

#### **UMJember Proceeding Series**

International Social Sciences and Humanities (2022) Vol. 1 No 2: 285-300



ICRD 202

## Service quality strategy Based on sustainable marketing to increase Consumer loyalty to msmes in rural

Feti Fatimah1\* and Wenny Murtalining Tyas1

<sup>1</sup>Universitas Muhammadiyah Jember, <u>fetifatimah@unmuhjember.ac.id</u>

<sup>1</sup>Universitas Muhammadiyah Jember <u>wennymurtaliningtyas@unmuhjember.ac.id</u>

DOI: https://doi.org/ 10.32528/issh.v1i2.187

\* Correspondence:

Feti Fatimah Email:

fetifatimah@unmuhjember.ac.id

Published: Juli, 2022



**Copyright:** © 2022 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY NC) license (http://creativecommons.org/licenses/by/4.0/).

Abtract: Many MSMEs have been disadvantaged during the Covid-19 pandemic, so MSMEs are required to be creative and independent. MSME actors must understand the service quality strategy properly and correctly based on sustainable marketing. Where it emphasizes socially and environmentally responsible marketing activities to be able to meet the needs of consumers and business people so as to optimize sales turnover during the pandemic. The implementation of a service quality strategy based on sustainable marketing will increase consumer loyalty, while maintaining customer loyalty, sales turnover will be optimal. The aim of this research is to determine a Service Quality Strategy Based on Sustainable Marketing to Increase Consumer Loyalty to MSMEs. The data analysis tools used are Importance-Performance Analysis, Cause-and-Effect Diagram (Fish Bone Diagram), Formulation of Service Quality Strategy Based on Sustainable Marketing using SWOT analysis. The strategy used to increase customer loyalty is first, the SO strategy consists of improving service quality and research and development. Second, the W-O strategy consists of raising capital, promoting, and developing the quality of human resources. Third, the ST Strategy consists of optimizing services. Fourth, the WT strategy consists of community development, cooperation with suppliers and other MSMEs.

**Keywords**: MSMEs; Service Quality Strategy; Sustainable Marketing; Consumer Loyalty

#### INTRODUCTION

MSMEs play a role in the prosperity of society. MSMEs are able to create creativity in line with efforts to maintain and develop elements of the traditions and culture of the local community and absorb labor on a large scale. MSMEs that are labor-intensive, use simple and easy-to-understand technology, can become a place or place for people to work [1]. In order for SMEs to be able to continue to grow, they must pay attention to service quality. Study [2], [3], [4], [5], [6] that service quality can increase customer satisfaction. Study [7], [8], [9], [10] states that Sustainable Marketing can increase Consumer Loyalty.

MSMEs in Indonesia can run stably. However, starting with the Corona virus or Covid-19 in early 2020, almost all sectors of people's lives have experienced a decline. Social activities are prohibited and temporarily suspended resulting in a weakening of the economy, reduced and strictly regulated transportation services, tourism is closed, shopping centers are empty of visitors and the informal sector is closed, such as; Online motorcycle taxis, transportation drivers, street vendors,

mobile traders, MSMEs, and rough coolies have finally experienced a decline in income. Trade centers, such as malls, the Tanah Abang market, which are usually crowded with people, are suddenly deserted and temporarily closed. The tourism sector experienced a decline because the government closed tourist attractions and entertainment venues. Thus, indirectly the rate of economic growth in the MSME sector is hampered. This also has an impact on MSMEs in rural areas.

MSMEs in rural areas affect the rate of economic growth in rural areas as well as in Balung Lor Village, Balung District, Jember Regency. In order for the economy in Balung Lor Village to recover, MSMEs in this village must immediately rise. Balung Lor Village is one of the administrative areas in Balung District, Jember Regency, East Java Province. The boundaries of the Balung Lor Village area include, to the north it is bordered by Gumelar Village, to the south by Balung Kulon Village, to the east by Glundengan Village, and to the west by Karang Semanding Village. The distance of Balung Lor village from the city center is ±25 Km. Balung Lor village itself is divided into 4 hamlets, namely Karang Anyar hamlet, Krajan hamlet, Kebonsari hamlet, and Wetan Kali hamlet.

Balung Lor Village has 13 RWs and 61 RTs. The potential of Balung Lor Village is very large, both natural resources and human resources. The average livelihood of the residents of Balung Lor Village is as a farmer. But not a few people also have businesses both in the field of trade and services or services. During the Covid-19 pandemic, many MSMEs have been disadvantaged. MSMEs are one aspect of the economy in society. Therefore, indirectly the community is required to be creative and independent. Thus, MSME actors must understand the service quality strategy properly and correctly based on sustainable marketing. Sustainable Marketing emphasizes socially and environmentally responsible marketing activities, which can meet the needs of consumers and business people so as to optimize sales turnover during this pandemic. The implementation of a service quality strategy based on sustainable marketing will increase customer loyalty, while maintaining customer loyalty, sales turnover will be optimal. So it is necessary to do research on Sustainable Marketing-Based Service Quality Strategy to Increase Consumer Loyalty to MSMEs in Balung Lor Village. The purpose of this study is to determine a Sustainable Marketing-Based Service Quality Strategy to Increase Consumer Loyalty to MSMEs in Balung Lor Village

#### **METHOD**

#### Research Object

The object of research is MSME consumers in the Balung Lor Village area, Balung District, Jember Regency. This area was chosen because in this area it is indicated that the level of people's purchasing power is getting higher but the level of sales of MSMEs is decreasing, even though one of the factors for the progress of a village is the progress of its MSMEs.

#### Population and Sample

The population used is MSME consumers in the Balung Lor Village area, Balung District, Jember Regency. In the sampling method, the flow of this research uses purposive sampling. The sampling criteria are: Aged over 17 years old, people who live in the Balung Lor Village area, Balung District, Jember Regency and people who have bought from MSMEs in the Balung Lor Village area, Balung District, Jember Regency. The number of samples used by the sample is 100 respondents who are considered to be representative of the population in Balung District.

#### Variable Operational Definition

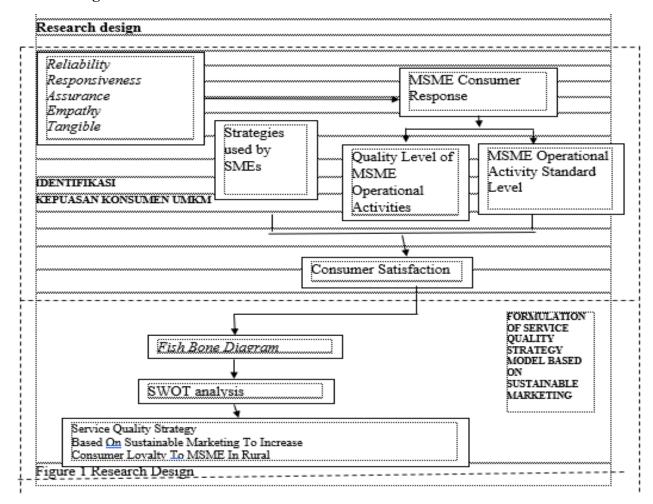
The operational definition of a variable is as follows:

- 1. Reliability is the ability of MSME actors to provide services that are presented promptly and satisfactorily in a reliable, accurate, and consistent manner. The indicators are as follows: Fast and precise and appropriate service procedures; the price of goods according to the standard; Variant equipment.
- 2. Responsiveness means that MSME actors in providing services are responsive. The indicators are as follows: MSME actors are quick to respond to serving buyers; provide information on goods being sold in a clear and easy to understand manner; serve buyers properly.
- 3. Assurance (Belief) is the knowledge, ability, or professional attitude and skills possessed by MSME actors in providing services. The indicators are quality assurance and quality of products sold; Guaranteed prices according to standards.
- 4. Empathy is politeness, respect, understanding and intimacy in personal relationships. The indicators are as follows: attention to buyer's criticism and suggestions; services to all consumers regardless of social status, religion, and ethnicity.
- 5. Tangibles are things that can be seen from the physical facilities, equipment and communication equipment owned by MSME actors. The indicators are as follows: cleanliness, tidiness, and comfort of MSME business premises; product packaging; product display.

#### **Data Types and Sources**

Primary data is obtained directly from interviews and questionnaires and secondary data is obtained from consumers and MSME actors through interviews, documentary studies, besides that researchers need other sources that are relevant to the current competitive ability of MSMEs. Secondary data sources are for example from BPS.

#### Research design



#### **Data collection technique**

The data for this study were collected by means of a survey, namely:

- 1. Questionnaire
- 2. Interview and direct observation Data Analysis Tool

#### **Importance-Performance Analysis**

The data analysis tool "Importance-Performance Analysis" is used to identify the level of MSME competitiveness and the variables used can be seen in Table 1.

Table 1
Variables Considered To Measure MSME Capability

Variable	No.	Variable Indicator
Realibility	1.	Fast and precise service procedures
	2.	Price of goods according to standard
	3.	Completeness of product variants
Responsivenes 4. (		Quick response to serve buyers
	5.	Provide information needed by consumers in a clear
		and easy to understand manner.
	6.	Quick and precise action when serving buyers
Assurance 7. Quality assurance and qua		Quality assurance and quality of goods sold
	8.	Guaranteed vehicle parking security when shopping
	9.	Guaranteed price according to standard

Variable	No.	Variable Indicator
Empathy	10.	Attention to buyer criticism and suggestions
	11.	Services to all consumers regardless of social status,
		religion, and ethnicity.
	12.	Attention to consumer needs and wants
Tangibles	13.	Cleanliness, tidiness, and comfort of the production
		site
	14.	Product Packaging
	15.	Product Display

Determination of the level of suitability of respondents, is determined by using the following formula:

Respondent Suitability Level = 
$$\frac{Quality\ Level\ of\ MSME\ Operational\ Activities}{Standard\ Level\ of\ MSME\ Operational\ Activities}\times 100\%$$

After the respondent's level of suitability is known, then the average level of implementation and the average level of importance are found to create an Importance and Performance Matrix Diagram. cause and effect.

Formulation of Service Quality Strategy Based on Sustainable Marketing using SWOT analysis. SWOT analysis to identify what internal and external factors are the strengths, weaknesses, opportunities, and threats for MSME actors. These strengths, weaknesses, opportunities, and threats serve as guidelines for developing a Sustainable Marketing-Based Service Quality Strategy, so that the resulting strategy can actually meet the target. The SWOT analysis was carried out using a matrix consisting of four cells and it was possible to generate four cells of possible alternative strategies.

#### RESULTS AND DISCUSSION

#### Research result

#### **Importance and Performance Analysis**

Importance and Performance Analysis for indicators that affect the achievement of the level of competitiveness of MSMEs is made an Importance and Performance Analysis diagram. Filling in the Importance and Performance analysis diagram is based on the average value of the implementation assessment and expectations described in Table 2.

Table 2
Average Calculation of Implementation Assessment and Expectation Assessment to Measure the Level of Consumer Satisfaction in MSMEs

No.	Indicators of the Level of Consumer Satisfaction in MSMEs	Implementa tion Assessment	Hope Rating	Average Implementa tion Rating	Average Expectation Rating
1.	Fast and precise service procedures.	175	500	1,75	5
2.	Price of goods according to standard	268	500	2,68	5
3.	Item type equipment	175	500	1,75	5
4.	Quick response to serve buyers	239	403	2,39	4,03
5.	Provide information needed by the community in a clear and easy to understand way	203	347	2,03	3,47
6.	Quick and precise action when serving buyers	280	309	2,8	3,09

No.	Indicators of the Level of Consumer Satisfaction in MSMEs	Implementa tion Assessment	Hope Rating	Average Implementa tion Rating	Average Expectation Rating
7.	Quality assurance and quality of goods sold	319	337	3,19	3,37
8.	Guaranteed vehicle parking security when shopping	248	483	2,48	4,83
9.	Guaranteed price according to standard	279	395	2,79	3,95
10.	Attention to buyer criticism and suggestions	209	372	2,09	3,72
<u>11.</u>	Service to all consumers regardless of social status, religion, and ethnicity	404	368	4,04	3,68
12.	Attention to consumer needs and wants	236	422	2,36	4,22
13.	Cleanliness, tidiness, and comfort of the place of business	250	372	2,5	3,72
14.	Exterior and interior arrangement	340	385	3,4	3,85
<u>15.</u>	Neatness and cleanliness of employee appearance	206	315	2,06	3,15

Source: Questionnaire Calculation Results, processed (2022)

#### **Diagram Importance-Performance Analysis**

Hasil pengukuran unsur-unsur agar UMKM dapat menitikberatkan usaha-usaha perbaikan pada hal-hal atau atribut yang benar-benar dianggap penting saja, agar mampu bersaing dengan ritel modern. Untuk memperoleh titik-titik tersebut maka dibuat diagram kartesius yang ditunjukkan pada Gambar 2. Untuk menggambar diagram kartesius perlu dihitung terlebih dahulu nilai rata-rata dari rata-rata. Hasil hitungannya dapat dilihat pada Tabel 2.

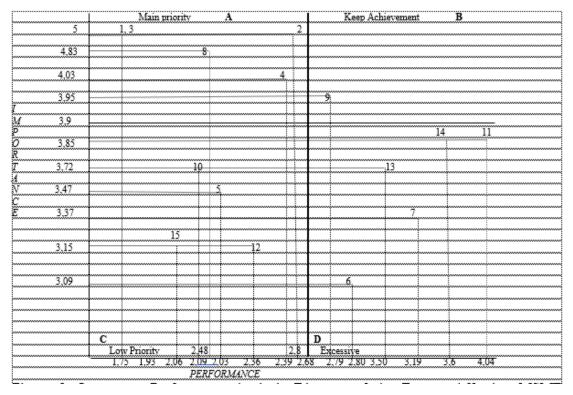


Figure 2: Importance-Performance Analysis Diagram of the Factors Affecting MSME consumer satisfaction.

Source: Table 2

Figure 2: the numbers in quadrants A, B, C, and D are the serial numbers of the indicators in Table 2

Figure 2 explains that the location of the implementation elements of the factors or attributes that affect the competitive ability of MSMEs is divided into four parts. The interpretation of the Cartesian diagram can be explained as follows:

#### 1. Quadrant A

The factors included in quadrant A are:

- a. Fast and precise service procedures (= 1).
- b. The price of goods according to the standard (=2).
- c. Completeness of goods type (=3)
- d. Quick response to serve buyers (=4).
- e. Vehicle parking security guarantee when shopping (= 8).

#### 2. Quadrant B

Quadrant B shows the factors or attributes that affect the achievement of the sales target so that it needs to be maintained, because in general the level of implementation is in accordance with the standards, so that sales targets can be achieved.

Factors included in this B quadrant are:

Guaranteed price according to standard (= 9).

#### 3. Quadrant C

Quadrant C shows the factors that are considered less affecting the competitiveness of SMEs and the quality of their implementation is normal or sufficient.

The factors included in this C quadrant are:

- a. Provide information needed by the community in a clear and easy to understand manner. (=5).
- b. Attention to buyer criticism and suggestions (=10)
- c. Attention to consumer needs and wants (=12)
- d. Neatness and cleanliness of the appearance of traditional retail employees (=15)
- 4. Quadrant D

Quadrant D shows that the factors that affect the ability of MSMEs are considered excessive in their implementation, this is mainly because consumers think that the existence of these factors is not too important, but the implementation is done very well by MSMEs.

- a. Fast and precise action when serving buyers (= 6).
- b. Quality assurance and quality of goods sold (=7)
- c. Services to all consumers regardless of social status, religion, and ethnicity. (=11).
- d. Cleanliness, tidiness, and convenience of the shop (= 13).
- e. Exterior and interior arrangement (=14).

#### Fish Bone Diagram

Figure 2 explains that consumers are not satisfied with MSME services due to:

- a. Service procedures that are not fast and precise
- b. The price of the item is not up to standard
- c. Completeness of the type of goods is still lacking
- d. Not yet responsive to buyers

# Ingredients human Resources Working Method Employees are not responsive. Sexuce is not fast Completenes, of the type of goods a still lacking Vehicle parking security guarantees when shopping is still lacking name. The price of the item is not up to standard Environment Price Figure 2: Fishbone diagram

#### e. Vehicle parking security guarantees when shopping is still lacking

#### **SWOT Matrix**

Figure 2 and data obtained from traditional retailers are used to create the SWOT matrix described in Figure 3.

Internal  External	Strenghts - Get to know and be closer to the surrounding community	Weaknesses - Lack of capital - The quality of human resources is lacking - Lack of HR work morale
Oppurtunities - The existence of regional autonomy The existence of bureaucratic reform - There is a gap to grow	Strategy SO - Service quality improvement - Research and development	Strategy WO - Capital Digging - Promotion - Quality Development of Human Resources Increase HR Work Spirit
Threats - Competition is getting tougher	Strategy ST Service optimization	Strategy WT - Community Development - Cooperation with other MSMEs and other companies

Figure 3: SWOT Diagram for MSMEs

#### **SO** Strategy

#### 1. Service quality improvement

Services to consumers that have not satisfied consumers are mainly services that are not fast and friendly; irregular business opening schedule. To improve the quality of service, it is hoped that the service will be accelerated so that consumers can use time efficiently and schedule regular business openings so that consumers can know for sure when MSMEs are open and closed and goods are always available.

#### 2. Research and development (R&D)

Research and development is carried out to find everything that is the needs and desires of consumers. The goal is to make consumers feel satisfied.

#### WO Strategy

#### 1. Capital Digging

MSMEs can draw a financial surplus from the sales margin. MSMEs must be careful in determining the sales margin, it should not be too much or too little. The price of goods must be adjusted to the market price.

#### 2. Promotion

Promotions need to be done so that consumers are more familiar with the profile of MSMEs. Promotional activities that can be carried out by MSMEs are in the form of brochures or leaflets containing various kinds of services and goods sold by MSMEs. And MSME actors must be active in social and religious activities in the community. In these activities, SMEs can also explain about their business.

#### 2. Quality Development of Human Resources

Human resources or labor is the most important element in the continuation of a business. The quality of the workforce is low, it can be ascertained that the quality of management and service will be low, so it is necessary to develop the quality of human resources, both owners and employees of MSMEs.

Store owners and employees must be able to communicate using simple and easy-to-understand language. The use of simple and easy to understand language needs to be done so that consumers understand and understand what is conveyed by the officer. And must act and speak in accordance with religious sharia. For example, by telling the truth and not talking about the shortcomings or ugliness of other people or competitors.

#### 3. Increase HR Work Spirit

Increasing the morale of HR so that employees are full of enthusiasm in carrying out their duties, especially in serving customers. Increasing the morale of HR by giving awards when employees have carried out their obligations well. Rewards can be in the form of incentives, or sincere praise from a direct superior. Penalties for employees who do not carry out their obligations properly are expected to be avoided. This is to ensure that employees do not only work well when supervised.

#### **ST Strategy**

Service optimization. Service optimization is completing all work quickly, precisely, and efficiently. Implementation of serving customers that minimize errors is also part of service optimization. Optimization of services to provide satisfaction to consumers so that consumers willingly become loyal and royal customers. Service optimization can also save consumers time.

#### **WT Strategy**

#### 1. Community Development (CD)

CD is to develop communication with the community. MSMEs are part of the community so MSME actors need to implement community development as social responsibility. CD needs to be done so that people know more about MSME actors. CD is carried out by being active in social and religious activities of the community and MSMEs also organize social and religious activities by inviting the surrounding community.

#### 2. Cooperation with other MSMEs and other large companies

This collaboration needs to be done so that there is healthy competition between MSMEs. This collaboration is carried out by carrying out social and religious activities together and making agreements so that all retail players carry out healthy businesses.

#### **Discussion**

#### **Identification of Customer Satisfaction**

#### **Service Reliability**

#### 1. Fast and precise service procedures

The weight of the implementation assessment is 175 and the weight of the expectation assessment is 500. The level of conformity is 35%. Identification of MSME consumer satisfaction is not satisfied because the service procedures in MSMEs are not fast and precise.

#### 2. Price of goods according to standard

The weight of the implementation assessment is 268 and the weight of the expectation assessment is 500. The level of conformity is 54%. Identification of MSME consumer satisfaction is not satisfied because the price of MSME products is not standard.

#### 3. Completeness of the type of goods

The weight of the implementation assessment is 175 and the weight of the expectation assessment is 500. The level of conformity is 35%. Identification of MSME consumer satisfaction is not satisfied because the goods in MSME are not yet complete.

#### **Service Response**

#### 1. Quick response to serve buyers

The weight of the implementation assessment is 239 and the weight of the expectation assessment is 403. The level of conformity is 60%. Identification of MSME consumer satisfaction is not satisfied because MSMEs are not yet responsive to serving buyers.

#### 2. Provide Information Needed by Consumers in a Clear and Easy to Understand.

The weight of the implementation assessment is 203 and the weight of the expectation assessment is 347. The level of conformity is 59%. Identification of MSME consumer satisfaction is not satisfied because MSMEs have not been able to provide the information needed by consumers in a clear and easy to understand manner.

#### 3. Quick and precise action when serving buyers

The weight of the implementation assessment is 280, the weight of the expectation assessment is 309, the level of conformity is 91%. Identification of MSME consumer satisfaction is not satisfied because MSMEs have not been able to act quickly and precisely when serving buyers.

#### **Confidence in Service**

#### 1. Quality assurance and quality of goods sold

The weight of the implementation assessment is 319 and the weight of the expectation assessment is 337. The level of conformity is 95%. Identification of MSME consumer satisfaction is not satisfied because the quality assurance and quality of goods sold by MSMEs is not in accordance with the quality and quality of goods needed by consumers.

#### 2. Guaranteed vehicle parking security when shopping

The weight of the implementation assessment is 248 and the weight of the expectation assessment is 483. The level of conformity is 51%. Identification of MSME consumer satisfaction is not satisfied because there is no guarantee of vehicle parking security when shopping at MSMEs.

#### 3. Guaranteed prices according to standards

The weight of the implementation assessment is 279 and the weight of the expectation assessment is 395. The level of conformity is 71%. Identification of MSME consumer satisfaction is not satisfied because there is no guarantee of prices according to standards when shopping at MSMEs.

#### **Empathy towards Service**

#### 1. Attention to buyer criticism and suggestions

The weight of the implementation assessment is 209 and the weight of the expectation assessment is 412. The level of conformity is 51%. Identification of unsatisfied consumers 2. Service to all consumers regardless of social status, religion, and ethnicity.

The weight of the implementation assessment is 404 and the weight of the expectation assessment is 368. The level of conformity is 109%. Identification of MSME consumer satisfaction is satisfied because MSMEs provide services to all consumers regardless of social status, religion, and ethnicity.

#### 3. Attention to consumer needs and wants

The weight of the implementation assessment is 236 and the weight of the expectation assessment is 422. The level of conformity is 56%. Identification of MSME consumer satisfaction is not satisfied because MSMEs have not really paid attention to the needs and desires of consumers.

#### **Physical Form of Service**

#### 1. Cleanliness, neatness, and comfort of the place of business

The weight of the implementation assessment is 250 and the weight of the expectation assessment is 372. The level of conformity is 68%. Identification of MSME consumer satisfaction is not satisfied because MSME actors have not paid much attention to cleanliness, tidiness, and convenience of the store.

#### 2. Attractive and harmonious exterior and interior arrangement

The weight of the implementation assessment is 340 and the weight of the expectation assessment is 385. The level of conformity is 88%. Identification of MSME consumer satisfaction is not satisfied because MSME actors have not paid much attention to the arrangement of the exterior and interior of the store.

#### 3. Neatness and cleanliness of the appearance of MSME employees

The weight of the implementation assessment is 206 and the weight of the expectation assessment is 315. The level of conformity is 65%. Identification of MSME consumer satisfaction is not satisfied because MSME actors have not really paid attention to the neatness and cleanliness of the appearance of employees.

### **Sustainable Marketing-Based Service Quality Strategy to Increase Consumer Loyalty A. Alternative SO Strategy**

#### 1. Service Quality Improvement

Services to consumers that have not satisfied consumers are mainly services that are not fast and friendly; irregular shop opening schedule. To improve the quality of service, it is hoped that the service will be accelerated so that consumers can use time efficiently and have a regular store opening schedule so that consumers can know for sure when the store is open and closed.

The concept of "customer satisfaction orientation" or "customer is king" which is now widely used in the business world should be the main reference for UMKN actors. Consumer needs are needs in the field of direct services and other supporting services. In terms of service, consumers want fast, accurate, and friendly service.

Friendliness of service to consumers and the convenience of MSMEs are important things that MSMEs must pay attention to. To improve service quality, it is necessary to determine service standards. In this case, service to consumers is the key to success so that consumers are loyal. Efforts to improve service quality can be based on providing services to consumers based on Sustainable Marketing. Services to consumers based on Sustainable Marketing is to meet the needs of all stakeholders including customers by not ignoring the needs of future generations. This principle can differentiate a brand or company from competitors, can educate the market, encourage innovation and creativity, identify new opportunities in the market and much more. By using this method, the ultimate goal of a company or organization activity is not only economic profit, but also social and environmental performance, or in general terms known as the triple bottom line, namely profit, people and planet or the 3 Ps. In short, sustainable marketing is the application of the 4 P's (product, promotion, price or price & place or distribution) policies to achieve 3P's performance. That is by way of product policy, the company should make products according to market needs so that it can bring profit, but at the same time it does not harm the community and the environment. As a result, we can reduce the use of plastic as wrapping or shopping bags and replace them with recycled paper. Some other efforts that can be made are the use of environmentally friendly materials and saving electricity and water.

Services to consumers based on Sustainable Marketing provide professional services. Increasing the professionalism of employees in services will not be achieved if many internal organizational problems are still an obstacle to service performance. Various problems faced by many shop assistants in providing services can be overcome by making service standards to consumers.

Service standard is a benchmark that is used as a reference for assessing service quality as a commitment or promise from the MSMEs. Ideally, a service standard can clearly see the legal basis, service requirements, service procedures, and complaint processes, so that MSMEs understand what they should do in serving consumers.

The community as consumers can also know for sure what rights and obligations they have to get and do in conducting transactions in MSMEs. The clarity of understanding of MSMEs in providing services will clarify the role of each party in serving consumers. Through this service standard, it can also be seen how the working relationship that must be built between MSMEs is with one another. Employees' doubts about what decisions to take will automatically disappear as long as they are still within the rules contained in service standards.

The main factor that is of concern to the leadership in this regard is the full trust that must be given by the leadership to its employees. Leaders must have confidence that employees on duty can do their jobs well, if they make mistakes, employees must also be given the opportunity to solve their own problems. This is important, because if the employee finds out that he lacks trust, it will reduce his motivation at work and even tend to rely heavily on orders from superiors to avoid similar mistakes.

#### 2. Research and Development Based on Sustainable Marketing

MSME actors must carry out Research and development (R&D) in carrying out their activities. R&D based on sustainable marketing is directed at finding everything that is a community need. Research and development can be done by conducting forward and backward observations. Future observations are observing what goods are needed by consumers or the surrounding community, what are the opinions of the community about MSME services, as well as people's desires for an item that has not been provided by MSMEs. The collection of public opinion can be done by using direct interviews or by using questionnaires. Observation backwards is to make observations of employees in MSMEs in carrying out their duties.

#### **Alternative WO Strategy**

#### 1. Capital Digging

MSMEs can draw a financial surplus from the sales margin. MSMEs must be careful in determining the sales margin, it should not be too much or too little. The price of goods must be adjusted to the market price. This is because consumers are very observant of the price difference.

MSMEs can also seek additional capital by borrowing from banks or savings and loan cooperatives. MSMEs when taking loans from banks and savings and loan cooperatives must always make regular financial reports to find out the development of their financial position and must use borrowed money for non-consumption business activities.

#### 2. Promotion

Promotions need to be done so that consumers are more familiar with the profile of MSMEs. Promotional activities that can be carried out by MSME actors are in the form of brochures or leaflets containing various kinds of services and goods sold by MSMEs. MSMEs in carrying out promotions must explain what is there and not exaggerate. And MSME actors must be active in social and religious activities in the community. In this activity, MSME actors can also explain their business. Traditional retailers must understand that the most effective and efficient promotion is word of mouth.

#### 3. Development of the quality of human resources

Human resources or labor is the most important element in the continuation of a business. The quality of the workforce is low, it can be ascertained that the quality of management and service will be low, so it is necessary to develop the quality of human resources, both owners and employees of MSMEs.

Store owners and employees must be able to communicate using simple and easy-tounderstand language. The use of simple and easy to understand language needs to be done so that consumers understand and understand what is conveyed by the officer. And must act and speak in accordance with religious sharia. For example, by telling the truth and not talking about the shortcomings or ugliness of other people or competitors.

Workforce quality development activities can be carried out in two ways, namely work experience and additional education. Work experience can be done by means of leaders providing guidance to their subordinates, job rotations, evaluation meetings and joint problem solving efforts in traditional retail. Additional education can be carried out by conducting on the job training, lectures, attending courses, and seminars as well as attending formal education on educational campuses.

#### 4. Increase HR Work Spirit

Increasing the morale of HR so that employees are full of enthusiasm in carrying out their duties, especially in serving customers. Increasing the morale of HR in sharia, namely by giving awards when employees have carried out their obligations well. Rewards can be in the form of incentives, or sincere praise from a direct superior. Penalties for employees who do not carry out their obligations properly are expected to be avoided. This is to ensure that employees do not only work well when supervised.

#### **ST Strategy**

Service optimization. Service optimization is completing all work quickly, precisely, and efficiently. Implementation of serving customers that minimize errors is also part of service optimization. Optimization of services to provide satisfaction to consumers so that consumers willingly become loyal and royal customers. Service optimization can also save consumers time.

#### **Alternative WT Strategy**

#### 1. Community Development (CD)

CD is to develop communication with the community. MSME actors are part of the community so MSME actors need to implement community development as social responsibility. CD needs to be done so that people know more about MSME actors. CD is carried out by being active in social and religious activities of the community and MSME actors also organize social and religious activities by inviting the surrounding community.

CDs can also be done by helping the community in their daily life, for example by making donations when there are community activities such as community service, 17 August events, using labor from the surrounding community, holding mass circumcision and others.

CD needs to be done so that people know more about MSMEs and also feel part of MSMEs so that they are generous to MSMEs. So they will always be loyal customers of these SMEs.

All the strategic alternatives that have been described must be implemented so that MSME consumer loyalty increases. However, the SO (Strengths – Opportunities) strategy is an alternative strategy that must be immediately implemented by MSME actors, this is because the SO strategy alternative can increase long-term customer satisfaction. The use of alternative SO strategies means optimal utilization of the strengths and opportunities of MSMEs. The strengths and opportunities of MSMEs must be utilized as well as possible because these are assets owned by MSMEs. Alternative SO strategies include: Service quality improvement and Research and development.

The first alternative strategy is to improve service quality. Improving the quality of service is by improving the quality of the workforce, renovating buildings and others.

The second alternative strategy is Research and development. Research and development is carried out to find out what consumers need and want and how consumers evaluate MSME services and to find out how MSME actors work. Research and development also examines how the level of consumer satisfaction with services in SMEs, this is for consideration and reference so that SMEs continue to develop their quality in providing services to consumers.

2. Cooperation with other MSMEs and large companies

This collaboration needs to be done so that there is healthy competition between MSMEs. This collaboration is carried out by carrying out social and religious activities together and making agreements so that all MSME actors carry out healthy businesses.

#### CONCLUSION

The result of identification of MSME consumer satisfaction is that consumers are not satisfied. The average value of implementation is lower than the average value of expectations. The average value of implementation is 3.4. The mean value of expectation is 3.8. The causes of consumer dissatisfaction are: 1) The service is less responsive. 2) Goods sold by MSMEs are not complete. 3) Open schedule is not regular. 4) The price of goods is not up to standard. Service quality strategies based on sustainable marketing to increase customer loyalty are: 1) SO Strategy: Quality improvement and Research and development. 2) WO Strategy: Fundraising, Promotion, HR quality development, Enhancing HR work morale. 3) ST Strategy: Service optimization. 4) WT Strategy: Community development. The strategy offered has not been tested yet, so further research is needed which requires time, effort, and no small amount of money. But the results of this study are a contribution to increasing consumer satisfaction of SMEs.

#### REFERENCES

- [1] A. Anggraeni, F., Hardjanto, I., & Hayat, "Pengembangan Usaha Mikro, Kecil Dan Menengah (UMKM) Melalui Fasilitasi Pihak Eksternal Dan Potensi Internal (Studi Kasus Pada Kelompok Usaha 'Emping Jagung' Di Kelurahan Pandanwangi Kecamatan Blimbing Kota Malang)," J. Adm. Publik Mhs. Univ. Brawijaya, vol. 1(6), pp. 286–295, 2013.
- [2] D. & Y. Sembiring, "Analisis Pengaruh Kualitas Layanan Terhadap Kepuasan Konsumen pada Depot Isi Ulang Kilang Air Kota Batam," J. Ilm. CORE IT Vol. 9 No. 2 e-ISSN 2548-3528 p-ISSN 2339-1766I, 2020.
- [3] S. Suwarsito & Aliya, "Kualitas Layanan Dan Kepuasan Serta Pengaruhnya Terhadap Loyalitas Pelanggan," J. Ilm. Bina Manaj., vol. Vol 3, p. No 1 p-ISSN: 2085-0336 e-ISSN: 2655-8531, 2020.
- [4] Hilman, "Pengaruh Experiential Marketing Dan Persepsi Kualitas Layanan Terhadap Kepuasan Konsumen Di Gubug Makan Mang Engking Juanda Sidoarjo," Manag. Insight J. Ilm. Manajemen., vol. 15, no. No 2, Oktober 2020: 173-189. ISSN 1978-3884 (Printed) 2685-6654 (Online), 2020, [Online]. Available: doi: https://Doi.Org/10.33369/Insight.15.2.173-189.

- [5] D. A. Hendrian Yonata, Priski Setiawan, Ruby Santamoko, Dodi Ilham, "Pengaruh Kualitas Pelayanan dan Kepuasan Konsumen terhadap Loyalitas Pelanggan pada PT. Satria Antaran Prima," J. Ilmu Komput. dan Bisnis Nopember-2020, Vol.XI, No.2, hal. 2502-2514 ISSN(P) 2087-3921; ISSN(E) 2598-9715, 2020.
- [6] D. R. Nur Laely, Djunaedi, "Pengaruh Customer Relationship Marketing dan Kualitas Layanan Terhadap Kepuasan: Studi Konsumen McDonald's Kediri," Ekonika J. Ekon. Univ. Kadiri. Vol. 05 Nomor 2. ISSN 2581-2157 Vol. 05 Nomor 2 Tahun 2020 ISSN 2502-9304, 2020, [Online]. Available: http://dx.doi.org/10.30737/ekonika.v5i2.1129.
- [7] M. Holotová, "The Impact Of Environmental Responsibility On Changing Consumer Behaviour Sustainable Market In Slovakia.," Econ. Sociol. Vol. 13, No.3. 84-96. doi:10.14254/2071-789X.2020/13-3/6. ISSN 2071-789X, 2020.
- [8] P. P.-S. and B. R. H. Jose Ramon Saura, "Digital Marketing for Sustainable Growth: Business Models and Online Campaigns Using Sustainable Strategies," Sustain. 12, 1003, 2020, [Online]. Available: 10.3390/su12031003 www.mdpi.com/journal/sustainability.
- [9] Y. Wang, "The Exploring Of Supply Chain And Consumer Behavior Under The Concept Of Sustainable Development," . Int. Conf. Sustain. Manag. IOP Conf. Ser. Earth Environ. Sci. 576 .012029, 2020, [Online]. Available: 10.1088/1755-1315/576/1/012029.
- [10] Syapsan, "The Effect Of Service Quality, Innovation Towards Competitive Advantages And Sustainable Economic Growth Marketing Mix Strategy As Mediating Variable. Benchmarking: An International. Journal Vol. 26 No. 4 pp. 1336-1356 © Emerald Publishing Limited 1463-57," J. Vol. 26 No. 4 pp. 1336-1356 © Emerald Publ. Ltd. 1463-5771, 2017, [Online]. Available: DOI 10.1108/BIJ-10-2017-0280.