

Promotion Mix of E-Catalog at Deputy Coordination of Regional Development and Spatial Planning, Coordinating Ministry for Economic Affairs

¹Tintin Sri Murtinah; Ritma Wijayanti

¹STIA LAN Jakarta, Indonesia
Coordinating Ministry for Economic Affairs
Email: tintinsm05@gmail.com

Abstract

This study aims to determine Promotion Mix of E-Catalog at Deputy Coordination of Regional Development and Spatial Planning, Coordinating Ministry for Economic Affairs. This research was conducted using a descriptive method with a qualitative approach. Data collection techniques were carried out by documents review and interviews. Data analysis was carried out by matching data from document reviews and interviews to describe the results of the research. Based on the three aspects measured, namely the sales promotion aspect, the publicity aspect, and the personal selling aspect which shows that Promotion Mix of E-Catalog at Deputy Coordination of Regional Development and Spatial Planning, Coordinating Ministry for Economic Affairs, has not gone well yet. The results of interviews and document review concluded that: first, the price offered in the E-Catalog tends to be higher than the direct procurement process. Second, the items contained in the E-Catalog were incomplete and the information contained in the E-Catalog was still difficult to understand. Third, the menus in the E-Catalog were still unfamiliar so they were not user friendly.

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INTRODUCTION

Presidential Regulation Number 12 of 2021 concerning Amendments to Presidential Regulation Number 16 of 2018 concerning Government Procurement of Goods/Services Article 1 explains that Government Procurement of Goods/Services, hereinafter referred to as Procurement of Goods/Services, is an activity of procurement of goods/services by Ministries/Institutions/Regional Apparatuses which is financed by the APBN/APBD, the process of which starts from the identification of needs, up to the handover of the work. Stages in the procurement of goods/services include: procurement planning, procurement preparation, election preparation, selection process, contract implementation, and handover. The purpose of procurement according to Presidential Regulation Number 12 of 2021 is to produce the right goods/services from every money spent measured from the aspects of quality, quantity of time, cost, location and provider, increase the use of

domestic products, increase the role of micro, small and cooperatives, increasing the role of national business actors, supporting the implementation of research and utilization of research products/services, increasing the participation of creative industries, realizing economic equity and expanding business opportunities and increasing sustainable procurement. One of the efforts to increase sustainable procurement is to follow technological developments. This technological development can be used to narrow the distance between sellers and buyers, in this case the government. One result of technological developments is the internet. Technological developments have a considerable impact, especially for companies engaged in the trade industry because with the development of technology humans are required to be able to move more quickly, efficiently and effectively. Therefore companies can save time and costs in providing services for customers. More companies choose to market their products with the internet. This causes the company to develop better. Sales of goods and services with the help of telecommunication tools such as the internet can also be referred to as e-commerce. E-commerce is a part of e-business that is conducted using the internet for buying and selling products. The concept of e-commerce covers areas such as electronic catalogs, data exchange, and electronic auctions. The Government Goods/Services Procurement Policy Institute (LKPP) has also developed an online shopping application for the government sector called Electronic Catalog (E-Katalog). E-Catalog provides a wide range of products for government needs. The e-catalog was first used in 2012 in conjunction with the issuance of the Regulation of the Head of the Government Goods/Services Procurement Policy Agency Number 17 of 2012 concerning E-Purchasing. Socialization as a form of introduction and promotion of the E-Catalog has been carried out by the Government Goods/Services Procurement Policy Institute. The Coordinating Ministry for Economic Affairs has also socialized how to use the E-Catalog to all work units in the Coordinating Ministry for Economic Affairs. The Coordinating Ministry for Economic Affairs (Ministry of Economic Affairs), especially the Deputy for Coordinating Regional Development and Spatial Planning, uses the E-Catalog as a medium for carrying out the procurement of goods/services electronically. Users or users in the E-Catalog are Commitment Making Officers and Procurement Officials. Then there are providers of goods/services as external parties from the Deputy for Coordination of Regional Development and Spatial Planning, the Coordinating Ministry for Economic Affairs, who acts as a seller and provides the goods/services needed. The implementation of the Procurement of Goods/Services to the Deputy for Coordination of Regional Development and Spatial Planning, the Coordinating Ministry for Economic Affairs, through E-Catalogs requires communication. Good communication must be built by all parties. The information submitted must be clear and accountable. The Deputy for Coordination of Regional Development and Spatial Planning, the Coordinating Ministry for Economic Affairs, still found information that was difficult to understand. The limitations of the E- Catalog include an incomplete number of items where the items presented are mostly only items that are generally used in the main tasks and functions of government, do not reach specific items such as office stationery, and the items presented are incomplete. E-

catalogs are also still limited in terms of the period because providers see routine patterns of government spending behavior such as goods not being available in the first quarter. However, at the end of the year, in the last 2 (two) months of the fourth quarter, the goods needed were not available, even though several government agencies may have just implemented a budget revision for goods expenditure and government capital expenditure. E-catalogs have not been able to exist as government tools to provide goods/services at competitive prices compared to e-commerce services that are familiar to the general public. In addition, the slowness of providers in processing orders and the delivery process which is still unable to compete in time has made procurement actors decide not to use E-Catalogs. Therefore, researchers are interested in conducting research on the topic: E-Catalog Promotion Mix at the Deputy for Coordination of Regional Development and Spatial Planning, Coordinating Ministry for Economic Affairs.

Marketing

There are several definitions of marketing based on different perspectives according to the figures.

- a) Marketing is an activity that aims to identify and find human needs (Rahmawati, 2016: 3).
- b) Budi (2017: 1) explains marketing as a social and managerial process in which individuals and groups obtain what they need and want by creating and exchanging products and services and value between one person and another.
- c) Marketing according to W Stanton (Farida, et al, 2019: 1) is an overall system of business activities aimed at planning, determining prices, promoting and distributing goods and services that can satisfy the needs of buyers and potential buyers.
- d) Nasib (2019: 2) concludes marketing as a social and managerial process in which individuals and groups obtain what they need and want by creating, offering, and exchanging products of value with other parties.
- e) Kotler & Keller (Nandan, 2019: 4) says marketing is a social and managerial process in which individuals and groups obtain what they need and want by creating, offering, and exchanging products of value to other parties.

Marketing Mix

The marketing mix is grouped into four groups of variables called 4P: product, price, place, and promotion.

- a) Product according to Nasib (2019: 30) is "everything that can be offered to the market and that has value for customers and companies to fulfill all their needs and wants through offers from companies".
- b) Price according to Kotler (Fate, 2019: 65) is "the amount of money charged for a particular product".

- c) Place or better known as the distribution channel. Michael (Fate, 2019: 91) describes a distribution channel consisting of a series of institutions that carry out all the activities used to distribute the product and its owner status from the producer to the final consumer or business user.
- d) Promotion is an activity aimed at influencing consumers so that they can become familiar with the products offered by the company to them and then they become happy and then buy the product.

Electronic Catalog

Electronic Catalogs (E-Catalogs) have been known since 2012 along with the passing of the Government Goods/Services Procurement Policy Agency (LKPP) Number 17 of 2012 concerning E-Purchasing. Procurement of goods/services through The Electronic Catalog has been regulated through Regulation of the Head of LKPP Number 17 of 2012 in full. Changes to the LKPP Head Regulations are also made almost every year to adjust the system and other provisions. Changes to the LKPP Head Regulation have been made 4 (four) times from 2012 to 2021.

The research questions can be put forward as follows:

- a) How is the E-Catalog Promotion Mix seen from the aspect of sales promotion at the Deputy for Coordination of Regional Development and Spatial Planning, the Coordinating Ministry for Economic Affairs?
- b) How is the E-Catalog Promotion Mix seen from the publicity aspect of the Deputy for Coordination of Regional Development and Spatial Planning, the Coordinating Ministry for Economic Affairs?
- c) How is the E-Catalog Promotion Mix seen from the personal selling aspect of the Deputy for Coordination of Regional Development and Spatial Planning, the Coordinating Ministry for Economic Affairs?

METHOD

This research use descriptive qualitative approach. Qualitative research according to Creswell (Sugiono, 2014: 228) is: the process of exploring and understanding the meaning of individual and group behavior, describing social problems or humanitarian problems. The research process includes making research questions and procedures that are still provisional, collecting data on participant settings, analyzing data inductively, building partial data into themes, and then providing interpretation of the meaning of a data. The final activity is to make reports into a flexible structure. The purpose of qualitative research is to show what the researcher wants to do and what he wants to achieve. The purpose of qualitative research includes information about the main phenomena explored

in research, research participation, and research locations (Sudaryono, 2017: 534). This study used a qualitative method because the researcher deliberately chose the research object, namely the Deputy for Coordination of Regional Development and Spatial Planning, the Coordinating Ministry for Economic Affairs, so that as much data on the research object could be extracted as possible to study intensively related to the E-Catalog promotion mix in Procurement of Goods/ Service. This research is a descriptive analysis by processing documents, data, and information. Then these data are collected, compiled, and described, to be further explained and analyzed in the form of presentation, so that the writer can provide conclusions on this study.

RESULTS AND DISCUSSION

The Deputy for Coordination of Regional Development and Spatial Planning is one of the work units under the Coordinating Ministry for Economic Affairs. Regulation of the Coordinating Minister for the Economy Number 9 of 2020 concerning the Organization and Work Administration of the Coordinating Ministry for the Economy Article 402 explains that the Deputy for the Coordination of Regional Development and Spatial Planning has the task of coordinating and synchronizing the formulation, determination, and implementation as well as controlling the implementation of the policies of the Ministries/Agencies that related to issues in the field of regional development and spatial planning. Assistant Deputy for Economic Strategic Area Development Planning/Deputy Secretary has the task of preparing coordination and synchronization of the formulation, determination, and implementation as well as controlling the implementation of Ministry/Agency policies related to issues in the field of economic strategic area development planning as well as implementation of technical support and program administration and governance in the Deputy for Coordination of Regional Development and Spatial Planning. The President has issued Presidential Instruction Number 2 of 2022 concerning the Acceleration of Increasing the Use of Domestic Products and Products of Micro, Small Enterprises, and Cooperatives in the framework of the Success of the Proud Made in Indonesia National Movement in the Implementation of Government Procurement of Goods/Services. One of the contents of this Presidential Instruction is an appeal to carry out the Procurement of Goods/Services electronically, either through E-Catalogs or other applications that have been published by LKPP. In order to follow up on Presidential Instruction Number 2 of 2022, Commitment Making Officers, Procurement Officials, and Goods/Services Providers must play an active role in implementing electronic-based procurement. However, in implementing the Procurement of Goods/Services through E-Catalogs, there are still various obstacles. Sales Promotion is a company activity to stimulate buyers to buy a product in a variety of ways. Sales Promotion is closely related to communication between Commitment Making Officials, Procurement Officials, and Goods/Services Providers. Sales promotion is an invitation from the Commitment Making Officer to make a purchase transaction through the E-Catalog. The sales promotion aspect is divided into two sub-aspects, namely non-competitive prices and limited periods.

Non-competitive prices explain the comparison of price offers listed on the E-Catalog with Direct Procurement. It can be seen that the prices listed on the E-Catalog are already competitive. Even though the price listed on the E-catalog is more expensive than Direct Procurement, it includes other costs such as taxes, guarantees, and shipping costs, and administrative costs. Limited period explains the time period for procurement using the E-Catalog. It can be seen that the time period in the E-Catalog has limitations. E-Catalogs are difficult to access at the beginning and end of the year due to adjustments to the system by LKPP and administrative officers who are still negligent in the procedures for implementing the procurement of goods/services through E-Catalogs. Publicity is a way used by companies to make consumers aware of a product. Commitment Making Officials at the Coordinating Ministry for Economic Affairs tend to be the same in choosing Goods/Services Providers. This is done due to the uniformity of procurement and avoid administrative errors. The publicity aspect is divided into two sub-aspects, namely the incomplete number of items and information inconsistency. Incomplete items explain product availability in the E-Catalog. It can be seen that the goods in the E-Catalog are still incomplete. Goods that have been downstream will be difficult to display again in the E-Catalog due to the lengthy verification process by LKPP. Usually, items that have been released are old products and there are already newer replacement products. Information inconsistency explains the completeness of the information contained in the E-Catalog. The information contained in the E-Catalog can be seen after accessing the E-Catalog. It can be seen that the level of understanding in digesting information in the E-Catalog is quite diverse. For some parties, the information in the E-Catalog already reflects the specifications of the goods, but for other parties it says that the information does not describe a product. Then, LKPP has compiled a user guide in the form of a guidebook for E-Catalog users. However, in practice, Commitment Making Officials and Procurement Officers still often have difficulty accessing the E-Catalog. This can be caused by various factors, such as the menu layout is confusing, the filter menu cannot be applied, and the E-Catalog must be accessed with a high internet network speed. Personal selling is a company activity in making direct contact with potential customers. Even though the procurement process is carried out with an E-Catalog, the Goods/Services Provider still needs to visit the Commitment Making Officer. This is done to discuss further about the items needed because the details or specifications of the goods must be in accordance with the wishes of the agency. The personal selling aspect is divided into two sub-aspects, namely the position of the decision and the response from the buyer. The decision in taking the Goods/Services Procurement method is carried out by the Commitment Making Officer. The Commitment Making Officer procures goods/services in accordance with the agency's request through the Official Note received. It can be seen that agencies prefer procurement through the Direct Procurement method. Even though the Direct Procurement process is longer, the parties concerned are more accustomed to using this method. Apart from that, there are also many applications developed by LKPP and the Ministry of Finance related to the Procurement of Goods/Services. Calls to use various applications confuse employees. Applications related to the procurement of goods/services are

E-Catalog, Defense Procurement, Online Shop, SiRUP, Digipay, and others. The responses from the buyers, in this case the Commitment Officers and Procurement Officials, are inputs so that the E-Catalog can be even better. It can be seen that the level of user understanding in running the E-Catalog is different. This can be due to the frequency of using the application. The more frequently you use the E-Catalog for goods/services procurement transactions, the more familiar the user will be with the menus in the E-Catalog. In addition, the E-Catalog has drawbacks, namely this application is very dependent on the speed of the internet network. The weaker the internet network you have, the more difficult it will be for the E-Catalog to open because basically this E-Catalog stores a lot of data from all over Indonesia.

DISCUSSION

The results of this study that the E-Catalog promotion mix for the Deputy for Coordination of Regional Development and Spatial Planning, the Coordinating Ministry for the Economy has not been implemented properly, effectively and efficiently in accordance with the laws and regulations governing the Procurement of Goods/Services Government and E-Catalog. The E-Catalog Promotion Mix for the Deputy for Coordination of Regional Development and Spatial Planning, the Coordinating Ministry for Economic Affairs from the aspect of sales promotion has not been fully implemented properly. Even though the prices listed on the E-catalog can be competitive, the E-catalog is difficult to access and administrative officers are still negligent in the procedures for carrying out the procurement of goods/services through the E-catalog. E-Catalog Promotion Mix for the Deputy for Coordination Regional and Spatial Development, Ministry of Coordinating Ministry The economy from the publicity aspect is not yet complete implemented properly, effectively, and efficiently. Item displayed on the E-Catalog is still not complete and information specifications of goods in the E-Catalog are still difficult to understand for consumers, in this case Commitment Making Officials and Officials Procurement. The E-Catalog Promotion Mix for the Deputy for Coordination of Regional Development and Spatial Planning, the Coordinating Ministry for Economic Affairs from the personal selling aspect has not been fully implemented properly. E-Catalogs are difficult to access and are still not user friendly so that Agencies prefer procurement through the Direct Procurement method rather than using E-Catalogs.

CONCLUSION

Based on the result above, researchers can submit conclusion and suggestions regarding the E-Catalog promotion mix to the Deputy for Coordination of Regional Development and Spatial Planning, the Coordinating Ministry for Economic Affairs, addressed to the Commitment Making Officer and Procurement Officer at the Deputy for Coordinating Regional and Spatial Planning, Coordinating Ministry for Economic Affairs, Carry out the procurement of commodities/services at the beginning; Be more selective in determining the specifications of commodities/services, especially if the price

offered on the E-Catalog is more expensive; Complete the existing processes in the E-Catalog to completion; Understand the information contained in the E-Catalog; Be more selective in finding the commodities according to the required specifications; Adapt to implement the procurement of commodities/services through ecatalogs; Increase the office bandwidth capacity.

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