

Improving Customer Engagement of Food and Beverage Small and Medium Enterprises (MSMEs) Through E-Commerce and Content Marketing Training



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ABSTRACT: Over the past five years, the rapid growth of MSMEs in Indonesia has also resulted in many MSMEs going bankrupt. However, this rapid growth of MSMEs is also accompanied by many MSMEs going bankrupt due to mismanagement and low competitiveness caused by the lack of adaptability to business digitalization through e-commerce and product promotion strategies through digital media. Similar problems are also experienced by Food and Beverage MSMEs in Ketintang Village, Surabaya. This drives the importance of increasing competitiveness with more effective business management and digital marketing strategies through community service programs in this area. This community service-based research consists of online store design training activities in e-commerce marketplaces and content marketing with outputs in the form of scientific publications in indexed international journals, publications in the mass media, increasing community understanding and skills, and YouTube videos aimed at improving customer engagement in e-commerce marketplaces. Using the experimental method, this study concluded that SMEs showed a positive perception of the importance of e-commerce in increasing market reach and sales and insight into digital marketing in compiling content marketing that can increase customer engagement for food and beverage products.

KEYWORDS: SMEs, e-commerce, digital marketing, customer engagement, food and beverage

I. INTRODUCTION

Digital transformation is becoming increasingly crucial for MSMEs in 2024. Recent data shows that adopting digital technology can increase MSME resilience to external shocks such as economic downturns and other disruptions. In addition, this transformation drives productivity and expands market access through e-commerce and digital (INSME, 2024; World Economic Forum, 2024). In 2024, it is estimated that there will be around 68 million MSMEs in Indonesia, with an annual growth of around 2% compared to the previous year. This growth is driven by the increasing adoption of digital technology, where more than 30 million MSMEs have joined the digital ecosystem for marketing, sales, and business management purposes. This step was taken in response to the increasingly digitally connected market and the need to remain competitive in the digital era. For more details, see Figure 1.



Growth in the Number of Indonesian MSMEs until 2023 (katadata.co.id)
Figure 1. Trends in the Development of the Number of MSMEs in Indonesia

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However, challenges still need to be addressed, including limited access to digital skills, financial constraints, and the need for better infrastructure. Addressing these issues through multi-stakeholder collaboration and a tailored digital roadmap can help MSMEs overcome these obstacles and fully realize the benefits of digital transformation (Ventureburn, 2024; PC Tech Magazine, 2024).

By 2024, more than 85% of organizations recognize adopting new technologies as a key driver of transformation. MSMEs increasingly view digitalization as an option and a necessity to remain competitive in the evolving market landscape (Lanars, 2024). In addition, the Ministry of Finance encourages MSMEs to enter the digital market by developing Indonesia's digital ecosystem in terms of infrastructure and access to digital services. Based on the latest data, the Ministry of Cooperatives and SMEs estimates that the potential of the digital economy of MSMEs in Indonesia can reach a value of IDR 5,800 trillion in 2030, a significant increase from previous estimates. This development is driven by the opening of more comprehensive market access in the digital ecosystem, as well as the increasing number of MSMEs that are members of the digital ecosystem, which is targeted to reach 30 million players in 2024 (Cabinet Secretariat of the Republic of Indonesia, 2024; BPMI Setpres, 2024; BCG, 2024).

Partners in this Community Service program are Food and Beverage MSMEs. The partner profiles are described in Table 1 below.

Table 1. Partners Profile

Type of MSMEs	Food and Beverage MSMEs
Operating year since	2018
Institution partner	Ketintang Subdistrict, Surabaya
Number of employees/MSMEs	15 people
Sales/month	+ Rp 10,000,000/USD 1.000, -

During this 1 year, the Food and Beverage UMKM initiated by Ketintang Village has been quite competitive with other similar professional competitors. Currently, partners also occupy empty space in the village office area. This COMMUNITY SERVICE activity began with discussions and benchmarks from other villages in Surabaya City. Figure 2 shows an open discussion regarding opportunities for cooperation between Surabaya State University and the Surabaya City Government.



Figure 2. Discussion of Collaboration Opportunities with Partners

Based on the initial discussion with the Head of Ketintang Village, several obstacles were encountered in the Food and Beverage MSME business. To support MSMEs in being competitive, it is time for each employee to be aware of digital marketing and digital financial records. These two things are inevitable and must be responded to immediately by all MSMEs in Indonesia to avoid being eroded by the increasingly rampant electronic marketplace. The presence of the Community Service program promoted by Surabaya State University also encourages MSMEs around the campus in the digital transformation of MSMEs. Likewise, there is a need for partners for new things learned in science at universities. Food and Beverage MSMEs are one of the business units initiated by the Surabaya City Government through Ketintang Village. Although currently only using manual Food and Beverage machines, Food and Beverage orders are still quite competitive with existing competitors:

Here are two main problems currently faced by partners and the Surabaya City Government as the partner manager:

1) Marketing carried out until now is still conventional, making it difficult for partners to reach a wider market. With increasingly sophisticated and fast technology, partners should be responsive to developments in the marketing world, which is now shifting toward digitalization.

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2) There is a Lack of literacy and understanding of marketing content and E-commerce, so products cannot be marketed widely, for now, only through WhatsApp for Business.

II. LITERATURE REVIEW

A. Definition of Content Marketing and Its Benefits for MSMEs

Content marketing is a strategic marketing approach that focuses on creating and distributing consistent, relevant, and valuable content to attract and retain a clearly defined audience and drive profitable customer action. In today's digital era, content marketing is becoming increasingly important for MSMEs (Micro, Small, and Medium Enterprises). By utilizing content that provides added value, MSMEs can promote and educate customers about their products or services, ultimately increasing customer trust and loyalty. The main benefits of content marketing for MSMEs include increasing brand awareness, strengthening customer relationships, and increasing sales conversions. Recent studies have shown that MSMEs that consistently implement informative and high-quality content marketing can build authority in their industry, increase customer trust, and strengthen their position in the market. In addition, content marketing is often more cost-effective than traditional marketing, allowing MSMEs to reach a wider audience on a limited budget (Kemp, 2024; Digital Marketing Institute, 2023).

B. Customer Engagement to Increase Food and Beverage SME Sales

Customer engagement builds strong, sustainable relationships between customers and brands through meaningful interactions. In the food and beverage sector, customer engagement is critical in increasing sales and retaining customers. Customers who feel engaged tend to be more loyal and have a higher lifetime value for the business. Strategies to increase customer engagement in food and beverage MSMEs include interactions through social media, developing loyalty programs, using personalized marketing, and creating engaging content. Recent research shows that strong customer engagement significantly contributes to increased sales. Customers who feel engaged and valued are more likely to make more frequent and larger purchases. In addition, high customer engagement also helps MSMEs get valuable feedback for product or service development, which ultimately increases overall customer satisfaction (Hootsuite, 2023; Deloitte, 2024). One solution that partners already have is a smartphone. With a smartphone, partners can do digital marketing and better financial records. Some of the solutions offered in this community partnership program are optimizing digital and conventional marketing to reach a broader market. The digital marketing in question is advertising content and paying attention to search engine optimization and supporting facilities for more effective and efficient sales (Mavilinda et al. 2021). The importance of a comprehensive digital marketing plan in this COMMUNITY SERVICE program consists of (1) digital content design using the Canva image editor tool, (2) introduction to search engine optimization (SEO) and social media marketing (SMM), and (3) installation of business profiles on the Shopee e-commerce marketplace.

After the above solutions are implemented, it is hoped that partners can feel the benefits of this COMMUNITY SERVICE program, including:

No	Activities	Learning Materials
1	Training	Creating Marketing Content 1. Creating Campaign plan 2. Creating Content marketing 3. Creating Product Description and Catalogue
2	Practice	Selling Practices on E-commerce 1. Selling on Shopee 2. Selling on Go FOOD App
3	Evaluation	Customer engagement metrics

This Community Service program proposal is part of a series of ongoing community service programs, especially for MSMEs. Based on the problems formulated in sub-chapter 1.2, the solutions offered have also been carried out on several parties before. For more details, see Figure 3.

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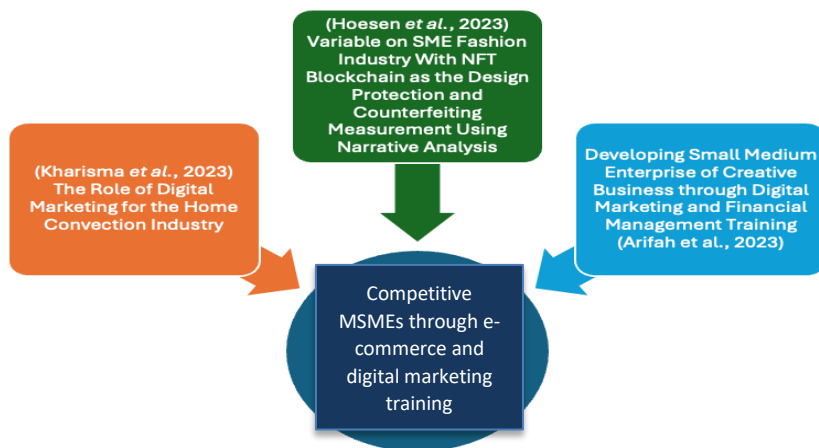


Figure 3. Relationship between team research and program proposals

III. METHOD

The implementation flow of this Community Service activity is generally divided into two parts: e-commerce and Digital marketing content. Figure 4 shows the flow for each solution offered.

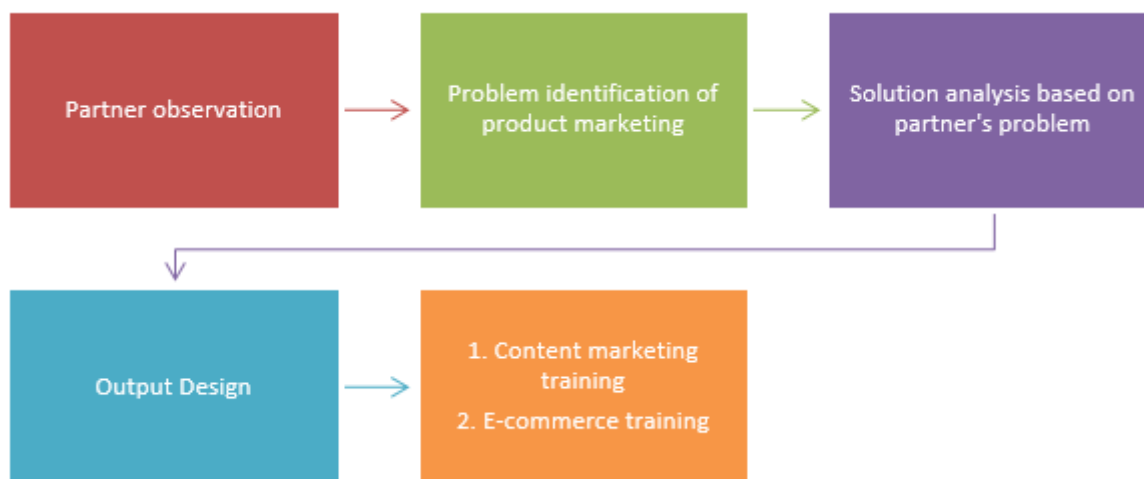


Figure 4. Community Service Activity Implementation Flow

The explanation of each stage of Community Service implementation, as presented in Figure 4, is as follows:

1. The first stage begins with the implementing team and partners observing problems. Both parties then prioritize problems based on urgency and needs.
2. The second stage defines partner problems related to marketing. After identifying the three problems, the proposing team offers several solutions to partners based on their priority.
3. In The third stage, the implementing team designs the main outputs for partners, namely Marketing Content and compiling E-commerce modules for partners.
4. In The fourth stage, the implementing team compiles various outputs according to the realization of activities that have been achieved. The output targets in question include scientific articles, mass media articles, videos of activity implementation, and evaluation of partner empowerment.

A. Partner participation

The proposing team hopes that these partners can actively participate in this activity in the following ways:

1. Have a high commitment to providing information about their conditions truthfully.
2. Highly committed to using training and training output best.
3. Help facilitate the administrative process according to applicable procedures and provisions at the proposer and partner institutions.
4. Continue to comply with health protocols in activities the proposer holds.
5. Provide school facilities and infrastructure and take time during the implementation of the Community Service program

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B. Activity implementation team

The following table shows the implementation team and their respective roles in this Community Service activity proposal.

Table 2. Division of Team Roles and Responsibilities

Name	Roles	Time Allocation	Responsibilities
Fresha Kharisma	Team leader	8 hours	<ul style="list-style-type: none"> ▶ Prepare proposals ▶ Prepare final reports and budget accountability
Ika Diyah Candra Arifah	Member	6 hours	<ul style="list-style-type: none"> ▶ Drafting progress reports ▶ Drafting scientific articles
Nanang Hoesen	Member	6 hours	Create news in electronic mass media and produce articles
Hafid Kholidi Hadi	Member	6 hours	Submit web to DJKI, Create and edit videos to be uploaded to electronic mass media
Muhammad Fachmi	Member	6 hours	Taking questionnaire data from MSME respondents
Cai Gi	Member	6 hours	Taking questionnaire data from MSME respondents

C. Evaluation and sustainability of the program

Skills evaluation can be done using a project assessment approach. Implement digital marketing content systems and designs to measure the capabilities of MSMEs in digital marketing. To support the program's sustainability, the community service team will help implement training results and brief applications and discuss them with partners.

IV. RESULTS AND DISCUSSION

A. Implementation of Community Service Content Marketing and E-Commerce Training

This community service is designed to support micro, small, and medium enterprises (MSMEs) in the food and beverage sector in improving their content marketing and e-commerce skills. With the rapid growth of digital platforms, this training aims to help MSMEs optimize their online marketing to increase sales and competitiveness in the market. The purpose of this activity is to equip food and beverage MSMEs with content marketing skills to promote their products effectively on social media and other online platforms, teach the use of e-commerce to sell products directly to consumers through online platforms, help MSMEs understand how to design digital strategies that suit their market needs and provide practical guidance on creating attractive content and managing online stores. Target Participants This training is targeted at MSME entrepreneurs in the food and beverage sector who want to improve their online marketing and MSME workers or staff involved in marketing and selling products in the Ketintang sub-district area, Surabaya, Indonesia which will be held in August 2024.

The materials presented in this training are (Figure 5):

- Introduction to content marketing: Techniques and strategies to attract customers through content.
- Food and beverage content creation: Product photography, writing product descriptions, and creating recipe videos or testimonials.
- E-commerce strategy: How to start and manage an online store, payments, logistics, and customer service.
- Use of social media: Effective platforms for food and beverage marketing, how to create promotional campaigns, and the use of paid advertising.

Furthermore, in the practical session, MSME participants carry out direct exercises in the form of:

- Creating and editing visual content (product photos, cooking videos).
- Designing a marketing campaign on social media with real case studies.
- Simulation of creating and managing an online store with an e-commerce platform.

Discussion and Q&A are provided as interactive sessions to discuss challenges faced by participants, provide solutions, and answer questions. At the evaluation stage, a participant feedback session is held which aims to assess participant satisfaction and the

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effectiveness of the training using a feedback form. By understanding and implementing effective content marketing techniques and utilizing e-commerce, participants are expected to be able to increase the visibility and sales of their products.

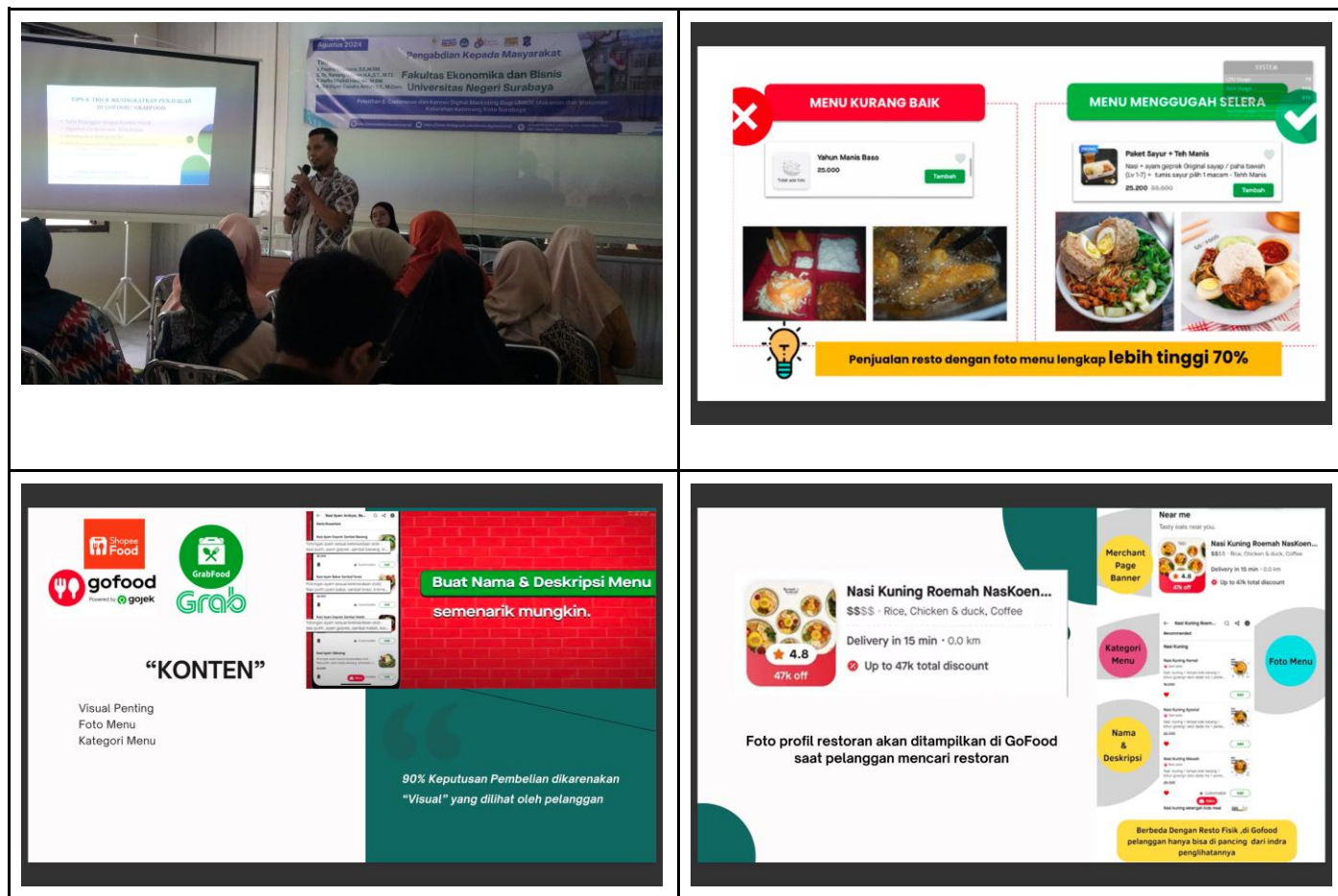
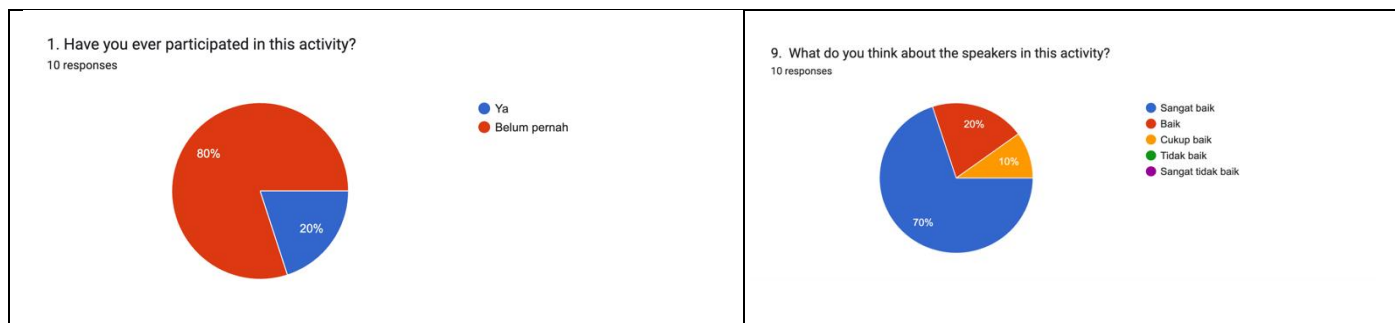


Figure 5. Documentation of Content Marketing Material for Food & Beverages SMEs

B. Results of Respondents' Perception Questionnaire on Content Marketing and E-Commerce Training

Based on the results of the respondent questionnaire on content marketing and e-commerce training, out of 10 MSMEs that participated in the training, 80% of respondents had never received content marketing and e-commerce training, so they needed this training and had an urgency to improve their marketing skills (where 80% also thought that this training was useful). In terms of training content, respondents' understanding of the training material on content marketing and e-commerce was quite good (70%).



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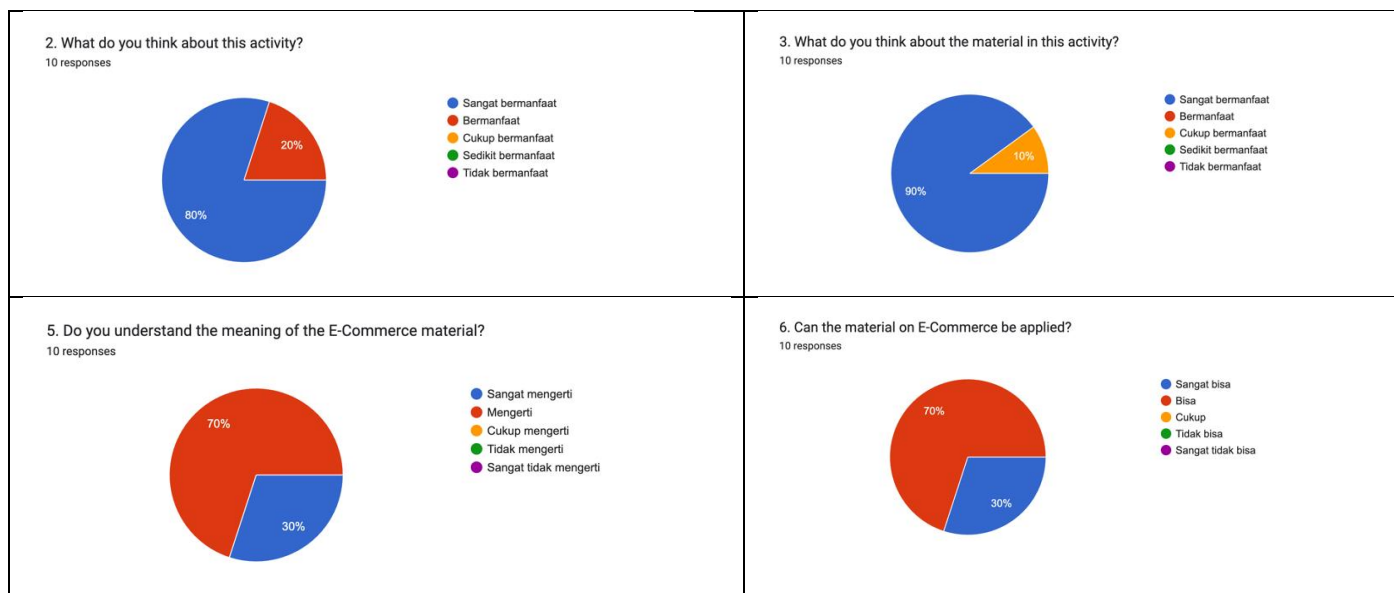


Figure 6. Results of SME Feedback Survey on Content Marketing and E-Commerce Training

Based on the survey questions asking for content marketing and e-commerce training suggestions, the respondents hope this training will be sustainable in the future, not just giving learning material. Programs like this can be delivered frequently to SMEs so that they can progress and become better. The participants hope that the community service (collaborated with the university) involving technology usage is beneficial since not all participants are good at technology literacy in e-commerce practice. After implementing this training, SMEs feel it can increase sales of SME products with improvements in their marketing content and promotions in e-commerce marketplaces and social media.

C. Food & Beverage SMEs' Customer Engagement Increase in E-Commerce Marketplace

Food and Beverage SMEs reported a 30% increase in repeat purchases from customers enrolled in their loyalty program. This resulted in a significant increase in engagement, with a 50% jump in social interactions and a 20% increase in product sales during the campaign. The campaign drastically increased brand visibility, with social media engagement up 40% and product sales increasing 25% after the campaign. Implementing the training materials increased customer retention by 25% and average order value by 15%. The improved visuals and clear descriptions contributed to an 18% increase in sales conversions. The SMEs also reported a 15% reduction in cart abandonment rates and increased customer satisfaction. The offer increased sales by 40% compared to previous months. This shows how food and beverage SMEs can increase customer engagement by using various creative and integrated strategies on the e-commerce platform.

V. CONCLUSIONS

Training in content marketing and e-commerce is essential for MSMEs (Micro, Small, and Medium Enterprises) in the food and beverage sector. Training helps MSMEs understand the digital tools and platforms to market their products effectively. This includes using social media, email marketing, and e-commerce systems. Training provides the technical skills needed to use e-commerce and content marketing technologies optimally. Training helps MSMEs design effective content strategies, including creating relevant and engaging content for the target audience. It teaches techniques for creating high-quality content such as product photos, recipe videos, and compelling product descriptions. Overall, content marketing and e-commerce training provides MSMEs in the food and beverage sector with the skills and knowledge needed to improve marketing performance, expand market reach, and optimize customer experience. This contributes to sustainable business growth and success in an increasingly competitive market.

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