

Analysis of Digital Marketing Strategies in Developing MSME Superior Products in Sampang Regency

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ABSTRACT

This study on the Analysis of Digital Marketing Strategies in Developing MSME Superior Products in Sampang Regency highlights the importance of empowering MSMEs through effective digital marketing strategies. Despite the significant contribution of MSMEs to economic growth and employment in Indonesia, there is a research gap in understanding the challenges they face in expanding their marketing scale. The objective of this research is to guide MSME players in Sampang Regency on using the right digital marketing strategies. Using a descriptive qualitative approach, the study mapped informants from the Head of the Cooperatives, Industry and Trade Service, MSME actors, and consumers. Key findings reveal the strategic value of digital marketing in increasing exposure and sales of SME products, with the technology gap being a major obstacle. The implications of this research include the need for continuous coaching, education, and collaboration to support local products and enhance digital marketing effectiveness in developing superior products.

Keywords: Digital Marketing Strategy, MSMEs, Superior Products.

1. Introduction

Micro, Small and Medium Enterprises (MSMEs) are one of the activities that increase economic growth, movement and development. The business groups included in MSMEs are small to medium-sized business groups where in Indonesia, this group occupies a fairly dominant position due to its large number. According to data reported by the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM), the total number of MSMEs in Indonesia will reach 8.71 million business units by 2022. According to data from the Ministry of Cooperatives, Small and Medium Enterprises (KUKM) in 2018, the number of MSMEs was 64.2 million or 99.9% of all business units in Indonesia. MSME labor absorption is 117 million workers or 97% of the labor absorption of the business world. Judging from this data, it proves that MSMEs have a major contribution in creating the pace of economic growth, as a source of income for the community and a provider of employment for many workers. Thus, it is necessary to strengthen or empower MSMEs so that they are more developed and able to empowerment is a strategic step to increase productivity and advance and develop the MSME sector itself. Several efforts to empower MSMEs in addition to increasing production also need to expand product marketing because in general MSMEs in Indonesia are difficult to develop, one of the reasons is that the

marketing scale is still narrow. The development of information technology has changed the scope of the marketing world in recent years. Marketing communication methods that were previously traditional and conventional, have now been integrated in the digital world (1). Marketing activities that utilize the sophistication of digital technology are often called digital marketing. Digital marketing consists of interactive and integrated marketing that facilitates interaction between producers, market intermediaries and potential consumers (2). Digital marketing is a form of marketing strategy that is carried out to promote a product so that it can reach consumers quickly and in a timely manner.



Fig 1. Marketing Methods of MSMEs in 2010-2023

Data from the public satisfaction index (IKM) survey of the Office of Cooperatives and MSMEs of East Java Province shown in Figure 1.1 shows that the MSME Marketing method in 2010-2023 still uses a lot of non-digital methods, which is as much as 60%. Meanwhile, MSMEs that use digital marketing methods are still very low compared to those that use non-digital methods, which is 16%. This shows that currently there are not many MSMEs in Indonesia that use digital marketing as a marketing medium. In fact, in the current era, many buying and selling transactions have used digital marketing, because it is considered easier both for consumers and for the sellers themselves. Sellers can reach a wider market and consumers can compare prices between one seller and another.

Digital marketing can be defined as marketing in which messages are sent using media that depend on digital technology. But so far, the internet is the most significant digital technology medium (3). Digital marketing is widely chosen as a business improvement strategy because it is cheap and effective because it can be accessed by anyone and anywhere while connected to the internet. Business people can more easily and quickly get information about the state of the market and can communicate easily with relationships to increase networks anywhere with the convenience of the internet. In addition, the advantages of digital marketing using the internet are, easier, cheaper or faster to communicate (4) (5).

The strategy to achieve the results of digital marketing must be pursued by business people properly. As in the research of Yasmin et.al (6) and Gibson (7) who say that marketers must have a business strategy in digital support the stability of the national economy. MSME marketing to achieve maximum results. Yasmin et.al (6) also suggested that effort, trial and error are needed. With these various processes, marketers or businesses certainly gain a variety of useful experiences to continue to improve their sales strategies.

In the current era, MSME players should be able to utilize digital media as an effort to market their products so that consumers are more familiar with the products produced by these MSMEs. MSMEs that have online access, are involved in social media, and develop their e-commerce capabilities, will usually enjoy significant business benefits in terms of income, employment opportunities, innovation, and competitiveness. However, there are still many MSMEs that have not implemented information technology, especially using digital media and do not understand how much benefit and role the use of digital media plays (8).

Madura as an area that is synonymous with regional arts and culture is interesting to study. Art and culture have been known to give birth to quite a lot of new MSME actors to be able to continue to encourage the development of the local economy. Madura is one of the regions in East Java Province whose economy is

supported by the MSME sector (9). Based on data from the 2016 Economic Census and 2018 SUTAS, among the 4 districts in Madura, Sampang has the least number of MSMEs among the other 4 districts, amounting to 229,644 MSMEs. Followed by Bangkalan with 248,664, Pamekasan with 247,269 and Sumenep with 401,210 MSMEs. Referring to the potential and contribution of MSMEs to the region as well as several problems that cause MSMEs to not be able to develop, one of which is the problem of a narrow marketing scale, the authors are interested in analyzing the Digital Marketing Strategy in developing MSME superior products in Sampang Regency.

2. Literature Studies

2.1. MSMEs

Micro, Small and Medium Enterprises or often abbreviated as MSMEs are an important part of the economy of a country or region, as well as Indonesia. Micro, Small and Medium Enterprises are people's economic activities that are small and medium scale and need to be protected to prevent unfair business competition. According to Tambunan (10), MSMEs are independent productive business units, which are carried out by individuals or business entities in all economic sectors. According to Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises are:

- a. Micro Businesses are productive businesses owned by individuals and/or individual business entities that meet the criteria of Micro Businesses as stipulated in this Law.
- b. Small Businesses are productive economic businesses that stand alone, conducted by individuals or business entities that are not subsidiaries or branches of companies owned, controlled or part of either directly or indirectly of Medium Enterprises or Large Enterprises that meet the criteria of Small Businesses as referred to in this Law.
- c. Medium Enterprises are productive economic businesses that stand alone, conducted by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled or become part of either directly or indirectly with Small Enterprises or Large Enterprises with a net worth or annual sales as stipulated in this Law.

Developing countries are beginning to change their orientation when they see experiences in other countries on the role and contribution of MSMEs in economic growth. Micro, small and medium enterprises (MSMEs) play important roles in economic development and growth, not only in developing countries (NSBs), but also in developed countries. In developed countries, MSMEs are important not only because they employ the most workers compared to large enterprises. In developing countries, especially Asia, Africa and Latin America, MSMEs are also very important, especially from the perspective of employment opportunities and

income sources for the poor, income distribution and poverty reduction. As well as rural economic development(10).

2.2. Digital Marketing

Digital marketing ensures that product information will reach more people and can have a greater impact(12) .Digital marketing can be used to inform new audiences, persuade them to buy products and can have a very large influence on consumer decision making(13). Digital marketing is a marketing medium that is in great demand by the public to support the development of the business being carried out (13). Consumers at this time are gradually starting to leave the conventional / traditional marketing model to switch to digital marketing which allows transactions to be carried out at any time and anywhere.

Digital marketing is one type of activity in marketing that is used to promote or market a product or service and to reach potential customers using digital media (13). Digital marketing is one type of marketing that is widely used to promote products or services and to reach consumers using digital channels (14). Digital Marketing is also the application of digital technology that forms online channels to the market (website, e-mail, data base, digital TV and through various other recent innovations including blogs, feeds, podcasts, and social networks) that contribute to marketing activities (15).

The implementation of marketing strategies through digital marketing uses more electronic media utilization to promote products or services to consumers with the aim of attracting customers and allowing interaction with brands through digital media (14). Digital marketing is the core of an e-business, with a company getting closer to customers and understanding them better, adding value to a product, expanding distribution networks and also increasing sales figures by carrying out e-marketing activities based on digital media such as search engine marketing, online advertising and affiliate marketing (13).

Digital marketing is a promotional activity, both to promote a brand, product or service using digital media. According to Kim (12) digital marketing has 5 indicators, namely:

- a. **Coordination**, or coordination of information from all product advantages can be ascertained or and matched through the Internet website can also be considered a medium that can help product development.
- b. **Commerce**, or trade, the internet provides advantages in selling goods or services because of its low cost, universal nature which means that it can be accessed by anyone and anywhere.
- c. **Community**, which is a group of users who are interested in the goods or services displayed, they can gather through online chat or conversation through internet media and can share experiences with each other.
- d. **Content**, or information and entertainment content about products offered via the internet. Information

content includes the latest news, quotes, weather forecasts, and other info related to the product.

- e. **Communications**, or communication that can be done between users and marketers on the internet. Can be via telephone, e-mail, or real-time video to ask for the information needed.

2.3. Utilization of Digital Marketing by Business Actors

Social media has the potential to help MSME players in marketing their products (16). Social media applications range from instant messaging to social networking sites that offer users to interact, connect and communicate with each other. These applications intend to initiate and circulate online information about users' experiences in consuming products or brands, with the main goal of reaching (engaging) the public. In a business context, people engagement can lead to profit creation.

Wardhana (8) found that digital marketing strategies affect up to 78% of the competitive advantage of MSMEs in marketing their products. The strategy consists of:

- a. Availability of product information and product guides;
- b. Availability of images such as photos or product illustrations;
- c. Availability of videos that are able to visualize the product or show supporting presentations;
- d. Availability of document attachments that contain information in various formats;
- e. Availability of online communication with employers;
- f. Availability of transaction tools and variety of payment media;
- g. Availability of consumer assistance and services;
- h. Availability of online opinion support;
- i. Availability of testimonial display;
- j. Availability of visitor logs;
- k. Availability of special offers;
- l. Availability of up-to-date information presentation via SMS-blog;
- m. Ease of product search;
- n. Ability to create brand visibility and awareness;
- o. Ability to identify and attract new customers;
- p. Ability to strengthen the brand image received by consumers.

3. Research Method

This research uses a qualitative method with a descriptive analysis approach, which is a qualitative approach to understand and describe the meaning of the analysis rules contained in the digital marketing strategy for MSMEs. Researchers use this methodology to emphasize an event or the most important thing about a phenomenon in the form of an event or phenomenon under study. In detail, qualitative provides space for

researchers to explore descriptively about the phenomenon under study, so that a policy is obtained to take action or attitude (10). This research method emphasizes more on qualitative descriptive analysis techniques, namely the method of processing information by analyzing factors related to the object of research by presenting information in more depth on the object of research.

4. Results ad Discussion

Sampang Regency is one of the regencies located on Madura Island in addition to Bangkalan, Pamekasan and Sumenep Regencies. Sampang Regency borders the Java Sea to the north, Pamekasan Regency to the east, Madura Strait to the south, and Bangkalan Regency to the west. In 2022, the number of MSMEs in Sampang Regency is 399,483 units, of which 147,838 agricultural MSMEs and 251,645 non-agricultural MSMEs.

The current era of digitalization requires people to adapt to information technology, in other words, people must be adaptive to various kinds of social media via the internet. MSME players are no exception, to expand the digital market, of course, MSMEs must be responsive in facing digital change and transformation so as to increase productivity and competitiveness. Digital marketing is one of the strategies that can be done to increase productivity and competitiveness.

In this study, researchers conducted a data mining process in the form of interviews to various informants. Interviews were conducted with 9 informants consisting of the Sampang Regency Cooperative, Industry and Trade Office, SMEs of superior products of Sampang Regency, and consumers of superior products of Sampang Regency. Interviews were conducted to explore data about the potential and problems of MSME players of superior products in Sampang Regency in utilizing digital marketing. Of course, there are many opinions from these informants about the potential and problems faced in carrying out digital marketing strategies on superior products in Sampang Regency. The following are some of the results of interviews with several informants:

Informant 1 (Mr. Irwan - Functional Extension Worker of the Cooperative, Industry and Trade Office of Sampang Regency)

In an interview with Mr. Irwan, he explained that the leading products in Sampang Regency cover various sectors such as agriculture (cashew, water guava, chili jamu), and creative industries (batik, roof tiles, woven bamboo, woven pandanus). In utilizing digital marketing, Diskopindag has adopted various strategies, including supporting IKM players to sell on platforms such as Shopee and Tokopedia, and implementing the E-Smart IKM program, a program to digitize IKM products. Despite these efforts, several obstacles have emerged, such as the lack of understanding of technology among IKM players, the majority of whom are elderly.

Irwan emphasized the importance of mentoring to strengthen digital marketing efforts. Diskopindag also

facilitates IKM players with a website known as E-Catalog to inform IKM products, but only a few have implemented concrete steps to ensure the information on the website matches the product's advantages. While social media marketing generally runs smoothly, online communities such as "Festipang" (Festival Sampang), which consists of lovers of Sampang's local brands, also play an important role in maintaining relevant and interesting content. Communication with customers is usually done through social media, especially Tik Tok, and disseminated through the IKM association group. Irwan also underlined that most of the SMEs in Sampang are producers who tend to focus on production, Diskopindag supports them in developing digital marketing through training, workshops. They also have regular training such as creative content creation to support their product development through digital marketing.



Figure 2. Interview with Functional Extension Worker of Diskopindag Kab. Sampang

Informant 2 (Mr. Abd. Rohim - Owner of IKM Mete Sultan)

In an interview with Mr. Rochim, the owner of IKM Mete Sultan, it was mentioned that they use digital marketing through platforms such as WhatsApp, Facebook, Instagram, and TikTok. This decision was taken to keep up with the times and personal initiative. They measure consumer response through "likes" and comments on social media and sell products through Shopee. However, they do not yet have an online community interested in their products. The content created is based on their own ideas and current trends, with an effort to maintain relevance. The main obstacle is the difficulty in creating content that influences customer buying interest, which is overcome by constant innovation. As a result, the use of digital marketing strategies has helped increase Mete Sultan's brand awareness and product sales. Mete Sultan itself began production in 2019 and has a variety of cashew flavors with more affordable packaging. They also participate in the IKM group to promote and share information related to their business progress and get support from provincial government programs.



Figure 3. Interview with the Owner of IKM Mete Sultan

Informant 3 (Mr. Sakhot - Mete Sultan Consumer)

In an interview with Mr. Sakhot, a consumer of Mete Sultan, he stated that IKM Mete Sultan has implemented digital marketing through platforms such as Facebook, WhatsApp, TikTok, and Instagram. Mr. Sakhot also feels that the information regarding product advantages on the website and social media is in accordance with the products offered. Although there is no online community involved, he considers the marketing content on cashew sultan's social media to be quite interesting. In communicating with IKM Mete Sultan, Mr. Sakhot uses WhatsApp as the main channel.



Figure 4. Interview with Consumers of IKM Mete Sultan

Informant 4 (Mr. Alimudin - Owner of IKM Batik Kotah)

In an interview with Mr. Alimudin, the owner of IKM Batik Kotah, he explained that they use digital marketing through WhatsApp and Facebook. Initially, digital marketing started on a whim, but they saw positive results with inquiries and product sales. They ensure the coordination of product information by involving responses from social media users, such as likes and comments. Although they do not have e-commerce, most of the buyers come directly. There is no online community involved, and their social media content is product-focused with no entertainment element. In communicating with customers, Mr.

Alimudin uses WhatsApp and phone as the main channels. The main obstacle is a lack of understanding of technology and social media, and attempts to ask his children and wife for help have not been fruitful. Although there has not been a significant increase in sales, digital marketing helps Batik Kotah's products be recognized by people far away, showing the importance of good communication with consumers. Batik Kotah's marketing is more local, and there is a communication group with fellow artisans that discusses the coloring and workmanship of the products. Uploading products on social media occurs when there are new products and based on consumer requests, especially through WhatsApp. Although there is no specific strategy, product photos and videos are uploaded regularly, and uploading on Facebook has not resulted in significant interaction.



Figure 5. Interview with Owner of IKM Batik Kotah

Informant 5 (Mrs. Siti Hotijah - Batik Kotah Consumer)

In an interview with Mrs. Siti, a consumer of Batik Kotah, she stated that IKM Batik Kotah has implemented digital marketing, especially through WhatsApp. According to Mrs. Siti, the information found on the website and social media is in accordance with the products offered. Mrs. Siti also stated that purchasing Batik Kotah products is more often done by coming directly rather than through digital platforms. Although there is no online community involved, Mrs. Siti considers the marketing content on social media to be quite interesting. When communicating with IKM Batik Kotah, Mrs. Siti uses WhatsApp as the main channel.



Figure 6. Interview with Consumer of IKM Batik Kotah

Informant 6 (Mr. Holip - Owner of IKM Sinar Baru Genteng)

In an interview with Mr. Holip, the owner of IKM Genteng Sinar Baru, he stated that they use digital marketing mainly through Facebook and WhatsApp. The decision to market products digitally is based on the desire to keep up with technological developments. Mr. Holip measures the effectiveness of marketing by looking at responses from social media users in the form of comments and questions. Although they do not have e-commerce, most consumers come directly to the location. There is no online community involved, and their social media content focuses on product information with little entertainment. In communicating with consumers, Mr. Holip uses WhatsApp and Facebook as the main channels. The main obstacles faced are a lack of understanding of social media, content creation, and a lack of understanding of other social media uses. Despite the increase in sales, Mr. Holip feels that he still needs a better understanding of digital marketing.



Figure 7. Interview with Owner of IKM Sinar Baru Genteng

Informant 7 (Mr. H. Hosli - consumer of IKM Sinar Baru Genteng)

In an interview with Mr. Hosli, a consumer of Sinar Baru Roof Tile, he stated that this SMI has implemented digital marketing through Facebook and WhatsApp. The information on the website and social media is in accordance with the products offered. Although no e-commerce is used, he does not know whether the SME has an online community. However, he stated that the marketing content on social media is less attractive because it only contains pictures of roof tiles. He communicates product needs or product-related questions through WhatsApp.



Figure 8. Interview with Consumer of IKM Sinar Baru Genteng

Informant 8 (Mr. Supandi - Owner of IKM Anyaman Pandan)

In an interview with Mr. Supandi, the owner of IKM Anyaman Pandan, he revealed that they have implemented digital marketing to expand the understanding of woven pandan products. They use digital platforms such as WhatsApp, Facebook, and TikTok to promote their products. Coordination of product information on the website and social media is done through inquiries, responses to customers via phone, WhatsApp, and Facebook. Mr. Supandi also incorporates entertainment elements in their digital content to attract customers and maintain product quality by only promoting good quality products. Although there is no online community, they exchange information and knowledge with fellow craftsmen. They face obstacles related to the unstable market, especially when products have to be shipped outside the Madura area. Although sales increased and products became better known after implementing digital marketing, the main challenge is penetrating markets outside Madura and ensuring consistent supply according to demand.



Figure 9. Interview with owner of IKM Anyaman Pandan

Informant 9 (Mrs. Asma - consumer of IKM Matting Pandan)

Mrs. Asma, a consumer of IKM Matting Mats (Pandan), confirmed that the IKM has implemented digital marketing through WhatsApp and Facebook platforms. According to her, the information on the website and social media is in line with the products offered. Although this SME does not use e-commerce, its content on social media is considered interesting. Ms. Asma prefers direct communication with IKM Anyaman Pandan because the distance is not far.



Figure 10. Interview with Consumer of IKM Anyaman Pandan

5. Conclusion

Digital marketing has an important role in developing regional superior products. In various interviews, many parties realized its strategic value in increasing exposure and sales of SME products and other sectors. However, the main obstacle faced is the technology gap, especially among elderly business owners, who are often still "clueless" in terms of digital technology. To overcome this challenge, communities and collaborations between businesses, Diskopindag and consumers, such as the "Festipang" community, are positive efforts that support local products and create a space for information sharing. Continuous coaching and education is needed to help businesses implement digital marketing strategies, through training, technical guidance, and capacity building programs. It is also important to create engaging and relevant content in digital marketing to build a strong brand image and attract consumers. Concrete actions in website creation and updating, social media management, and selling through online marketplaces need to be taken, while constantly evaluating the results to understand their impact. With this approach, the development of superior products through digital marketing can be continuously improved effectively.

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