THE EFFORTS TO IMPROVE PRODUCTS FOR DEVELOPMENT OF MICRO SMALL MEDIUM ENTERPRISES (MSMEs) BASED ON DIGITAL CREATIVE ECONOMY IN THE SOUTH TANGERANG REGION

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Abstract

Social media platforms are noteworthy today, characterized by significant advancements in information and communication technologies. Therefore, SME marketing must be able to take advantage of Smart Phone-Based marketing through online digital media. Online Sales Applications, as well as promotion and marketing of SME products by utilizing Social Networks, so that they can become media that can represent products needed by consumers. One of the obstacles encountered by SMEs in the South Tangerang City area.

This Community Service (PKM) provides mentoring training for Micro, Small, and Medium Enterprises (MSMEs) online shops based on a creative digital economy in South Tangerang City. This community aims to increase MSME actors' income by training to create online stores, editing product photos, and expanding networks (networks), documentation, and publications.

From the activity results, digitalization efforts for creative economy business actors and MSMEs can be achieved by digitalizing the economy and digitizing legal entities by establishing and registering business entities, registering Intellectual Property Rights online, and registering for online NIB (Business Permit Numbers). In addition, online Single Submission (OSS) is risk-based in business licensing. Meanwhile, economic digitization can be achieved by participating in online and offline training, doing online marketing on social media; Instagram, Facebook, LinkedIn, TikTok, and the marketplace, and obtaining tips for successful business on the government's official website and digital social media.

Keywords: MSMEs, Digitalization, Creative Economy, and NIB.

INTRODUCTION

The business world is one area of human life that changes quickly and dynamically. In the past, business activities carry out door-to-door, selling in the market, opening stalls in shops, offering face-to-face, or other conventional methods. Although the technique is still used by society in general, times have changed along with the existence of the industrial era 4.0 and generation society 5.0, so all aspects of life must follow them without the exception of the business world. Nevertheless, business and humans cannot separate from human nature because humans are economical and social creatures.

The Government's steps in increasing the ease of doing business in Indonesia appear to be experiencing obstacles. The reason is that in the early semester of 2020, Indonesia and the world were hit by the Covid-19 pandemic, which began attacking China in Wuhan. Covid-19 has impacted three areas of life: health, education, and the economy. As a result, many business people have gone out of business, have not met their business targets, and people's purchasing power has decreased.

Indonesia dominates the E-Commerce sector in ASEAN, and the European Union (EU) handles the G20 Global economic crisis (15-16 July 2022). The G20 represents more than 60% of the earth's population, 75% of global trade, and 80% of world GDP. The G20 members consist of South Africa, United States of America, Saudi Arabia, Argentina, Australia, Brazil, India, Indonesia, United Kingdom, Italy, Japan, Germany, Canada, Mexico, Republic of Korea, Russia, France, China, Turkey, and the European Union, for the first time. (Aliffianti Safiria Ayu Ditta, 2020) Indonesia's population growth is accompanied by the growth of e-commerce as well. As a result, Indonesia beat neighboring countries, namely Singapore, Malaysia, and
Thailand, in terms of e-commerce development with a transaction value of US$1.1 billion in 2014. Therefore, the condition must interpret with two attitudes. Namely, this is an achievement for the Indonesian people and a challenge for the Government to continue to develop the e-commerce sector.

Internet is a basic need in this millennial era. There is not a single job that does not require the internet. The internet facilitates all aspects of life, including education, entertainment, information, public service, knowledge, advertising, investment, interaction, and communication, as well as business and selling. The internet can also be enjoyed by everyone, even if you have to sacrifice credit or quota. The existence of the internet is expected to be a supporting and strengthening instrument for creative economy actors and MSMEs in developing their businesses and marketing their sales. Marketing through digital has been widely used by business actors in the ASIPA community (Association of Creative Industries and Business Actors) in South Tangerang. ASIPA, which has 247 SME and IKM players, during the global pandemic, its sales turnover decreased by less than 1 billion, around 500 million per year in the ratio of Micro MSMEs.

MSMEs whose turnover has decreased and many companies have gone out of business because they cannot keep up with the times. These companies include Kodak, Toys R Us, Nokia, Disc Tarra, Payless, Myspace, and Pebble. One of the reasons why companies fail in business competition is that they do not expand their market in cyberspace. It is in line with the famous message by Jack Ma, one of the wealthiest people in the world from China, who said, “Only businesses that keep up with the times and technology can survive forever.”

The community primarily dominates business activities in Indonesia through the framework of the Creative Economy (in the future referred to as E-Craft) and Micro, Small, and Medium Enterprises (starting now referred to as MSMEs). This frame is selected because the concept is simple and affordable, especially for the lower middle class. Nevertheless, E-Craft and MSME actors must also keep up with the times so that they are not inferior to large companies and can compete in a tight and competitive market. For this reason, they must adapt to their digital presence using the internet and virtual or digital media. Therefore, community empowerment through science and technology by digitizing Village MSMEs is significant in the current information age (As'ad Sonief et al., 2019).

In the information era of digitization, more and more small and medium-sized businesses are involved in the digital economy through broadband, e-commerce, social media, cloud, and mobile platforms. As a result, SMEs can grow faster in income and employment and become more digitalized. Not only matters related to the economy or business but in various fields of digital activity.

Digitization must be protected with other instruments so that the business conduct of business people is as expected by getting the maximum profit and minimizing the risk, namely material or immaterial losses. This digitization is a facility that the State has facilitated by ratifying several laws and regulations. Business people are starting to use information technology and telecommunications to run and support their business activities. The movement and changes in the way of doing business that is increasingly fast towards digitalization are forcing business people to adapt to follow these changes. For large companies, changes in business patterns that lead to the digitization process are not too constrained due to the characteristics of large companies with good enough resources. However, for MSMEs, this digitization process will require a lot of preparation (Idah & Pinilih, 2020).

There are many problems for E-Craft and MSMEs, including lack of knowledge about the establishment of MSMEs, not having permits, disputes over Intellectual Property Rights (IPR), and the most fundamental problem is marketing strategy through digital or digital marketing. One of the disputes in the field of intellectual property rights can be seen in the case
of geprek bensu chicken. Therefore, it needs a comprehensive study on the empowerment of the creative economy and MSMEs during the pandemic through digitalization. It is viewed from a juridical and economic perspective. The legal issues studied by the authors are steps business actors can take to optimize the Creative Economy and MSMEs.

IMPLEMENTATION METHOD

This community service activity is carried out by ASIPA SMEs (Association of Creative Industries and Business Actors) in the South Tangerang Region. This activity will be carried out during August 2021. The method used in the implementation of community service activities is MSME assistance. The purpose of this method is to use data collection tools in document studies and discussions.

PKM training and theories, as well as existing laws and regulations, are related to business management development models for SMEs based on Digital Creative Economy in the South Tangerang Region.

The form of this service activity is normative juridical, namely by examining written legal norms directly with the main issues discussed in this activity. The information for this activity included secondary data obtained directly from field studies and discussions. The basic data was obtained from the field through searching for library materials and secondary legal materials in the form of theories taken from various types of literature: the 1945 Indonesian Constitution and related laws and regulations.

MSME Business Plan

ASIPA (Association of Creative Industries and Business Actors) South Tangerang is a forum for gathering and sharing information with SMEs and IKM players, especially from South Tangerang, which was inaugurated in 2015 by the central ASIPA located in Banten province. The initial management of ASIPA Tangsel for the 2015-2017 period was inaugurated by the South Tangerang City Government, in this case, the South Tangerang Tourism Office, in December 2015.

Currently, ASIPA South Tangerang members number more than 247 SMEs and South Tangerang IKM players who are business actors in the Fashion, Craft, and Culinary (Instagram; asipa. tangsel) sector. Members have benefited from their membership in the ASIPA community facilitated by the Department or Ministry or independently managed by ASIPA South Tangerang, among others: a). obtain business legality, b). skills training, c). promotion of its products through bazaars, galleries, and outlets. During the current pandemic, ASIPA South Tangerang members also receive Presidential Incentive Assistance to help the economic downturn due to the impact of the pandemic through data collection from the Office of the South Tangerang City government. ASIPA South Tangerang is currently collaborating with
several hotels and malls to open outlets for promoting and distributing member products, including 1). Hotel Lumire, Central Jakarta. 2). City Terrace Mall Lt. 2 (temporarily closed - Pandemic). 3). Santika Hotel, ICE BSD (2018), 4). SwissBell Hotel (Closed). It is hoped that with the formation of the ASIPA TANGSEL management for the 2019-2021 period, ASIPA South Tangerang can play a more significant role in the development of its members in particular and SMEs and IKM actors in South Tangerang in general.

Developing businesses, SMEs (Small and Medium Enterprises) who are members of the Association of Creative Industries and Business Actors (ASIPA) South Tangerang chose Gallery 37 Tangsel, located on Jl. Thousand Heroes, Cicentang, Rawa Buntu, Serpong, South Tangerang for training for two days at the Teras Kota Mall location, Serpong, South Tangerang.

Figure 2 Community Service Activities (PKM) with Respati Indonesia University FMB.

RESULTS AND ACTIVITIES DISCUSSION

When running a business, especially in Small and Medium Enterprises, several things need to be considered for business actors in the creative economy and MSMEs. These things are the selection of the type of business institution, ownership of intellectual property rights (IPR), obtaining a business license, and promoting and marketing products to be sold. Aspects of digitization for Creative Economy and SMEs have at least two interests: economic digitization and Business Permit Numbers. In the making NIB (Business Permit Number) online. Risk-based Online Single Submission (OSS) in business licensing, Monday, August 9, 2021, at the Investment Control and Operations Command Center, Ministry of Investment/Investment Coordinating Agency (BKPM), Jakarta. The President of the Republic of Indonesia hopes that the ease of doing business in Indonesia will improve. Through risk-based OSS services, micro and small business actors find it easy to obtain business permits, especially in getting a Business Identification Number (NIB). Purwanti, as Founder & Owner, felt this directly. DW. Catering and Dapoer Cwie Mie Malang, entrepreneurs of legit grilled chicken in South Tangerang.

The business training that practice included making beautiful accessories such as bracelets, necklaces, beautiful brooches from the Latifa Collection brand, and mini bazaars such as cakes, coffee, culinary foods, and others. This creative business movement is believed to be able to change the global economy from the bottom to the free market. Because of expansion, development is not only about making products but also about developing markets. The role of this creative industry can improve the global economy so that currently, many industrial sectors are born from the creativity and innovation of each individual. In Indonesia,
various sectors are included in the creative industry, and developments increase yearly. No wonder the Indonesian economy is improving. It could be that the expansion of all business sectors is moving, and the market is no longer to the user (Fashion). Still, it is accommodated by a large industry-class factory.

Meanwhile, the digitalization of the industrial economy is carried out by E-Craf and MSMEs to support their business activities. This economic motive can include marketing, promotion, opening product stalls, establishing cooperation and partnerships with other parties, and optimizing existing digital facilities.

Business actors must first understand the existence of the creative economy and MSMEs from the perspective of a digital economy that already has a NIB—intended so that the perpetrators know the form of legal protection and state recognition of the implementation of their daily business. Creative economy activities are regulated in Law Number 24 of 2019 concerning the Creative Economy (after this, referred to as the Creative Economy Law). MSMEs exist in Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises (starting now referred to as the MSME Law). In addition, the two apply other laws and regulations in Article 7 of Law Number 12 of 2011 concerning the Establishment of Legislation in conjunction with Law Number 15 of 2019 concerning Amendments to Law Number 12 of 2011 concerning Formation of Legislation.

According to Article 1 point 1 of the E-Craf Law, the creative economy embodies added value from the intellectual property of human creativity based on cultural heritage, science, and technology. Therefore, the existence of the Creative Economy Law manifests the state's concern and responsibility for developing the creative economy ecosystem, reducing unemployment, reducing dependence on industry or companies, and facilitating cultural heritage.

Furthermore, based on Article 1, number 2 of the Creative Economy Law, Creative Economy Actors are individuals or groups of Indonesian citizens or business entities that are legal or not legal entities established under Indonesian law that carry out Creative Economy activities. This definition shows that the business framework that can be an alternative for business actors in the creative economy and MSMEs is very diverse and broad. Business actors must be intelligent and critical in making their choices to maximize profits because profit is a human goal in business and commerce.

Business entities that are not legal entities include comanditaire venootschap (CV) (Commandary Guild), venootschap onder firma/Firma, and Maatschap (Civil Fellowship). These three forms can be the choice of Creative Economy and UMKM business actors if they want to do business in groups or with more than one person. All three are regulated in Wetboek van Koophandel voor Indonesie/the Commercial Code. However, since the enactment of Government Regulation 24 of 2018 concerning Electronically Integrated Licensing Services (from now on referred to as PP OSS), these three business entities must be registered with the Ministry of Law and Human Rights. Previously, these three business entities must also be noted, but registration is sufficient until the District Court is domiciled.

Furthermore, legal entities include Limited Liability Companies (PT), Foundations, Cooperatives, Associations with legal entities, State-Owned Enterprises (BUMN), Regional-Owned Enterprises (BUMD), and Village-Owned Enterprises (BUMDes). From its characteristics, Creative Economy and MSMEs businesses are unlikely to choose BUMN or BUMD because both capital and ownership are the majority by the State or Region. In addition, they also cannot select a foundation because the nature of the foundation's organization is non-profit with goals in the social, religious, and humanitarian fields. So for the community, Creative Economy and MSMEs business actors can choose the form of PT, Cooperatives, Associations with legal entities, and BUMDes only.
The choice of this form of business institution is significant because it will affect legal risks, organ responsibilities, capital, and protection of third parties. If the business actor chooses the form of PT, then his liability is only up to the money or shares he has deposited into the company. On the other hand, different things apply if the business person chooses a CV, MA, or Firm. The person concerned will be responsible for his assets except for limited partners in the CV.

Alternative business institutions must be registered by the founder or founders to the State. Nowadays, people are facilitated by technology because registration and permit processing can be done using technology and online. Registration for the establishment of the above business institutions is carried out through the website of the Directorate General of General Legal Administration of the Ministry of Law and Human Rights (starting now referred to as the Directorate General of AHU) namely https://ahu.go.id and OSS (single online submission). Registration of this establishment is an obligation for all business institutions ordered by the relevant Law.

Businesses in the creative economy and MSMEs can choose one of the two types of business institutions above as long as they are registered and established following applicable law. The establishment of a PT, Cooperative, Association with a legal entity must make before a Notary, which is then reported to obtain legal entity status through the Legal Entity Administration System (SABH) on the website of the Directorate General of AHU. For the establishment of CV, Firm, and MA, it must do before a Notary who is registered to obtain a Registered Certificate (SKT) through the Business Entity Administration System (SABU) on the website of the Directorate General of AHU.

The deed of establishment and proof of ratification of the business institution mentioned above has benefits such as legal recognition of the existence of the owner's business, black and white in the implementation of daily business. Furthermore, there is written evidence among business people and the fulfillment of publicity requirements in doing business. In addition, these two things will make it easier for Creative Economy and UMK actors to establish partnership relationships with the government, most of which require government partners to have a legal form. Creative Economy and MSME actors are also more accessible if they want a loan or credit from a bank to develop their business. What is more profitable is if the business owner develops a company with a franchise or franchise scheme.

The next thing that needs to be considered is the ownership of IPR. Ownership of IPR is significant because IPR has an exclusive value and economic value that distinguishes the products of Creative Economy and MSME actors from others. Therefore, IPR will increase a product's selling value and bargaining position. IPR can also prevent piracy and theft of the intellectual property of a product. Moreover, in this modern era, it is straightforward for someone to commit crimes in the field of IPR, such as piracy, avoid plagiarism, plagiarism, theft, use by unauthorized persons, and nothing but fraudulent IPR owners. Undeniably, the existence of IPR will make a business have its IMEI and brand, which can become an icon in a specific area.

Several IPR instruments are related to Creative Economy and MSMEs businesses, namely Brands, Patents, Trade Secrets, Industrial Designs, and Copyrights. The four intellectual property rights are each subject to the provisions of Law Number 20 of 2016 concerning Marks and Geographical Indications, Law Number 13 of 2016 concerning Patents, Law Number 30 of 2000 concerning Trade Secrets, and Law Number 31 of 2016. Two thousand concerning Industrial Designs, and the Law of the Republic of Indonesia Number 28 of 2014 concerning Copyrights. Mark registration can be done through the official website https://brand.dgip.go.id/ List-online. Brand tariffs for micro and small businesses are very affordable with the amount of five hundred thousand rupiahs as Non-Tax State Revenue
The documents that need to be prepared are the brand label, the signature of the brand owner, and a certificate for Micro and Small Enterprises. Registered brands will receive protection for a period of ten years and can be extended. Patent registration can be done through the official website (https://paten.dgip.go.id/site/login). Patent rates for micro and small businesses are affordable, with three hundred and fifty thousand rupiahs as Non-Tax State Revenue (PNBP). However, more documents need to be prepared.

Then a brand is a Description of Patent Application in Indonesian, Claims, Abstracts, Drawings of Inventions (PDF), and Drawings for Publication (JPG). Declaration of Ownership of Inventions by the Inventor (or Letter of Transfer of Rights), Document (if the inventor and applicant are different or the applicant is a legal entity), Certificate of UMK, and Power of Attorney are required. And SK Deed of Establishment (if presented through a consultant) are all required (if the applicant is an educational institution or government R&D). Patents that have been registered will receive protection for ten or twenty years (can be extended) depending on the type of patent written.

Different things apply to trade secrets that are not registered because of the juridical nature of the trade secret itself, which is information that is not known to the public in technology and business. However, for the transfer and recording of the license agreement, the tariff is two hundred thousand and one hundred and fifty thousand rupiahs for micro and small businesses. Industrial design registration can be done through the official website (https://brand.dgip.go.id/ List-online). Therefore, the industrial design tariff for micro and small businesses is very affordable with the amount of two hundred fifty thousand rupiahs or five hundred fifty thousand rupiahs (depending on the type of application) as Non-Tax State Revenue (PNBP). Documents that need to be prepared are Industrial Design Drawings, Industrial Design Descriptions, and a Certificate of Ownership of Industrial Designs.

Power of Attorney (if submitted through a consultant), Statement of Transfer of Rights (if the applicant and designer are different), Certificate of UMK (if the applicant is a micro or small business), and SK Deed of Establishment (if the applicant is a government educational or R&D institution). Industrial designs that have been registered will receive protection for ten years and can be extended. An aspect that is no less important is the principle permit, consisting of several product permits according to the characteristics of the products marketed by Creative Economy and MSMEs business actors. Receipts for halal food or beverages must obtain halal certification from the Indonesian Ulema Council. Furthermore, permission from the health office for food, drinks, medicines, and cosmetics. Then there is also the Home Industry Licensing or PIRT by obtaining a Food Production Certificate-Household Industry (SPP-IRT), Permit from the Food and Drug Supervisory Agency (BPOM).

The last and most fundamental thing is the digitization of E-Craf and MSMEs. Good legal awareness must balance a media transfer strategy from offline to online. The need for media transfer or transformation is also very urgent considering the current condition of the Covid-19 pandemic, which requires business income to remain even though people's purchasing power has decreased.

The success of selling E-Craf and MSME products depends on the marketing efforts and the quality of the product itself, even though the government provides accessible permits and access to establishments via the internet.

E-Craf business actors and MSMEs must also be self-aware to play an active role in guerrillas looking for opportunities to sell their products as their business does not violate the law and decency. Therefore, internet media can be a bit of learning advice for business people to find tips for successful, prominent entrepreneurs in marketing their products.

Next is to take part in digital business training and education. Media that can include attending webinars, training at https://edukukm.id, training at https://www.ukmindonesia.id, and online training by the agency in charge of SMEs in the district or city, and training
conducted by non-governmental organizations, community, or individuals. Participating in the activity increases technical knowledge on how to do production to marketing tips, train skills, cover up skills that are lacking, and other benefits. Solutions to solve business management problems; partners will be given business management education and training and better marketing strategies based on SME digitization (Diningrat et al., 2017).

For MSME actors, special training is needed, especially in digitalization in the marketing field, which requires both soft and hard skills (Setiyawan, 2013). The readiness of MSMEs at this time requires modern technology training that allows industry 4.0 to optimize their production (Sari & Santoso, 2019). The way to keep MSMEs can always the backbone of the nation's economy is to apply technology in their activities (Wisswani, 2017).

Product marketing can do on various social media, which are in great demand by potential buyers. In the past, promotion was through traditional media (Situation, 2020). These social media include Instagram, Whatsapp, Facebook Group, Twitter, and Marketplace. In addition to social media and marketplaces, marketing can do through Google Maps. With the existence of social media, business actors take advantage of social media by uploading images and videos containing content about the products to be sold (Dan et al., 2020). Marketplaces that are the choice of Creative Economy and MSME business actors include Bukalapak, Shopee, Tokopedia, Akulaku, Lazada, and so on.

SMEs should immediately connect their business to the digital world to optimize the business promotion process, which ultimately impacts their business development (Setiawan, 2018). Marketing will be more effective if it is done with the help of other influential people with endorsed schemes. For example, the endorsement is done by an artist or celebrity advertising products from Creative Economy and SME actors to their social media.

Digital on social media, WhatsApp for Business (from now on referred to as WhatsApp Business) also provides advantages over ordinary WhatsApp. For example, a Whatsapp business can give several additions to its user profile, such as a phone number, a reply to chat automatically, add a business description, add a product gallery photo, a business category, and a green tick. There are also other features of business WhatsApp, including a quick reply feature, a unique WhatsApp business logo, you can use short links, and a chat label. Moreover, if creative and SME actors use business Whatsapp, potential buyers will be more interested, and the company's value will be more prestigious than ordinary WhatsApp.
CONCLUSION

Digitalization efforts for creative economy business actors and MSMEs can achieve by digitizing the economy and digitalizing the OSS application for making NIB. Digitization of creating a business license number with a legal entity by establishing and registering a business entity, registering Intellectual Property Rights online, and registering a business license online. Meanwhile, economic digitization can be achieved by participating in online training, online marketing on social media and marketplaces, and obtaining business success tips on the government's official website and digital media.

Suggestions for research in community service (PKM) from the University of Respati Indonesia in collaboration with ASIPA, realizing the Government's program to provide comprehensive guidance and socialization to the broader community to all corners of the village about the ease of doing business for Creative Economy business actors and MSMEs, Creative Economy business actors and MSMEs are always active in government programs to support increased income for MSMEs.

And Creative Economy and MSME business actors immediately switch to digital media consistently through social media; Instagram, Facebook, TikTok, LinkedIn, marketplace, website, etc., for optimizing facilities and the times.

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