

# SMALL AND MEDIUM ENTERPRISE DEVELOPMENT AND UTILIZATION DIGITAL TECHNOLOGY REVOLUTION 4.0 IN SUPPORTING THE CREATIVE ECONOMY

**Evi Selvi, Universitas Singaperbangsa Karawang**

**Dewi Untari, Universitas Mandiri**

**Asep Muslihat, Universitas Singaperbangsa Karawang**

**H. Cecep Hermana, Universitas Singaperbangsa Karawang**

## ABSTRACT

*The purpose of the study was to determine the development of small and medium enterprises (MSMEs) and the use of technology to support the creative economy. This study uses a descriptive research approach using a qualitative approach. The results obtained in this study are that Venybrose Shoes are very creative in supporting the creative economy, namely providing convenience for new MSMEs in creating brands by means of tolling. Venybrose helps these brands take advantage of technology by marketing in the marketplace, be it shopee, Tokopedia, Instagram and also provide convenience for other brand owners who are not only tortuous but also drop ship methods. Drop shipping in sales is a way to make it easier for brand owners so that the goods are quickly accepted by buyers. These brands are able to create innovation and be creative in marketing the products of tolling with different concepts. Venybrose Shoes not only accepts tolls from other brands, but also Venybrose Shoes develops the Venybrosekids model, utilizing technology that makes sales in the marketplace, both on the shopee Tokopedia application and Instagram account.*

**Keywords:** Development, SMEs, Industrial Revolution 4.0, Creative Economy.

## INTRODUCTION

Advances in the information and technology era make economic growth in Indonesia not only dependent on extractive industries. This situation actually requires economic actors to be more open to seeing various opportunities in increasing the country's growth rate, one of which is through industries based on creativity, innovation, and technology. the development of the creative economy is growing rapidly. Based on a survey conducted by the Creative Economy Agency (Bekraf) and the Central Statistics Agency (BPS), there was an increase in the amount of GDP for the Creative Economy in 2014 from IDR 784.82 trillion to IDR 852.24 trillion with a contribution of 7.38% to the national GDP in 2015. This growth rate is expected to continue to increase to reach 12% in 2019. On the other hand, the digital sector also shows significant changes where internet users have reached 51.8% of the total population of Indonesia (BPS - Statistics Indonesia, 2014).

Technological developments develop very rapidly from year to year. Every day our lives are always side by side with technology such as social media which we always use every day to

interact with other people in cyberspace. In terms of technological development, there is the term Industrial Revolution where we are now in the era of the industrial revolution 4.0. The Industrial Revolution 4.0 is a pattern of changing the way of life, work, and relationships with each other in various fields. The industrial revolution 4.0 is based on the third Industrial Revolution, with different transformation characteristics from the previous revolution.

Information technology in the era of the industrial revolution 4.0 is currently growing rapidly. With the rapid development of this information, we are required to know, understand and master it. The rapid development of information technology also makes it easier for us to do our daily work and we can access information easily, quickly, efficiently and more accurately. In addition, the development of information technology can also open up many new jobs. With the rapid development of information technology in the era of the industrial revolution 4.0, developments in the culinary world have also accelerated. That way, inevitably you have to make changes, one of which is the product packaging design. Packaging is no longer a protector or a container but must be able to sell the product it packs. If a company has a brilliant design packaging, it certainly attracts consumers to buy its products. According to Kertajaya (2000) in his book *Marketing Plus 2000, Strategy to Win Global Competition*, he said that technology has changed the function of packaging, people used to say "Packaging protects what it sells". But in fact, it seems that now it has shifted to "Packaging sells what it protects" or when translated "packaging sells what it protects." To produce packaging that looks unique to the product. Assisted by the development of increasingly sophisticated technology, anything that can be visually appealing also becomes easier to attract the spotlight from people. The reason is, in the internet era like today, people in general often share everything that has visual appeal.

Therefore, various manufacturers are competing to spur creativity so that they can package products that are attractive to consumers. In the midst of increasingly fierce competition, of course, increasing the attractiveness of a product must be something that is developed continuously.

## Development

Development is an effort made by the government, the business world, and the community through the provision of guidance and reinforcement assistance to grow and improve the ability of small businesses to become strong and independent businesses (Hafsah, 1999). Meanwhile, according to Mangkuprawira (2004) states that development is an effort to increase knowledge that may be used immediately or often for future purposes. Furthermore, Yoder in Moekijat (2001) explains that development is every effort to improve the implementation of current and future work, by providing information, influencing attitudes or increasing skills.

The Indonesian economy MSMEs are business groups that have the largest number and are proven to be resistant to various kinds of shocks from the economic crisis. The business criteria included in Micro, Small and Medium Enterprises have been regulated in the legal umbrella. Based on Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs) there are several criteria used to define the definition and criteria of Micro, Small and Medium Enterprises. According to Rahmana (2012) several institutions or agencies even provide their own definition of Small and Medium Enterprises (SMEs), including the State Ministry of Cooperatives and Small and Medium Enterprises (Menekop and UKM), the Central Statistics Agency (BPS), Decree of the Minister of Finance No. 316/KMK.016/1994 dated 27 June 1994. The definition of SMEs presented varies from one to another. According to the Ministry of State

for Cooperatives and Small and Medium Enterprises (Menekop and UKM), that which is meant by Small Business (UK), including Micro Enterprises (UMI), is a business entity that has a net worth of at most Rp. 200,000,000, excluding land and business premises, and have annual sales of a maximum of Rp. 1,000,000,000. Meanwhile, Medium Enterprises (ME) are business entities owned by Indonesian citizens who have a net worth of more than Rp 200,000,000 to Rp. IDR 10,000,000,000, excluding land and buildings. b The Central Statistics Agency (BPS) provides a definition of SMEs based on the quantity of labor. Small businesses are business entities that have a workforce of 5 to 19 people, while medium businesses are business entities that have a workforce of 20 to 99 people. Based on the Decree of the Minister of Finance Number 316/KMK.016/1994 dated June 27, 1994, small businesses are defined as individuals or business entities that have carried out activities/businesses that have sales/turnovers per year of a maximum of Rp. 600,000,000 or assets/assets as high as Rp. Rp 600,000,000 (excluding land and buildings occupied) consists of: (1) business entities (Fa, CV, PT, and cooperatives) and (2) individuals (craftsmen/home industries, farmers, breeders, fishermen, forest encroachers, miners, traders of goods and services).

In order to support the empowerment and development of MSMEs, especially in encouraging lending to MSMEs, Bank Indonesia's efforts include the implementation of credit policies, provision of technical assistance to MSMEs through Bank Partner Financial Consultants, research on financing patterns to MSMEs, provision of information systems for small business financing and providing technical assistance.

#### **Industrial Revolution 4.0**

Industry 4.0 is characterized by increased digitization of manufacturing driven by four factors: 1) increased data volume, computing power, and connectivity; 2) the emergence of analysis, intelligence and the ability to digitize industry 4.0; 3) the occurrence of a new form of interaction between humans and machines; technology and; 4) improvement of digital transfer instructions to the physical world, such as robotics and 3D printing. Lee et al. (2013); Liffler & Tschiesner (2013) add, the basic principle of Industry 4.0 is the integration of machines, workflows, and systems, by implementing intelligent networks along the production chain and processes to control each other independently. The era of the industrial revolution 4.0 changed the concept of work, the structure of work, and the competencies needed by the world of work.

The rapid development of information technology is currently happening automation that occurs in all fields, new technologies and approaches that combine real, digital and fundamentally. Some of the challenges faced in the industrial era 4.0 are information technology security issues, reliability of production machine stability, lack of adequate skills, inability to change by stakeholders, and the loss of many jobs due to turning into automation.

The success of the government in terms of developing a region is determined by the high level of economic growth. According to the Ministry of Trade of the Republic of Indonesia (2008), the creative economy is an effort for sustainable economic development through creativity with an economic climate that is competitive and has reserves of renewable resources. A clearer definition is provided by UNDP/United Nations Development Programs which formulates that the creative economy is an integrative part of innovative knowledge, creative use of technology, and culture (UNCTAD & UNDP, 2008). Indonesia is a country with many tribes and cultures, then each region that has a culture can present its culture in unique ways. The government (Republic of Indonesia) realizes that the creative economy, which focuses on the

creation of goods and services by relying on expertise, talent, and creativity as intellectual property, is the hope for the Indonesian economy to rise, compete and gain excellence in the global economy. The development of Indonesia's Creative Economy is a form of optimism and overflow of aspirations to support realizing Indonesia's vision of becoming a developed country. In the creative economy itself there is an inseparable part of the creative economy, namely the creative industry (Ministry of Trade of the Republic of Indonesia, 2008). The creative and innovative economy that includes the creative industry in various countries is currently believed to be able to contribute significantly to the nation's economy. Indonesia has also begun to see that various sub-sectors in the creative industry have the potential to be developed, because the Indonesian nation has creative human resources and a rich cultural heritage.

## RESEARCH METHODS

This research used qualitative research methods. Qualitative research is a research method based on the philosophy of postpositivism, used to examine the condition of natural objects in which the researcher is the key instrument, data collection samples of data sources are carried out purposively at the research site, collection techniques are triangulation, data analysis is inductive/qualitative, and the results of qualitative research emphasize more on meaning than generalizations Sugiyono (2012). According to Nazir (2011), the study of literature includes data collection activities carried out to obtain materials and references that are more in-depth about the study being studied. The source of the literature under study comes from books, journals, print media, and electronic media, as well as sources from other literature related to the research discussion.

In addition, the presence of researchers is absolutely necessary. In accordance with the characteristics stated above, this research approach is a qualitative approach. This is in accordance with the characteristics of qualitative research proposed by Moleong (2002), namely: (1) the researcher acts as the main instrument, because in addition to collecting data and analyzing data, researchers are also directly involved in the research process, (2) has a natural setting, the researched and generated data will be presented in accordance with what is happening in the field, (3) the research results are descriptive, because the data collected is not in the form of numbers but in the form of words, (4) more emphasizes the process rather than the results, (5) there is a problem limit determined in the focus of the research, and (6) data analysis tends to be inductive.

The subject of this research is Venybrose Shoes. Venybrose Shoes is one of the SMEs engaged in the manufacture of shoes. Venybrose Shoes developed a new breakthrough, namely Venybrose Kids. In the preparation of this research, the author collects data to obtain information and analyze data so that these data can provide information for research. Sources of data obtained by researchers through direct observation with the owners of MSME shoes. Data were also obtained from various sources, namely books, the internet, documentation and other data related to the problem under study in order to obtain material for theoretical thinking at the research stage.

Data collection is very necessary in order to obtain the most appropriate data, so that valid and reliable data are obtained. Data collection methods are techniques or ways that can be used by researchers to collect data. In addition to the data collection techniques that must be appropriate, the data collection tools must also be good. Thus, the data collected is good and correct. Data collection techniques using a qualitative research approach include; (1) Interviews

are used as a data collection technique, if the researcher wants to conduct an introduction to determine the problems that must be investigated and also if the researcher wants to know things from respondents who are more in-depth and the number of respondents is small/small. Data collection techniques are based on self-reports or at least on personal knowledge and beliefs. Interview technique is used in conducting in-depth question and answer with the respondents. Interviews were conducted with the aim of obtaining information or verbal opinions from respondents regarding their positions. The results of the interviews were recorded in a temporary record of the results of the interviews, in the end the transcripts of the interviews were compiled;

(2) Documentation Documentation techniques are used because in many cases documents can be used to test, interpret and even predict, In addition, there are several reasons for the use of documentation, including: documents and recorders are stable, rich and encouraging sources, useful as evidence for an event, have a natural nature, are in accordance with the context, born and are in context and are easy and not difficult to obtain. The documentation carried out by researchers at the research location includes documenting the flow. Data is an important material that is useful for problems that occur. The data used is information that has to do with research;

(3) Literature Study This study can be interpreted as a step to obtain information from previous research that must be done, regardless of whether a study uses primary data or secondary data, whether the research uses field or laboratory research or indoors. Nazir (2011) explains that literature study is a data collection technique by conducting a review study of books, literatures, notes, and reports that have to do with the problem being solved.

In data analysis, the researcher uses an interactive model, whose elements include data reduction, data display, and conclusion drawing/verifying. The flow of data analysis techniques is as follows:

1. Data Reduction The definition of data reduction is the process of improving data, both reducing data that are considered less necessary and irrelevant, as well as adding data that is felt to be lacking. The data generated in the field may be very large. Data reduction means summarizing, choosing the main things, focusing on the important things, looking for themes and patterns. Thus, the data to be reduced provides a clearer picture, and make it easier for researchers to conduct further data collection, and look for it when needed (Sugiyono, 2016).
- Presentation of data, namely displaying or presenting data will make it easier to understand what happened during the research. After that, it is necessary to have a work plan based on what has been understood. In presenting data, in addition to using narrative text, it can also be in the form of nonverbal language such as charts, graphs, floor plans, matrices, and tables. Data presentation is a process of collecting information that is arranged based on the required categories or groupings. Miles and Huberman in qualitative research data presentation can be done in the form of a brief description, charts, relationships between categories of flowcharts and the like;
3. Drawing Conclusions Drawing conclusions, namely the last step used by data analysis techniques is data verification. Data verification is carried out if the initial conclusions put forward are still temporary, and there will be changes if they are not accompanied by strong supporting evidence to support the next stage of data collection. If the conclusions raised at an early stage are supported by valid and consistent evidence when the research returns to the field to collect data, then the conclusions put forward are credible or trustworthy conclusions (Sugiyono, 2016).

## RESULTS

From the results of direct interviews with the owners of Venybrose Shoes, the business development carried out is creative and innovative. Venybrose not only utilizes technology but Venybrose strives to develop continuously by creating models of shoes and sandals that attract customers because the shoes and sandals that are made follow the trend in now. Venybrose Shoes is not only involved in sandals and adult shoes, but also develops models for children called Venybrosekids with small sizes. Venybrose develops its business by continuing to maintain open resellers by giving permission to use its own brand name or called maklon, one of which is the KenKei brand. The Kenkei brand sells shoes and sandals with one pair of children and mothers, which makes consumers interested because they can use the same product and there are other brands that Venybrose produces, not only Kenkei but there are more, namely Dimy.shoes, Osborn, and SieAzizah Shoes, Rainbows.



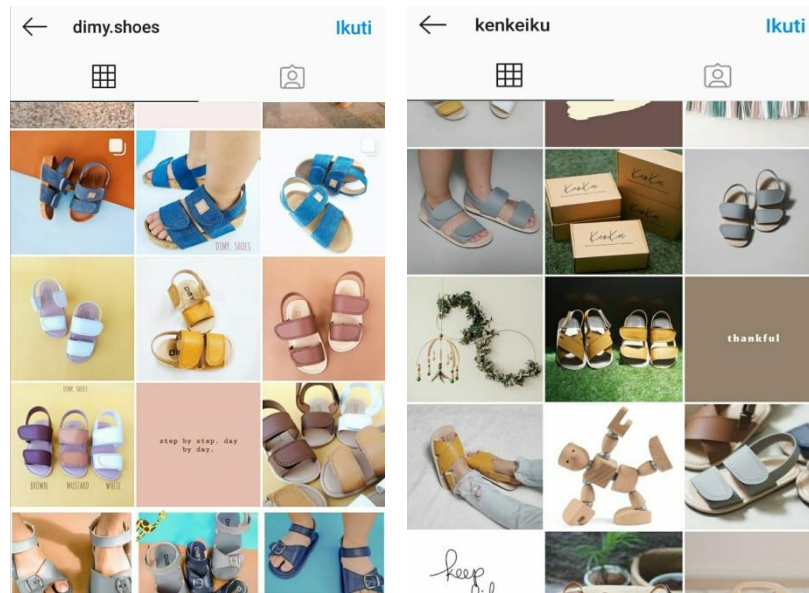


**FIGURE 1**  
**VENYBROSE PRODUCTS AND MAKLON RESULTS FROM RESELLERS**

In Figure 1 this is an unpackaged product which will be packaged by customers from other brands, including Kenkei, Ranbow, Dimy Shoes and the owner's own account, Venybrose Shoes and Venybrosekids. These products will be packaged individually by brand owners who are very creative and innovative which were previously unattractive but after being marketed



through the marketplace, be it shopee, pedia shop and Instagram, it is very attractive for customers to make purchases.



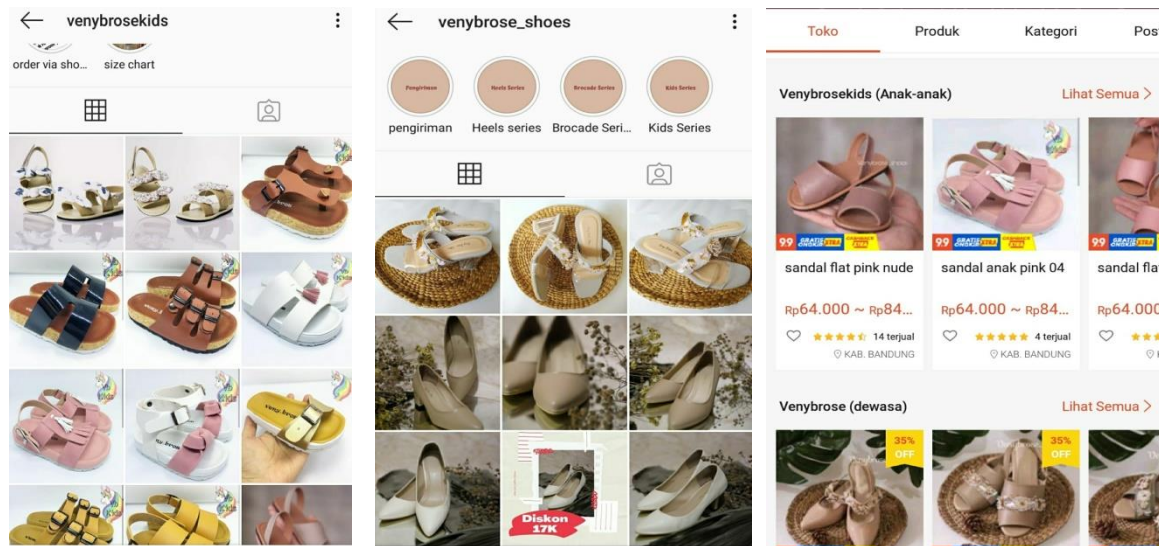
**FIGURE 2**  
**PRODUCTS MARKETED THROUGH THE INSTAGRAM MARKETPLACE AS A RESULT OF TOLLING**

In Figure 2, these are some of the maklon in Venybrose shoes that have been packaged by the owner who owns the brand, both Kenkei Shoes and Dimy shoes. The product looks beautiful and attracts consumers to make a purchase because it has unique innovations that have the characteristics of each Kenkei having the concept of a pair of sandals with children, while Dimy shoes focuses on children's sandals.

In the Figure 3, Venybrose Shoes is not only a mockery of several brands, but Venybrose Shoes also uses technology by selling in marketplaces such as Shopee and TokoPedia and is active on Instagram.

From the explanation above, Venybrose shoes are very creative and innovative not only for their own business but also can help MSMEs to make efforts to create their own brands and have different concepts. Utilize technology, be it shopee, instagram and also pedia shop. It is undeniable that consumers are currently more interested in making purchases in the marketplace because in the marketplace there are many benefits that are obtained by customers or consumers, one of which is free shipping and affordable throughout Indonesia. Venybrose Shoes does not let its resellers still help, such as drop ship shipping of goods.





**FIGURE 3**  
**VENYBROSE SHOES AND VENYBROSEKIDS PRODUCTS SOLD ON THE MARKETPLACE**

### CONCLUSION

Based on the results of the discussion, it can be concluded that it was obtained in this study that Venybrose Shoes are very creative in supporting the creative economy, namely providing convenience for new MSMEs in creating brands by means of tolling. Venybrose assists these brands in utilizing technology by marketing in marketplaces, be it shopee, tokopedia, Instagram and also providing convenience for other brand owners who are not only tortuous but also drop ship. Drop shipping in sales is a way to make it easier for brand owners so that the goods are quickly accepted by buyers. These brands are able to create innovation and be creative in marketing the products of tolling with different concepts. Venybrose Shoes not only accepting tolls from other brands but also Venybrose Shoes developing the Venybrosekids model, utilizing technology that makes sales in the marketplace, both on the shopee Tokopedia application and Instagram account.

### REFERENCES

- Hafsah, M.J. (1999). *Kemitraan usaha: konsepsi dan strategi*. Pustaka Sinar Harapan.
- Kertajaya, H. (2006). *Marketing Plus 2000/SC Siasat Memenangkan Persaingan Global*. Gramedia Pustaka Utama.
- Lee, J., Lapira, E., Bagheri, B., & Kao, H.A. (2013). Recent advances and trends in predictive manufacturing systems in big data environment. *Manufacturing Letters*, 1(1), 38-41.
- Liffler, M., & Tschiesner, A. (2013). *The Internet of Things and the Future of Manufacturing*. McKinsey & Company.
- Mangkuprawira, S. (2004). *Manajemen Sumber Daya Manusia Strategik*. Bogor: Ghalia Indonesia.
- Ministry of Trade of the Republic of Indonesia. (2008). *Pengembangan Industri. Kreatif Menuju Visi Ekonomi, Kreatif Indonesia 2025*. Jakarta: Ministry of Trade of the Republic of Indonesia.
- Moekijat, M. (2001). *Pengembangan Manajemen dan Motivasi*. Bandung: Pionir Jaya
- Moleong, L. (2002). *Metodologi Penelitian Kualitatif*. Bandung: Remaja Rosdakarya.
- Nazir, M. (2011). *Metode Penelitian*. Jakarta: Ghalia Indonesia.
- No, L. (20). of 2008 concerning Micro. Small and Medium Enterprises.).

- Rahmana, A. (2012). Strategi pengembangan usaha kecil menengah sektor industri pengolahan. *Jurnal Teknik Industri*, 13(1), 14-21.
- Sugiyono, S. (2012). Metode Penelitian Kuantitatif Kualitatif dan R&D. Bandung: Alfabeta.
- Sugiyono, S. (2016). Memahami Penelitian Kualitatif. Bandung: Alfabeta.
- Statistik, B.P. (2018). Produk Domestik Bruto Indonesia Triwulanan. BPS-Statistics Indonesia, Jakarta.
- UNCTAD & UNDP. (2008). Creative Economy Report 2008: The Challenge of Assessing the Creative Economy: Towards Informed Policy-Making, UNCTAD/DITC/2008/2. Geneva: United Nations. [https://unctad.org/system/files/official-document/ditc20082cer\\_en.pdf](https://unctad.org/system/files/official-document/ditc20082cer_en.pdf).