ANALYSIS OF THE IMPACT OF THE IMPLEMENTATION OF MICE (Meeting, Incentive, Convention and Exhibition) ON INCREASING SALES AND MARKET DEVELOPMENT FOR MSME PLAYERS IN TEBING TINGGI CITY IN THE ERA INDUSTRIAL REVOLUTION 4.0

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Abstract

This study aims to determine the impact of MICE (Meeting, Incentive, Convention and Exhibition) on increasing sales and market development for MSME players in Tebing Tinggi City in the Industrial Revolution Era 4.0. The research method used is a quantitative method using SPSS version 25.00 which was collected from the results of distributing questionnaires to MSME actors in the city of Tebing Tinggi who participated in MICE as many as 80 respondents. The analytical method used in this study is to use an instrument test, namely the validity and reliability test. The classical assumption test is the normality test, multicollinearity test, heteroscedasticity test, simple linear regression analysis, hypothesis testing, namely the T test. The results of SPSS in this study, namely MICE (Meeting, Incentive, Convention and Exhibition) have an effect on increasing sales and market development for players MSMEs in Tebing Tinggi City in the Industrial Revolution 4.0 Era.

Keywords: Sales Increase, Market Development, MICE

1. INTRODUCTION

Indonesia is one of the countries that has a per capita income that is in the low category so that a program is needed for the community to increase the rate of growth, one of the government programs being carried out at this time is to encourage the growth and development of MSMEs (Micro, Small and Medium Enterprises). Although MSMEs do not make a large contribution to national GDP, MSMEs can indirectly support national economic conditions where MSMEs are the biggest absorbers of energy and during the economic crisis in 1998 MSMEs were the front line of the economy at that time [1]. MSME actors in Indonesia in general and in the city of Tebing Tinggi in particular are still largely dependent on traditional concepts both in terms of marketing and production, which can directly affect the level of sales and market development. Increasingly complex competition and rapid technological developments make business actors must also be able to quickly adapt to increasingly fierce competition.

From the results of a survey conducted on MSMEs (Micro, Small and Medium Enterprises) in Tebing Tinggi City, there are still very few business actors who have a market share that reaches outside the city and even abroad, currently there are only a few products that are able to sell their products outside the city and province such as Roti Peanuts with brand Rajawali, Hj. Eliya Lubis, King Kang Green and others. This shows that market development carried out by MSMEs (Micro, Small and Medium Enterprises) in Tebing Tinggi City is very low so that not many are able to sell their products outside the city, province or abroad. In line with the current level of sales where sales are unstable during the Covid-19 pandemic, especially at the beginning of the 2020 pandemic, Tebing Tinggi City which is only a crossing city and does not become a destination city because it does not have tourist locations, so to attract tourist visits or people outside the area, the Tebing Tinggi City government has an annual MICE (Meeting, Incentive, Convention and Exhibition) agenda where this activity is in the form of a coffee festival, an agricultural festival that can be participated in by various regions and recently the City of Tebing Tinggi hosted the MTQ 37 Sumatra North is a big potential for MSME players to develop market and increase sales during MICE (Meeting, Incentive, Convention and Exhibition) activities.
The purpose of this study was to determine the effect of MICE (Meeting, Incentive, Convention and Exhibition) on increasing sales for MSME actors in Tebing Tinggi City in the Industrial Revolution 4.0 Era. MICE (Meeting, Incentive, Convention and Exhibition) on market development for MSME players in Tebing Tinggi City and find out how big the MICE (Meeting, Incentive, Convention and Exhibition) relationship is to increasing sales and market development for MSME players in Tebing Tinggi City in the Industrial Revolution Era 4.0.

1.1. Micro, Small and Medium Enterprises (MSMEs)

Micro, Small and Medium Enterprises (MSMEs) are independent productive business units, which are carried out by individuals or business entities in all economic sectors. In principle, the distinction between micro, small, medium and large enterprises is generally based on the value of initial assets (excluding land and buildings), the average annual turnover, or the number of permanent workers. In the Law of the Republic of Indonesia No. 20 of 2008 concerning MSMEs, Article 1 of the law states that micro-enterprises are productive businesses owned by individuals and/or individual business entities that have the criteria for micro-enterprises as stipulated in the law. In the law, the criteria used to define MSMEs as stated in Article 6 are net worth or asset value excluding land and buildings for business premises, or annual sales proceeds. With the following criteria:

- Micro-enterprises are business units with assets of at most Rp. 50 million excluding land and buildings for business premises with annual sales of a maximum of Rp. 300 million.
- Small business with asset value of more than Rp. 50 million up to a maximum of Rp. 500 million excluding land and buildings where the business has annual sales of more than Rp. 300 million up to a maximum of Rp. 2,500,000, and.
- Medium-sized enterprises are companies with a net worth of more than Rp. 500 million to a maximum of Rp. 100 billion with annual sales of above Rp. 2.5 billion to a maximum of Rp. 50 billion.

1.2. MICE

MICE is a tourism activity whose activities are a combination of leisure and business, usually involving a group of people together, a series of activities in the form of meetings, incentive travels, conventions, congresses, conferences and exhibitions.

MICE is applied to build a positive image. The role of Public Relations as a Good Image Maker is very necessary to manage it. The functions of public relations include, among others, supporting management activities in achieving organizational goals, fostering harmonious relations between the organization and the public, creating two-way communication, serving the public and advising organizational leaders in the public interest.

1.3. Market Development

Market development strategy is one of the efforts made by the company to increase sales of existing products in new markets. This activity is one small part of the company's possibilities for growth. Basically the possibilities that can be taken by companies to achieve growth can be divided into three categories as follows: (1) Intensive growth that can be done through market penetration, market development, and product development; (2) integrative growth that can be carried out through backward integration, forward integration, and horizontal integration; (3) Diversification growth that can be done through concentric diversification, horizontal diversification, and conglomerate integration.

1.4. Sale

According to Moekijat in [9], selling is an activity aimed at finding buyers, influencing and giving instructions so that buyers can adjust their needs to the products offered and enter into agreements regarding prices that are profitable for both parties. According to [10], sales are receipts obtained from the delivery of merchandise or from the delivery of services in the exchange as consideration items. Meanwhile, according to Swastha in [11], sales are interactions between
individuals meeting face to face aimed at creating, improving, controlling or maintaining exchange relationships so that they are beneficial to other parties.

2. IMPLEMENTATION METHOD

The research design used in research and development (Research and Development) is a research method used to generate the impact of MICE implementation on increasing sales and market development for MSME players in Tebing Tinggi City in the Industrial Revolution Era 4.0. The research and development method based on project based learning refers to the steps using research and development (Research and Development) [13]:

![Figure 1. Steps to Use the R&D Method](image)

The population in this study is Micro, Small and Medium Enterprises (MSMEs) which have their own products and are registered with the Trade Office of Tebing Tinggi City as many as 80 MSME actors. The sample used in this study was 80 MSME actors, with a census sampling technique where the entire population was used as the research sample [14]. This study uses Simple Linear Regression Analysis, with the aim of knowing the effect of the independent variable on the dependent variable. The regression equation used in this study is as follows:

**Equation 1**

\[ Y2 = a + b_1 X + \varepsilon \]

**Information:**
- \( Y1 \) = Sales Increase
- \( a \) = Constant
- \( X \) = MICE
- \( b_1 \) = MICE variabel variable regression coefficient
- \( \varepsilon \) = Confounding variable (residual error)

**Equation 2**

\[ Y2 = a + b_2 X + \varepsilon \]

**Information:**
- \( Y2 \) = Market Development
- \( a \) = Constant
- \( X \) = MICE
- \( b_2 \) = MICE variabel variable regression coefficient
- \( \varepsilon \) = Confounding variable (residual error)
3. RESULTS AND DISCUSSION

3.1. Instrument Test

1) Validity Test

This test was carried out on 30 respondents, then df = 30 - k = 28, with = 5%, the r table value was 0.361 (Ghozali, 2016: 463), then the calculated r value will be compared with the r table value. From the results of the tests carried out, it shows that all statement points, both the sales increase, market development and MICE variables have a calculated r value that is greater than the r table value, so it can be concluded that all statements of each variable are declared valid.

2) Reliability Test

Reliability is an index that shows the extent to which a measuring instrument can be trusted or reliable. According to Sugiyono (2013:64) a factor is declared reliable if the Cronbach Alpha is greater than 0.6. Based on the reliability test using Cronbach Alpha, all research variables are reliable/reliable because Cronbach Alpha is greater than 0.6, so the results of this study indicate that the measurement tool in this study has met the reliability test (reliable and can be used as a measuring instrument).

3.2. Classic assumption test

The testing of classical assumptions with the SPSS 25.00 program carried out in this study includes:

1) Normality Test

Normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution. Testing the normality of the data can be done using two methods, graphs and statistics. The normality test of the graph method uses a normal probability plot, while the statistical method normality test uses the one sample Kolmogorov Smirnov Test. The normality test using the graphical method can be seen in the following figure:

One-Sample Kolmogorov-Smirnov Test

<table>
<thead>
<tr>
<th>Unstandardized Residual</th>
<th>N = 80</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal Parameters a,b</td>
<td>Mean</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td></td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td>Absolute</td>
</tr>
<tr>
<td></td>
<td>Positive</td>
</tr>
<tr>
<td></td>
<td>Negative</td>
</tr>
<tr>
<td>Test Statistic</td>
<td>Asymp. Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>Monte Carlo Sig. (2-tailed)</td>
</tr>
<tr>
<td>99% Confidence Interval</td>
<td>Lower Bound</td>
</tr>
<tr>
<td>Upper Bound</td>
<td></td>
</tr>
</tbody>
</table>

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. Based on 80 sampled tables with starting seed 299883525.

From the output in the table, it can be seen that the significance value (Monte Carlo Sig.) of all variables is 0.397. If the significance is more than 0.05, then the residual value is normal, so it can be concluded that all variables are normally distributed.
3.3. Linear Regression Test

Linear regression testing explains the magnitude of the role of the independent variable on the dependent variable. Data analysis in this study used two linear regression equations, using SPSS 25.00 for windows. Based on these results, the linear regression equation has the formulation:

**Equation 1**

\[ Y_1 = 8.209 + 0.668X_1 + \epsilon_1. \]

The description of the multiple linear regression equation above is as follows:
1) The constant value \((b_0)\) of 8.209 indicates the magnitude of the sales increase variable if the MICE variable and the MICE variable are equal to zero.
2) The regression coefficient value of the MICE variable \((b_1)\) of 0.668 indicates the magnitude of the role of the MICE variable on the sales increase variable. This means that if the MICE variable factor increases by 1 unit value, it is predicted that the sales increase variable will increase by 0.668 unit value.

**Equation 2**

\[ Y_2 = 13.078 + 0.420X + \epsilon_2. \]

The description of the multiple linear regression equation above is as follows:
1) The constant value \((b_0)\) of 13.078 indicates the size of the Market Development variable if the MICE variable and the MICE variable are equal to zero.
2) The regression coefficient value of the MICE variable \((b_2)\) of 0.420 indicates the magnitude of the role of the MICE variable on the Market Development variable. This means that if the MICE variable factor increases by 1 unit value, it is predicted that the Market Development Variable will increase by 0.420 unit value.

3.4. Hypothesis Test

The t statistic test is also known as the individual significance test. This test shows how far the influence of the independent variable partially on the dependent variable. In this study, partial hypothesis testing was carried out on each independent variable, the results of data processing in the following table:

**Table 1. Hypothesis Test**

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td>9.145</td>
<td>1.494</td>
<td>6.123</td>
<td>.000</td>
</tr>
<tr>
<td>MICE</td>
<td>.069</td>
<td>.009</td>
<td>.614</td>
<td>7.535</td>
<td>.000</td>
</tr>
</tbody>
</table>

| Dependent Variable: Peningkatan Penjualan |
| Sumber: Data diolah (2022) |

From table 1, the tcount value is 11.253. With \(\alpha = 5\%\), ttable \((5\%; n-k = 79)\) the ttable value is 1.990. From the description it can be seen that tcount \((7.535) > \text{ttable} (1.990)\), as well as the significance value of 0.000 < 0.05, it can be concluded that the first hypothesis is accepted, meaning that the MICE variable affects the sales increase variable.

**Table 2. Hypothesis Test**

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.803</td>
<td>2.513</td>
<td>.717</td>
<td>.475</td>
<td></td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>MICE</th>
<th>1.360</th>
<th>.121</th>
<th>.759</th>
<th>11.253</th>
<th>.000</th>
</tr>
</thead>
</table>

a. Dependent Variable: Pengembangan Pasar

Sumber: Data diolah (2022)

From table 2, the tcount value is 11.253. With = 5%, ttable (5%; n-k = 79) the ttable value is 1.990. From the description it can be seen that tcount (11.253) > ttable (1.990), as well as the significance value of 0.000 <0.05, it can be concluded that the second hypothesis is accepted, meaning that the MICE variable has an effect on the market development variable.

4. CONCLUSION

This study tries to answer the research objective, namely to determine the impact of MICE (Meeting, Incentive, Convention and Exhibition) on increasing sales and market development for MSME players in Tebing Tinggi City in the Industrial Revolution Era 4.0. The results of hypothesis testing using simple linear regression analysis show that all hypotheses are accepted, so it can be concluded that MICE (Meeting, Incentive, Convention and Exhibition) has an effect on increasing sales and market development for MSME players in Tebing Tinggi City in the Industrial Revolution Era 4.0.

Based on the results of this study where MICE (Meeting, Incentive, Convention and Exhibition) has an effect on increasing sales and market development, the government can make an annual agenda for holding MICE by involving all MSMEs that have the potential to develop to participate in MICE held by the city government at being high.

REFERENCES


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