

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background of the Project**

Duri Mandau District, situated in the Rokan Hulu Regency of Riau Province, Indonesia, is renowned for its industrial activities, particularly in the oil and gas sector. Amidst its economic vibrancy, the district is home to a diverse array of Micro, Small, and Medium Enterprises (MSMEs) contributing significantly to the local economy.

MSMEs in Duri Mandau District play a crucial role in employment generation, economic diversification, and community development. These enterprises span various sectors including agriculture, manufacturing, handicrafts, and services, each adding unique value to the local economy.

Despite their importance, MSMEs encounter several challenges that hinder their growth and competitiveness. Key challenges include limited access to markets beyond the local region, inadequate digital presence and skills, and insufficient resources for adopting modern business practices.

PHR-Polbeng, a local organization dedicated to community development and empowerment, initiated a project to address the digital marketing needs of MSMEs in Duri Mandau District. This initiative was part of PHR-Polbeng's broader efforts to support sustainable economic development and enhance the resilience of local businesses.

Corporate Social Responsibility (CSR) is a company's commitment to participate in sustainable economic development to improve the quality of life and the environment that is beneficial, both for the company itself, the local community, and society in general. Some forms of CSR activities that companies can do are building and developing MSMEs, providing training, mentoring, access to capital, and marketing to help MSMEs grow and develop.

PT Pertamina Hulu Rokan (PHR) is a subsidiary of PT Pertamina (Persero) whose operational area is located in Mandau district, Bengkalis Regency. In

carrying out its activities, PHR is committed to implementing Corporate Social Responsibility (CSR) programs that focus on Economic Development, Education Sector, Health Sector, Environmental Sector, Improving people's lives.

One of PHR's CSR focuses is the empowerment of women's MSMEs in Mandau District. CSR programs implemented by PHR are expected to help women in Mandau Sub-district to increase the capacity and competitiveness of their MSMEs, create employment opportunities, and increase their income and standard of living.

MSMEs are businesses run by individuals, households, or small business entities. The classification of MSMEs is done by limiting income per year, the amount of wealth or assets, and the number of employees. Meanwhile, businesses that are not categorized as MSMEs are categorized as large businesses, namely productive economic businesses carried out by business entities with a total net worth or annual sales results greater than medium-sized businesses, which include state-owned or private national businesses, joint ventures, and foreign businesses that carry out economic activities in Indonesia.

Law No.20/2008, Micro, Small, and Medium Enterprises (MSMEs) are productive businesses owned by individuals or individual business entities that meet the requirements as micro enterprises. as micro enterprises. MSMEs are expected to be the main productive and competitive actors in the national economy. MSMEs are one of the sectors that play an important role in improving a country's economy. (Saputra, et al, 2022) The existence of MSMEs in Indonesia can contribute to economic efficiency because they are able to provide opportunities for local labor to work and are able to create resilient entrepreneurs (Hisnul et al., 2022). In the CSR program at Mutiara Sikumbang MSMEs, there are several potentials that can be developed.

CSR is an effective tool to help MSMEs grow and reach their potential. By partnering with Mutiara Sikumbang MSMEs, companies can make a positive contribution to society and the environment, while improving their own image and reputation. Training and mentoring: Provide training on financial management, marketing, production, and product development. Human resource development

assist MSMEs to develop their human resources through training and education programs. Access to information and technology helping MSMEs to gain access to the information and technology they need to grow their businesses.

Micro, Small and Medium Enterprises (MSMEs) are one of the sectors that have a significant contribution to the Indonesian economy. MSMEs not only create jobs for local communities, but also play a role in increasing economic diversification in various regions, including in Mandau District, Bengkalis Regency. However, in the midst of increasingly fierce business competition and rapid technological developments, MSMEs in Mandau face various challenges in maintaining their competitiveness. In an effort to support the development of MSMEs in Mandau District, PT Pertamina Hulu Rokan (PHR) through its Corporate Social Responsibility (CSR) program collaborates with Politeknik Negeri Bengkalis (Polbeng) to provide digital marketing assistance to fostered MSMEs, such as Mutiara Sikumbang and PKK Mandau. This program aims to increase the digital capacity of MSMEs through training, digital marketing content creation, and online product catalog management.

Through the implementation of an integrated digital marketing strategy, it is hoped that MSMEs in Mandau can increase their competitiveness in local and regional markets. In addition, this program is also expected to increase MSME revenue, expand customer networks, and encourage the sustainability of their business in the digital era. Digital Marketing Assistance For MSMEs Assisted by PHR-Polbeng in Duri Mandau District (Case Study of MSMEs Mutiara Sikumbang & PKK Mandau).

## **1.2 Identification of the Project**

How to conduct digital marketing activities in MSMEs assisted by PHR Polbeng in the case study Mutiara Sikumbang & PKK Mandau.

## **1.3 Purpose of the Project**

The purpose of this project are divided to into 2 (two), namely the main purpose and specific purpose. The purpose of the project are as follows:

### **1.3.1. General Purpose of the Project**

Conducting digital marketing activities at Mutiara Sikumbang & PKK Mandau MSMEs in Duri Mandau District.

### **1.3.2. Specific Purpose of the Project**

This is a specific purpose project:

1. Provide assistance to Mutiara Sikumbang & PKK Mandau MSMEs in Duri, Mandau District.
2. Conducting digital marketing to Mutiara Sikumbang & PKK Mandau MSMEs in Duri, Mandau District
3. Create a profile video to Mutiara Sikumbang & PKK Mandau MSMEs in Duri, Mandau District
4. Create a catalog product to Mutiara Sikumbang & PKK Mandau MSMEs in Duri, Mandau District
5. Create a logbook digital marketing to Mutiara Sikumbang & PKK Mandau MSMEs in Duri, Mandau District

### **1.4 Significance of the project**

This project is significant in several aspects:

1. For MSMEs : Providing practical guidance and strategies that MSMEs can implement to improve their digital marketing effectiveness.
2. For Academics : Adding to the literature and research on the implementation of digital marketing in MSMEs in Indonesia, particularly in the culinary sector.
3. For Authors : Contributing to professional development and establishing expertise in the field of MSMEs digital marketing, particularly within the Indonesia culinary sector.
4. For PHR Polbeng  
Providing useful feedback to enhance their mentorship and digital marketing training programs.

### **1.5 Time and Place of Project Implementation**

This project will be conducted in Duri, Mandau District, focusing on the Mutiara Sikumbang & PKK Mandau MSMEs that has been mentored by PHR Polbeng. The project is planned to be carried out over 3 months, starting from 1 week after the Odd Semester Midterm Examination (Semester 7) and the implementation location is Duri, Mandau District.

### **1.6 Writing System**

For make it easy and give clear description about content research, as for systematics writing shared become five chapters, including:

#### **CHAPTER I: INTRODUCTION**

This chapter containing about background back identification formulation problem, space scope study limitation problem I mean as well as objective research method study and methodology development system and systematics writing.

#### **CHAPTER II: LITERATURE REVIEW**

This chapter containing about theory form definition and understanding about related material with problem on study like theory basic explanation draft base system, concept base information, as well review discussed studies theories results research.

#### **CHAPTER III: METHOD AND ACCOMPLISHMENT PROCESS**

In this chapter containing about explanation about object the author's research use, analyze running system, and analysis need.

#### **CHAPTER IV: RESULTS AND DISCUSSION**

This chapter discuss about planning system that will proposed like analysis planning system, system diagram design proposal such as use case, use case specification, class diagram design proposal such as use case, use case specification, class diagrams, activity diagrams, etc. On part This Also will explained planning between advance And implementing application that has been made.

## **CHAPTER V: CONCLUSION AND SUGGESTION**

This chapter discusses about conclusion and suggestions that include and suggestions that include whole writing task end.