

Marketing Innovation for MSMEs in the Special Region of Yogyakarta During the Covid-19 Pandemic

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ABSTRACT

The pandemic threatens the survival of MSMEs globally and nationally. It seems inevitable that this pandemic has created a difficult business environment for small and medium-sized businesses to operate. The COVID-19 pandemic has led to a series of events that have led to an economic crisis. The driving factor is the government's recommendation to residents to stay at home and carry out social distancing activities. This has led to a reduction in household consumption and thus a reduction in domestic production. Thus, the aim of this study is to examine how small and medium-sized businesses are adapting their marketing ways to survive the economic crisis that accompanies the COVID-19 pandemic. The research will be conducted in the context of MSMEs in the hospitality industry in the DIY province. A qualitative research approach is used in this study. The data collected was collected through interviews.

MSMEs as informants have been spared the problem of supply disruptions. However, the main problem is the disruption of demand due to government restrictions and the general public fear of the virus. MSMEs in DIY experienced a decline in production and sales, especially industries related to tourism. MSMEs are forced to lay off and lay off staff, change parts of their plans and adapt their marketing strategies according to changing circumstances. In order to remain profitable in the future, companies need to work hard with marketing to maintain their reputation and loyal customers. MSMEs often have limited resources. Therefore, the most attractive solution is to combine subsidies with reallocation and use of new ways of leveraging company competencies. Businesses in the tourism industry have diverse customers from various regions, making it difficult to reach customers. So that unique steps can be offered by the implementation of marketing innovation strategies to survive this crisis

Kata Kunci: *Marketing innovation, SMEs, Covid-19, DIY*