



## Strategy Of Omni Channel Marketing & Business Sustainability Of E Commerce Through The Character And Mindset Of Msmes During The Covid-19 Pandemic In Siantar City

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### ABSTRACT

This study examines UMKM's strategy to survive the COVID-19 pandemic. The findings of this study can help UMKM actors make decisions during pandemic uncertainty. This study is slightly different from previous, similar studies. Previous research looked at the long-term viability of UMKM businesses and competition among UMKM. However, during the COVID-19 pandemic, the situation was very different. This is not separate from the market anomalies that absorb UMKM products. UMKM faces the most difficult time in its business history. This investigation explains a change in the behavior of both UMKM perpetrators and buyers in the face of a pandemic. The research also shows that the surviving UMKM business operators are those who are able to adapt and innovate in their services and production processes. This research is expected to contribute to the development of UMKM strategies to survive the Covid-19 pandemic.

### INTRODUCTION

The Corona virus, better known as COVID-19, has changed maps, behaviors, and business strategies. The Covid-19 crisis has had a harsh impact, highlighting the various challenges of sustainable development, and the decisions made by the community now on its path to recovery will shape the path of sustained development for years to come. Research conducted (Putri, 2020:27) revealed that marketing activities, especially during pandemic periods, can create economic value. Digital behavior is driving the expansion of online consumers no longer in the millennial generation (Setia Wibowo et al., n.d., 2016–21). These changes are one of the most persistent manifestations of pandemic uncertainty. Thousands of UMKM victims have suffered serious impacts from this pandemic. Their company has suffered a 56% decline. Research carried out (Pakpahan, 2020:79) revealed that in addition to the decline in

income, the perpetrators of UMKM also experienced difficulties in financing, distribution, and obtaining raw materials. This situation is not beyond the uncertainty of pandemic times. Research (Brown & Rocha, 2020:125) revealed the existence of a decrease in UMKM capital of up to 60% due to this chronic pandemic. It cannot be denied; gradually, everything has shifted to the digital direction, making interaction between humans and technology unavoidable.

The impact of the era of the industry revolution 4.0 is the digital technology used to enable the occurrence of the interconnection between the physical machine and the technology production system to become the main element of the development of conventional industry towards the digital industry so that it is able to transfer data without human help as well as with the presence of big data to be able to help in determining the direction of the business. This uncertainty causes UMKM growth to slow, if not halt.

But not a few of them could eventually rise up and recover from pandemic times. These recovering UMKM perpetrators are those who are able to adapt to the conditions of pandemic times and then make plans and implement new strategies in business. This research will explore and make studies related to the continuity of UMKM business and e-commerce as marketplace tools supported by omnichannel marketing strategies. The UMKM sector shaken during the COVID-19 pandemic, in addition to food and beverages, is also affected by the creative industries and agriculture. The mindset and character of the UMKM conductors must abandon old thinking patterns that are no longer relevant and begin producing new ideas that are more relevant to the current conditions in marketing products and building spirit in their minds. The purpose of this research is to discover how UMKM's strategy, character, and mindset drive the Covid-19 pandemic effort and the implementation of a new normal. Research conducted by Pradani (2018:23) revealed that the use of social media can boost the sale of UMKM handicraft products made by PKK mothers. Digital marketing using tools like WhatsApp (WA), Instagram (IG), Facebook (FB), and other social media platforms can significantly increase revenue. The media makes it easier for them to market the products they produce.

By doing various types of startups, the sustainability of these micro and medium-sized enterprises is able to survive pandemic storms. In addition, the study also identified how the character and mindset of UMKM perpetrators in Siantar city suffered changes due to the pandemic conditions that occurred. Furthermore, it is expected to be a reference for UMKMs on how to use an advantage strategy to compete with the Omnichannel Marketing digitalization system in order to survive in the midst of tight business competition as well as pandemic conditions that have hit the world. Research conducted (Aliami et al., 2018) revealed that digital marketing management has an impact on increasing start-up business revenue. However, what is often a problem is the lack of understanding of how to create good content. In addition, the response to the content provided has been very small. This is in addition to the UMKM literature against the digital world. Things are also revealed (Susilo, 2018), where his research reveals there are differences in the profile of a demographic social media user. This study's gap research is based on

several previous studies; there is no study that combines marketing and SDM. A novelty of this study is the collaboration of omnichannel with character and mindset, which has never been done in previous research.

## METHOD

This study is a quantitative descriptive study. The population in this study was the UMKM perpetrator who was exposed to the COVID-19 pandemic in Siantar City. The population in this study is approximately 600 UMKM. The sample in this study was the UMKM perpetrator who was exposed to COVID-19 with 302 respondents. The variables that are studied are UMKM digital strategy, namely omnichannel marketing, and the character and mindset of UMKM players in the face of business competition. The method of data analysis carried out is a descriptive method; the method of quantitative analysis is to analyze, describe, and summarize various conditions and situations from various data collected as the result of an interview or observation of the researched problems that occur in the field. This method not only provides an overview of phenomena, but it also explains relationships, predicts outcomes, and determines the meaning and implications of a problem to be solved. The data obtained was then analyzed as part of the discussion and conclusion on the problem in this research.

## RESULTS AND DISCUSSION

A validity analysis is presented to provide information on the validity of the questionnaire tools used in obtaining information related to omnichannel marketing, character, and mindset, as well as sustainability of enterprise. In addition to validity, the questionnaire instrument used must meet reliability criteria in collecting data. The analysis results are presented as follows:

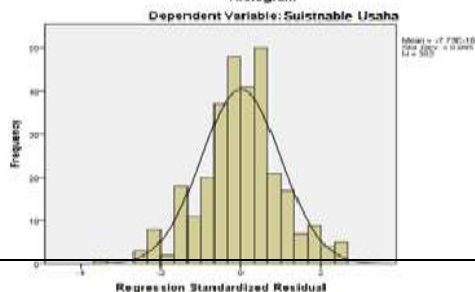
Tabel 1. Hasil reliabilitas data

Variable	Dimensions	Cronbach's alpha dimension	Cronbach's Alpha	Identifying
<i>Omnichannel Marketing</i>	Transaction Experience	0,615	0,60	Statement of reliability
	Strategy and positioning of the brand	0,663	0,60	Statement of reliability
	Operational Ability The service	0,627	0,60	Statement of reliability
	Technology and Data	0,655	0,60	Statement of reliability
	Growth of effort	0,640	0,60	Statement of reliability
	Income of effort	0,692	0,60	Statement of reliability

Sustainable effort	Quality of product	0,609	0,60	Statement of reliability
	Power of competition	0,611	0,60	Statement of reliability
	Net working	0,689	0,60	Statement of reliability
	Environmental work	0,679	0,60	Statement of reliability
Character of Entrepreneur	need for achievement	0,609	0,60	Statement of reliability
	self-confidence	0,725	0,60	Statement of reliability
	Independency and responsibility	0,621	0,60	Statement of reliability
	risk-taking propensity	0,646	0,60	Statement of reliability
	Action Oriented	0,661	0,60	Statement of reliability
	Mindset UMKM	Focus on execution.	0,670	0,60
Open Mindet		0,656	0,60	Statement of reliability
Creativity		0,686	0,60	Statement of reliability
Integrity		0,630	0,60	Statement of reliability
Dare to take a chance.		0,608	0,60	Statement of reliability
Action Oriented		0,606	0,60	Statement of reliability

Source: Data for 2021 (SPSS)

Cronbach's Alpha dimensions of Omnichannel Marketing, Sustainable enterprise, Entrepreneurial character dimensions and UMKM mindset dimensions are above 0.60 (Cronbach's Alpha), stated all instruments of statements are reliable in obtaining information. Analysis of normality assumptions. The following image is within the curve line and is symmetrical that the result can be distributed normally.



There is no multicollinearity in regression because the Variance Inflation Factor (VIF) is less than 5.

Table 2. Analisis multikolinieritas

Coefficients <sup>a</sup>		Collinearity statistics	
Model		Tolerance	VIF
1	(Constant)		
	Omnichannel Marketing	.846	1.182
	Karakter UMKM	.754	1.326
	Mindset UMKM	.697	1.435

a. Dependent Variable: Sustainable UMKM

Source: Data for 2021 (SPSS)

### Analisis Autokolerasi

Knowing no positive or negative autocorrelation with the calculation obtained the value  $dl = 1,7382$ ,  $du = 1,7990$ ,  $4-du = 2,201$ , then  $du < dw < 4-du$  ( $1,7990 < 1,817 < 2,201$ ), there is no positive and negative autocorelation.

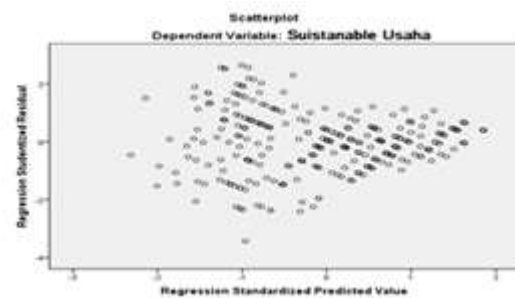
Table 3. Analisis Autokorelasi

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,756 <sup>a</sup>	,572	,568	2,837	1,817

Source: Data for 2021 (SPSS)

### Analisis Heterokedastisitas

The data points are spread above and below between the number 0 (zero) and the axis Y, meaning the results of the study do not form heterocadasthesis.



Source: Data processed, 2021

Gambar 2. Grafik scatterplot

Tabel 5. Hasil Regresi Berganda

Variabel	Unstandardized <sup>a</sup> coefficients		Standardized coefficients	t	Sig.
	B	Std. Error			
(Constant)	7,162	1,411		5,075	0,000
Omnichannel marketing	0,637	0,083	0,316	7,664	0,000
Karakter					
Mindset	0,356	0,027	0,579	13,265	0,000
Adjust R square					
F hitung					
Sig					

Source: Data processed, 2021

Based on Table 3's value of the variable regression coefficient X1 (Omnichannel Marketing), variable X2 (Character), variable X3 (Mindset), and constant value variable Sustainable Effort (Y), the double regression model can be determined as follows.

$$Y = 7,162 + 0.637 X1 + 0.356 X2 + 0.075 X3$$

The great constant value is 7,162, meaning that if the omnichannel marketing strategy that UMKM has, the character that it has, and the mindset of the UMKM perpetrator are all zero, then the sustainable enterprise has increased by 7,162. The value of the regression coefficient (1) of the omnichannel marketing variable is 0.637, meaning that when omnichannel marketing increases, it can result in an increase in sustainably efforts in the COVID-19 pandemic period if other variables are fixed. The character variable regression coefficient (2) of 0.356 means that when character increases, it can result in an increase in sustainably effort during the COVID-19 pandemic by 0.356, assuming other variables are fixed. The mindset regression coefficient (3) of 0.075 means that when the quality of the mindset increases, it can result in an increase in sustainable effort during the COVID-19 pandemic by 0.075, assuming other variables are fixed. The size of the determination coefficient of the study if viewed from the Adjust R Square value in Table 3 is 0.568, meaning the omnichannel marketing variables, character, and mindset can explain sustainable entrepreneurship by 56.8 percent, and the remaining 43.2 percent can determine other variables that are not studied in this regression model. The validity of a regression model is used as a tool for analyzing the influence of independent variables on concurrently analyzed dependent variables, as shown in Table 3, and the model validity indicates that the F analysis value is 132,878 where the probability value is less than the alpha value (0,000 0,05), indicating a valid regression equation. The t value counts the characteristic variable of the enterprise (7,664), and the probability value is 0.000 less than 0.05 (alpha value), meaning H<sub>0</sub> is rejected, stating that the marketing omnichannel variable has a significant positive impact on the sustainably profitable enterprise, so that the first hypothesis is accepted. The t-count value of the mindset variable is 0.989, and the probability value of 0.324 is greater than the 0.05 that the H<sub>0</sub> received, declaring that the variable mindset has no positive effect on the sustain effort, so the third hypothesis was rejected.

### The Speech

Effects of Omnichannel Marketing Strategy on Sustainable Business. Based on the results of this research it can be known that Sustainable efforts in the Age of Pandemic Covid-19 can be enhanced by using and improving the start-up of

omnichannel marketing and strengthening character. Efforts to maintain and enhance omnichannel marketing strategies determined by online and offline factors such as experience customer (Liñán et al., 2018:62), (Lüthje & Franke, 2020:54), (Shane et al, 2019:41) are business strategies in which they believe can enhance Sustainable in pandemic times. (Helmawati et al., 2017:71) said Sustainable business depends on good customer experience, brand determination strategy, online and offline service operational capabilities, as well as the ability to use technology and data. Every business owner who is willing to take risks shows performance in order to face the tough market in pandemic times (Lüthje & Franke, 2020:32), (Yusof et al., 2019:53). customer experience (Birdthistle, 2008:16) the operational ability of online and offline services (Chen et al, 2017:27) is a social capital to be able to survive in the Pandemic Era.

### The influence of character on sustainable effort

Character is also very important for UMKM in improving Sustainable Entrepreneurship (McCormick et al., 2016:65), (Zhang, 2015:21) this is in accordance with the findings of this research where the character consisting of need for achievement, self-confidence, Independence and responsibility, risk-taking propensity, has an important role in determining Sustainable Enterprise which the results of this study agree with (Purwanti, 2012:65). (Lanang et al., 2014:54). The need for strong achievement owned by the owner of the business to develop the business can connect UMKM with the sustainability of the enterprise (Ags, 2020:96). need for high achievements for UMKM is not sufficient to maintain the continuity of the company without having self-confidence, Independence and responsibility, risk-taking propensity as one of the key parts inining the sustainable enterprise. (Oktavia, 2018:39) stated that self-confidence and risk-taking propensity can open up potential opportunities for UMKM to penetrate the global market.

### The Effect of Mindset on UMKM Performance

Mindset in this study showed different outcomes, mindset consisting of Action Oriented, Focus on Execution, Open Mind, Creativity, Integrity, Dare Take Opportunities, Real Options Logic (Al-Eqab & Adel, 2013:87) had no collective or group influence on Sustainable Efforts. The correct understanding in organizing the business mindset

for UMKM operators is very important in order to facilitate UMKM business owners to work well in terms of managing management, managing risks, production processes, even to manage competition related to the right market share of UMKM. Research finds that still many UMKM business owners are misguided in conducting business especially during the COVID-19 pandemic, so when conducted interviews with questions in the majority questionnaire do not understand how to organize and manage the business mindset so that they can survive in the competition in the middle of the pandemics. It is the duty of all parties to be able together in making a real contribution to the perpetrators of the UMKM. In addition, improving the mindset of UMKM perpetrators also requires considerable treatment and effort as an effort to improve the quality and sustainability of the effort. (Akhmad, 2015:98). Different Results by (Ratnasih, Komang Septi. by Sujana, Edy Sinarwati, 2017:76), (Alannita & Suaryana, 2014:43), (Hamta & Putri, 2019:13), (“COVID-19 and implications for micro, small and medium-sized enterprises,” 2020) that mindset does not affect group performance but can affect individual performance.

## CONCLUSION

Marketing strategies and the character and mindset of UMKM actors are important factors to take into account in improving the sustainability of UMKM during pandemics. For the Omnichannel Marketing Strategy, the character of UMKM needs to be optimized. However, the mindset cannot determine the continuity of the UMKM effort as a whole. The findings of this study advise UMKM owners to consider omnichannel marketing strategy aspects in developing their businesses during the Covid-19 pandemic period, because using online and offline marketing, particularly in terms of marketing, can reduce direct contact and thus protect human resources from the risk of Corona virus. For the government, you can pay attention to the need for enterprise support in terms of morale, material, and UMKM sustainability, for UMKM perpetrators in Siantar City.

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