services, and overall economic growth.

Small and Medium-Sized Businesses are traditionally defined by the number of workers or the amount of their assets. So far, marketing communication is not a top priority for MSMEs because, for them, the image and identity of the company are not crucial for this sector. MSMEs have many problems managing good communication resources because they spend money on inadequate campaigns, are not always directed to the right audience, waste time and money, or did not invest in any communications campaign. However, over time the marketing communication strategy is considered an essential intangible asset for MSMEs because it will be able to tell the comparative advantages of MSMEs, such as effective company-product-





client relationships; high customer loyalty, and flexibility in dealing with public demands for a product; among others, making Small and Medium Enterprises as an essential liaison between organizations/society.

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