

# CHAPTER I

## INTRODUCTION

### 1.1 Object Overview

#### 1.1.1 Loka UKM

Loka UKM is a Digital Agency SMEs Enabler startup focused on SMEs Enabler that was established on 31 October 2022, as a part of the WRAP Entrepreneurship Program held by Bandung Techno Park (BTP) - Telkom University. With a vision to bridge the digital divide and empower local SMEs in the ever-evolving digital landscape. Recognizing the potential of e-commerce as a catalyst for growth, Loka UKM embarked on a mission to provide comprehensive digital marketing 360° & Social Commerce services tailored to the unique needs of SMEs.



**Figure 1.1 Loka UKM Logo**

Source: [lokaukm.com](http://lokaukm.com)

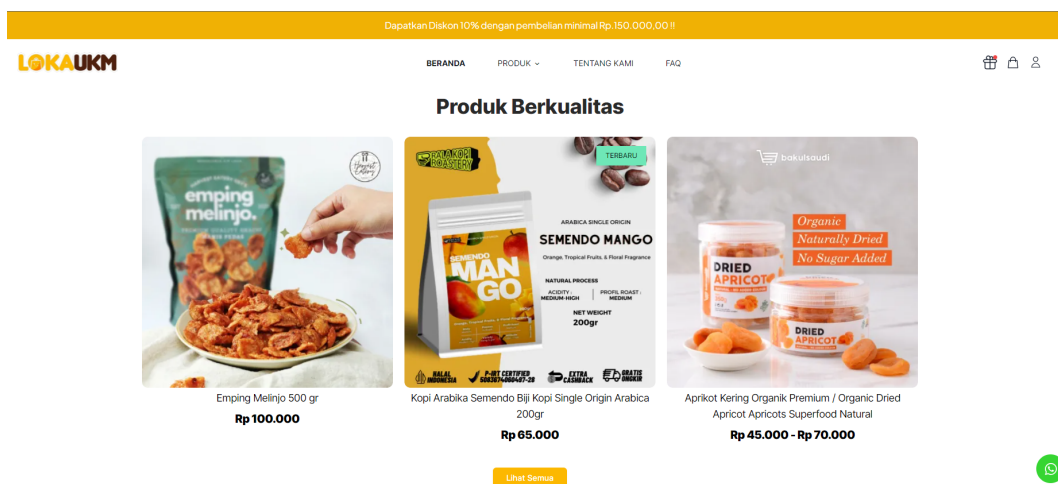


Figure 1.2 Loka UKM Website

(Source: lokaukm.com 2023)

## Competitive Advantage

Competitive Advantage	Loka UKM	Evermos
Core Business	Digital Marketing Social Commerce	Reseller Social Commerce
Platform Focus	Digital Marketing & Social Commerce	E-Commerce
Market Segment	Small Medium Enterprises	Syariah SME's
Strength	Bottom to Up Digital Marketing solution and Social Commerce Solution based on real SME'S Problem	A big Platform for SME's with general mass solution especially in Reseller scheme
Weakness	Ongoing Development Platform	Focusing on mass SME's Solution and segmented for Syari'i market

**Figure 1.3 Loka UKM Website**

(Source: lokaukm.com 2023)

Loka UKM excels by specializing in Digital Marketing and Social Commerce, distinguishing itself from Evermos, a primarily reseller-focused e-commerce platform. Loka UKM's unique advantage lies in its ground-up approach to solving real challenges encountered by SMEs in these areas. oppositely, Evermos engage to SMEs with a broad, mass-oriented solution, especially in reselling. This strategic alignment enables Loka UKM to offer customized and efficient solutions for a wide range of Small and Medium Enterprises, positioning it as a specialized and adaptable player in the market. In essence, Loka UKM's focus on targeted services for SMEs sets it apart from Evermos's more generalized approach, giving it a competitive edge in the digital business landscape.

### 1.1.2 SMEs

According to Law No. 20 of 2008 concerning Micro, Small, and Medium Enterprises (MSMEs), MSMEs are businesses managed by entrepreneurs who have working capital of no more than IDR 2.5 billion and employ no more than 50

people (Kementerian Koperasi dan UKM, 2020). MSMEs are also defined as businesses that have a turnover of no more than IDR 4.8 billion per year (Badan Koordinasi Penanaman Modal, 2020). Basically, MSME is a sector that plays an important role in a country's economy, especially in providing employment and improving people's welfare.

In the city of Bandung, the number of MSMEs has reached around 300,000 business units (Dinas Koperasi dan UKM Kota Bandung, 2020). As quoted in the report by Dinas Koperasi dan UKM Kota Bandung, the manufacturing industry sector contributes the most to the number of MSMEs in the city of Bandung, with a total of 70 thousand business units. This sector includes various types of industries such as food processing, textiles, and printing. In addition, the service sector is also a sector with a large number of MSMEs, with a total of 60 thousand business units. The service sector includes various types of businesses, such as trade, professional, transportation, and travel services.

Data obtained from Dinas Koperasi dan UKM Kota Bandung (2020) shows that MSMEs in Bandung City are quite developed and contribute to the economy of Bandung City. However, MSMEs in the city of Bandung also experience problems in terms of access to capital and technology. This can be seen from the difficulty faced by MSMEs in applying for loans to banks and the limited access to technology owned by MSMEs. Therefore, efforts are needed to increase access to capital and technology for MSMEs in the city of Bandung so that they can have a more significant impact on the economy of the city of Bandung.

## **1.2 Scope of Work**

In this section, the author will outline the research location, the scope of the assignment, as well as the research plan and schedule.

### **a. Location of the Work Unit**

The research was conducted at D building, Bandung Techno Park. Jl. Telekomunikasi, Sukapura, Kec. Dayeuhkolot, Kabupaten Bandung, Jawa Barat 40257

## **b. Scope of Assignment**

The Author conducted the project by involves assessing SMEs' marketing conditions, formulating digital marketing strategies, implementing activities, and evaluating their impact. It aims to gather insights, enhance SMEs through digital marketing, and optimize strategies based on evaluation findings for business growth.

- **Problem**

Small and Medium Enterprises (SMEs) play a vital role in the local economy, but many of them struggle to harness the power of digital marketing effectively. The digital landscape has evolved rapidly, and numerous SMEs lack the resources or knowledge to leverage digital marketing tools and techniques. Consequently, they miss out on opportunities to reach wider audiences, increase brand visibility, and boost their revenue.

- **Context**

In today's digital age, having a robust online presence is essential for businesses of all sizes. However, many SMEs face challenges such as limited budgets, lack of expertise, and inadequate understanding of the digital marketing landscape. As a result, their digital marketing efforts often fall short of their potential, hindering growth and competitiveness. Loka UKM have more than 150+ of SMEs that needs to help in Digital Marketing Strategies.

- **Objective**

The main objective of this final project research is to analyze and assess the digital marketing activities undertaken by local SMEs. Specifically, the study aims to Evaluate current digital marketing strategies, identify gaps and opportunities for SME's Product/Services, recommend effective strategies, and measure the impact.

## **c. Work Plan & Scheduling**

The implementation of the WRAP Program is started on the 31st of October 2022 and completed on the 30th of July 2023.

**Table 1.1 Work Plan and Scheduling**

<b>Program Started</b>	31st of October
<b>Program Completed</b>	30th of July 2023