Digital Marketing UMKM pada Pengembangan Sumber Daya Ekonomi Masyarakat

Digital Marketing for MSMEs in Community Economic Resource Development

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ABSTRAK

Penelitian ini bertujuan untuk mengetahui proses penerapan digital marketing yang dilakukan oleh Usaha Mikro Kecil dan Menengah (UMKM) di Perdesaan. Metode yang digunakan yaitu deskriptif dengan pendekatan kualitatif. Berdasarkan hasil observasi, wawancara, dan data sekunder, serta berpijak pada teori gigital marketing Armstrong Kottler yaitu gambaran kegiatan dalam memberikan informasi, promosi, komunikasi, dan pemasaran secara online penelitian ini menunjjukan bahwa hadirnya digital marketing menjadi tahap transformasi UMKM yang berpengaruh pada pengembangan sumber daya ekonomi (SDE) masyarakat.

Kata Kunci: Digital Marketing, UMKM, Pengembangan Sumber Daya Ekonomi

ABSTRACT

This study aims to explore the process of implementing digital marketing by micro, small, and medium Enterprise (MSMEs). in rural areas. The research employs a descriptive method with a qualitative approach. Based on observations, interviews, secondary data, and grounded in Armstrong and Kotler's digital marketing theory—which outlines activities such as providing information, promotion, communication, and online marketing—this study reveals that the adoption of digital marketing represents a transformative phase for MSMEs, significantly impacting the development of community economic resources (CER).

Keywords: digital marketing, MSMEs, community economic resource development

INTRODUCTION

The fundamental shift in human lifestyles and work systems is referred to as the industrial revolution. This revolution has brought advancements in information technology into daily life, emphasizing digital technologies that impact all aspects of life. The advent of this era connects digital technology with the internet, creating a rapid impact on Indonesia's economy. This development has produced new business styles and dynamic economic management, replacing previous economic activities. This phenomenon is commonly referred to as the digital economy. It continues to evolve alongside advancements in information and communication technology. One component of the digital economy is marketing. The widespread development of technology has also influenced economic developments. With this technology, people find it easier to conduct economic transactions, whether selling or buying goods domestically or internationally (Nugroho et al., 2020).

The utilization of digital technology affects various aspects of human life, including product marketing systems. Digital marketing is useful for acquiring consumers and increasing sales, thereby generating revenue. It offers advantages to consumers by providing information about products and enabling online interactions. Through this approach, producers can monitor and meet consumer needs without time and location constraints. Essentially, digital marketing involves two-way communication aimed at promoting products so that consumers better understand the products being offered (Purwana et al., 2017:14-15).

Humans are fundamentally social beings, inherently tied to their economic needs. Thus, individuals often seek ways to fulfill these needs, one of which is by starting a business or establishing a Micro, Small, and Medium Enterprise (MSMEs). This serves as a pathway for people to meet their economic needs. The primary goal of these ventures is to gain profit. In Indonesia, many business actors range from small-scale enterprises to international companies. This diversity demonstrates that people adopt various strategies to meet their needs, whether for clothing, food, or shelter.

Given current phenomena, achieving changes in the digital economy requires connectivity, a key factor driving this transformation. MSMEs play a pivotal role in boosting economic growth and competitiveness. This competitiveness can be realized by integrating technology into MSMEs, enabling them to sustain and compete globally. Therefore, MSMEs actors must embrace digitalization as an essential component of all operations. By doing so, MSMEs players can be motivated to transition to a digital economy (Astuti et al., 2020:248-256).

MSMEs also contribute to reducing unemployment by creating job opportunities, thus lowering poverty rates in society. However, challenges in implementing digital marketing systems for MSMEs include limited skills and understanding of current digital media. Moreover, while MSMEs digitalization presents opportunities, it also brings challenges due to intense competition. Therefore, MSMEs players must devise smart strategies to attract consumers (Pradiani, 2018:46-53).

In rural areas, MSMEs marketing activities often rely solely on WhatsApp, as most people use this application. Ordering products via WhatsApp is also simpler compared to other apps. Rural MSMEs actors may not yet heavily depend on modern technology. For large-scale enterprises, digital marketing is straightforward because they usually have adequate preparation and skilled human resources. Conversely, for

MSMEs, digital marketing poses challenges and requires substantial preparation and support from other parties to realize digitalization at the village level.

Some rural MSMEs are already familiar with digital marketing, but they face challenges such as a lack of information on technological advancements. However, several MSMEs have adopted digital marketing systems, using WhatsApp Business to promote their products. This application offers features that allow consumers to browse and purchase products from MSMEs. By understanding technology, MSMEs actors can establish suitable businesses and develop strategies to maximize profits using current technological advancements.

Research on this topic includes a study by Rosma Dewi (2022) titled "The Role of Digital Marketing in the Development of Micro, Small, and Medium Enterprises (MSMEs) from an Islamic Business Perspective (A Study on MSMEs in Natar District, South Lampung Regency)". This research discusses the use of Facebook as a social media platform by MSMEs in Rantau Sakti Village, Indonesia, for product marketing. The study highlights Facebook's role as a communication medium in MSMEs marketing through planning strategies such as Situation Analysis and Time Frame, analyzing the social media platforms commonly used in the surrounding community.

Another study by Alaikal Ghifari (2023) titled "Strategies of Micro, Small, and Medium Enterprises (MSMEs) in Facing the Market in the Era of Digitalization (A Study on Cimol Bojot AA Business in Babakan Surabaya Village)" examines marketing strategies to address challenges in the digital era. Focusing on Cimol Bojot AA, the study explores strategies to adapt to shifting consumer patterns, where online shopping

and food ordering have become increasingly popular. The research emphasizes the need for strategic planning to sustain and expand the business amid intensifying competition.

Additionally, Ishiqa Ramadhany Putri (2023) conducted research titled "Empowering Micro, Small, and Medium Enterprises (MSMEs) Through Digitalization Systems in the Cooperatives and MSME Office". This study explores MSME empowerment using digitalization initiatives by the Cooperatives and MSME Office. The Indonesian government is striving to revitalize the economy post-COVID-19 through empowerment programs and collaboration with other parties to promote MSMEs products digitally. One such initiative is Bela Pengadaan in collaboration with MBIZ, addressing the limited participation of business players in MSMEs digitalization efforts and encouraging their involvement to enhance micro-business potential.

Based on the above explanation, similarities exist between this study and previous research, such as the focus on utilizing technological advancements in the economic field, particularly in the digitalization of MSMEs, with MSMEs as the central research objects. However, this study differs in terms of research location and focus. It emphasizes the process of implementing digital marketing by MSMEs in rural areas.

RESEARCH METHODS

The method used in this research is descriptive with a qualitative approach. This descriptive research method is part of a study that utilizes data analyzed logically and accurately. This method is employed to explain the problems or situations related to the research object based on the results of observations, interviews, and the actual conditions in the field.

RESULT AND DISCUSSION

Digital Marketing for MSMEs in the Development of Community Economic Resources (CER)

The implementation of digital marketing for MSMEs should fundamentally be examined through the critical concepts embedded within it, particularly in relation to the development of the community's economic resources. One of these key aspects is the understanding and knowledge possessed by MSME practitioners, as this plays a significant role in determining the success of economic resource development in their communities.

At its core, digital marketing is an activity involving marketing systems that utilize digital or internet-based media. While this concept is not new, its evolution has accelerated significantly with the advancement of technology. Today, MSME practitioners must adapt to these ongoing changes. They are required to understand and apply digital marketing in their businesses. As Farahdinna and Nadhif (2022) emphasize, practitioners must focus on understanding and acquiring knowledge about digital marketing.

The understanding and perspectives of MSME practitioners on digital marketing vary. According to TK, an MSME practitioner: "Digital marketing consists of two words: 'digital,' which refers to tools such as phones, laptops, computers, and other electronic devices, and 'marketing,' which refers to the act of promoting products within those digital platforms. Essentially, digital marketing is a management strategy or method for marketing products online" (Interview with TK, February 2024).

Similarly, KA, a section head of services in a rural area, described digital marketing as, "An activity of promotion conducted by MSME practitioners to introduce and showcase the products or services they offer to consumers through digital media" (Interview with KA, March 2024).

The interviews reveal the extent of the practitioners' understanding of digital marketing. Given the rural context, where digital tools are not yet widely used, and knowledge about digital marketing is limited, MSMEs are gradually becoming aware of the necessity of adopting digital strategies to market their products.

The data collected indicate that only a few MSMEs currently utilize digital marketing systems. However, this has not deterred others from seeking knowledge about its application. In the competitive world of business, every MSME strives to sell its products and meet sales targets. This motivates practitioners to innovate in their sales strategies to avoid falling behind competitors.

Although most MSME practitioners currently understand and apply only the basic principles of digital marketing, their efforts to utilize platforms such as WhatsApp and Facebook demonstrate progress. Practitioners who use digital systems report that these platforms make it easier to promote their products and reach a wider audience. This, in turn, has a positive impact on sales, often exceeding target revenues.

It can therefore be concluded that rural MSME practitioners have begun to understand and implement digital marketing. Many now promote their products through applications such as WhatsApp and Facebook. These platforms not only simplify product promotion but also facilitate direct communication between sellers and buyers. Buyers can leave comments on purchased products, enabling MSME practitioners to

address any issues and improve their offerings. Consequently, digital marketing helps MSMEs expand their customer base and increase their sales revenue.

With this marketing system, MSMEs have experienced notable growth in sales. As their contact networks on platforms like WhatsApp expand, so does public awareness of their products, resulting in higher sales volumes. Ultimately, this contributes to the development of the community's economic resources in rural areas.

The Implementation of Digital Marketing for MSMEs in the Development of Community Economic Resources

The growth of digital marketing in Indonesia in 2022 was remarkable. This is evident from the significant public interest in online shopping. During the COVID-19 pandemic, people were indirectly compelled to shop online due to government recommendations to stay at home. This situation positively impacted MSMEs (Micro, Small, and Medium Enterprises), as they began utilizing digital systems for their sales.

The COVID-19 pandemic brought significant changes to the economic and business sectors. The government's implementation of Large-Scale Social Restrictions (PSBB) affected sales activities. MSME actors had to strategize to ensure their products remained marketable, allowing them to sustain their businesses during the pandemic. The pandemic triggered an economic crisis, characterized by declining purchasing power and reduced sales, as consumers stayed home. Many businesses experienced decreased revenue, and some companies laid off employees due to ongoing financial losses (Hanoatubun, 2020:2717-4446).

These changes created anxiety among business owners, prompting them to optimize their marketing strategies to enhance effectiveness. Many shifted from traditional in-person selling methods to online systems, adopting digital marketing as a new way to maintain sales.

Digital marketing provides consumers with easy access to product information and enables online interaction. This approach allows sellers to monitor consumer needs and deliver products according to their preferences, unrestricted by time or location. Essentially, digital marketing facilitates two-way communication aimed at improving consumer awareness of products.

According to statistical data from 2021, about 25.25% of businesses utilized e-commerce, increasing slightly to 25.92% in 2022. Although this reflects growth, the proportion of online sales remains relatively low in Indonesia, especially in rural areas (Statistik, 2021). On the other hand, the number of internet users in Indonesia continues to rise annually, indicating that online marketing systems could enhance societal welfare. MSMEs adopting online marketing have shown improved sales and revenue.

Based on an interview with informant T in February 2024, one rural MSMEs began offering delivery services during the pandemic. At that time, people were urged to stay at home but still needed access to food. Staying home led to boredom with repetitive meals, and the availability of delivery services facilitated the purchase of food and beverages, alleviating monotony. This system also benefited consumers, who could order via their phones without needing to visit the shop directly.

Informant R, another MSMEs actor, explained that their transition to digital marketing began in 2022. This shift was prompted by their

established customer base. The seller wanted to inform customers about menu availability to avoid disappointment when visiting the shop. Customers could also pre-order to skip queues and collect their orders once ready. This system particularly benefited customers traveling from distant areas by minimizing the risk of miscommunication regarding menu availability.

Interviews revealed that rural MSMEs predominantly use WhatsApp and Facebook for digital marketing. Although WhatsApp is primarily a messaging app, it is widely used by rural communities. Some also use Facebook, albeit less frequently.

WhatsApp: MSMEs utilize the "Status" feature to share photos and videos of their products for promotional purposes. Facebook: Sellers post promotional content and updates on product availability through personal posts and stories.

Orders are typically placed through WhatsApp chats or Facebook direct messages. Once orders are prepared, they are delivered, often by family members such as husbands or children, while mothers focus on production. Using WhatsApp enables sellers to provide customers with product information, reducing the likelihood of dissatisfaction due to product unavailability. Customers can also check the store's operating status, saving time and effort by avoiding unnecessary visits.

Despite the benefits, rural MSMEs face technological limitations. Many residents either lack smartphones or are unfamiliar with their features. Consequently, rural MSMEs mainly rely on WhatsApp and Facebook, as more advanced platforms like GrabFood or ShopeeFood are not yet widely adopted.

The Results of MSMEs' Digital Marketing in Developing Economic Resources in Rural Communities

The progression of time has greatly influenced marketing activities, evolving in tandem with societal and technological advancements. The rapid development of technology and the internet has significantly impacted the growth of digital marketing in Indonesia. Entrepreneurs are compelled to innovate in response to these changes, transitioning from traditional methods of product marketing to adopting trends in the digital world.

Digital marketing practices implemented by rural MSMEs indirectly demonstrate how technological advancements can positively impact the economy. Online marketing systems provide convenience for the public by enabling easy access to information about marketed products or services. This system also benefits consumers, allowing them to obtain desired products without needing to visit physical locations. Not only do consumers benefit, but sellers also gain the ability to attract customers from various regions. The broader reach of digital systems positively influences the sales algorithm, expanding market reach.

Comparing traditional marketing systems to digital approaches reveals differences in revenue generation. Digital systems cater to a population increasingly reliant on technology, enabling MSMEs to reach a wider audience. Furthermore, the ease of networking among customers contributes to a steady increase in sales and clientele.

Initially, only one MSMEs adopted digital marketing in certain areas, but their success motivated others to follow suit, creating a positive ripple effect. As customer bases expand, MSMEs often require additional human resources, such as staff to assist with sales or drivers to deliver products.

Consequently, digital marketing can open job opportunities for local communities, with the growth of MSMEs correlating directly to an increased demand for human resources.

In today's era, almost all business sectors utilize technology-based systems. MSMEs must adapt to these changes to remain competitive with more advanced businesses. The convenience offered by digital systems appeals to consumers, encouraging them to shop online. Sellers must innovate continually to stay ahead in a competitive market.

Consumer behavior significantly influences purchasing decisions, which depend on information about desired products and comparisons of quality and price with similar offerings. Initially, rural MSMEs lagged in adopting digital commerce due to limited internet connectivity and technological knowledge. These areas often lack the infrastructure and familiarity with technology seen in urban communities.

Digital marketing offers several advantages that help MSMEs grow and compete effectively. *Cost efficiency.* Digital marketing is often more affordable than traditional advertising methods like TV, radio, or print ads. Numerous platforms, such as social media and online ads, allow MSMEs to manage their budgets flexibly, optimizing resources for maximum results. *Wider Reach.* Digital marketing provides the advantage of reaching a broader audience, both locally and internationally, without geographical constraints. Digital platforms enable precise targeting based on demographics, interests, and behaviors, ensuring the right audience is reached.

Interaction and engagement. Digital marketing facilitates direct interaction between MSMEs and consumers through social media, email, and other communication platforms. This strengthens relationships,

enhances engagement, and allows consumers to provide feedback or inquire about products directly. Sellers can respond quickly, improving customer service. *Flexibility and Creativity*. Digital marketing enables MSMEs to quickly adapt their marketing strategies based on results and market needs. The platform supports diverse content formats, such as images, videos, and blogs, fostering creativity to attract consumer attention.

In summary, digital marketing offers various benefits that enhance visibility, customer engagement, and budget management, contributing to MSME growth. However, there are challenges and limitations MSMEs must address, intense competition. With many businesses leveraging digital marketing, MSMEs face fierce competition in the online marketplace, making it challenging to stand out. High advertising costs on platforms like Google Ads or Facebook Ads can strain budgets, especially in competitive industries. *Lack of experience and knowledge.* Many MSMEs lack the expertise required for effective digital marketing campaigns. Learning to use digital tools and platforms can be time-consuming and demanding, posing a significant challenge for resource-limited MSMEs. Resource constraints. Budget limitations often restrict MSMEs' ability to implement robust digital marketing strategies, reducing reach and effectiveness. A lack of skilled personnel further hinders the ability to design, execute, and monitor campaigns effectively. Online Reputation *Management.* Negative reviews or comments can spread quickly on digital platforms, damaging business reputations if not managed properly. Social media crises, if not addressed promptly and effectively, can escalate and lead to further negative impacts. Understanding these challenges can help MSMEs plan and manage their digital marketing strategies effectively, enabling them to overcome obstacles and maximize the potential benefits of digital marketing.

CONCLUSION

Based on research findings on the application of digital marketing by MSMEs in rural areas, it is evident that digital marketing has indirectly introduced the rural community to the economic benefits of technological advancement. Online marketing systems simplify access to information about products or services for the community. These systems also provide convenience to consumers by enabling them to obtain desired products without needing to visit physical locations. Consequently, digital marketing enhances buyer comfort and convenience, contributing to increased sales. As rural communities grow more familiar with digital marketing systems, more MSMEs adopt these practices. This adoption allows rural residents to meet their needs effectively, as the positive impact of digital systems drives higher sales.

Initially, MSMEs in rural areas conducted marketing conventionally. Over time, with advancements in digital technology, marketing shifted online. However, most MSME practitioners adopted these methods independently, without formal training from village or district governments. As a result, the implementation of digital marketing remains basic, primarily utilizing WhatsApp story features. The remote location of villages limits MSMEs' ability to collaborate with larger platforms such as Shopee Food or GoFood. Their marketing efforts rely solely on WhatsApp's available features. In response to this limitation, the village government established a community group called the Information Society (KIM). This community's presence fosters the potential for

sustainable MSMEs growth. The results of digital marketing implementation by rural MSMEs have been promising. Initially, only one or two MSMEs adopted the system, but over time, other MSMEs followed suit, motivated by the success of early adopters. The system attracted buyers not only from within the local area but also from outside the village. Additionally, the option for home delivery became a key attraction for buyers who preferred not to leave their homes to purchase goods.

The expanded reach and growing number of buyers have positively impacted MSMEs revenues. Increased demand has also created a need for additional human resources, helping reduce unemployment and improve community welfare. The development observed extends beyond the number of buyers to include improvements in the quality and quantity of MSMEs operations. Over time, MSMEs practitioners consistently conduct self-evaluations to enhance their businesses further, ensuring continuous growth in both scope and performance.

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Meylani Dwi Khoirun Nisa — Digital Marketing for MSMEs
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