

# **PROCEEDINGS OF** **THE 5<sup>th</sup> RMUTT GLOBAL BUSINESS AND ECONOMICS** **INTERNATIONAL CONFERENCE**



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Faculty of Business Administration

Rajamangala University of Technology Thanyaburi

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## **Preface**

RMUTT Global Business and Economics International Conference 2019 (RTBEC 2019) aims to be an academic stage to publicize international researches in business administration and economics field for students, professors, scholars, and researchers as well as the general public who are interested in these researches. The scope of this conference covers all fields of business administration such as business management, logistics and supply chain management, business engineering management, international business administration, human resources development, marketing, accounting, finance, information technology, business economics, and other related fields.

This international conference has been held for 5 consecutive years according to the standard and regulations in hosting international academic conference. The theme of this year conference is “Business Challenges 2025” which would be held on May 23, 2019 at the RMUTT Innovation & Knowledge Center, DD Mall, Kamphaeng Phet 2 Road, Chatuchak, Bangkok, Thailand. This year conference was well-received with numerous academic and research papers from many countries including Japan, the Republic of the Philippines and the Republic of Indonesia.

Moreover, this international conference is also a strategic implementation of our university in raising the standard of research to build up knowledge and innovation with appropriate procedure in order to reach out to people and the wider society. It is a way to add new and important channel in spreading the knowledge from the researches and become the medium for exchanging the experience in order to improve the researches and better serve the needs from business and industrial sector. In addition, it also helps increase the capability of researchers within business administration field in conducting the researches and contribute to the sustainable development of the country’s economy.

Furthermore, this conference was highly successful due to the great collaboration received from various relevant parties, in which the conference committee would like to sincerely thank all the attendants, experts, supporters, staff, management, lecturers from the Faculty of Business Administration, and the management from Rajamangala University of Technology Thanyaburi which have given us the great support to this event.

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The Faculty of Business Administration,  
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May 2019

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**A Speech for the Report of  
RMUTT Global Business and Economics Conference (RTBEC)  
“Business Challenges 2025”**

**by Assistant Professor Dr.Nartraphee Chaimongkol  
Dean of Faculty of Business Administration  
Rajamangala University of Technology Thanyaburi  
Thursday, 23 May 2019, 9.30 a.m.**

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The Vice President of RMUTT,  
International experts,  
Distinguished guests and participants,

On behalf of the Faculty of Business Administration, I wish to express my sincerest gratitude for you to honor the RMUTT Global Business and Economics Conference (RTBEC) organized by the Faculty of Business Administration, Rajamangala University of Technology Thanyaburi with your presence and opening remark today.

The conference is organized in compliance with the policies of RMUTT which emphasize on providing tertiary education concentrating on developing professional skills with the qualities and capacity essential for future career as well as providing academic services to promote creation of jobs and competitive potential. RTBEC 2019 is the fifth international conference and the sixth national conference organized by the Faculty of Business Administration, RMUTT with the expected valuable outcomes and particularly the usefulness for both RMUTT and related partners who continuously extend the outcome to expand bilaterally and multilaterally academic collaborations and establish international knowledge management systems which are linked and supported academic cooperation and exchanges widely and continually in the future. Globalization has created a more interconnected, interdependent and complex world for decades. Disruptive powers of technology are supporting economic growth, new-age innovation and new business landscape. Today, nearly every consumer activity has shifted to the digital behavior of using social media, online advertising and e-commerce. Thus, most companies shall incorporate digital perspective to thier business models, plan and update our knowledge to think broadly about the future and “Business Challenges in 2025”.

Therefore, the Faculty of Business Administration has been intentionally conducting the RTBEC with the purposes to support the teachers, researchers, academicians, and higher education students to exchange their knowledge and experiences on business and economics together with building interpersonal relationship among the conference participants both domestically and internationally. Participants in this event include international and national experts, executives, instructors, researchers, academicians, and higher education students. More importantly, foreign guests from The United States of America, the Republic of the Philippines, Japan and Indonesia are invited as Keynote Speaker, International Committee Chairs and experts.

The conference would be held on May 23, 2019. A keynote lecture entitled “Business Challenges 2025” would be delivered by Professor Dr. Sak Onkvisit, Professor of Marketing in the Lucas College and Graduate School of Business, San Jose State University. The conference sessions will be followed in the afternoon.

Now I would like to take this opportunity to invite Assistant Professor Dr.Sommai Pivsa-Art, the Vice President of RMUTT for an opening remark of the RMUTT Global Business and Economics Conference (RTBEC) on “Business Challenges 2025.”

Please welcome, sir.

**An Opening Remark of  
RMUTT Global Business and Economics Conference (RTBEC)  
“Business Challenges 2025”  
by Assistant Professor Dr.Sommai Pivsa-Art  
The Vice President of Rajamangala University of Technology Thanyaburi  
Thursday, 23 May 2019**

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International experts,  
RMUTT Executives,  
Distinguished guests and participants,

I would like to express my sincere thanks for an invitation to make an opening speech on the RMUTT Global Business and Economics Conference (RTBEC) entitled “Business Challenges 2025” which is organized by Faculty of Business Administration, Rajamangala University of Technology Thanyaburi today.

The conference is organized in compliance with the policies of RMUTT which emphasize on providing tertiary education that focuses on developing professional skills with the qualities and capacity essential for future career as well as providing academic services to promote creation of jobs and competitive potential. Besides, this is also to face with the current world’s development trend which concentrates on new knowledge development and integrated research-based learning in order to benefit society and community.

I acknowledge with deep appreciation that this conference has widely gathered an attention from international participants worldwide. Besides, this conference has also been honored by the experts of the institutions globally recognized from The United States of America, the Republic of the Philippines, Japan and Indonesia who accepted our invitations to deliver keynote, special lectures and share knowledge, especially Professor Dr. Sak Onkvisit, Professor of Marketing in the Lucas College and Graduate School of Business, San Jose State University, who is the Keynote speaker of the conference.

I hope that all of you would create such opportunities to exchange and transfer knowledge, to develop mechanisms and processes for working together in the future, and to obtain the mutual benefits among the attended participants as a result.

Ladies and Gentlemen, may I thank each and every one of you for sacrificing your valuable time to join this opening ceremony. Now I would like to take this opportunity to open the conference on “Business Challenges 2025”.

Thank you.

## KEYNOTE SPEAKER

**Professsor Dr.Sak Onkvisit**

**Professor of Marketing in the Lucas College and Graduate School of Business**

**San Jose State University**



Sak Onkvisit is Professor of Marketing in the Lucas College and Graduate School of Business, San Jose State University. He has been associated with San Jose State University since 1986 and received early tenure in 1989. He began his teaching career in 1976 after receiving his doctoral degree (major in marketing, minor in international business) from the University of Kentucky.

Professor Onkvisit has authored several books. His *International Marketing: Analysis and Strategy* textbook is internationally recognized and has been adopted in the United States, the United Kingdom, Australia, India, and other countries. He has published in as *Journal of Advertising Research*, *Columbia Journal of World Business*, *Business Horizons*, *Journal of the Academy of Marketing Science*, and *International Marketing Review*.

Dr.Onkvisit has taught undergraduate, MBA, and doctoral courses in a number of countries (including Thammasat University and Chulalongkorn University in Thailand, Peter F. Drucker and Masatoshi Ito Graduate School of Management in the United States, and Tomsk State University in Russia).

Dr.Onkvisit was a 1993 - 1994 John F. Kennedy/ Fulbright Senior Scholar at Thammasat University, thus being the first Thai- American recipient of the award to provide services in Thailand. In 2006, he served as a Fulbright Senior Specialist at Tomsk State University in Russia.

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**Cooperative Trading House:  
Digital Marketing Strategy of Economic Community in East Java Province**

**Fitria Widiyani Roosinda<sup>1</sup>**

**Diana Ralitasari<sup>2</sup>**

**Tira Fitriawardhani<sup>3</sup>**

**Abstract**

East Java Province Government has a commitment to build Micro, Small and Medium Business Enterprise as a battering ram for people's economy. Through cooperative understanding, the government established Cooperative Trading House, which accommodates small medium entrepreneurs and customers. It also creates challenge for east java government to increase people's economy revenue. The objective of this research is to identify digital marketing strategy for micro, small medium business enterprises in East Java Province by using digital media.

Research subject is entrepreneurs from micro, small and medium enterprise in Java Province that joined the Cooperative Trading House. Qualitative descriptive was applied as research method to observe information from the finding and to give an in-depth overview related to digital marketing. The result of this research shows that respondents get access to internet through phones and personal computer. Moreover, respondents increase their sales by doing digital marketing activities. This research recommends East Java Government to develop digital marketing in economic community through Cooperative Trading House.

**Keywords:** Cooperative Trading House, Digital Marketing, Micro Small Medium Business Enterprise

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### **Preliminary**

In 2015, with the opening of the free market ASEAN Economic Community (AEC), there was a business opportunity as well as a threat to Cooperative and Micro, Small Business Enterprise. This underlines business actors to increase their competitiveness. This is a challenge for the East Java Provincial Koperasi and Micro Small Medium Business Enterprise Office to improve the competitiveness of Cooperative and Micro, Small Medium Business Enterprise in terms of products and marketing. To overcome this, the East Java Cooperative and Micro, Small and Medium Business Enterprise Office established Cooperative Trading House (CTH). CTH is an independent professional institution that handles Cooperative and Micro, Small Medium Business Enterprise products in an integrated manner and to build work systems that can be used as a medium to increase the potential of Cooperative and Micro, Small Business Enterprise in overcoming various weaknesses, especially product problems ranging from upstream to downstream. CTH, with more than 200 members of Micro, Small and Medium Business Enterprise was established in the early 2018 with functions to mediate product development, packaging and marketing of various Cooperative and Micro, Small and Medium Business Enterprises' products in East Java with wider access. The population in East Java that has exceeded 38 million is a large domestic market with potential. The purpose of Cooperative Trading House specifically is to mediate producers and potential buyers, especially non-retail buyers, to facilitate the development of business networks with domestic markets and export markets, to provide technical advice and guidance as needed to producers and/or traders from Micro, Small and Medium Business Enterprise trading member house as well as to convey information regarding market dynamics and trends, product quality and packaging in order to obtain non-retail markets in particular and in retail, to facilitate Micro, Small and Medium Enterprise to access production, distribution, marketing technologies and funding sources.

There are several forms of services carried out by CTH in facilitating and helping its members. First, CTH Managers provide services in terms of market research where the results of this study are then process and adapt to the characteristics and capabilities of cooperatives and Micro Small Medium Business Enterprise members of CTH. If the results are feasible, this information is immediately conveyed to be realized. Second, CTH must guarantee that both foreign and domestic buyers can be trusted. For this reason, CTH needs to identify potential buyers. This method is done to reduce the risk of dealing with buyers with low potential. Third, sales negotiations, since not all members of Cooperative and Micro, Small and Medium Business Enterprise are used to negotiating with foreign buyers, CTH must take the initiative in conducting negotiations where the results of negotiations are immediately submitted to the members of Koperasi and Micro, Small and Medium Business Enterprise. Fourth, the marketing network. CTH must be able to compile a marketing network, especially overseas marketing networks, so that the production turnover of members of Koperasi and Micro, Small and Medium

Business Enterprise is relatively stable and does not fluctuate. Fifth, technology and packaging ensures that product specifications are in accordance with demand. Sixth, the provision of raw materials where some business actors experience serious difficulties in obtaining raw materials, most of which must be imported. Seventh, information on foreign markets where one of the prominent weaknesses of members is the lack of information on foreign markets. CTH must provide foreign market information to members of Cooperative and Micro Small Medium Business Enterprise so that they have an idea of foreign business including its marketing. Eighth, guidance and development. CTH has a network with various agencies; therefore, CTH can work with other agencies to conduct training aimed at improving the skills of the workforce. Ninth, access to capital where members can take advantage of access to capital offered by CTH obtained from several partners, both government and private institutions.

The nine services provided by the East Java Provincial Government have so far been utilized by Micro, Small and Medium Business Enterprise actors who are members of Cooperative Trading House. In turn, being invited to participate in exhibitions in various regions, the members are also trained to use social media in marketing their products, to communicate with their buyers and business partners well, to deal with conflicts and conditions so as not to sacrifice their business. All of these facilities are free of charge to Cooperative Trading House members. The focus of the East Java Koperasi and Micro Small Medium Business Enterprise Office is to expand marketing for CTH member products through digital marketing. Business people are also required to be able to market their products through a digital marketing system. Since marketing is done through the internet which is wider, this will affect product sales. According to Bambang Wahyuono, the Cooperative Trading House Manager, currently businesses mostly run by women still do not understand how to market goods through the internet. Most of the Micro, Small and Medium Business Enterprise players from the regions still rely on marketing in the traditional way.

## **Discussion**

### **A. People's Economy in East Java**

The Democratic Economy emerged when Burhanuddin Jusuf Habibie or as BJ Habibie was a leader. In 1998, when the economic crisis hit Indonesia, the role of the government to foster a populist economy began to be encouraged. At that time, the defense of small entrepreneurs was the key to rehabilitate economic damages due to the multi-crisis that occurred in Indonesia, and became the government's priority program. In 1998, the People's Consultative Assembly issued its political decision through the Peoples Consultative Assembly Decree / Number 16 / MPR / 1998 concerning Political Economy in the Framework of Economic Democracy, which was then popularized as the People's Economy. (Arifin & Rachbini, 2001: 127). This provision had a strategic value because it gave the dictum for the government to side

with the people's economy. This provision is a source of reference for enacting lower legislation in order to achieve a more egalitarian, democratic and conducive economic order for the emergence of a massive middle class. (Arifin & Rachbini, 2001: 154). After the era of BJ Habibie's leadership ended, this Popular Economy still continued until the current era of Jokowi's presidential leadership. Since the basic concept of Population Economy is rooted in Pancasila as the basis of the State of Indonesia, this populist economy is strengthening the State in the event of a crisis in Indonesia in 1998. Evidently, when Indonesia was hit by a monetary crisis, Micro, Small and Medium Business Enterprises were not affected.

People's Economy is an economic system based on the 4th Precept of Pancasila, led by wisdom in deliberation/representation. The People's Economic System is part of the Pancasila Economic System which emphasizes the democratic nature of the economic system that sits with the majority of people who are still suffering (Mandate of People's Suffering). (Arifin & Rachbini, 2001: 145). The majority of suffering people are small and medium enterprises that consist of middle and lower class people. Their business should be fully supported by the government with full attention and facilities.

Indeed, the Democratic Economy has been raised from the start as an economic system that sided with the people, from the people and for people's welfare. The people will be actively involved in the implementation and function as state control. It is the people who are the main actors and also the determinants of the success of the program. The function of the government is only a facilitator who provides facilities needed since the key problem is the limitations of business facilities, both material and non-material. The realization of this Popular Economy is Micro, Small and Medium Business Enterprise. Micro, Small and Medium Business Enterprise is regulated based on Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises. The role is very important for the survival of a country. Tambunan (2009: 4) says, it is not surprising that, in almost all developing countries, the government has development programs for MSMEs. International institutions, such as World Bank, ADB, World Organization for Industry and Development (UNIDO) and many donor countries through bilateral cooperation are also very active in building MSME capacity in developing countries.

## **B. Political Systems and Peoples Economic Programs**

There are two economic systems that apply which are the traditional economic system and also the modern economic system. Professor Boeke's theory of economic dualism (Yu, Huang, Chen, Pan, & Guo, 2015: 43) is based on social reality. In Indonesia, it is still working together with two economic systems, namely the traditional economy and the modern economy. Traditional economics with characteristics are more oriented towards fulfilling their own household needs and tend to be local scale. The main actors in the traditional economy are small businesses. Whereas, the modern economy is more oriented to meeting market needs, both

domestic and international markets, many use modern methods to conduct their business, including financial system support. Micro, Small and Medium Business Enterprise as a traditional form of economy that still survive today certainly cannot be seen with one eye. Through the Cooperative Trading House Program, the government provides the widest opportunity for Micro, Small and Medium Business Enterprise players to develop their businesses.

The modern economy is dominated by business people with the segmentation of medium and large businesses. At first, the two economic systems did not interact, they walked on their own paths. However, along with the increasing number of capital inflows into the modern economic system, the activities of modern economic business actors began to explore traditional economic areas. The market penetration of the modern economy has entered into a traditional economy, which has slowly but surely led to increasingly limited space for traditional economies which have finally lagged behind the modern economy. (Rachbini, 2001: 153). The implementation of the Democratic Economy Program absolutely depends on how the political situation has occurred in Indonesia. The program will not be achieved if the political and legal system in Indonesia does not work well, because they are related to one another. On the one hand, the government must have decent rules and be firmly implemented to eliminate the monopoly domination of the big capitalists that control the upstream and downstream of the economic rotation of a region.

Apparently, the economy is dominated by a number of large conglomerates since government control is still weak towards implementation in the field and conditions that occur below. However, the success of the implementation of the Popular Economy Program through any form of program is the responsibility of the government. The government is the main key in managing all parties involved in the economic process in Indonesia. The law and regulations that have been issued and enforced by the government shall also be followed by supervision and good transparency, so that people's economy can be realized properly. Normally, the political situation affects various kinds of implemented and enforced policies related to Micro Small Medium Business Enterprise in Indonesia.

### **C. Digital Marketing Cooperative Trading House Strategy**

Social media is a tool used for online marketing easily and cheaply. Today, small children, adolescents, adults and even parents exist on social media, so their presence is very beneficial for sales.

Digital Marketing was known for the first time in the early 1990s and became a major strategy that was widely applied in the business world in 2014. Digital marketing is an embodiment of the application, use or utilization of technology in the marketing process, which occurs in several stages, as follows (Ryan, 2014: 4): New technologies. Technology began to be

recognized and prioritized in the world of marketing, innovative marketers has carried out exploration and breakthroughs to be able to improve the functionality or usability of technology in achieving marketing to reach targets. Therefore, technology is the main strategy and is adopted as a standard marketing practice.

The steps above show how technology underlies the birth of the concept of digital marketing; however, technology is only a tool. From a marketing perspective, it is a connecting tool that improves the effectiveness of relations between people, especially marketers and markets (target) (Ryan, 2014: 4). Digital marketing is not a concept that focuses on technology, but on humans (marketers), namely how to understand humans (marketers), how technology is used to build relationships with other humans (customers), and how to build and significantly increase sales (Ryan, 2014: 12)

The decision to implement digital marketing as a business strategy must be adapted to the characteristics of the business being run as a basis for asserting the level of need for the future strategy. In simple terms, there are two types of business characteristics that must be recognized in determining to use digital marketing, namely (Ryan, 2014: 23):

Identify the characteristics of customers/prospective customers. In this case, there are two types of customer characteristics, namely customers who have been active in online activities, or customers who will be active in online activities. If the customer is a party that uses digital technology in finding or buying products and services offered, the use of digital marketing is the best choice. Conversely, if the customer does not need the use of digital technology, it is not necessary to use a digital marketing strategy. However, if there are customers who have never used it, it does not mean they will not use and be potential customers in the future. Therefore, the use of digital marketing still needs to be considered as a marketing strategy with long-term targets.

Recognize the suitability of product/service/brand characteristics with digital marketing. Almost all types of products/services/brands can be sold online. This principle underlies the argument that there is no need for special characteristics to be able to sell goods through digital marketing strategies. The main concern is only on customer factors, as in point 1 (one) above, that if there is online interaction with customers, all types of goods / services can be offered through the application of digital marketing strategies.

Based on the analysis of the two characteristics above, it can be decided to implement a digital marketing strategy with the stages of determining the best strategy and the first step in laying a digital foundation in the form of identification of business, competitors, customers, business targets and progress (Ryan, 2014: 24).

#### 1. Business identification

The first step is to advise Micro, Small and Medium Business Enterprise to identify business and to explore business conditions based on several aspects, including aspects of business readiness to adopt digital marketing, conformity of products with online promotion methods, availability of technology, capabilities and infrastructure to support digital marketing, how to integrate digital marketing into business processes, and readiness of human resources from Micro, Small and Medium Business Enterprise for changes in marketing models due to the application of digital marketing.

#### 2. Identify competitors

Micro, Small and Medium Business Enterprise should be able to identify competitors by analyzing the competitor's condition based on several aspects consisting of clarity about the number and who are competitors in the digital market, the connection between competitors in the digital market and the offline market, the advantages and disadvantages of competitors, the analysis of product and service uniqueness compared to competitors and broad range of competitor analysis.

#### 3. Customer identification

Customer identification is done by analyzing several aspects, including the clarity of who the customer is, what the customer wants, the target customer, how to use digital technology by the customer and the method of using digital technology to reach customers.

#### 4. Identify business targets

Micro, Small and Medium Business Enterprise should be able to determine business targets which is very important as a benchmark and a source of motivation to improve in order to achieve the target level according to the target. Therefore, the most appropriate digital marketing strategy must be applied in accordance with the specific business targets. Identifying business targets in this case needs to analyze several aspects, including the results from the application of digital marketing strategies, and clarity of measurements and realistic results.

#### 5. Progress identification

Micro, Small and Medium Business Enterprise should be able to identify the progress that has been done. One of the advantages of digital marketing is the ease of measuring results obtained, compared to other marketing strategies. Every activity and progress achieved in digital marketing can be traced and adjusted to the target set to find out the level of achievement obtained. The identification of this progress can be done by analyzing several aspects, including the preference of digital channels that are more profitable (advantages in this form traffic/density of visitors), the reason that makes a digital channel more crowded than other channels, and the impact of increasing traffic on the tangible value of business.

The process of determining the digital marketing strategy above requires an in-depth analysis of the business with the main goal of finding the critical points owned by the business and can be unique and have high competitiveness in the market, as well as the most appropriate methods of integrating digital marketing strategies for maximum results according to the target set (Ryan, 2014: 26). Analysis of internal aspects in determining digital marketing strategies plays a central role in the successful implementation of these strategies. However, other things that should not be forgotten are related to external conditions which also need to be analyzed, mainly related to customers from the digital market who are the main target of the business. Basically, customers are the same, both those involved in the process of buying and selling offline and online, and have expectations for a number of things as follows (Ryan, 2014: 30):

1. Media from digital marketing that provides convenience for customer use. When a customer feels that the media used is comfortable, the customer will be able to use it more effectively and efficiently. This will make customers feel the speed of access in finding the desired needs and tend to find them faster.
2. Features of digital marketing media that are user centric. Digital technology allows customers to be one of the parties that contribute to product formation. Providing media that can accommodate customer desires in terms of these contributions will increasingly make customers feel that they have control over the product through the feedback provided which will give positive value to customers.
3. Speed of service. One of the main benefits of the existence of digital technology is the provision of time efficiency for customers in finding and getting the desired product or service. Therefore, the faster a product or service is presented, the more customers will feel fulfillment of their expectations due to the value of their time.
4. Product quality. Digital technology makes competition between products and services increasingly stringent since customers can easily get many choices for one product or service that they want to compare and choose the one with the best quality. This shows the increasing importance of product quality in digital marketing strategies in terms of building customer's satisfaction, trust and loyalty.

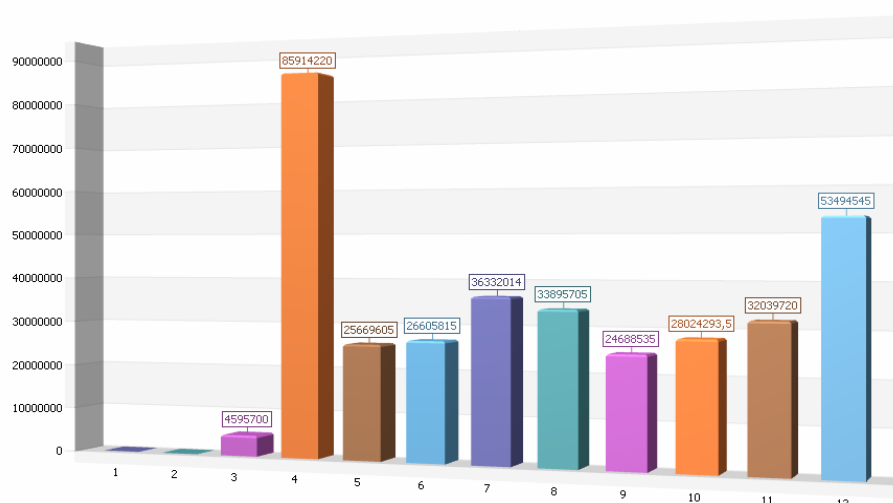
Customer satisfaction is a situation when the usefulness of a product or service meets or exceeds customer expectations (Irawan, 2002: 3) and digital marketing strategies are able to fulfill the four elements above to satisfy customers. Customer satisfaction in this case is satisfaction in communication, because digital marketing strategy is basically a strategy implemented in terms of communicating brands (products and services) from a producer/seller/company to customers through digital communication channels (for example, internet, email, mobile phones, digital TV) and information technology (Merisavo, 2006: 6).

Brand communication can be understood as communication between brands and customers, which is the basis of the activity in terms of forming and building brands on customers, as well as building customer relationships. The use of digital media in these activities can provide many advantages because the advantages possessed by digital technology allow instant two-way communications between producers and customers, where customers can choose, order, respond and even file complaints directly wherever and whenever. The important point of the superiority of digital technology is in terms of the high frequency of communication or interactions that occur between producers and customers with a rapid information distribution process, which shows the existence of high frequency brand communication (Merisavo, 2006: 8-9).

Ahmed (2014) mentions in his empirical study that brand communication is one of the causes that make customers become loyal and trust a brand. They are willing to pay for a product at any price. Thornanto, Sugiarto, & Sitinjak (2004: 126) stated that brand loyalty shows attachment between customers and a brand. Duriyanto, Sugiarto, and Budiman (2004: 19) also stated that brand loyalty is the result of the accumulation of customer experience (satisfaction) in using a product. Furthermore, Donio, Massari, and Passiante (2006) cited the opinion of East (1997) and Ehrenberg et.al. (1997, 2004), that brand loyalty is the result of repeated satisfaction felt by customers for brand utility.

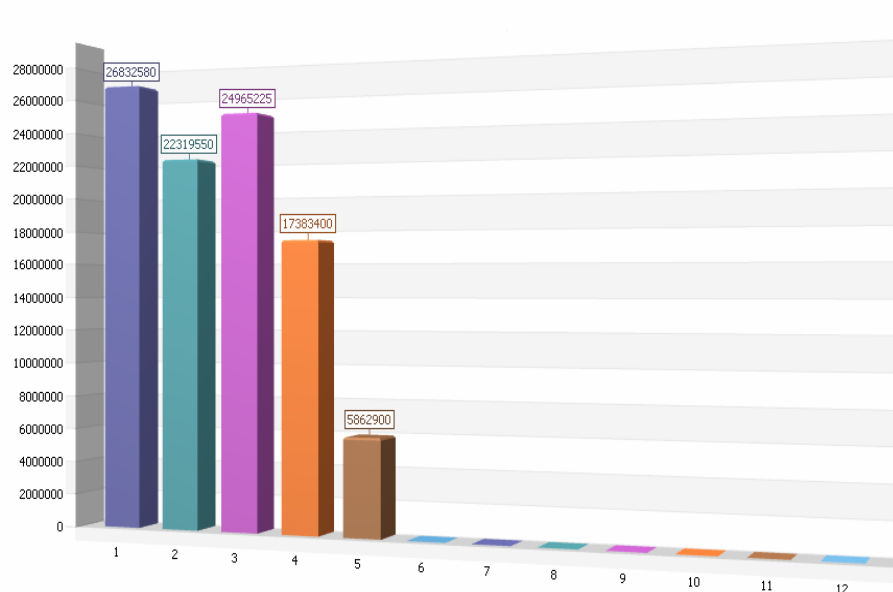
The explanation of brand loyalty and brand satisfaction above leads to the connection between brand communication and brand satisfaction, which in this case is motivated by the use of digital marketing strategies with various information technology applications. Below is a chart of very monthly sales from Cooperative Trading House by using both online (digital marketing) and offline (store) strategy.

**2018 Sales Charts Every Month Cooperative Trading House**



**Figure 1** 2018 Sales Charts Every Month Cooperative Trading House

## 2019 SALES CHARTS EVERY MONTH COOPERATIVE TRADING HOUSE



**Figure 2** 2019 Sales Charts Every Month Cooperative Trading House

### Conclusions and Recommendations

From the discussion above it can be concluded that digital marketing strategy carried out by Cooperative Trading House are the programs that must be continued and carried out as a form of concern for the East Java provincial government towards Micro, Small and Medium Business Enterprise actors.

Digital Marketing Strategy is a marketing strategy that utilizes increasingly developing information technology. The implementation of these strategies in a business must be taken into account regarding various internal and external factors to determine suitability and to determine the most appropriate Digital Marketing strategy. The main objective of implementing the Digital Marketing strategy is to establish communication between producers and customers, more precisely to communicate the brand in building brand trust and loyalty to customers. Loyalty is the result of the accumulation of repeated satisfaction, so that conceptually the connection between the application of Digital Marketing strategies can be drawn to increase customer satisfaction.

The previous sales charts, which shows the monthly sales from the beginning of Cooperative Trading House in 2018 until 2019, shows that there is an increase amounts of sales for Micro, Small and Medium Enterprise in several months and it is occurred both from online/digital marketing and offline/store marketing. The support from Cooperation Trading House for Small and Medium Business Enterprise is still in need as well as subsidy for Micro, Small and Medium Business Enterprise players, which will not be too costly. Cooperative

Service also needs to make an agreement with the tourism board, so that tourists who visit Surabaya can also visit CTH Store to find souvenirs from East Java Province Indonesia. Cooperative Trading House also needs to create a more attractive website and social media in order to attract followers to get to know authentic products of east java province in an easier way.

Cooperative Trading House through Cooperative Service also has to shorten the procedures and requirements to be a CTH member, which helps increase more various products from Micro, Small and Medium Business Enterprise.

Cooperative Service also needs to train the players of Micro, Small and Medium Business Enterprise to have they own social media as well as digital marketing through their own website. Therefore, the revenue sales are not only from offline stores but also online stores.

Cooperative Service must also provide an exhibition in public place for promoting products from East Java Province in particular, which can be a trigger for Micro, Small and Medium Enterprise to be more creative and attract buyers.

Exporting the products of East Java Province Indonesia is also an assignment for Cooperative Trading House as well as Cooperative Service to find a potential buyer from foreign country who is willing to accept the products and promote world wide.

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