

Digital Marketing Potential for Umkm Business Development Facilities In Bojonegoro

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Article History

accepted 31/7/2023

approved 31/8/2023

published 30/9/2023

Abstract

Digital marketing strategy is one of the activities to promote products to prospective buyers, this strategy is quite popular with business people in the digital era. Therefore, this study aims to identify the views of MSME business actors on the potential of digital marketing strategies. Research is a type of quantitative research with surveys, questionnaires used as instruments to collect data in the form of responses from MSME actors. A total of 27 MSMEs in Kalitidu Village, Bojonegoro Regency were involved as the subjects of this research. The findings from this research indicate that MSME actors think that digital marketing strategy is a science that they must master so that they can optimize product marketing and sales, although most of them have tried to implement marketing through social media, and use product distribution channels online but still consider that digital marketing capabilities and strategies still need to be studied in order to obtain greater and optimal results from business activities. Therefore, the use of digital technology-based marketing concepts (digital marketing) provides hope for MSMEs to develop into centers of economic power.

Keywords: digital marketing, SMEs, social media, products

Social, Humanities, and Education Studies (SHEs): Conference Series
<https://jurnal.uns.ac.id/shes>

p-ISSN 2620-9284
e-ISSN 2620-9292



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INTRODUCTION

The MSME sector is one of the main pillars of Indonesia's economic fundamentals. In fact, at the time of the 1998 economic crisis, it turned out that the MSME (UMKM) sector made a very positive contribution in saving the Indonesian economic ecosystem at that time. The same thing happened during the Covid-19 pandemic, where the MSME sector has great potential to become an accelerator of national economic recovery (Mukhlison et al., 2022),(Hanım et al., 2022). With the development of digitalization, MSMEs will make the digital economy in Indonesia in 2025 the largest in Southeast Asia. Even so, there are obstacles faced by MSMEs, namely the need to strengthen digital literacy education and strengthen human resources for MSME business actors (Sudrajat et al., 2021),(Murtadho et al., 2022). Because so far digital literacy and the quality of human resources for MSME actors have been minimal, so that the impact has been less than optimal in producing their respective superior products. In fact, the majority of MSME business actors want to practice digital business in developing their businesses (Harahap et al., 2021).

Currently, all business actors are required to adapt to a rapidly changing business environment, one of which is by relying on digital technology. Several studies state that digitalization can improve the performance of MSMEs. This socialization of digital marketing is one of the efforts to realize MSMEs towards digitization so that they can achieve the effectiveness of their marketing and improve MSME performance (Made et al., 2022),(Olson et al., 2021). Offline sales activities during a pandemic like this certainly greatly reduce their income so that educational activities are needed to help them in selling.

Business processes in this modern era are the effects of globalization which has led to the development of technology and communication to become increasingly sophisticated, using digital marketing through social media to be the main choice for business actors. Digital marketing is one of the right media for marketing or promoting a product so that it is hoped that it can reach consumers precisely and quickly (Hidayati et al., 2020),(Hadi & Zakiah, 2021). The use of digital marketing has now become the main pillar in society. How could it not be, if we look at this time, almost everyone uses social media as a means of identifying self-identity. Not only that, the advantage of social media is that it has various potentials for business advancement. By communicating with customers and suppliers, for online sales, and so on, social media can certainly be used to market products and services. Special features for businesses now even exist on Instagram and Facebook. This means that social media has a considerable impact on business continuity. If you can put it to good use, even a small business can have a chance of success.

Therefore, developing a marketing strategy must look carefully at the right media used for promotion. Because promotion can be a determinant of the success of a product sale (Anugrah et al., 2022). Broadly speaking, media that can be utilized in digital marketing in this modern era include websites, social media, e-commerce, and so on. Based on the survey results, it was found that out of a total of 277.7 million people in Indonesia in 2022, 204.7 million people use the Internet, and 191.4 million of them are active social media users (Hidayati et al., 2020). As many as 67.5% of total internet users use digital machines to find the brand they want, even 47.1% of them take the time to visit the website of the brand they are interested in (Hagen et al., 2022). These results indicate that digital marketing activities in the current era play a very large role in closing a brand.

It is known that MSMEs do not follow digital developments, mainly due to a lack of knowledge about digital marketing (Nirwana & Biduri, 2021). A number of business actors believe that the use of traditional marketing is currently considered less effective. However, online marketing and social media marketing are only complementary, because most MSMEs have not implemented the full potential of

digital tools, so they do not fully benefit from digital developments (Masrianto et al., 2022). Not all MSMEs in Indonesia are able to change their marketing patterns to digital marketing. Factors of low educational background and lack of knowledge about the internet, development, and technology are the reasons for not optimally using digital marketing for MSMEs (Harahap et al., 2021). Even though Micro, Small and Medium Enterprises (MSMEs) must be literate in technology and must be able to take advantage of this opportunity in an effort to increase their closing selling. This is because MSMEs have an important role in the pace of the Indonesian economy, especially in creating jobs and empowering households that support household income. Which indirectly helps the government in growing the national economy as well as alleviating poverty (Hanim et al., 2022). The existence of MSMEs is expected to be able to spur the economy amid the current economic slowdown. The use of digital technology-based marketing concepts (digital marketing) provides hope for MSMEs to develop into centers of economic power (Harahap et al., 2021). The fast competition also makes digitization increasingly necessary for SMEs to look at, because in addition to the reasons for the digitalization era, promotions with digital media are more effective and efficient. Because it can save various aspects of business activities, including advertising costs and time.

One of the strategies to be able to actively contribute to utilizing digital technology is by applying a Digital Marketing strategy. The concept of digital marketing originates from the internet and search engines on websites (Hagen et al., 2022). When the peak of internet use was in 2001, the market was dominated by Google and Yahoo as search engine optimization (SEO). digital marketing is marketing activities including branding (brand recognition) using various web-based media such as blogs, websites, e-mails, adwords, social networks and of course digital marketing is not just talking about internet marketing but more than that (Langan et al., 2019). Digital marketing describes the management and implementation of marketing using electronic media. Social media has the potential to help MSMEs in marketing their products (Saura, 2021).

This research is different from previous research, where this research will focus on identifying the types of business carried out by MSMEs to be analyzed later in order to create a contextual digital marketing training model, although this re-search will focus on identifying the types of business carried out by MSME actors. Based on several descriptions regarding the importance of using digital technology, and digital marketing strategies for MSMEs, this study aims to identify the opinions of MSME actors regarding the potential of digital marketing as a marketing strategy in the digital era.

METHODS

This research is included in the descriptive quantitative research with the type of survey (Abdullah, 2015). This research is considered capable of accommodating the research objective of identifying MSME actors for the potential for implementing digital marketing strategies for the businesses they run. The research subjects consisted of 27 MSMEs in Kalitidu Village, Bojonegoro Regency. The data collection technique is a non-test with the instrument, namely a questionnaire (Silalahi, 2015), whose data mining aspects focus on the type of business, the use of marketing strategies, and the understanding of business actors regarding digital marketing. Data analysis for the results of research subject responses used descriptive statistics for each response rather than a questionnaire distributed to research subjects (Valtonen et al., 2021).

RESULTS AND DISCUSSIONS

With the development of the digital world, it also triggers developments that occur in MSMEs. This can be seen from the mushrooming of businesses in the Bo-jonegoro region, be it food & beverage, clothing, hobbies, and others. Digital marketing does not only focus on one type of business, but can also be used for various types of businesses. It can be seen that from the results of the identification, most MSME actors are engaged in the food and beverage sector, then there are types of businesses selling clothes, both women, men and children as well as several types of service businesses and the rest answered that they run businesses other than the three types of businesses. Of course this is an indication that the most MSME actors are those who trade in food and beverages. The following is an illustration of the results of identifying the types of businesses involved in MSME actors in Kalitudu Village, Bojonegoro.

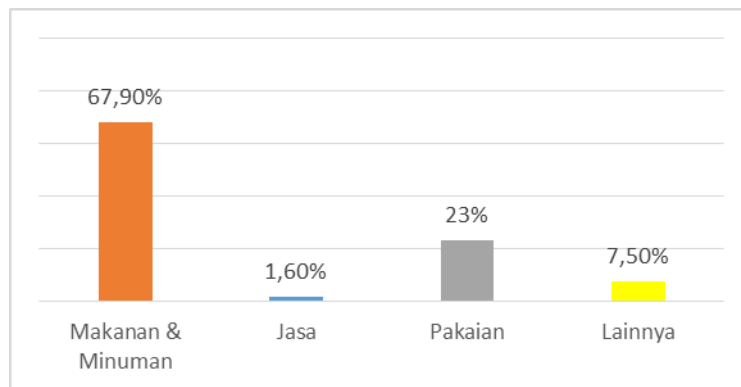


Figure 1. Types of MSME (UMKM) businesses

The next identification is regarding the media of these business actors in promoting their merchandise or type of business. As it is known that Indonesia with a population of around 285 million people is known as a country with a population that is active on social media. This is a fairly large capital for MSME actors in promoting goods using social media which is often used by the public. For example Facebook, Instagram, Whatsapp, Youtube, and so on.

Later, online motorcycle taxi platforms or applications emerged as platforms for promoting and distributing goods to consumers, for example Gojek, ShopeeFood and Grab. Based on the results of the questionnaire distributed to respondents, it appears that in the type of food and beverage business, the majority often use Instagram as a tool to promote their products, followed by Facebook and a few of them regularly upload content to YouTube. Meanwhile, similar results were also obtained from those selling services, namely using Instagram as the primary promotional media tool, followed by some of them also actively posting on Facebook to promote their products. In line with that, those with the type of business selling clothes also use Instagram as the main media in promoting their products. Some of them use Facebook to promote their wares. The following is a graphic illustration of the identification results regarding the types of media commonly used by business actors.

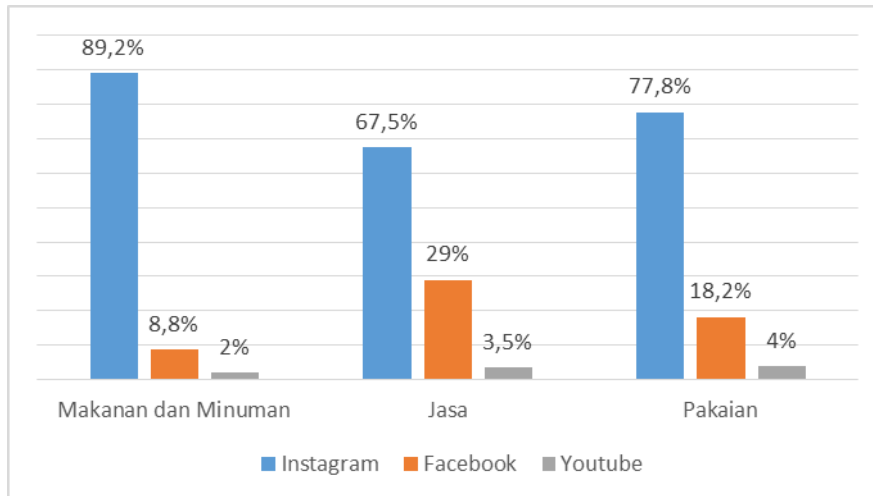


Figure 2. Types of media for Promotion

Product distribution is also one of the things that MSME actors pay attention to. Currently there are various goods distribution platforms, for example online motorcycle taxi applications and goods delivery services, as previously mentioned there are Grab, Gojek, and Shopeefood. While for expeditions, of course there are Tiki, JNE, and SiCepat. The results of the identification of the responses of MSME business actors show that they utilize most of these distribution methods, because they think that this product distribution channel can help them reach a wider community. It was identified from these results, that the majority of food and beverage business actors have utilized online food delivery, several clothing business actors have also utilized various types of expedition options that are able to deliver package shipments to all regions. And the same goes for services that are starting to implement various distribution platforms in order to optimize their product sales. The following is a graphic illustration of the types of product distribution channels.

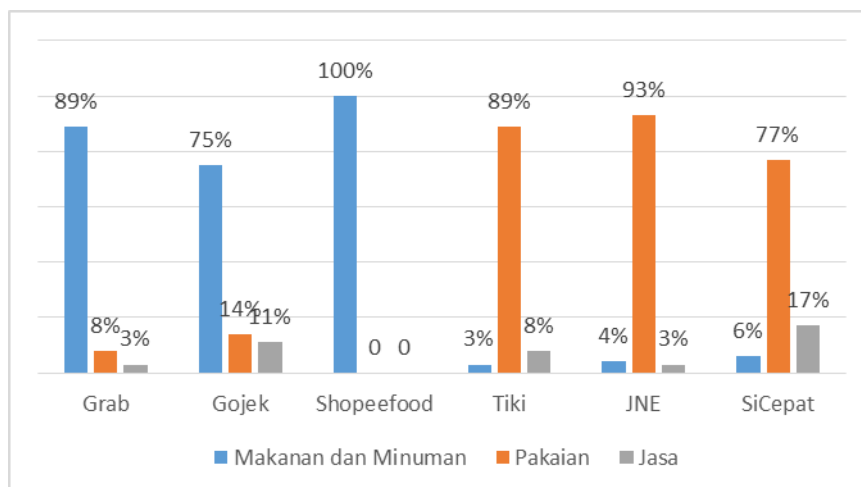


Figure 3. Types of product distribution channels for MSME actors

The results of the next identification are the opinions of business actors regarding Digital Marketing strategies for marketing in the growing digitalization era. From the results of this identification, it can be seen that a number of business actors stated that digital marketing strategies were suitable and important for them to gain knowledge, although there were several business actors who stated the opposite, this was because

they had previous knowledge and skills regarding digital marketing. The following is an illustration of the results of identifying MSME actors' responses regarding the importance of digital marketing strategies.

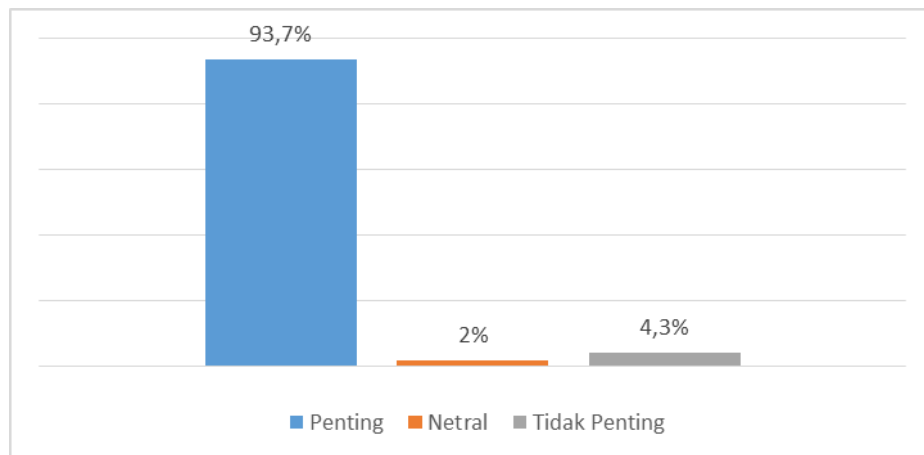


Figure 4. The Importance of Digital Marketing Strategy

Of course, through knowledge and practice regarding digital marketing strategies, they want the business they are involved in to become known and develop, the hope is that through digital marketing as it is today, it will make it easier to access the internet so that it will be easier to promote their business. In addition to the ease of promoting their business, MSME actors also enjoy the convenience of transacting with consumers without having to meet each other.

In addition, MSME actors who were respondents in this study agreed that the costs that must be incurred for promotion and all other marketing activities through digital marketing are cheaper than the costs that would be incurred if done traditionally/conventionally. Research also found that the use of digital marketing has helped MSMEs in marketing their products, expanding their market share and reducing the promotion costs they incur (Suasana et al., 2020). This result at the same time confirms that digital marketing provides many benefits in the marketing process, including the convenience of an easy process and the costs that must be incurred are lower than conventional businesses. Apart from that, this research also confirms that Digital marketing is considered necessary for Micro, Small and Medium Enterprises (MSMEs) because it provides great opportunities to increase the visibility, reach and growth of their business. By using digital marketing strategies, MSMEs can take advantage of various online platforms such as social media, search engines and websites to introduce their products or services to a wider audience. Through digital marketing, MSMEs can build their brand, expand their customer network, and increase sales in an efficient and measurable manner. In addition, digital marketing also offers the flexibility and ability to adjust the target audience, reach specific market segments, and launch promotional campaigns at a more affordable cost compared to traditional marketing methods. Thus, digital marketing provides significant opportunities for MSME actors to compete in an increasingly digitally connected global market.

MSME actors make use of digital media in the form of social media and e-commerce in their business activities (Harahap et al., 2021). With online food sales services, MSMEs can take advantage of the rapidly growing online shopping trend and increase their business growth potential. In the context of digital marketing, online food sales services are an effective way to expand market share, build brands, and increase sales for MSMEs in the food and beverage industry. The most widely used social

media are Facebook and Instagram as product catalogs, as well as WhatsApp Business as the main chat medium for communicating with customers (Nirwana & Biduri, 2021). The use of digital marketing by MSME actors is very necessary. Especially now that almost all aspects of life are digital-based, so that the proper use of digital media by MSMEs will increase their competitive abilities amid today's business competition.

CONCLUSION

Digital marketing has a positive impact on the development of MSMEs in Bojo-negoro City. The type of food and beverage business is the MSME business that is most involved in by MSME actors, they think that through a digital marketing strategy it has a positive impact on the development of their business. It was also identified that the type of food and beverage business is the MSME business that is most involved in by MSME actors. MSMEs have also collaborated on digital-based promotional media and distribution media to get the maximum profit. The most widely used promotional media is Instagram, while the most widely used distribution media is the online motorcycle taxi Grab. The reason for using social media and distribution media is because in the current 4.0 era these two media have become popular among consumers.

Through this research, it is hoped that further research will be able to develop a training model for MSME actors to optimize Digital Marketing strategies so that MSME actors have competence and are able to compete in the digital era.

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