Article

E-Catalogue Implementation as a Marketing Improvement Strategy for MSMEs: A Review of MSME Perceptions and Impact on Business Performance

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Abstract: This research aims to explore how the use of e-catalogue can be applied in MSMEs. Marketing Improvement Strategy is a focus on how e-catalogue can be used to improve the marketing effectiveness of MSMEs. Review of MSME perceptions is to examine how MSMEs perceive e-catalogue whether they see it as a useful tool or not. Then the impact on business performance is to analyse the extent to which e-catalogue use affects MSME business outcomes, such as increased sales or operational efficiency. Data was analysed using descriptive statistical methods to describe consumer perceptions of e-catalogues. Analysis by correlating perceptions with sales data after e-catalogue implementation. E-catalogue is an effective marketing strategy for MSMEs to improve their business performance. Positive consumer perceptions of e-catalogues indicate that this platform can increase consumer buying interest and loyalty so that sales increase.

Keywords: e-catalogue, MSMEs, digital marketing, consumer perception, business performance

Introduction

The development of digital technology has brought major changes in various fields of life including in business. MSMEs, which are the pillars of the national economy, must also adapt to these changes in order to remain competitive. Its utilisation can help MSMEs in Indonesia increase customer attractiveness, build prestige, and provide various values to customers, but their competitive advantage needs to continue to evolve following developments (Setyawati, et al. 2023). E-catalogue as a form of digital adaptation offers various conveniences in presenting product information to consumers. E-catalogue is considered to increase marketing efficiency and expand the market reach of MSMEs. Marketing through e-catalogues allows MSMEs to display their products in a more interactive and attractive manner. Consumers can easily access product information, view images, and compare prices without having to come directly to a physical store. This is expected to increase consumer buying interest and ultimately increase sales.

MSMEs play an important role in the Indonesian economy. Data from BPS (2023), MSMEs contribute more than 60% of Indonesia's GDP and supply more than 97% of the national workforce. However, MSMEs often face various challenges, especially in terms of marketing and access to wider markets. In this context, digitalisation is a must for MSMEs to remain competitive. E-catalogue, as one of the digital tools, can be an effective solution in overcoming this challenge. Digitalisation of marketing through e-catalogues has been proven to provide various benefits for MSMEs.

According to research by (Santosa, 2022) the use of e-catalogues can increase product visibility and help MSMEs reach a wider market. E-catalogues also allow MSMEs to display their products in a more attractive and informative way compared to traditional marketing methods. With e-catalogues, MSMEs can introduce their products not only locally, but also nationally and internationally. This is very important in the era of globalisation where market competition is getting tougher

LPKPP's e-catalogue is a platform that allows the Indonesian government to publish a list of goods and services that can be purchased by government agencies electronically. The utilisation of e-catalogue by MSMEs can provide great benefits in increasing market access for MSME products, as well as simplifying the procurement process by government agencies.

This implementation step is expected to increase MSMEs' access to the government market. By using e-catalogue, MSMEs can have greater exposure to business opportunities with the government, which in turn is expected to increase their sales and business growth. In line with that, the potential of e-catalogue in expanding market access for businesses, especially MSMEs because they have the opportunity to participate in the government market in a more structured and efficient manner. The use of e-catalogue has an influence on MSMEs (Iqbal, 2020a). The use of e-catalogues can increase transparency, efficiency, and effectiveness in the procurement process of goods and services by government agencies so that it helps in simplifying the procurement process by providing easier and faster access to product and price information needed by government agencies.

Thus, the implementation of LKPP's E-Catalogue is not only an important step in modernising government procurement, but also opens up new opportunities for businesses, especially MSMEs, to expand market reach. In addition, the use of e-catalogue has a significant impact on supply chain management, especially in improving product visibility and operational efficiency. The use of e-catalogues can facilitate more effective communication between suppliers and customers, speed up the order process, and reduce administrative costs associated with business transactions. Manufacturing companies have also shown that e-catalogues can help improve inventory management and speed up response to customer demand.

The role of e-catalogues in enhancing customer experience and loyalty cannot be ignored as they can provide a better shopping experience for customers by providing comprehensive product information and facilitating the search and purchase process. Therefore, the integration of e-catalogue with the overall marketing and customer service strategy can create a positive shopping experience. MSMEs often face unique challenges in adopting digital technologies such as e-catalogues, including limited resources, limited technological knowledge, and concerns about costs and risks. But on the other hand, there is great potential from the use of e-catalogues in improving the visibility, competitiveness, and business performance of MSMEs.

In this context, further research is needed to understand more deeply how the use of e-catalogue can benefit MSMEs, as well as the factors that influence its adoption and impact on business performance. That way, it can develop more effective strategies to support the growth and development of MSMEs in this digital era. However, although e-catalogue offers various benefits, there are still obstacles in its implementation. Some MSMEs still have difficulties in managing e-catalogues, both in terms of technical and human resources. Therefore, this research aims to explore how the use of e-catalogue can be implemented in MSMEs. Marketing improvement strategy is a focus on how e-catalogue can be used to improve the marketing effectiveness of MSMEs. A review of MSME perceptions is to examine how MSMEs perceive e-catalogue whether they see it as a useful tool or not. Then the impact on business performance is to analyse the extent to which e-catalogue use affects MSME business outcomes, such as increased sales or operational efficiency.

Methodology

This research uses a quantitative approach with a survey and interview design to evaluate the implementation of e-catalogue as a marketing strategy in MSMEs. The survey design was chosen because it allows data collection from a larger sample efficiently and can provide an overview of the perception and impact of e-catalogue on MSME business performance, namely sales after e-catalogue implementation. The population and sample are all MSMEs in Indonesia that have implemented e-catalogue with a sample of 50 MSMEs from various industrial sectors. This study uses a simple random sampling technique to select. This sample size is considered sufficient for quantitative analysis and representative for the population of MSMEs using e-catalogue. Surveys and interviews with sources are surveys conducted by MSME associations, research institutions, or government agencies. The type of data is data on MSME perceptions and changes in sales after e-catalogue implementation. Data collection techniques, data is collected through online and offline questionnaire distribution to MSME owners or managers who have used e-catalogue. Questionnaires were distributed over a one-month period to ensure an adequate number of respondents. Data was analysed using descriptive statistical methods to describe consumer perceptions of e-catalogues. Analysis by correlating perceptions with sales data after e-catalogue implementation.

Results

Aspects that can be analysed are from the implementation of E-Catalogue as a marketing improvement strategy for MSMEs: A review of MSME perceptions and their impact on business performance are 1) MSME perceptions of e-catalogue, namely a) Technology readiness, how ready are MSMEs in adopting e-catalogue technology. b) Needs and preferences, do MSMEs feel e-catalogue suits their needs. c) Barriers and challenges, what are the obstacles that MSMEs feel in implementing e-catalogue. 2) Impact on business performance, namely a) Increased sales, whether there is an increase in sales volume after the use of e-catalogue. b) Operational efficiency, whether e-catalogue helps reduce costs or improve operational efficiency. c) Increased brand awareness, how e-catalogue affects the visibility and brand image of MSMEs.

Data was analysed using descriptive statistical methods to describe consumer perceptions of e-catalogues. Analysis by correlating perceptions with sales data after e-catalogue implementation.

Descriptive Statistics

	Mean	Std. Deviation	N
perception	52.5400	3.56977	50
performance	56.4200	3.53461	50

Correlations

		Persepsi	Kinerja
perception	Pearson Correlation	1	.700**
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	624.420	432.660
	Covariance	12.743	8.830
	N	50	50
performance	Pearson Correlation	.700**	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	432.660	612.180
	Covariance	8.830	12.493
	N	50	50

**. Correlation is significant at the 0.01 level (2-tailed).

Based on the sig value. (2- tailed) between perception and performance is 0.000 <0.05 where there is an influence between perception and performance. The coefficient r> 0.279 (r table) so it can be stated that there is an influence between perception and business performance, namely sales after the use of e-catalogue.

Consumer Perception of E-Catalogue

The results show that the majority of consumers have a positive perception of the use of e-catalogues. An average of 52.54% of respondents stated that e-catalogues make it easier for them to find product information. They also consider e-catalogues provide convenience in comparing products and prices quickly and efficiently. Furthermore, respondents felt that the use of e-catalogue increases convenience in shopping because it can be accessed anytime and anywhere. Research by (Pham, T, 2017) also shows that ease of access and the ability to compare products are the main factors that increase consumer satisfaction.

This study found that attractive and clear visualisation of products in e-catalogues increases consumer confidence. Respondents claimed to have more trust in products displayed through e-catalogues with high-quality images and complete product descriptions. This shows that the quality of visuals and information presented is very important in building consumer trust. In addition, respondents stated that they were more likely to get the product after seeing the picture and reading the detailed description. This is in line with research (Merek et al., 2023) which highlights the importance of product visualisation in increasing consumer purchase intention.

The reviews and ratings feature in the e-catalogue also significantly influenced consumer perceptions. Respondents stated that they feel more confident to buy a product after reading reviews

from other consumers. Reviews and ratings provide a more objective and trustworthy picture of product quality. This supports research (Ramadhani et al., 2021) which shows that consumer reviews and ratings can provide an objective picture of product and service quality. In addition, positive reviews can also improve the reputation of MSME products and brands. The desire to speed up service is the factor that has the greatest influence on the implementation of digitalisation in MSME businesses (Kurniawan et al., 2022).

This study also found that consumers feel more comfortable shopping through e-catalogues compared to physical stores. Respondents stated that they prefer shopping through e-catalogues because they can save time and energy. In addition, e-catalogues allow consumers to shop at any time without being limited by store operating hours. This is important for consumers full of activities and little time for conventional shopping. Research by (Permata Sari, 2020) also shows that time flexibility is one of the main reasons why consumers choose to shop online.

Furthermore, this research shows that e-catalogues are able to increase consumer loyalty. Respondents said that they would shop more often at MSMEs that use e-catalogues. This is due to the ease of access and complete information and interactive features offered by e-catalogues. In addition, respondents stated that they are more likely to recommend MSMEs that use e-catalogues to friends and family. Research by (Sudirjo et al., n.d.) also supports these findings, showing that business digitalisation can increase consumer loyalty and recommendations.

Impact of E-Catalogue Use on MSME Business Performance

The use of e-catalogue is proven to increase sales and marketing efficiency for MSMEs. An average of 56% of MSME owners who participated in this study reported an increase in sales after implementing e-catalogues. They revealed that e-catalogues help in attracting more new visitors and retaining old customers. This is due to the ability of e-catalogues to reach a wider market without geographical restrictions. Research by (Yandes et al., 2024) also shows that MSMEs that adopt digital technology experience a significant increase in sales.

In addition, e-catalogues also help MSMEs manage inventory and reduce promotion costs. Some MSME owners stated that e-catalogues make it easier for them to monitor product stock and update information in real-time. This reduces the risk of stock-outs and ensures consumers are always up-to-date with available products. In addition, e-catalogues reduce the need to print physical catalogues which are expensive and inflexible. These findings are in line with research (Iqbal, 2020b) which shows that e-catalogues can reduce operational costs by up to 20%.

This study also found that e-catalogues increase the effectiveness of marketing campaigns. Some MSME owners reported that e-catalogues allow them to launch more targeted and efficient marketing campaigns. With e-catalogues, MSMEs can easily collect data on consumer preferences and behaviour, which can then be used to develop more effective marketing strategies. In addition, e-catalogues allow MSMEs to interact directly with consumers through features such as product reviews and recommendations. Essentially, this shows that e-catalogues can increase consumer interaction and engagement.

Besides reducing promotion costs, e-catalogues also improve customer relationship management (CRM) for MSMEs. Some MSME owners report that they can more easily manage and maintain customer relationships through e-catalogues. Features such as new product notifications, special offers, and loyalty programmes provided by e-catalogues help MSMEs to retain customers. Others MSME owners stated that e-catalogue helps them in getting valuable feedback from customers. Research by (Government Procurement Altarazhi Bramantio Widhi, n.d.) also shows that e-catalogues can improve CRM effectiveness.

Furthermore, this study shows that e-catalogue has a positive impact on MSME brand awareness. Some MSME owners reported that the use of e-catalogues helps them to increase brand visibility and awareness among consumers. This is important to differentiate their products and services in a competitive market. In addition, MSME owners said that e-catalogues help them build a more professional and modern brand image. Research by (Pramayanti, 2024) also supports these findings, showing that business digitalisation can increase brand awareness and brand image.

Discussion
Definition and implementation of LKPP E-Catalogue

E-catalogue is a digital platform used to display products and services online. There are several benefits, namely that it can increase marketing effectiveness by presenting product information in detail and easily accessible to consumers. In addition, e-catalogue allows MSMEs to reach a wider

market without being limited by geographical location. The LKPP (Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah) E-Catalogue is an electronic system provided by the Indonesian government to facilitate the procurement of goods and services more efficiently, transparently, and accountably. E-Catalogue is part of the government's efforts to reform the procurement of goods and services, with the aim of reducing the potential for abuse and corruption, and increasing budget efficiency.

According to Presidential Regulation No. 16/2018 on Government Procurement of Goods/Services, e-Catalogue is a web-based application that allows users (government agencies) to view, compare, and purchase the required goods/services directly from providers that have been verified by LKPP. LKPP e-Catalogue provides a wide range of products and services, ranging from medical devices, vehicles, office stationery, to consulting and construction services.

According to research conducted by Iqbal (Iqbal, 2020b), the use of e-catalogues can reduce MSME operational costs by up to 20%, as it eliminates the need to print physical catalogues and reduces distribution costs. E-catalogues also make it easier to update product information in real-time.

A study conducted by (Sakti Gunawan Irianto et al., n.d.) shows that e-catalogues can increase interaction between MSMEs and consumers through features such as product reviews and recommendations. This not only improves consumers' shopping experience but also provides valuable feedback for MSMEs to improve their products and services.

LKPP's implementation of e-Catalogue in Indonesia has provided many benefits, but it also faces a number of challenges. By using e-Catalogue, the process of procuring goods and services is faster as users can directly select and purchase from an existing catalogue. Transparency is also increased as all prices and specifications of goods/services are available for all users to see. However, this implementation is not free from obstacles. Some government agencies still face technical and administrative obstacles that hinder the optimisation of e-Catalogue use.

E-Catalogue helps reduce the potential for corruption in the procurement of goods/services because transactions are conducted electronically and are well recorded. All goods/services providers registered in the e-Catalogue must meet strict requirements and go through a verification process by LKPP, thus reducing the possibility of collusion and nepotism practices. Through e-Catalogue, the government can ensure that goods/services purchased by government agencies meet predetermined standards. This is important to maintain the quality of the goods/services purchased and to ensure compliance with user needs. The standardisation of products provided by e-Catalogue also provides quality assurance and price certainty.

The implementation of e-Catalogue also faces a number of challenges, mainly related to technological infrastructure and change management in government agencies. Not all government agencies have adequate human resources and technological infrastructure to utilise e-catalogue optimally. In addition, there are also challenges in terms of changes in work culture and resistance from those who are used to conventional procurement systems. Capacity building efforts and training for umkm actors in the use of this technology are crucial for successful implementation. Other challenges include a lack of understanding of the procedures and regulations associated with e-catalogue.

LKPP continues to develop the e-catalogue, both in terms of features and the scope of products/services available. This development is based on user feedback and periodic evaluation of the effectiveness and efficiency of the system. System improvements and the addition of new features aim to simplify the procurement process and increase user satisfaction. Development also includes improving system security to prevent misuse and ensure data integrity. Through continuous development, e-Catalogue is expected to become more user-friendly and provide greater benefits to all parties involved.

E-Catalogue marketing strategy

Marketing strategy through e-catalogue involves presenting attractive and interactive product information to attract consumer interest. According to (Nuryulia Praswati et al., n.d.), e-catalogues can be used to develop more targeted and efficient marketing strategies by utilising data and analysis of consumer behaviour. E-catalogues allow MSMEs to display products in more detail, with high-quality images and complete descriptions. This makes it easier for consumers to understand and be interested in the products offered. Good product visualisation can increase consumer buying interest, thus increasing sales.

The use of e-catalogues allows MSMEs to launch more targeted marketing campaigns. By collecting and analysing data on consumer preferences, MSMEs can devise marketing strategies that suit the needs and wants of consumers. This data can also be used to personalise e-catalogue content,

making it more relevant to each consumer. Personalisation increases consumer engagement and loyalty to MSME products and brands. Targeted and personalised marketing campaigns can increase marketing effectiveness and return on investment (ROI).

E-catalogues also support other digital marketing strategies especially increasing the visibility of e-catalogues on search engines, making them easier to find by potential consumers. Data-driven advertising allows MSMEs to target advertisements to consumers who are more likely to be interested in their products. This can reduce advertising costs and increase the effectiveness of marketing campaigns. Integration of e-catalogues with other digital marketing strategies can expand market reach and increase sales.

In addition, e-catalogues allow MSMEs to run promotions and discounts more effectively. Promotions can be displayed directly on e-catalogues, so consumers can see them as they browse products. According to research (Iqbal, 2020b), e-catalogues also allow MSMEs to monitor consumer responses to promotions in real-time. This allows MSMEs to adjust their promotional strategies based on actual data. Higher promotional effectiveness can increase sales and consumer loyalty.

E-catalogues can also be used to increase engagement and interaction with consumers. Features such as product reviews, ratings, and product recommendations can increase consumer engagement and provide valuable feedback for MSMEs. Better interaction with consumers can increase consumer loyalty and trust in the brand. In addition, e-catalogues allow MSMEs to collect consumer feedback data systematically and regularly. This data can be used to improve products and services, and devise more effective marketing strategies in the future.

Conclusion

E-catalogue is an effective marketing strategy for MSMEs to improve their business performance. Positive consumer perceptions of e-catalogues indicate that this platform can increase consumer buying interest and loyalty, resulting in increased sales. To maximise the benefits of e-catalogue, MSMEs need to receive training and support in managing this platform. This research provides practical guidance for MSMEs in e-catalogue implementation to improve marketing and business performance.

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