# OPTIMIZATION OF BUMDES MANAGEMENT THROUGH PRODUCT MARKETING ASSISTANCE BASED ON E-COMMERCE IN PONOROGO DISTRICT

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Abstrak: Badan Usaha Milik Desa (BUMDes) adalah sebuah usaha yang dibangun oleh pemerintah sebagai wujud peningkatan kemampuan keuangan pemerintah desa dalam penyelenggaraan pemerintahan dan meningkatkan pendapatan masyarakat. Dalam usaha ini pengelolaan dan kepemilikan modal dilakukan oleh pemerintah desa dan masyarakat. Pendirian BUMDes didasarkan oleh Permendagri Nomor 39 Tahun 2010 tentang Badan Usaha Milik Desa. Berdasarkan hal tersebut, tim pelaksana pengabdian kepada masyarakat Universitas Negeri Malang (UM) memberikan solusi untuk mengoptimalisaskan pengelolaan BUMDes dalam hal pemasaran produk, sehingga diharapkan dapat mengoptimalkan eksitensi dari BUMDes di Kabupaten Ponorogo. Metode yang digunakan dalam pelaksanaan pengabdian adalah partisipasi aktif. Metode ini melibatkan pengelola BUMDes mulai dari penentuan prioritas masalah yang akan ditangani, pelatihan optimalisasi pengelolaan pemasaran, pengumpulan data atau informasi, hingga perancangan lapak online di e-commerce seperti Shopee, Bukalapak, Lazada, JD.ID dan Blibli. Gambaran IPTEK yang dilaksanakan meliputi empat tahapan, yaitu: (a) analisis kebutuhan; (b) persiapan; (c) pelaksanaan program; dan (d) pendampingan. Dari hasil pelaksanaan kegiatan, adanya kegiatan optimalisasi pengelolaan BUMDes ini berhasil memberikan dampak positif bagi masyarakat desa, terutama dalam hal upgrading pengelolaan BUMDes. Selain itu juga dapat meningkatkan keterampilan pengelolaan anggota BUMDes dalam bidang pemasaran digital. Dengan demikian, masyarakat desa dapat menggerakkan roda perekonomian serta mampu menciptakan kondisi masyarakat yang lebih sejahtera.

**Kata Kunci:** pelatihan, pemasaran digital, pengelolaan Badan Usaha Milik Desa (BUMDes)

**Abstract:** Village-Owned Enterprises (BUMDes) are businesses built by the government to increase the financial capacity of village governments in administering government and increasing community income. In this effort, the village government and the community carry out the management and ownership of capital. The establishment of BUMDes is based on Regulation of Minister of Home Affairs Number 39/2010 concerning Village-Owned Enterprises. Based on this, the implementing team for community service at the Universitas Negeri Malang (UM) provides a solution to optimize the management of BUMDes in terms of product marketing so that it is expected to maximize the existence of BUMDes in Ponorogo Regency. The method used in the implementation of the service is active participation. This method involves BUMDes managers starting from determining the priority of problems to be handled, training in optimizing marketing management, collecting data or information, to designing online stalls in e-

commerce such as Shopee, Bukalapak, Lazada, JD.ID, and Blibli. The description of science and technology carried out includes four stages, namely: (a) needs analysis; (b) preparation; (c) program implementation; and (d) assistance. From the results of the activity, the optimization of BUMDes management has succeeded in having a positive impact on village communities, especially in terms of upgrading the management of BUMDes. In addition, it can improve the management skills of BUMDes members in the digital field. Thus, rural communities can move the wheels of the economy and can create conditions for a more prosperous society.

Keywords: digital marketing, management of village-owned enterprises (BUMDes), training

## INTRODUCTION

BUMDes (Village-Owned Enterprises) is an institution formed by the village government to improve the welfare of the community in the village through increasing financial capacity and increasing community income. Law Number 32/2004 concerning Regional Government explains that villages can establish BUMDes by the needs and potential of the village.

The existence of BUMDes is needed to mobilize the potential of the village and help alleviate poverty in the village. The management of BUMDes is carried out jointly by the community and the village government so that the profits obtained can later be used to improve the welfare of the members of the village community following the agreed regulations. (Sayutri, 2011).

Ponorogo Regency has approximately 244 BUMDes spread across all villages in Ponorogo, most of which are engaged in the same field, namely trading. In the current state of the Covid-19 pandemic, almost all aspects of life are affected, especially the economic aspect, which will indirectly affect the management of BUMDes, which the regional government established to improve the community's economy in the village. Since the Covid-19 pandemic, the community's space for movement has become minimal, so many activities have been postponed or canceled.

This dramatically affects the members and managers of BUMDes. Most BUMDes members and managers market their products using the traditional system, namely the word of mouth promotion or manual or direct buying and selling processes deemed less effective, especially during the Covid-19 pandemic, which requires everyone to limit contact with other people.

In general, there are two types of marketing: offline marketing, which is done by finding customers through face-to-face meetings with consumers interested in subscribing. Another marketing is using the website as a marketing medium known as online marketing (Pinem, Farida, Budiatmo, Listyorini, & Widayanto, 2021). The marketing strategy for increasing sales has five indicators, including

convenience, efficiency, price, the flexibility of payment methods, and good service. (Rosmadi, 2021).

The convenience intended to increase sales is the convenience of shopping that can be done anywhere and anytime that does not need to spend a lot of energy and time. While efficiency means that shopping can save costs and time by using digital marketing, the costs vary because they offer a variety of choices. It can be seen that consumers and producers can make transactions anywhere. What is needed is only the right technology in a short time, and it has worked well. In addition, the next step that can be taken is to strengthen the marketing power of attack, namely in the form of competitive pricing, flexible payment methods, and friendly service.

Now, consumers prefer to shop through e-commerce which does not take much time, is effective, and does not require face-to-face contact. Especially since the pandemic period of the last few years, this marketing activity is considered safer to prevent contracting the virus that is currently endemic.

In addition, direct marketing only has a minimal range, although the quality of the products sold can compete with similar products. Their limited marketing reach has an impact on their selling power to be lower.

The BUMDes managers in Ponorogo Regency consist of various age groups, such as the upper middle age group and the lower middle age group, who have their respective difficulties in managing especially marketing. The upper middle age group, which is dominated by the entrepreneurial fathers of BUMDes members who are not very familiar with the digital world and prefer entrepreneurship in conventional ways, and the lower middle age group, namely BUMDes members who are familiar with digital media and know about digital marketing but do not understand how to manage it and how to start it so that it requires assistance.

Marketing e-commerce-based products can be the key to optimizing business, especially in optimizing the management of BUMDes so that they can develop digital marketing communication strategies. This will be part of the adaptation to be able to survive in order to continue to develop in the current conditions. In addition, digital marketing will make capturing market share and consumers easier (Wahyuningrum, 2018).

Based on the explanation above, this community service activity was held to optimize the management of BUMDes. While the benefits of this service activity for BUMDes are assisting BUMDes managers in Ponorogo Regency in marketing e-commerce-based businesses and creating better BUMDes entrepreneurial programs for the community, a form of collaboration between BUMDes and universities so that they continue to receive guidance through community service programs.

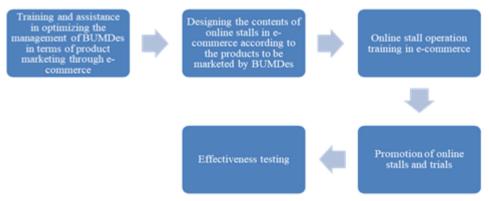
## **METHOD**

The method used in the implementation of the community service program is the active participation method. This method will involve Village-Owned Enterprises (BUMDes) managers starting from determining the priority of problems to be handled first, training in optimizing marketing management, collecting data or information, to designing online stalls in e-commerce such as Shoppe, Bukalapak, Lazada, Blibli, and JD.ID. So, in this case, the involvement or participation of partners, namely BUMDes managers, is essential to achieve the objectives of this program. In detail, the methods related to solving problems in the field of marketing through e-commerce will be described as follows:

- 1. Education and training methods are carried out to provide information related to optimizing BUMDes management training. The training materials include marketing management through e-commerce, operating online stalls in e-commerce, product branding strategies, taking photos of products to make them more attractive to the market, determining product selling prices, and how to book financial cash.
- 2. The promotion method is a method that must be carried out by BUMDes in marketing their products so that the public can know that BUMDes offers many products in Ponorogo Regency. Currently, the promotion is being carried out with more emphasis on promotion through digital media because the marketing of BUMDes products is also through online stalls in ecommerce. Digital media and social networks are now necessary for the business world that cannot be missed as a marketing strategy. The community service team trains BUMDes managers to create social media that is directly connected to e-commerce stalls that consumers can visit and facilitate product promotion from BUMDes.
- 3. The mentoring method, namely building a joint commitment with BUMDes managers, is an absolute thing that must be done and implemented through mentoring methods, especially for BUMDes managers and members to optimize marketing management through e-commerce and improve community welfare in Ponorogo Regency, especially during the Covid-19 pandemic.

The steps taken to address the problem of the lack of optimization of BUMDes management, especially in terms of marketing, include: providing training and assistance on marketing that utilizes the existing digitalization process, namely through e-commerce, to expand the reach of product marketing and increase the selling value of products from BUMDes in Indonesia. Ponorogo Regency then designs the contents of the selected e-commerce stalls according to the products to

be marketed, training on the operation of online stalls in e-commerce, promoting the stalls in e-commerce to the internet, and testing their effectiveness. If this is written in the form of a schema, it will look like this:



**Figure 1.** Scheme of Implementation of Community Service Activities

The partner's participation in program implementation is to prepare locations and participants as human resources to participate in the implementation process to evaluate community service activities. Each partner, BUMDes, brings samples of the products produced to be identified together when the training is carried out, such as seeking excellence, branding, and marketing strategies used to produce outputs that follow the objectives.

The community service program is evaluated after the community service program activities. Evaluation activities are conducted by comparing the turnover obtained before and after the training, and mentoring is carried out to compare whether there is a change after being given community service activities. After evaluating the program's implementation, the program proposer and the team provide consulting services to partner institutions, BUMDes, which are still experiencing problems, so that the community service program continues and is developed by partner institutions as an effort to optimize the management of BUMDes in terms of marketing through e-commerce.

#### RESULTS AND DISCUSSION

Digital marketing continues to grow and advance, bringing modernization to various aspects of life. Now, all information anytime and anywhere is easily accessed by the internet. It is now easier for business actors, including Village-Owned Enterprises (BUMDes), to carry out their business activities, such as carrying out marketing, sales, and even customer service (Febriyantoro & Arisandi, 2018).

The development of BUMDes before this pandemic was growing very rapidly (Tempo, 2020). BUMDes is a driver of a village's economic system that assists the

village government's administration and meets the needs of the village community. BUMDes are not only oriented toward financial gain, but also improves the welfare of rural communities (Sidik, 2020).

In order to improve the management of BUMDes, it can be synergized with the use of digital marketing or digital marketing. Digital marketing is essential to promote the products that BUMDes want to market. Such data and information will make it easier to create or develop a product and determine prices, services, and promotion methods so that market needs can be met and the company will benefit.

If BUMDes can optimize digital media such as e-commerce in their business activities, there will be many superior village products that can compete in the local market and reach consumers without limits. By optimizing the use of digital technology in carrying out marketing work, it is hoped that BUMDes will be able to introduce its superior products to consumers, from product details to innovations. Besides that, through digital technology, BUMDes can also analyze market needs and desires so that the superior products produced can meet market needs and continue to grow.

The existence of marketing through e-commerce is in line with two strategies that need to be prepared: first, fixing the business management system, starting from managing business books better so that they can make decisions regarding merchandise inventory more effectively (Suliswanto & Rofik, 2019). This is done by changing the way of bookkeeping which was initially manual, to digitalized bookkeeping so that sales reports can be updated more easily and quickly. Second, increase consumer convenience in shopping. For example, there are delivery services, online shopping through the website, non-cash transactions, et cetera.

The use of e-commerce for BUMDes managers is beneficial, among others, as a means of direct contact with buyers, to promote the work of home industries, record consumer desires, convey responses to consumers, and as a basis for making decisions in transactions. This is by what was conveyed by Ratna Gumilang (2019) states that e-commerce is a service tool that allows individuals to express themselves to meet and share with other colleagues through internet technology.

With the various benefits of e-commerce, it will undoubtedly support building BUMDes product branding so that the product is known and used by consumers. When digital technology is used in marketing work optimally, the BUMDes business will continue to grow in the long term because long-lasting businesses are based on brand strength, product quality, and good marketing communication.

BUMDes is an institution or village economic body with a legal entity formed and owned by the Village Government, managed economically, independently, and professionally, with all or most of the capital being separated from village assets.

With business partners in the village, BUMDes should become the center of village trade and distribution. This will help the economic movement of rural communities with lower prices to meet their daily needs and can also market the village's superior products because the business carried out can benefit the community and advance the village.

BUMDes must be able to compete in improving the quality of products and services. The current development of BUMDes must change the mindset from supply-side thinking to demand-side to increase creativity and innovation in managing BUMDes in their respective regions.

Based on the results of activities carried out face-to-face with BUMDes managers in Ponorogo Regency, it is emphasized that there was a decrease in turnover during the Covid-19 pandemic due to the implementation of citizen activities. This results in the inventory of merchandise for sale increasingly piling up and not getting income, so the income obtained is not in line with expectations.

In the initial stage (Session I), training participants were given material on marketing management through e-commerce and the operation of online stalls in ecommerce. This training begins with creating digital marketing accounts through ecommerce that are currently loved by the public, such as Shopee, Tokopedia, Lazada, Blibli, JD.ID, and Bukalapak can be accessed anytime, making it easier for prospective buyers to transact from various regions. BUMDes managers can display all the products offered to consumers through this media.

Participants in the second stage (session II) were given the material on product branding strategies, techniques for taking photos of products to make them more attractive to the market, determining product selling prices, and how to book financial cash. The last session in the series of activities was a question and answer related to the presented material. While the last stage carried out by the committee is to evaluate to see how far the success of the program activities that have been carried out. The evaluation found that the participants had understood the explanation of the material presented by the resource persons.

The following are photos of the implementation of optimization activities for BUMDes management in Ponorogo Regency.



**Figure 2.** Presentation of the material by the speaker



Figure 3. Discussion activities with mentoring participants



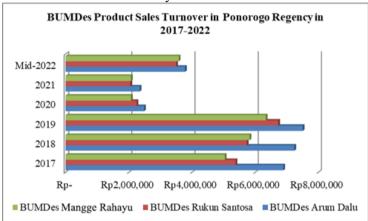
Figure 4. One of the BUMDes products in Ponorogo Regency



Figure 5. Photo of activities with speaker and mentoring participants

This community service shows several results, including (a) there are three BUMDes (BUMDes Arum Dalu, BUMDes Rukun Santosa, and BUMDes Mangge Rahayu) have been able to apply the method of marketing their products digitally through e-commerce; (b) an increasing number of visitors to digital marketing accounts for BUMDes managers; (c) increasing the productivity of BUMDes Arum Dalu, BUMDes Rukun Santosa, and BUMDes Mangge Rahayu towards digital management and marketing; (d) increasing sales turnover of BUMDes Arum Dalu products, BUMDes Rukun Santosa, and BUMDes Mangge Rahayu; and (e) increasing digital-based activities for the managers of BUMDes Arum Dalu, BUMDes Rukun Santosa, and BUMDes Mangge Rahayu.

The overall success is evidenced by the increase in turnover in the graph below.



**Figure 6.** The result of increasing product sales turnover in BUMDes, Ponorogo Regency

Based on Figure 6 above is an illustration of the sales turnover of BUMDes products in Ponorogo Regency over the last five years, 2017-2022. In addition, it was also explained that before the Covid-19 pandemic, the sales turnover of BUMDes Arum Dalu products, BUMDes Rukun Santosa, and BUMDes Mangge Rahayu in Ponorogo Regency was reasonably good from 2017 to 2019. However, in 2020 and 2021, there was a decline in turnover due to activity restrictions—residents during the Covid-19 pandemic. In mid-2022, with assistance from the community service team, the three BUMDes rose and were marked by increased sales turnover through e-commerce.

For BUMDes members in Ponorogo Regency, marketing through e-commerce provides many advantages in the form of

- Quick adjustments to market conditions so that they can quickly add products to the offer and change prices and descriptions,
- 2. Online marketing can be closer to customers even though they are not facing to face and learn more from them to meet customer demands, and
- 3. Through this, e-commerce marketing reach is more comprehensive so that the selling power of products increases.

Some benefits are felt by BUMDes managers for the existence of e-commerce as in the opinion of Nurdianasari & Indriani (2021) if the existence of e-commerce can make it easier for customers or prospective buyers to obtain various information about products and specifications without having to come directly to the shop, as well as being able to focus on objective criteria such as price, quality, and shipping costs. In addition, customers or prospective buyers can order products more easily 24 hours a day non-stop from wherever they are and do not have to face or serve persuasion and other emotional factors.

# **CONCLUSION**

Based on the explanation above, it can be concluded that this community service activity has been carried out well as its purpose is to assist BUMDes managers in marketing products. This is realized by implementing the initial strategy by changing the marketing communication style of BUMDes in Ponorogo Regency through e-commerce. The stages passed during this activity include registering members through e-commerce, filling out stalls, and updating products on several e-commerce sites.

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