Fostering Economic Resilience in Pangkalpinang: A Qualitative Investigation into MSME Development Strategies

Dian Prihardini Wibawa [1] *, Khairiyansyah [2] *, Nurwasya [3] *, Ria Atlantica [4] *

[1,2] Management, Universitas Bangka Belitung, Bangka, Indonesia
[3,4] BAPPEDA and R&D, Pangkalpinang, Indonesia
*Correspondence : dianpw.mustafa@gmail.com , khairiyansyah.supendi@gmail.com ,
nurwasya@pangkalpinangkota.go.id , riaatlantika@gmail.com

Abstract: *Micro, small and medium enterprises (MSMEs) have a significant role in the economies of developing countries. After the Covid-19 pandemic, the transformation of MSMEs needs to be strengthened through optimizing the use of digital technology. MSME development is carried out through the pillars of corporatization, capacity building, and financing policies, in order to create productive, innovative, and adaptive MSMEs. The number of cooperatives and MSMEs in Pangkalpinang City in 2022 will reach 23,119 MSMEs and is the largest sector in absorbing labor in Pangkalpinang City. Optimizing the role of MSMEs as the backbone of the economy will continue to be directed at efforts to increase productivity and inclusive regional economic growth, through adaptation to digital changes. This study is a strategic step in developing cooperatives and SMEs to increase regional economic growth to provide answers to current problems. The data used in this study are qualitative data and quantitative data. Data collection techniques are questionnaires, interviews and documentation. This study uses fishbone diagram analysis and SWOT analysis. The results of this study are that MSMEs in Pangkalpinang City are in quadrant I position. This means that MSMEs are advised to carry out an aggressive strategy by using internal strengths to take advantage of external opportunities to achieve increased MSME growth. Weak elements of the marketing strategy for Cooperatives and MSMEs in Pangkalpinang City are caused by weak digital marketing factors, product innovation, and partnerships with marketplaces, startups, and others.*

Keywords: SMEs; fishbone diagram, swot analysis, development strategy.

JEL: M,M1,M12

1. INTRODUCTION

Micro, small, and medium enterprises (MSMEs) have a significant role in the economies of developing countries (Baral et al., 2023). According to the World Bank (2020), as many as 90 percent of business entities are MSMEs whose contribution to global labor absorption reaches 50 percent. In addition, formal small and medium enterprises contribute 40 percent of gross domestic product (GDP) in developing countries. MSMEs also have an important role in completing *the Sustainable Development Goals* (SDGs), especially to stimulate innovation, creativity and create decent work for all. Specifically, the SDGs formulate Goal 8 (target number 3) and Goal 9 (target number 3) to strengthen MSMEs through improving access to financial services (Sitopul, 2010). MSMEs contribute to economic growth in Indonesia reaching 60.34 percent of GDP (kukm.babelprov.go.id). MSMEs have a strategic role in the domestic economy, reflected in the large number of business units, high employment absorption, and large contribution to Gross Domestic Product (GDP) and GRDP (Gross Regional Domestic Product). MSME development is carried out through the policy pillars of corporatization, capacity building and financing, to create productive, innovative, and adaptive MSMEs. Digital-based transformation will support the accelerated development of MSMEs (Khikhadze, 2022). The rapid development of the digital economy and finance has given rise to various digital *platforms* that offer innovation in production, consumption, collaboration and sharing activities. This digitalization provides opportunities for MSMEs to adapt and transform to survive and rise and grow higher, accompanied by increased corporatization, capacity, and financing(Surahman & Sya'ban, 2021) .

Pangkalpinang City is the capital of the Bangka Belitung Islands Province. The Cooperative and MSME sectors have been able to absorb around 97 percent of the workforce in Indonesia. The number of cooperatives and MSMEs in Pangkalpinang City in 2022 will reach 23,119 MSMEs and is the largest sector for employment in Pangkalpinang City. This data comes from the ODS (Online Data System) of the Ministry of Cooperatives and MSMEs.
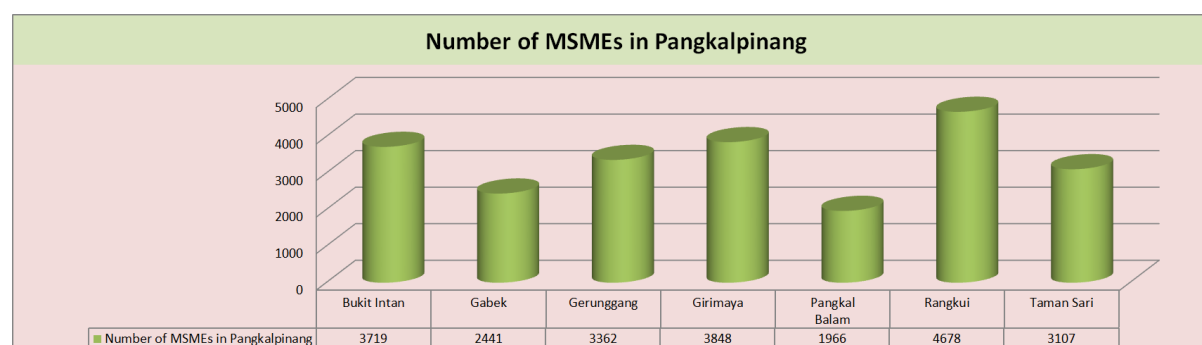

Figure 1. Number of MSMEs in Pangkalpinang City
Source: ODS data from the Ministry of Cooperatives and MSMEs, 2022

There are 7 (seven) sub-districts and 42 sub-districts in Pangkalpinang City with a total number of Cooperatives and MSMEs of 23,119 units. The subdistrict with the highest number of cooperatives and MSMEs is in Pasar Padi Subdistrict with 1,968 units, this is because this area is the center of trade and shopping in Pangkalpinang City. Meanwhile, the subdistrict that has the lowest number of cooperatives and MSMEs is Jerambah Gantung Subdistrict with 143. For data where the names of subdistricts are unknown, there are 656 MSMEs in Pangalpinang City. This data has not been directly verified by the Pangkalpinang City Government because the digitalization of MSMEs and the digital ecosystem in Pangkalpinang City is not yet well organized. Apart from that, there is no grand design and *road map* for the development of cooperatives and MSMEs in Pangkalpinang City,

Optimizing the role of MSMEs as the backbone of the economy will continue to be directed at efforts to increase productivity and inclusive regional economic growth, through adaptation to digital change. In facing these technological changes, it is necessary to strengthen digital literacy for Cooperatives and MSMEs by the government and all related stakeholders and collaborate in building and strengthening the digital literacy of MSME actors. Apart from that, access to capital by cooperatives and MSMEs in Pangkalpinang City is quite low in banking. The funding and capital target in banking is targeted to reach 40 percent by 2024. Thus, it is hoped that the development of MSMEs can support regional economic recovery in the short term and maintain regional economic resilience in the medium term. To ensure the achievement of these goals, the priority of strengthening MSMEs is directed at supporting export potential and tourism development, as well as strengthening the supply and distribution of strategic food commodities. This prioritization step is carried out through harmonious synergy of policies and programs with the Central Government and Regional Government, thereby producing superior MSMEs at the national and regional levels.

Based on the background that has been described, it is necessary to prepare this study in developing a Cooperative Development Strategy and MSMEs for Increasing Regional Economic Growth in Pangkalpinang City to provide answers to current problems.

2. LITERATURE REVIEW
2.1. Micro small and Medium Enterprises
The definition of MSMEs is regulated in Law of the Republic of Indonesia No. 20 of 2008 concerning MSMEs (Kurniati & Hidayat, 2022). Article 1 of the Law states that micro businesses are productive businesses owned by individuals and/or individual business entities that have the micro business criteria as follows. regulated in the law. A small business is a productive business that stands alone, carried out by an individual or business entity that is not a subsidiary or branch that is owned, controlled or is part, either directly or indirectly, of a medium or large business.

2.2. Regional Economic Growth

Regional economic growth is the increase in overall community income that occurs in the area, namely the increase in all value added that occurs (Yang & Qi, 2022; Tipayalai, 2020;Wang, 2022). Regional income describes the remuneration for production factors operating in the area (land, capital, labor, and technology) which means it can roughly describe the prosperity of the area(Hakim & Rosini, 2022; Nugraha, 2022) .

2.3. Digitalization of MSMEs and Digital Ecosystems

The digitalization era of RI 4.0 has begun to be felt in several MSME sectors. MSMEs that can take advantage of the advantages of technology 4.0 will experience rapid progress in their business processes, being able to increase production, marketing, financing, and payment capacity (Aprilia et al., 2023; Koch et al., 2022). This digitalization is very important and must be carried out by MSME business units. The advantages of this digitalization are(Ismail, 2023; Istrefi-Jahja & Zeqiri, 2021):

1. A necessity when doing business or enterprise in the Less Contact Economy
2. Increased wider market access
3. Increased access to financing
4. Increasing the competitiveness of MSMEs
5. Increased production efficiency and business processes

2.5. Digital Marketing

Digital marketing is the activity of promoting and finding markets through digital media online using various means such as social networks (Sari & Samsudin, 2023). Apart from that, according to (Apasrawirote et al., 2022) defines digital marketing as the exploitation of digital technology which is used to create a channel to reach potential recipients to achieve company goals through meeting consumer needs more effectively. The definition of Digital Marketing given by Chaffey, (2016; Rauf et al., 2021; Mailchimp, 2022) is the application of the internet and is related to digital technology which is related to traditional communication to achieve marketing goals . This can be achieved by increasing knowledge about consumers (such as profiles, behavior, values, and level of loyalty) then combining targeted communications and online services according to everyone's needs(Arumsari et al., 2022).

3. METHOD

The data used in this research are qualitative data and quantitative data. Data collection techniques are questionnaires, interviews and documentation and data analysis techniques in this research use fishbone analysis, SWOT analysis and literature study.

Analysis using fishbone diagrams is one method or tool for improving quality. This diagram is often called a cause-and-effect diagram. SWOT analysis is a widely known instrument for analyzing a company's internal and external environment. This analysis assumes that an effective strategy will minimize weaknesses and threats (Puyt et al., 2023;Phadermrod et al., 2019) . When applied accurately, this simple assumption has a major impact on the design of a successful strategy. Literature study is a review of previous writing and research which has the same correlation as the theme discussed in this article. Many studies discuss developments with cooperatives and MSMEs as the object of study.

4 . RESULTS AND DISCUSSION

4.1. Pangkalpinang City MSME Profile Based on Descriptive Research Results

Based on research that has been carried out by distributing questionnaires to research samples. The following is the profile of MSMEs based on several indicators that have been determined:

Table 4. 1. District Descriptive Results

No.	Subdistrict	Amount	Percentage
1.	Rangkui	20	20%
2.	Bukit Intan	17	17%
3.	Girimaya	16	16%
4.	Pangkalbalam	9	9%
5.	Gabek	11	11%
6.	Tamansari	13	13%
7.	Gerunggang	14	14%
	Amount	100	100%

Source: Research Results (2022)

Table 4.1 shows descriptive results of the distribution of MSMEs in 7 (seven) sub-districts in Pangkalpinang. The largest number of MSMEs in Pangkalpinang City are in Rangkui sub-district with a percentage rate of 20%, while Pangkalpinang sub-district is the sub-district with the fewest number of MSMEs with a percentage rate of 9%.

Table 4. 2. Gender Descriptive Results Table

No.	Gender	Amount	Percentage
1.	Man	56	56%
2.	Woman	44	44%
	Amount	100	100%

Source: Research Results (2022)

Table 4.2 shows descriptive results of the gender of MSME owners in Pangkalpinang City. MSME owners in Pangkalpinang City are dominated by men with a percentage of 56%, while MSME owners in Pangkalpinang City who are female have a percentage of 44%.
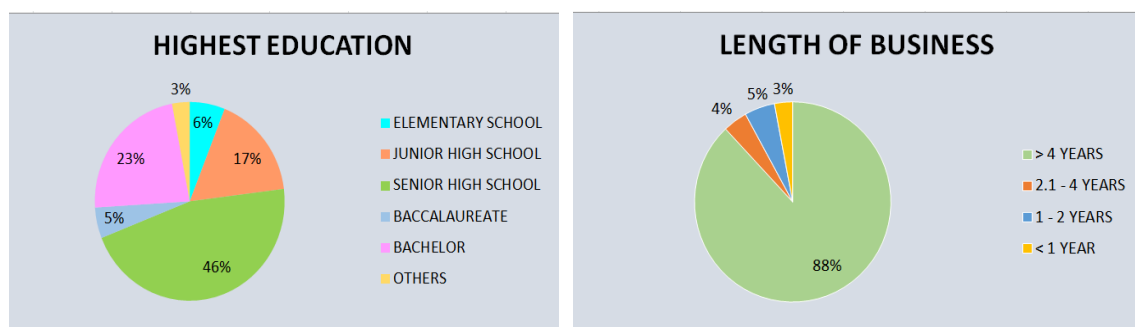

Figure 4. 1. Chart of Descriptive Results of Highest Education and Length of Business
Source: Research Results (2022)

Table and Figure 4.1 show the descriptive results of the highest education attained by MSME owners in Pangkalpinang City. The highest level of education among MSME owners is predominantly at the Senior High School level with a percentage of 46%. Then, the undergraduate level is 23%, the junior high school level is 17%, the elementary/equivalent level is 6%, the baccalaureate level is 5%, and others are 3%. *Descriptive results of the length of business that has been carried out by MSME actors in Pangkalpinang City. On average, MSMEs in Pangkalpinang City have been operating for >4 years with a percentage of 88%.*
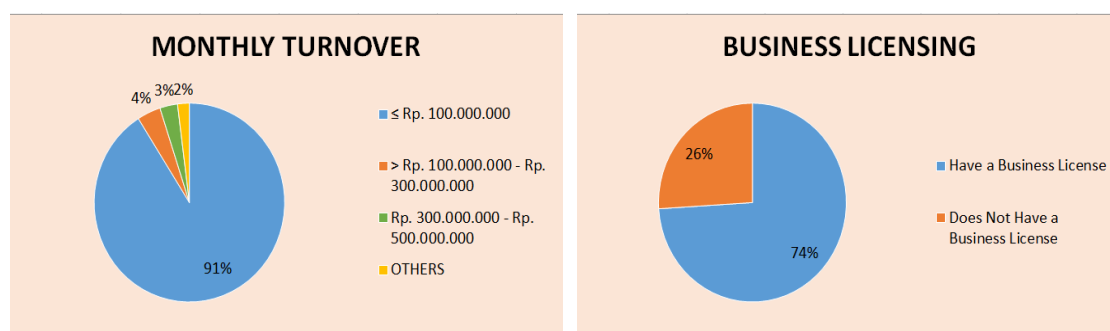
Figure 4. 2. Descriptive Results of Monthly Turnover and Business Licensing
Source: Research Results (2022)

Figure 4.2 shows the descriptive results of the monthly turnover obtained by MSMEs in Pangkalpinang City during their operational activities. MSMEs in Pangkalpinang City have an average monthly turnover of under IDR 100,000,000 with a percentage of 91%. Descriptive results of business permits owned by MSMEs in Pangkalpinang City. There are 74% of MSMEs that have business permits, consisting of SIUP, IUMK, IUK, SIG, IMB, NIB, SITU, permits from the sub-district, permits from the tourism office, and others. Then, there are 26% of MSMEs in Pangkalpinang that do not have a business permit to carry out their business.

4.2 *Fishbone* Analysis

The results of the respondent's questionnaire that have been processed produce an fishbone analysis from various perspectives. In Figure 4.3, Fishbone analysis of marketing strategy elements as a result and digital marketing, product innovation, and partnerships with *marketplaces, startups,* and others are causal factors(Irawati & Prakoso, 2022). Elements of weak marketing strategies in Cooperatives and MSMEs in Pangkalpinang City are caused by weak *digital marketing factors,* product innovation, and partnerships with *marketplaces, startups,* and others. Based on survey results in the field, the weak factor in digital marketing is because some cooperatives and MSMEs carry out business promotions manually and by word of mouth. The absence of product innovation and no partnerships with *marketplaces* and *startups* are also causes of weak marketing strategies.
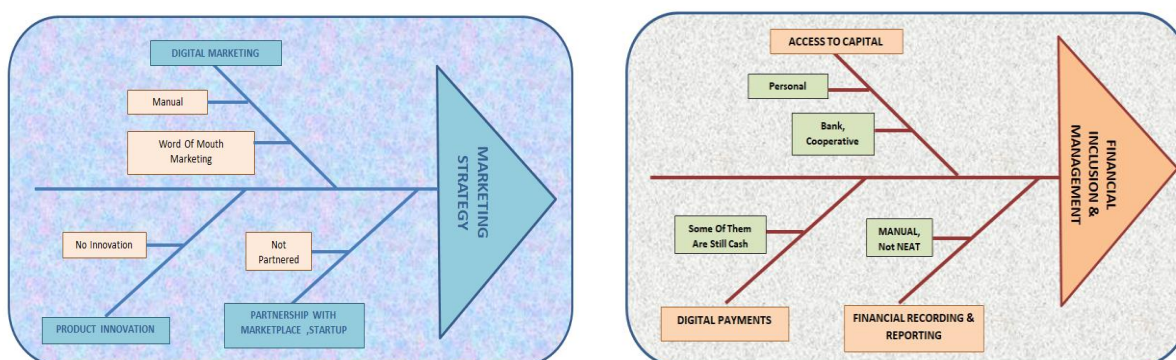

Figure 4. 3. Fishbone Analysis Scheme of Marketing Strategy and Causal Relationships
Source: Research Results, 2022

The scheme above depicts a causal or causal relationship. Elements of inclusion and financial management are consequences, while access to capital, digital payments, and financial recording & reporting are causal factors. Elements of weak financial inclusion & management in Cooperatives and MSMEs in Pangkalpinang City are caused by weak access to capital, digital payments, and financial recording & reporting. Based on survey results in the field, the factor of weak financial inclusion and management is because some cooperatives and MSMEs are not yet *bankable, and* still use limited personal funds for business capital. Some also still make transactions using cash payments. Financial recording and reporting are still manual and not neat.
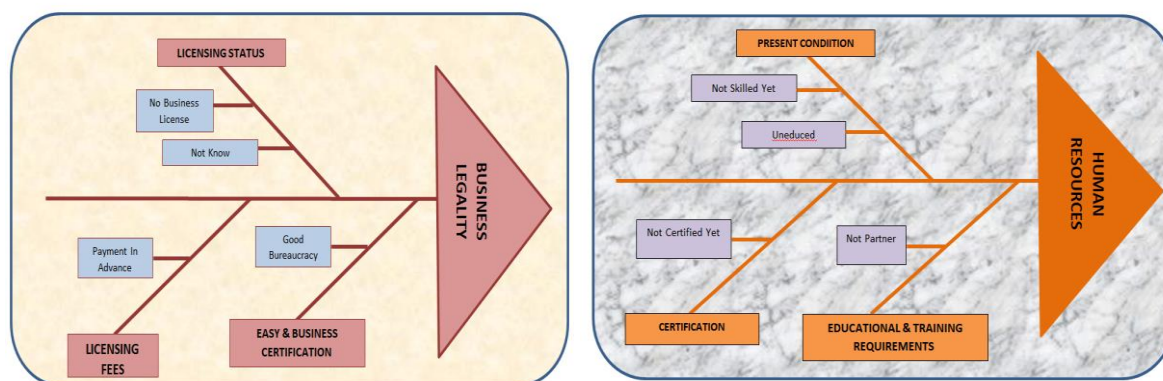
Figure 4. 4. *Business Legality* **and Human Resources Fishbone Scheme**
Source: Research Results, 2022

The element of legality of financial business is the result, while permit status, permit costs, and convenience & business certification are causal factors. Elements of weak legality of Cooperative and MSME businesses in Pangkalpinang City are caused by weak permit status, permit costs, and ease of business certification. Based on survey results in the field, the factor of weak business legality for cooperatives and MSMEs is not that much of a problem. However, several obstacles, such as the lack of business permits, are still felt by several MSMEs. The Human Resources (HR) element as a result is a factor, while current conditions, certification, and education & training needs are causal factors. Elements of weak human resources in Cooperatives and MSMEs in Pangkalpinang City are caused by weak current conditions, certification, and education & training needs. Based on survey results in the field, the weak human resources for MSMEs are because some Cooperative and MSME employees are not yet skilled and educated, there are no certified employees and there are no partnerships with educational and training institutions for employees.
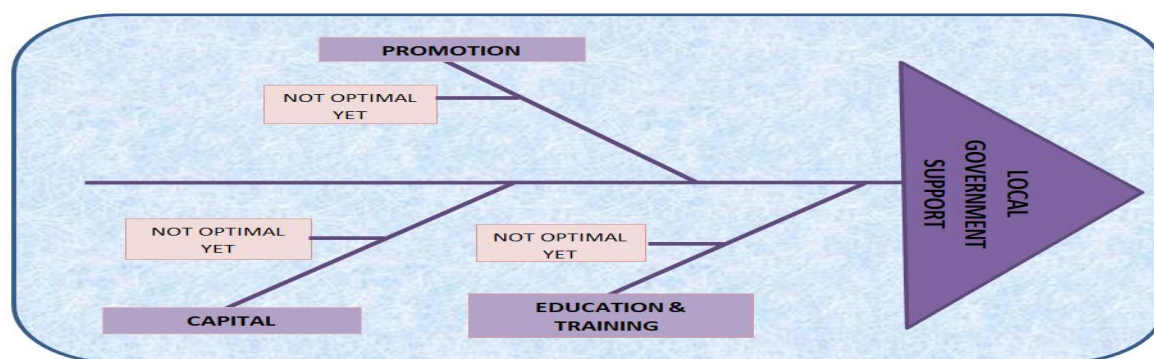

Figure 4. 5. Fishbone Scheme for Regional Government Support
Source: Research Results, 2022

Regional government support for the development of MSMEs in Pangkalpinang City has not been felt optimally by cooperatives and MSMEs. Especially related to promotion, capital, and education and training issues. The perpetrators admitted that the problems of promotion, capital, and education & training were still felt to be very lacking by cooperatives and MSMEs in Pangkalpinang.

For questions related to business actors' perceptions, it can be concluded that:

1. The existing MSME integrated center has provided benefits and support to MSMEs in Pangkalpinang City

2. Most business actors stated that MSMEs need an integrated and special center for cooperatives and MSMEs.
3. The majority of MSME players agree with the zoning policy plan and numbering of MSMEs.
4. street businesses and those that do not have a permanent business location, some agree, and some disagree.

4.3. SWOT analysis

SWOT analysis is one method used to analyze an organization in determining strategies based on the company's environmental conditions. SWOT analysis is a strategic planning analysis method used to monitor and evaluate the company's environment from both the external and internal environment for a particular business goal. SWOT is an acronym for the words: strengths, weaknesses, opportunities, *and* threats *in* a project or business speculation. These four factors form the acronym SWOT.

The SWOT analysis stage for MSMEs in Pangkalpinang City is as follows:

4.3.1. Internal Analysis (IFAS Matrix)

IFAS (Internal *Factors Analysis Strategic)* is a form of strategic analysis of internal factors of an organization/company (Suryatman et al., 2021; Mutiara, 2021). This analysis needs to be carried out in order to get a portrait of the strengths and weaknesses of the organization/company. The method for preparing IFAS is as follows:

Table 4. 3. *Matrix Internal Factors Strategic Analysis*

No	Internal factors	Weight	Ratings	Weight Score
Strength				
1.	Have competent human resources	0.19	4	0.76
2.	Professional business financial management	0.15	3	0.45
3.	Implement *digital marketing* as a business promotion medium	0.13	4	0.52
4.	Digital payment transactions (*cashless*)	0.13	3	0.39
5.	Sufficient business capital capacity	0.18	2	0.36
6.	Regional government support in strengthening business capacity	0.11	4	0.44
7.	Partnering with *marketplaces* and startups (Gojek, Grab, etc.)	0.11	4	0.44
Total Strength Score		**1**		**3.36**
Weakness				
1.	The quality of human resources is not yet skilled	0.13	3	0.39
2.	Poor financial management	0.14	2	0.28
3.	Business promotion is still lacking	0.13	3	0.39
4.	Cash payment transactions	0.16	3	0.48
5.	Insufficient capital	0.15	3	0.45
6.	Lack of attention from local government	0.15	3	0.45
7.	Does not partner with *marketplaces* and *startups*	0.14	3	0.42
Total Weakness Score		**1**		**-2.86**
Total IFAS				**0.50**

Source: Research Results (2022)

From Table 4. 3. it is known that the total value of the internal factor strength analysis is 3.36, while the score for weakness factors is -2.86. The score for *weakness* is given a negative value. The highest score for the strength factor is 0.76, namely " Having competent human resources" . This means that respondents consider this factor to be the most important strength compared to other factors. The lowest strength factor is 0.36, namely " Sufficient business capital capacity". The weakness factor received the highest score of 0.82, namely " Cash

payment transactions ". This means that this factor is a major weakness for MSMEs in Pangkalpinang City. The weakness factor that has the lowest score is 0.28 , namely " Poor financial management" .

4.3.2. External analysis (EFAS Matrix)

EFAS *(External Factors Analysis Strategic)* is a form of strategic analysis of external factors of an organization/company (Liu et al., 2022). This analysis needs to be carried out to get an overview of the opportunities and threats to the organization/company (Udiyana et al., 2018). This external portrait is needed to determine the level of readiness and alertness of the organization in facing forces and pressure from external organizations/companies, especially pressure from competitors. The method for compiling EFAS is as follows:

Table 4. 4. *External Factors Strategic Analysis Matrix*

No	External Factors	Weight	Ratings	Weight Score
	Opportunity			
1.	Easy access to business credit or assistance from banks and state-owned companies	0.21	3.00	0.63
2.	Various types of training are carried out by the Regional Government for Cooperatives and MSMEs	0.19	3.00	0.57
3.	Social media as a cheap means for promotion	0.21	4.00	0.84
4.	BI's aggressiveness regarding non-cash movements in payment transactions	0.19	2.00	0.38
5.	The presence of many marketing and financial *marketplaces* and *startups*	0.20	4.00	0.80
	Total Opportunity Score	**1**		**3.22**
	Threat			
1.	Product competition from outside Pangkalpinang City (other regencies/cities within the country and abroad)	0.36	3.00	1.08
2.	Very competitive business competition	0.37	4.00	1.48
3.	Inflation which influences the increase in raw material prices	0.27	2.00	0.54
	Total Threat Score	**1**		**-3.10**
	Total EFAS Score			**0.12**

Source: Research Results (2022)

From table 4.4. It is known that the total value of the external factor opportunity analysis is that it gets a score of 3.22, while the threat factor gets a score of -3.10. The highest score for the opportunity factor is 0.84, namely " social media as a cheap means for promotion" . Respondents consider that this factor is the most important opportunity factor compared to other factors. Using social media as a means of business-related promotion will make it easier for MSMEs to reach consumers. The lowest score on the opportunity factor is 0.38, namely " BI's aggressiveness regarding *Non-* Cash Movements in payment transactions".

The main threat factor faced by MSMEs is " Very competitive business competition" with a score of 1.48, while the lowest score is 0.84, namely "inflation which influences the increase in raw material prices".

4.3.3. SWOT Quadrant Matrix

Based on the results of the IFAS Matrix table calculations, a total strength score of 3.36 and weaknesses is -2.86 with a difference of 0.50 for the x axis. The total score on the opportunity and threat factors in the EFAS Matrix table obtained a total opportunity of 3.22 and a threat score of -3.10, resulting in a difference of 0.12 for the y axis.
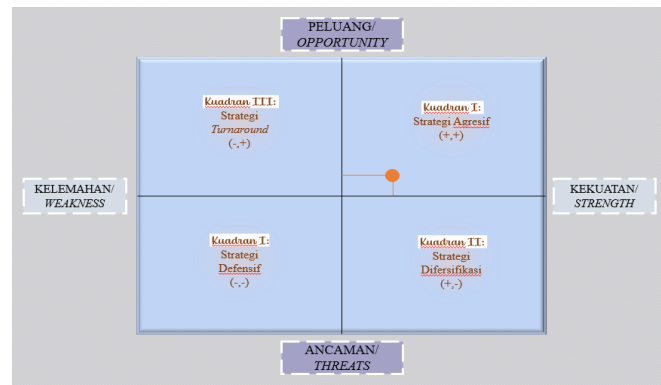
Figure 4. 6. SWOT Quadrant Matrix
Source: Research Results (2022)

a. **Quadrant 1.** This is a very profitable situation. These business actors have opportunities and strengths so they can take advantage of existing opportunities. The strategy that must be implemented in this condition is to support aggressive growth policies (*Growth oriented strategy)*.

b. **Quadrant 2.** Even though they face various threats, this business actor still has internal strength. The strategy that must be implemented is one that uses strengths to take advantage of long-term opportunities by means of a diversification strategy (product/market).

c. **Quadrant 3.** Business actors face huge market opportunities, but on the other hand, they face several internal obstacles/weaknesses. Business conditions in quadrant 3 are similar to *question marks* in *the Boston Consulting Group matrix*. The focus of this company's strategy is to minimize internal problems for business actors so that they can seize good market opportunities.

d. **Quadrant 4.** This is a very unfavorable situation; the business actor faces various internal threats and weaknesses (Harahap et al., 2019).
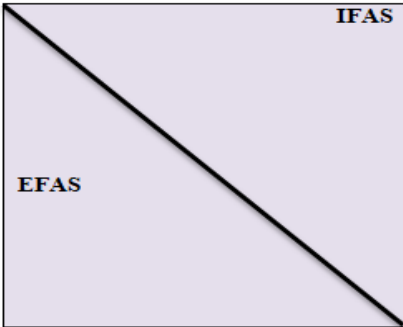
        Based on Figure 4.6, MSMEs in Pangkalpinang City are in quadrant I position. This means that MSMEs in Pangkalpinang City are advised to carry out aggressive strategies by utilizing internal strengths to benefit from external opportunities to achieve increased MSME growth. Aggressive strategies are designed to achieve growth, whether in sales, assets, profits or a combination of the three. Some strategies that can be implemented are:

1. Leadership (Cost *Leadership)*
   MSME players in Pangkalpinang City are required to be able to control a relatively large market share and have a competitive advantage in cost efficiency and try to emphasize efforts to produce products or offer prices that are sold at lower prices compared to similar goods in a particular industrial group. and applying appropriate production technology so that we have access to raw materials that are more profitable than other competitors.

2. Differentiation
   MSME actors in Pangkalpinang City must strive to produce and market goods with certain unique characteristics so that the products or services produced are considered unique and even considered exclusive by consumers so that the products will sell better to consumers in local , national and even international markets. .

3. Focus
   MSME players in Pangkalpinang City can focus on or maintain the distinctive characteristics of the products they produce so that they can differentiate them from existing competitors, innovate products or services they already have and make the situation as comfortable as possible so that consumers feel comfortable shopping or using services again.

4.3.4 *SWOT Grand Strategy*

        The source of the problem stems from the organization's internal weakness in facing threats because of business competition conditions. Meanwhile, the source for solving problems stems from the potential that the organization has to respond to opportunities optimally. Based

on this internal and external strategy, it is used to develop *a grand strategy. Grand strategy* is the main strategy for solving business organizational problems by utilizing organizational potential and optimizing the performance of managerial process determinants such as: leadership, organizational culture, HR empowerment, organizational structure, product quality control, sufficient finances, etc. in order to optimize the acquisition of opportunities external factors of the organization. *The grand strategy* can be prepared using the following matrix :

IFAS / EFAS	*Strenghts (S)* • Have competent human resources • Professional business financial management • Implement digital marketing as a business promotion medium • Digital payment transactions (cashless) • Sufficient business capital capacity • Regional government support in strengthening business capacity • Partner with marketplaces and startups (Gojek, Grab, etc.)	*Weakness (W)* • The quality of human resources is poor • Poor financial management • Business promotion is still lacking • Cash payment transactions • Insufficient capital • Lack of attention from local government • Does not partner with marketplaces and startups
Opportunities (O) • Easy access to business credit or assistance from banks and state-owned companies • Various types of training carried out by the Regional Government for Cooperatives and MSMEs • Social media as a cheap means for promotion • BI's aggressiveness regarding Non-Cash Movements in payment transactions • The presence of many marketing and financial marketplaces and startups	Strategy S-O • Improve service to consumers by utilizing various types of training organized by the local government. • Carrying out attractive discount and promotional techniques for products or services through collaboration or partnerships with marketplaces or startups so that they can attract consumer interest and reach consumers at various levels. • Taking advantage of the convenience of non-cash transactions so that consumers don't have to bother using cash.	Strategy W-O • Strengthening competent human resources in their fields and restructuring HR management and operations (production). • Intensively carry out product-related promotions and make promotional activities more attractive to consumers.
Threats (T) : • Competition from products from outside Pangkalpinang City (other regencies/cities within the country and abroad) • Very competitive business competition • Inflation which influences the increase in raw material prices	Strategy S-T • Differentiate products or services by creating their own characteristics so that they become exclusive products and attract the attention of consumers. • Adjust prices to competitors without having to reduce the quality of products or services and provide special treatment to consumers, such as providing gifts or special services after making a transaction.	Strategy W-T • Improve service to customers by improving existing resources and also setting good standards which are oriented towards customer satisfaction. • Increase business productivity and quality in accordance with consumer tastes

Source: Research Results, 2022

Table 4.5 shows the conditions faced by MSMEs in Pangkalpinang City where in the internal factor strategy (IFAS) it is known that the strengths possessed by Pangkalpinang City MSMEs are greater compared to the weaknesses currently faced. So that having greater strengths compared to weaknesses can provide benefits to MSMEs, as well as with the external factor strategy (EFAS), it is known that the opportunities possessed by MSMEs in Pangkalpinang City are also greater compared to the threats they currently face. So this condition can also provide benefits for MSMEs.

5 . CONCLUSION AND SUGGESTION
CONCLUSION
1. Indicators for the application of digital marketing as a business promotion medium is a strength factor that has the highest score. Meanwhile, the indicator of regional government support in strengthening business capacity is the strength factor that has the lowest score.
2. The indicator of insufficient capital is the weakness factor that has the highest score. Meanwhile, indicators of cash payment transactions and not partnering with marketplaces and startups are weak factors that have the lowest scores.

3. The opportunity factor with indicators of social media as a cheap promotional tool has the highest score. The lowest score on the opportunity factor is BI's aggressiveness towards non-cash movements in payment transactions.
4. The main threat factor faced by MSMEs with the indicator of product competition from outside Pangkalpinang City (other districts/cities domestically and abroad)" is the highest score while the lowest score is the inflation indicator which influences the increase in raw material prices.
5. MSMEs in Pangkalpinang City are in quadrant I position. This means that MSMEs in Pangkalpinang City are advised to carry out aggressive strategies by utilizing internal strengths to benefit from external opportunities to achieve increased MSME growth.
6. Elements of weak marketing strategies in Cooperatives and MSMEs in Pangkalpinang City are caused by weak *digital marketing factors,* product innovation, and partnerships with *market places, startups,* and others.

SUGGESTIONS

1. All Cooperatives and MSMEs in Pangkalpinang must be able to understand weaknesses and maximize potential and strengths to develop better business performance.
2. In the recommended aggressive strategy, it is hoped that Cooperatives and MSMEs (KUMKM) players in Pangkalpinang City will encourage themselves to innovate more, be more creative, promote their business more intensively, be more enthusiastic about being productive, and be able to adapt to the latest business developments.
3. The development strategy written in the Pangkalpinang City KUMKM Strategy and Policy Direction should be maintained, monitored and applied as well as possible.
4. Digitalization for current conditions is considered MANDATORY to be known, understood, studied and applied by KUMKM actors in Pangkalpinang City.
5. The Pangkalpinang City Government as a facilitator must be able to continue to facilitate, accompany, direct and motivate KUMKM actors.
6. Sustainable development of KUMKM can be carried out with the synergy of all *stakeholders* and all related elements of society.

ACKNOWLEDGMENTS

REFERENCE

Amanda Amelia Sari, & Acep Samsudin. (2023). Optimalisasi Pengembangan Digitalisasi Marketing Dan Digital Branding Produk UMKM Madu Lebah Klanceng. *KREATIF: Jurnal Pengabdian Masyarakat Nusantara*, *3*(3). https://doi.org/10.55606/kreatif.v3i3.2006

Anwar Sitopul. (2010). Strategi dan Langkah-langkah UMKM dan koperasi dalam menghadapi ACFTA. *INFOKOP*, *18*.

Apasrawirote, D., Yawised, K., & Muneesawang, P. (2022). Digital marketing capability: the mystery of business capabilities. In *Marketing Intelligence and Planning* (Vol. 40, Issue 4). https://doi.org/10.1108/MIP-11-2021-0399

Aprilia, H. D., Utoyo, A. W., Warbung, T., & Indahyani, T. (2023). Beelic Website Design as an Information Center for Design, Promotion and Marketing of MSME Products in the Pandemic Period. *E3S Web of Conferences*, *388*. https://doi.org/10.1051/e3sconf/202338804053

Arumsari, N. R., Lailyah, N., & Rahayu, T. (2022). Peran Digital Marketing dalam Upaya Pengembangan UMKM Berbasis Teknologi di Kelurahan Plamongansari Semarang. *SEMAR (Jurnal Ilmu Pengetahuan, Teknologi, Dan Seni Bagi Masyarakat)*, *11*(1). https://doi.org/10.20961/semar.v11i1.57610

Baral, M. M., Mukherjee, S., Singh, R. K., Chittipaka, V., & Kazancoglu, Y. (2023). Exploring antecedents for the circular economy capability of micro, small and medium enterprises: An empirical study. *Business Strategy and the Environment*. https://doi.org/10.1002/bse.3448

Chaffey, D. F. E.-C. (2016). Digital Marketing Strategy, Implementation and Practice Sixth Edition. In *Journal of Chemical Information and Modeling* (Vol. 53, Issue 9).

Hakim, D. R., & Rosini, I. (2022). Regional Income Inequality in Indonesia: The Role of Public and Private Investment. *Jurnal Ekonomi Malaysia*, *56*(3). https://doi.org/10.17576/JEM-2022-5603-05

Harahap, S., Lubis, Z., & Rahman, A. (2019). Analisis Potensi dan Strategi Pemanfaatan Limbah Kelapa Sawit di Kabupaten Labuhanbatu. *AGRISAINS: Jurnal Ilmiah Magister Agribisnis*, *1*(2). https://doi.org/10.31289/agrisains.v1i2.246

Irawati, N., & Prakoso, A. A. (2022). Strategi Manajemen Pemasaran Berbasis Fishbone Analysis Di Desa Wisata Kasongan Kabupaten Bantul Daerah Istimewa Yogyakarta. *Respati*, *17*(1). https://doi.org/10.35842/jtir.v17i1.438

Ismail, I. J. (2023). I have to apply this strategy! Understanding the mediating effect of digitalization on strategic orientations and sustainable competitive advantage among small enterprises in Tanzania. *Management Matters*, *20*(1). https://doi.org/10.1108/manm-01-2022-0019

Istrefi-Jahja, A., & Zeqiri, J. (2021). The Impact of Digital Marketing and Digital Transformation on Brand Promotion and Brand Positioning in Kosovo's Enterprises. *ENTRENOVA - ENTerprise REsearch InNOVAtion*, *7*(1). https://doi.org/10.54820/upqn1850

Khikhadze, L. (2022). The relevance of using digital and cognitive technologies in small businesses in the conditions of a global pandemic. *Economics and Business*, *XIV*(3). https://doi.org/10.56079/20223/3

Koch, M., Krohmer, D., Naab, M., Rost, D., & Trapp, M. (2022). A matter of definition: Criteria for digital ecosystems. *Digital Business*, *2*(2). https://doi.org/10.1016/j.digbus.2022.100027

Kurniati, R. R., & Hidayat, F. (2022). Adaptive and Digital Marketing: A Sustainable Strategy for Developing Culinary SME Business (Law of The Republic of Indonesia, Number 20 of 2008) Post-pandemic. *International Journal Of Artificial Intelligence Research*, *ISSN*(1).

Liu, B., Chen, M., & Zhou, W. (2022). Internal and External Factors Analysis of Kenya Airways' Strategic Management: A Mini-Review. *Frontiers in Business, Economics and Management*, *3*(1). https://doi.org/10.54097/fbem.v3i1.226

Mailchimp. (2022). *Digital Marketing Definition - What is Digital Marketing?* Mailchimp.

Mutiara, P. B. (2021). ANALISIS MATRIKS IFAS DAN EFAS PT UNILEVER TBK PADA PANDEMIK COVID-19. *Jurnal Bina Bangsa Ekonomika*, *14*(2). https://doi.org/10.46306/jbbe.v14i2.90

Nugraha, W. (2022). FAKTOR-FAKTOR YANG MEMPENGARUHI PRODUKSI PETANI BAWANG MERAH DI KABUPATEN ENREKANG. *Universitas Muhammadiyah Palopo*, *1*(1).

Phadermrod, B., Crowder, R. M., & Wills, G. B. (2019). Importance-Performance Analysis based SWOT analysis. *International Journal of Information Management*, *44*. https://doi.org/10.1016/j.ijinfomgt.2016.03.009

Puyt, R. W., Lie, F. B., & Wilderom, C. P. M. (2023). The origins of SWOT analysis. *Long Range Planning*, *56*(3). https://doi.org/10.1016/j.lrp.2023.102304

Rauf, A., Manullang, S. O., Ardiansyah, T. E., Diba, F., Akbar, I., Awaluddin, R., Muniarty, P., & Firmansyah, H. (2021). Digital Marketing : Konsep dan Strategi. In *Insania* (Issue September).

Surahman, D., & Sya'ban, M. (2021). Indonesia Gold 2045. *IJEBD (International Journal of Entrepreneurship and Business Development)*, *4*(6). https://doi.org/10.29138/ijebd.v4i6.1553

Suryatman, T. H., Kosim, M. E., & Samudra, G. E. (2021). Perencanaan Strategi Pemasaran Dengan Analisis Swot Dalam Upaya Meningkatkan Penjualan Sepatu Adidas Di Pt. Panarub Industry. *Journal Industrial Manufacturing*, *6*(1). https://doi.org/10.31000/jim.v6i1.4117

Tipayalai, K. (2020). Impact of international labor migration on regional economic growth in Thailand. *Journal of Economic Structures*, *9*(1). https://doi.org/10.1186/s40008-020-00192-7

Udiyana, I. B. G., Suastama, I. B. R., Astini, N. N. S., Mahanavami, G. A., Karwini, N. K., & Maretta, Y. A. (2018). Innovation strategy the development of competitifeness of eco-based coastal tourism destination, management organization and quality of services. *Journal of Environmental*

Management and Tourism, *9*(4). https://doi.org/10.14505/jemt.9.4(28).19

Wang, S. (2022). Differences between energy consumption and regional economic growth under the energy environment. In *Energy Reports* (Vol. 8). https://doi.org/10.1016/j.egyr.2022.07.065

Yang, X., & Qi, Y. (2022). Simulation of Intellectual Property Management on Evolution Driving of Regional Economic Growth. *Applied Sciences (Switzerland)*, *12*(18). https://doi.org/10.3390/app12189011