THE USE OF DIGITAL MARKETING AND ITS IMPACT ON INCREASING MSME SALES

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ABSTRACT

Background: The increasing number of internet users provides opportunities for MSMEs to use digital marketing as one of their marketing strategies. There are several digital marketing platforms that can be used, including the Web, SEO, Social Media and others.

Aim: This article discusses the use of digital marketing for MSMEs and the impact of using digital marketing on increasing MSME sales.

Method: The research method used is qualitative research. With the number of informants as many as 12 MSME owners who were interviewed with different types of businesses.

Findings: The results show that social media is one of the most widely used digital platforms by MSMEs. And give the impact of an increase in sales of SMEs. In some MSMEs the increase in sales through online is no more than traditional sales.

KEYWORDS digital marketing, sales increase, MSMEs

INTRODUCTION

The rapid development of technology and continuous improvement cannot be separated from aspects of human life. So at this time, digital technology plays an important role in almost every organization (Setia et al., 2013). Advances in digital marketing tools such as the emergence of mobile digital applications for marketing provide significant opportunities for small and medium enterprises (Eze et al., 2020). Digital marketing is the application of technology that offers businesses the opportunity to connect with clients on a regular basis (Scharl et al., 2005). Digital marketing and social media provide opportunities for small businesses to attract new customers and reach existing customers more efficiently (Taiminen & Karjaluoto, 2015). Although digitization is not easy to integrate into SME marketing strategies (Ray et al., 2020; Wonglimpiyarat, 2015) it provides an avenue that enables organizations to share and connect with clients more efficiently (Eze et al., 2014). Distinctive features of digital marketing include the capacity of personalization, making business transactions secure, smooth and easy communication between organizations and clients, therefore, digital platforms enable businesses to fulfill desired goals such as; access the target audience, interactions with target audiences, emotions and customer transactions. This

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platform allows users to access it at any time and guarantees a smooth interaction which gives consumers the privilege of providing feedback by sending voice notes, texts and more (Eze et al., 2020). In order to increase online sales, online retailers can provide convenient, informative, and personalized experiences for various types of consumers and businesses (Kotler & Keller, 2016).

Digital marketing utilizing social media channels provides MSMEs with new innovative ways to interact with customers and is cost effective. With the tough competition faced by MSMEs, both direct and indirect competitors. Many of the competitors are selling similar products at lower prices. In turn, they offer various types of benefits to their customers. The digital technologies adopted by organizations increase the ability to respond positively to customer needs and, at the same time, improve customer-side operations. Digital technology focuses on consumers and businesses, so at the same time, it helps to drive sales and increase efficiency by reducing costs (Foroudi et al., 2017). Although Taiminen & Karjaluo (2015) confirms the assumption that many MSMEs do not use the full potential of new digital tools and therefore do not fully take advantage of the opportunities they can bring.

Several studies related to the use of digital marketing in MSMEs have been discussed, among others, by Taiminen & Karjaluo (2015), Wardati & Mahendrawathi (2019), Christina et al. (2019). However, research related to the use of digital marketing and its impact on increasing sales needs further study. Currently, the number of internet users in Indonesia as of January 2022, reached 204.7 million. This number covers 73.7% of Indonesia's total population. This is one of the opportunities in implementing digital marketing.

This article contributes to the marketing sector related to how the use of digital marketing has an impact on increasing MSME sales. There are two main questions posed in this article. First, how to use digital marketing for SMEs in Mataram City who are members of the Lombok Womanpreneur Club; second; how is the impact of using digital marketing on increasing sales of the MSMEs.

METHOD

The research method used in this research is qualitative research. In general, qualitative research aims to understand the case being studied more deeply and broadly regarding information about the main phenomena or events explored in research, research subjects, and research locations (Creswell, 2003). In this case, this research attempted to discover how to use digital marketing channels for MSMEs in Mataram City who are members of the Lombok Womanpreneur Club and how the use of digital marketing provides broad benefits to MSMEs. The approach used in this research is a phenomenological approach.

The procedures for data collection through interviews, observation and documentation. Informants were selected using a purposive sampling technique (Deliberate). The purposive sampling technique is not random, the research subject is determined based on a certain assessment (Sugiyono, 2019). This technique selects informants who are screened based on certain criteria that are in accordance with the research. Informants are MSMEs who are members of the Lombok Womanpreneur Club organization, and use digital channels in doing marketing. Interviews were conducted in a semi-structured manner to 12 MSME owners with different types of businesses.
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Table 1. Name and Type of Business

<table>
<thead>
<tr>
<th>No</th>
<th>SME name</th>
<th>Type of Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>sooya</td>
<td>Soy Juice Drink</td>
</tr>
<tr>
<td>2</td>
<td>Cipta Print</td>
<td>Printing service</td>
</tr>
<tr>
<td>3</td>
<td>Helloabalita official</td>
<td>Children's Book Distribution</td>
</tr>
<tr>
<td>4</td>
<td>Rumah Kaktus Lombok</td>
<td>Decorative plants</td>
</tr>
<tr>
<td>5</td>
<td>Yoor Collection</td>
<td>Homemade Bed Sheet</td>
</tr>
<tr>
<td>6</td>
<td>Shanty Healthy Beauty</td>
<td>Culinary Health and</td>
</tr>
<tr>
<td>7</td>
<td>Dapur Bu Atiek</td>
<td>Beauty</td>
</tr>
<tr>
<td>8</td>
<td>Zahrani hijab</td>
<td>Fashion (Clothing)</td>
</tr>
<tr>
<td>9</td>
<td>Mecca Lombok</td>
<td>Self Manufactured</td>
</tr>
<tr>
<td>10</td>
<td>Ogura_Ku Cake Lombok</td>
<td>Food (Cake&amp;Cookies)</td>
</tr>
<tr>
<td>11</td>
<td>Pawon Jaje</td>
<td>Wet Cakes and Pastries</td>
</tr>
<tr>
<td>12</td>
<td>Lamone Carwash</td>
<td>Carwash &amp; Home Service</td>
</tr>
</tbody>
</table>

Observations were made by observing how marketing was carried out on digital media that the MSMEs used. While the documentation is by taking MSME marketing data such as promotions on digital channels that MSMEs use such as on social media (Instagram, Whatsapp, Facebook, etc.) which are used in marketing.

There are three types of activities in data analysis used in this study, namely data reduction, data display, and conclusions (Miles et al., 2014). Data reduction means summarizing, choosing the main things, focusing on the things that are important, looking for themes and patterns and discarding what is considered unnecessary. Data display (data presentation) stage after data reduction, in the form of a description or description, charts, relationships between categories and the like. Drawing conclusions and verification is taking from the beginning of data collection, flow, cause and effect or causality and other proportions.

RESULTS AND DISCUSSION

Use of Digital Marketing in MSMEs

Digital marketing according to Chaffey & Chadwick (2016) is a tool to achieve target marketing through digital technology applications which include: desktops, mobile phones, tablets, and other digital platforms. Digital marketing methods such as Search Engine Optimization (SEO), Search Engine Marketing (SEM), Content Marketing, influencer marketing, content automation, campaign marketing, data driven marketing, commerce marketing, social media marketing, social media optimization, direct marketing, display advertising e-books, and optical discs and games are becoming more common as technology advances. Digital marketing now extends to non-Internet channels that provide digital media, such as cell phones (SMS and MMS), callbacks, and cell phone ring tones on hold (Desai, 2019).

Website is the first step in doing online marketing and will be optimal if you have good hosting with effective links. With effective links, consumers can see if the company provides products that can be easily remembered by people who visit the website (Armstrong et al., 2014). In addition to the website, there is search engine optimization (SEO) which is a long-
term continuous improvement of content and digital asset design with the aim of getting the highest possible ranking on search engine pages (Key, 2017). Chaffey & Chadwick (2016) claim that Search Engine Optimization (SEO) needs to be optimized to support digital marketing activities. SEM is the placement of messages in search engines to encourage users to visit websites.

Email marketing is also one of the digital platforms and is the act of sending emails directly to prospects and customers with relevant and timely information (Olson et al., 2021). In addition, there are also Content Marketing is the creation and promotion of content assets with the aim of, among other things, generating brand and customer awareness. Channels that can play a role in content marketing strategies such as Blog posts, E-Books and whitepapers, Infographics, online brochures (Desai, 2019).

Social media is one of the digital platforms that can be used in digital marketing. Like by using Facebook, whatsapp, Twitter, Instagram and Telegram. It is very important to understand that social media marketing not only allows users to communicate beyond local or social boundaries, but also provides the possibility to share user-generated content such as photos and videos and features such as reviews, feedback and ratings (Gulati, 2019).

The results of interviews with informants consisting of 12 MSME owners who are members of the Lombok Womanpreneur Club, the use of digital platforms as a marketing channel by MSMEs includes using Websites, Content Marketing, Email, SMS, Search Engine Optimization (SEO), Facebook, Whatsapp, Twitter, Instagram, and Telegram. The following table shows the use of the MSME digital platform.

<table>
<thead>
<tr>
<th>No</th>
<th>SME name</th>
<th>Digital Marketing Channel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>sooya</td>
<td>Content Marketing, Email, SMS, Facebook, Whatsapp, Instagram, Twitter, Telegram</td>
</tr>
<tr>
<td>2</td>
<td>Cipta print</td>
<td>Email, SMS, Facebook, Whatsapp, Telegram</td>
</tr>
<tr>
<td>3</td>
<td>Hellobalita official</td>
<td>Website, Content Marketing, Email, Facebook, Whatsapp, Instagram</td>
</tr>
<tr>
<td>4</td>
<td>Rumah Kaktus Lombok</td>
<td>Content Marketing, Email, Facebook, Whatsapp, Instagram</td>
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<td>5</td>
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<td>Content Marketing, Email, SEO, Facebook, Whatsapp, Instagram</td>
</tr>
<tr>
<td>6</td>
<td>Shanty Healthy Beauty</td>
<td>SMS, Content Marketing, Email, Facebook, Whatsapp, Instagram</td>
</tr>
<tr>
<td>7</td>
<td>Dapur Bu Atiek</td>
<td>Facebook, Whatsapp, Instagram</td>
</tr>
<tr>
<td>8</td>
<td>Zahrani hijab</td>
<td>Content Marketing, SEO, Facebook, Whatsapp, Instagram, Telegram</td>
</tr>
<tr>
<td>9</td>
<td>Mecca Lombok</td>
<td>Content Marketing, Email, Whatsapp, Instagram</td>
</tr>
<tr>
<td>10</td>
<td>Ogura_Ku Cake Lombok</td>
<td>Website, Content Marketing, SMS, SEO, Facebook, Whatsapp, Instagram</td>
</tr>
<tr>
<td>11</td>
<td>Pawon Jaje</td>
<td>Website, Email, SMS, Whatsapp, Instagram</td>
</tr>
</tbody>
</table>
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The table above illustrates that not all use the digital platform as a digital marketing channel. As stated by the owner of the MSME Kitchen, Mrs Atiek, who is engaged in the culinary field, she said: “I use digital media as a marketing tool, but it's limited to Facebook, Whatsapp, Instagram. This media is more practical and easy to use. I think Facebook is the right medium because many people use it, as well as Instagram and WhatsApp. Another reason is because I have difficulty in finding and resources if I use anything other than that.”

Facebook, Whatsapp, and Instagram are the most widely used digital marketing channels by informants. Of the 12 informants interviewed, 10 MSME owners said they used Facebook as the media. Likewise with Instagram, as many as 11 informants use it. While Whatsapp is the most used, all informants said they use Whatsapp in doing marketing. Practical reasons and widely used by people are the main reasons for informants. In India 42% of Entrepreneurs continue to use social media marketing as their primary form of digital marketing (Gulati, 2019). Currently, social media is still the main choice in digital marketing strategies. The popularity of social media in the current era such as Facebook and Instagram still dominates. By using social media accounts, sellers are trying to entice consumers to follow their platform. The goal is that the greater the number of consumers who follow their platform, the easier it will be for subsequent marketing processes such as distributing advertisements and sponsored content (Kamal & Rafiah, 2017).

In addition to Facebook, Whatsapp, and Instagram, several MSMEs also use Websites, Content Marketing, Email, SEO, and Telegram. The owner of the Lamone Carwash UMKM which is engaged in Carwash & Home Service said: “I use a lot of digital media in doing marketing besides Facebook, Whatsapp, and Instagram which are used by many people, I also use Website, Content Marketing, Email, SEO, and Telegram. Because using many media allows us to broaden our services or products to more consumers, and our opportunities to get a wider market share.”

The use of Websites and Search Engine Optimization (SEO) is not carried out by all MSME owners, only 4 MSME owners from 12 informants interviewed use Websites and SEO as digital marketing platforms. Likewise, SMS and Telegram only 5 (five) SMEs use it. In contrast to Content Marketing and Email, which are mostly used by MSMEs, 8 MSMEs use the platform. Twitter is the least used digital marketing platform. Only 1 informant uses it as a digital marketing channel. The blog is one of the digital platforms that none of the MSMEs use as a marketing channel.

The Impact of Using Digital Marketing on Increasing MSME Sales

The use of digital marketing has an impact on MSMEs. Most digital marketing aims to achieve several goals, including increasing market share and increasing sales revenue (Daud et al., 2022). Like Social Media platforms there is a significant impact on small business performance (Borah et al., 2022). Several authors identify, and measure Social Media returns in terms of sales performance (Yang & Kankanahalli, 2014) or the contribution of marketing ability to Social. According to MSME owners, they feel the benefits of using digital marketing in marketing their products. As related to increased sales. From the results of interviews with
MSME owners, they said that there was an increase in sales using digital marketing. The owner of MSME Ogura Ku Cake Lombok who sells Cake N Cookies said: "I use digital media in doing marketing, and sales have increased by 90 percent". Social media such as Facebook, Whatsapp, Instagram are the social media that contributed the most to the increase in my product sales.”

Of the 12 MSME owners interviewed, 9 people said that online sales revenue is more than offline. However, it is different from the other 3 MSME owners who say that offline sales are more than online. As stated by the owner of the Cipta Print UMKM which is engaged in services, said: “I use email, SMS, facebook, Whatsapp in my online sales, and increase sales by 30%, but online sales are not much more than offline sales.”

The findings in this article are different from the findings in the writings of Wardati & Mahendrawathi (2019), that the impact of social media obtained is mostly related to the sales and marketing process of SMEs, such as relationships between companies and customers, companies and stakeholders, companies and business partners, and relationships between companies and business partners. There is nothing in the article that explains that the use of social media has an effect on increasing MSME sales.

In addition to an increase in sales, digital marketing also has other impacts, such as the repurchase of their goods by consumers. From 12 MSME owners say that consumers repurchase their goods. Rumah Kaktus Lombok MSME owner said: "By selling digital marketing, it gives me benefits, because consumers who buy through digital media buy the products that I sell again."

CONCLUSION

Website, Content Marketing, Email, SMS, Search Engine Optimization (SEO), Facebook, WhatsApp, Twitter, Instagram and Telegram are digital marketing platforms used by MSMEs who are members of the Lombok Womanpreneur Club. Based on the results of interviews with MSME owners, there is not a single MSME that uses all of these platforms at once in doing digital marketing. Social media such as Facebook, WhatsApp and Instagram are the most widely used social media platforms. Twitter is the least used digital marketing platform. The blog is one of the digital platforms that none of the MSMEs use.

Digital marketing has an impact on increasing sales, this was conveyed by all informants who stated that there was an increase in sales using digital marketing. Social media such as Facebook, Instagram and WhatsApp provide the most increase in sales than any other digital platform. However, in some MSMEs the increase in online sales is no more than traditional sales.

REFERENCES


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