

# ENHANCE THE GROWTH OF TRADITIONAL JAMU PRODUCTS WITH DIGITAL MARKETING

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**Abstract.** The purpose of this research is to improve and explore deeper about digital marketing in order to enhance the growth of micro, small and medium traditional jamu industry. The number of micro, small and medium enterprises (MSME) of traditional medicine was increased from 626 in 2017 to 672 in 2019. The potential of traditional medicine in Indonesia is substantial as Indonesia is the second largest biodiversity country in the world. Jamu as traditional medicine can be seen as functional drink. Jamu has been an indigenous medicine in Indonesia, usually prepared from herbal materials such as leaves, bark, roots and flowers. It has become an important symbol of national identity; much of its appeal lies in its association with Indonesian 'tradition'. Unfortunately, the market for jamu is still low, thus hindering the growth of this particular industry. This happens because the consumers nowadays think that jamu is an old-fashioned drink, taste bitter and has an unpleasant flavor. Luckily the evolution of technology takes effects on the community to support many business activities, moreover through spreading information. The direct effect that can be noticed and giving a big impact for the selling volume and profit for micro, small and medium enterprises is through digital marketing. Digital marketing uses the component of marketing that utilizes internet and online based digital technologies such as desktop computers, mobile phones and other digital media and platforms to promote products and services. This type of marketing can be seen as the best way to promote and significantly increase the monthly profit. Not only implementing digital marketing for micro, small and medium jamu enterprises will increase the number of selling volume and monthly profit, but it also can widen the market for traditional jamu by rising the awareness of the benefit of drinking jamu as functional drink as well.

Keywords: Jamu, Digital Marketing, MSME, Social Media, Functional Drink

## I. INTRODUCTION

As people's awareness of the importance of having a healthy lifestyle, the demand of food is also shifting. Now days, not only the nutritional composition, appearance, and flavor that considered important but also the physiological function of the food for the human body. Fortunately, Indonesia have plentiful of different local foods that have beneficial side effect for the health. This type of food considered as functional food.

Functional food can be described as a part of everyday diet and is demonstrated to offer health benefits and to reduce the risk of chronic disease beyond the widely accepted nutritional effects.<sup>[1]</sup> It also can be described as food that naturally or processed, contains one or more compounds based on scientific research considered has psychological functions for health benefits. Food that categorized as functional food must be able consumed properly like regular food and beverages with the sensory characteristic like appearance, color, texture and flavor acceptable by the consumers and didn't have the contradiction effect to the other nutrition substance's metabolism.<sup>[2]</sup>

With the characteristic of the functional food, spices and medical plants can be classified as functional food. This also applies to traditional jamu. The tradition of consuming medical plants or spices in the form of traditional jamu have been known widely and recognized by the Indonesians.

Jamu is the cultural heritage of Indonesia which already used from generation to generation. The potential of traditional medicine in Indonesia is substantial as Indonesia is the second largest biodiversity country in the world. The production of traditional jamu now-days have been done throughout the factory, or as individual business; including pick-a-back jamu. Jamu have been known in many different shapes like capsule, tablet, liquid, pills and chopped spices ready to brew.<sup>[3]</sup>

From the economic matters, jamu industry have big contribution for the national income, improvement of welfare and provide field of work. 99% of the raw materials used for making jamu available domestically and considered capable on bringing significant multiplier effect for the national economic growth form the farm to industries and merchants.<sup>[4]</sup>

However, the growth of the jamu industries also facing many obstacles such as quality safety, scientific guarantee, lack of trust level on consuming jamu and traditional medicine compared to chemical medicine. The market for jamu is still low, thus hindering the growth of this industry. This happens because the consumers nowadays think that jamu is an old-fashioned drink, taste bitter and has an unpleasant flavor.<sup>[5]</sup>

The number of jamu industries in Indonesia have reached 1.247 traditional medicine industries which 129 of it are large company and the rest are micro, small, and medium enterprises (MSME). Noticing this potential, it is better if the MSME in jamu industry have the high skill in

entrepreneurial orientation. This will help the MSME in jamu industry to gain high level of performance because they can deal with dynamic environment.<sup>[6]</sup>

On the other side, jamu industry also facing the challenge to upgrade their strategy on raising Indonesian's brand awareness of jamu. All of the effort that micro, small, and medium enterprises are doing, especially in jamu industry won't work out without the support from the people and the government of Indonesia.

Marketing is one of the key roles to rise the selling volume and profit for small and medium jamu enterprises. With the rapid growth of technology, digital marketing is a new term in marketing world. Digital marketing uses the component of marketing that utilizes the internet and online based technologies such as desktop computer, mobile phones and other digital media and platforms to promote their products and services. In my opinion, digital marketing is one of the solutions to help these small and medium jamu enterprises get through these challenges. Digital marketing also can help widen the market for traditional jamu by rising the awareness of drinking jamu as functional drink as well as Indonesian heritage.

## II. BASIC THEORY

### A. *Traditional Jamu*

The existence of traditional jamu is familiar among Indonesians. Traditional jamu is a traditional medicine made from mixed of herbs and plants. In the old days, our ancestors consume jamu to maintain their health nor help to cure illness, therefore jamu can be described as Indonesian ancestor's inheritance. But as the time goes by and as the evolve of technology, civilization and the number of populations, the consumption of traditional jamu decreasing because people choose chemical medicine that more practical compared with traditional jamu.<sup>[7]</sup>

The availability of raw materials to produce traditional jamu in Indonesia sufficiently abundant. The Indonesian Academy of Sciences' research shown that Indonesia has more than 30.000 species of medical plants out of 40.000 species in the world. Although Indonesia have been only utilized approximately 180 species for the medical purposes. This fact indicated that raw materials for jamu industry doesn't rely on importing from other country.

### B. *Micro, Small, and Medium Enterprises*

According to the World Bank, Micro, Small and Medium Enterprises (MSMEs) are defined as follows—micro enterprises: 1-9 employees; small: 10-49 employees; and medium 50-249 employees. However, the local definition of MSMEs vary from country to country, and is based not only on number of employees, but also by inclusion of other variables such as turnaround and assets.<sup>[8]</sup>

In Indonesia, Micro, Small, and Medium Enterprises defined as a form of productive economic endeavours done by individual or individual business that meet the criteria of MSMEs.

When the economic crisis hit the world from 1997 to 1998, only MSMEs who were able to stand firmly.

Database from Central Bureau of Statistic released the post state of economic crisis that the number of MSMEs had not reduced, it actually increasing. MSMEs even able to gain 85 million up to 107 million of employees until 2012. At that year, the number of entrepreneurs in Indonesia are 56,539,560 units. From that number, 56,534,592 units are MSMEs. The rest of it, or 4,968 units are big company. The phenomenon explains that MSMEs are productive economic endeavours to develop in order to support macro and micro economic growth of Indonesia.

### C. *Digital Marketing*

Digital marketing is one type of marketing being widely used to promote products or services and to reach consumers using digital channels. Digital marketing extends beyond internet marketing including channels that do not require the use of Internet. It includes mobile phones (both SMS and MMS), social media marketing, display advertising, search engine marketing and many other forms of digital media. Through digital media, consumers can access information any time and any place where they want. With the presence of digital media, consumers do not just rely on what the company says about their brand but also, they can follow what the media, friends, associations, peers, etc., are saying as well. Digital marketing is a broad term that refers to various promotional techniques deployed to reach customers via digital technologies. Digital marketing embodies an extensive selection of service, product and brand marketing tactics which mainly use Internet as a core promotional medium in addition to mobile and traditional TV and radio.<sup>[9]</sup>

With the invention and mass acceptance of the telephone, radio, television, and then cable television, electronic media has become the dominant marketing force. The primary advantages of social media marketing is reducing costs and enhancing the reach. The cost of a social media platform is typically lower than other marketing platforms such as face-to-face sales or sales with a help of middlemen or distributors. In addition, social media marketing allows firms to reach customers that may not be accessible due to temporal and locational limitations of existing distribution channels. Generally, main advantage of social media is that it can enable companies to increase reach and reduce costs.

Social media marketing involves “encouraging customer communications on company's own website or through its social presence”. Social media marketing is one important technique in digital marketing as companies can use social media form to distribute their messages to their target audience without paying for the publishers or distributor that is characteristic for traditional marketing. Digital marketing, electronic marketing, e-marketing and Internet marketing are all similar terms which, simply put, refer to “marketing online whether via websites, online ads, opt-in emails, interactive kiosks, interactive TV or mobiles”.

Digital marketing seen as one of the best and effective way to promote one's business. It can also increase

selling volume and monthly profit significantly.<sup>[10]</sup> Since this kind of marketing uses technology and social media, it can widen the jamu market and increase the awareness of the benefit of drinking jamu as functional drink.

### III. DISCUSSION

#### A. Research Project

It is undeniable that Jamu's popularity are decreased because the lack of further research about its benefits, thus making consumer not fully believe the benefits that Jamu offers. Although there are many researches about the benefits from each ingredient of jamu, when those ingredients are combined and processed together, there must be a loss of benefits or vice versa.

To overcome this issue, the government and other institute especially educational institute have to more active on doing the further research of the benefits of consuming traditional jamu. By increasing the number of researches for jamu, jamu itself can be developed and interesting diversification products can be made. This new innovation can increase the jamu market and increase the selling volume of traditional jamu. If this happened, MSMEs on tradisional jamu industry can thriving. This also can help giving scientific assurance to the consumers.

#### B. Counselling Program

While we're entering the global and digitalized era, but there are possibilities that many people, especially the MSMEs jamu owner still not understand how to utilize digital marketing. Therefore, the counseling program is made to introduce digital marketing to the traditional jamu MSMEs. The approach of the counselors has to be done with the right way. That's why this program is appropriate to collaborate with local traditional jamu MSMEs community.

#### C. Training Program

After the counseling program and familiar with digital marketing, the next stage is having the knowledge on how to use and utilize digital marketing on traditional jamu business. Supporting equipment have to be prepared and the right strategy need to be applied to reach the main goals; increasing the selling volume and widen the traditional jamu market. In order to do this program, digital marketing agencies needed to run this Training Program for the traditional jamu MSMEs.

#### D. Assistance Program

Next program after training is assistance program. This program made to assist the traditional jamu MSMEs on implement their knowledge about digital marketing. The program can be done up to 3 or 4 months so the traditional jamu MSMEs can manage their business with digital marketing correctly

### IV. CONCLUSIONS

Jamu is the cultural heritage of Indonesia which already used fromm generation to generation. The potential of traditional medicine in Indonesia is

substantial as Indonesia is the second largest biodiversity country in the world. However, the growth of the jamu industries also facing many obstacles such as quality safety, scientific guarantee, lack of trust level on consuming jamu and traditional medicine compared to chemical medicine. This happens because the consumers nowadays think that jamu is an old-fashioned drink, taste bitter and has an unpleasant flavor.

Digital marketing uses the component of marketing that utilizes the internet and online based technologies such as desktop computer, mobile phones and other digital media and platforms to promote their products and services. In my opinion, digital marketing is one of the solutions to help these small and medium jamu enterprises get through these challenges. Digital marketing also can help widen the market for traditional jamu by rising the awareness of drinking jamu as functional drink as well as Indonesian heritage.

In order to implement digital marketing on traditional jamu micro, small, and medium enterprises, strategies can be applied is through research project, counselling program, training program and assistance program for the traditional jamu MSMEs.

The research project made for giving scientific assurance to the consumers, counselling program made to introduce digital marketing to the traditional jamu MSMEs, training program made to train the traditional jamu MSMEs on how to use and implement digital marketing on their traditional jamu business, and assistance program made to assist the traditional jamu MSMEs on using digital marketing after the training program.

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