

CHAPTER I

INTRODUCTION

1.1 Background of the Project

The COVID-19 pandemic has not only caused a health crisis, but has also changed all sectors of life in the world, including Indonesia. Such as health, economy, education, mental well-being, tourism and travel, supply chain industry, social and cultural activities, research and innovation, and changes in policy and social order. The impact is very broad in the economic field. In 2020, all countries including Indonesia experienced economic contraction due to strict mobility restrictions. In the first year of the pandemic, Indonesia's economy slumped to minus 2.07%. Even so, the condition is still better than the average economy in Southeast Asia.

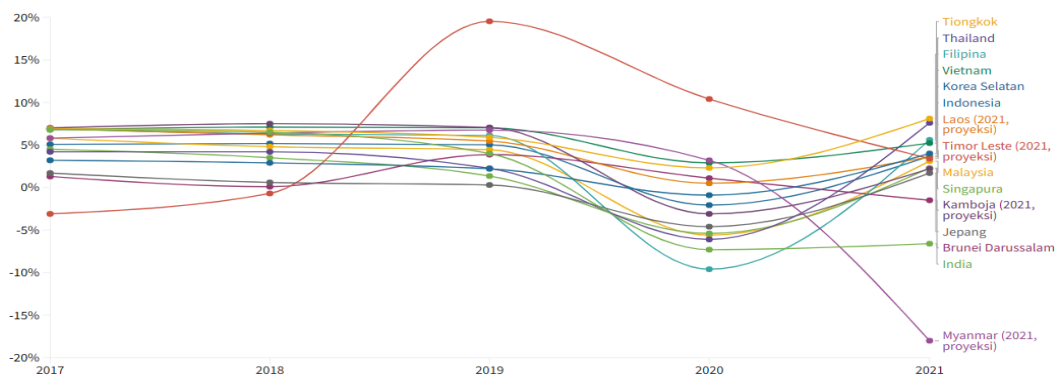


Figure 1.1 Southeast Asia's Economic Growth
Source: BI, Bank Dunia, BNM, CSPS, CSIS, ADB

In Indonesia's economic sector, the business landscape has changed drastically. Social distancing, physical store closures, and changes in consumer behavior have forced businesses to find new ways to maintain and increase their sales. According to Ikhsan Ingrabatun as Chairman of the Indonesian MSME Association (Akumindo) in responding to the impact of Covid-19, it is estimated that the turnover of MSMEs in the non-culinary sector has dropped by 30-35%. This is due to the sale of products that rely on meetings or face-to-face between sellers and buyers physically, so that Covid-19 affects buying and selling

activities or activities. Meanwhile, according to the Ministry of Cooperatives and SMEs, around 37,000 MSMEs have reported that they have been very seriously affected by this pandemic, which includes around 56% have reported a decrease in sales, 22% have reported problems with financing aspects, 15% have reported problems with the distribution of goods and 4% have reported difficulties in fulfilling raw materials.

During the covid-19 pandemic, almost all community activities were carried out using technology, starting from office absences that were carried out digitally, meetings via virtual and even worship must also go through digital networks. This will also encourage people to create new technologies. The use of digital technology has increased significantly. Including in the buying and selling process, customers are turning to online shopping, social media platforms, and digital communication. This provides an opportunity for businesses to utilize digital technology to reach their customers more effectively.

At this time many shopping applications have appeared such as Shopee, Tokopedia, Lazada, Bukalapak and Bibli. In addition to shopping applications, social media platforms now also serve online sales such as Tiktok, Instagram and Facebook. With their respective advantages, these applications can have a good impact as well as a solution to the current world economic problems. Shopee and Tokopedia compete fiercely to become the king of ecommerce in Indonesia. Both of them lead the Indonesian online shopping market whose value reaches US\$ 51.9 billion or almost touches Rp 775 trillion throughout 2022.



Figure 1.2 Percentage Shows RI's Market Share
Source:CNBC Indonesia

These two things make most MSMEs or community production houses experience obstacles both in obtaining raw materials, labor shortages, and where business behavior distributes the results of their production goods. One of the jilbab production houses in Pakan sinayan Bukittinggi experienced a decline in sales. Apart from the consequences of covid-19 which prohibits or limits the mobility of people in Bukittinggi and also the shop where they distribute their products is forced to close and also the progress of the times or changes in people's lifestyles that switch to online shopping. Making them decrease production from month to month, even they were forced to stop production for a while because they lost competitiveness with the online system. Producers admit that they would love to join or use digital technology in the form of e-commerce that is currently developing, but due to limited knowledge and experience, they are holding back.

The following is a table of average daily income earned by business actors before implementing business development:

Table 1.1 Average Sales of Business Actors

Days	Avarage Sales
Monday	10 Piece
Tuesday	10 Piece
Wednesday	15 Piece
Thursday	15 Piece
Friday	5 Piece
Saturday	20 Piece
Sunday	15 Piece
Total Avarage Sales	90 Piece

Source: Processed Data 2023

From the cases described above, the authors are interested in conducting projects related to Planning and Implementation of Improving Hijab Product Sales Strategies by E-Commerce. Case Study on Hijab Product Traders in Pakan Sinayan Bukit Tinggi, where previously this hijab production house only distributed their products to agents or to traditional shops. This project focuses on providing utilization of e-commerce platforms, sales applications or business websites, the ability to present products or services online can help businesses to stay active and reach a wider customer base. Then the author makes a project by

making the title **“Planning and Implementation on the Sales Increasing Strategy of Hijab Product through E-commerce (Case Study on Hijab Product Merchants at Pakan Sinayan Bukit Tinggi).”**

1.2 Identification of the Project

Based on the background described above, the problem that arises is how product development strategies through e-commerce can increase production and sales of jilbab in Pakan sinayan Bukittinggi.

1.3 Purpose of the Project

1.3.1 General purpose of the project

The general objective of this final project is to help jilbab MSMEs producing in Pakan Sinayan Bukittinggi to utilize digital technology, marketing strategies and also jilbab packaging so that they can compete again and to increase the production of their products.

1.3.2 Specific objectives of this project

The specific objectives to be achieved in writing this final project are as follows below:

1. Develop business by utilizing current digital technology.
2. Develop business by utilizing e-commerce platforms.
3. Expand the business by creating new packaging.
4. Developing a business by creating a business brand.
5. Developing a business by creating a product logo.
6. Developing a business with digital marketing strategies.
7. To find out the obstacles and solutions faced in the implementation of this project.

1.4 Significance of the Project

Some of the benefits that can be obtained from the final project " Planning and Implementation on the Sales Increasing Strategy of Hijab Product Through E-commerce (Case Study on Hijab Product Merchants at Pakan Sinayan Bukit Tinggi)" are as follows:

1. For the author

This project can be used as additional experience, knowledge and as a guide for completing the final project which is one of the requirements to complete Diploma IV in the International Business Administration study program, majoring in Commerce Administration. With this final project, it is hoped that it will increase the creativity and innovation of the author.

2. For entrepreneurs

This writing can be used as a means of increasing knowledge so that it can affect the production and sale of headscarves that follow the current technology that is based on digital technology.

3. For the community

This writing is expected to be a means of additional information for the community as a guide to maintain business and also increase sales so as to increase sales, and as a guide for the community if they want to open a business online.

4. For other parties

This writing is expected to be a reference for the implementation of the next project and hopefully get better results

1.5 Time and Place of Project Implementation

The implementation time of this project is from July to December 2023. The location of the implementation of the Planning and Production final project is in Pakan sinayan Bukittinggi.

1.6 Writing System

The writing systematics carried out so that this project report can be neatly organized for this project are as follows:

CHAPTER 1: INTRODUCTION

In this chapter, the author explains the project background, project identification, project objectives, project importance, time and place of project implementation, and writing systematics.

CHAPTER II: LITERATURE REVIEW

The systematics of writing in this chapter, the author describes the theory relevant to the subject matter of the business project assignment, which explains the identification in the business plan and the identification of the project to be implemented.

CHAPTER III: PROJECT COMPLETION METHODS AND PROSESSES

Systematic writing in this chapter, the author describes about project preparation plan, project implementation plan consisting of project implementation schedule and process, project completion plan and project reporting plan, including project activity implementation report, project activity report project implementation financial report, time and place of project implementation.

CHAPTER IV: RESULTS AND DISCUSSION

Systematic writing in this chapter the author describes the project activities, project finances and reports on the implementation of project activities during a predetermined period, including obstacles and solutions experienced in project implementation.

CHAPTER V : CONCLUSION AND SUGGESTIONS

The writing systematics in this chapter contains conclusions and suggestions as a presentation of the final project report so that it can be a reference in writing the next better final project and a reference for starting a business.