



Application of Digital Marketing in an Effort to Increase Income for Small and Medium Enterprises in Depok City

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Abstract: The use of the internet every day has increased. This is something that must be realized by micro, small and medium enterprises (MSMEs). One of the marketing media that is currently in great demand by SMEs to support sales promotions is digital marketing. This progress is considered very useful as a business marketing strategy that is also carried out by MSMEs. The use of E-business, E-commerce, social media, social chat and even advertising really supports MSMEs in promotion, marketing and sales. The purpose of this study is to identify the business income obtained by MSMEs in Depok City after using digital marketing. This research method uses a quantitative approach, where data collection is done by distributing questionnaires through google form. The data was processed using the SPSS 25 application. The results of this study found that digital marketing significantly affects the income of MSME actors in Depok City. This finding illustrates to micro, small and medium enterprises (MSMEs) that the use of digital media is very effective in running a business

Keywords: Digital Marketing; E-Commerce; Media Sosial; Pendapatan; UMKM

INTRODUCTION

Today's modern era, where digital technology is developing very rapidly, allowing humans to complete various activities from home or office. This is very easy in the era of digitalization that is growing rapidly. With the existence of digital technology and the ease of accessing the internet, humans can do many things such as socializing, greeting friends from a distance, reading books, obtaining various information needed, and even shopping online. Technological developments have changed the way of interaction in marketing communications from face to face to screen to face. This has led to an increase in internet users and social media users in Indonesia which has an impact on increasing interest in online shopping (Hidayah, 2018).

The internet in today's digital era can be said to be so practical, easy and efficient in the midst of dense daily routines. In a product marketing both through screen to face and face to face marketing, a marketing communication strategy is needed. The existence of the right

marketing communication strategy can prevent companies from losing ineffective and efficient promotions.

Developing a marketing strategy must look carefully at the right media used for promotion. Because promosa can determine the success of a product sale (Jasri et al., 2020). Broadly speaking, media that can be used 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, as many as 204.7 million people use the Internet, and 191.4 million of them are active social media users.

As many as 67.5% of total internet users use digital machines to find the desired brand, even 47.1% of them take the time to visit the website of the brand of interest (GlobalWebIndex, 2022). These results show that digital marketing activities in today's era play a very large role in closing a brand. The Global Web Index (QWI) Quarter 3 of 2021 details that the effectiveness of social media as a brand research channel is 61.1%, search engines are 56.5%, consumer reviews are 48.6%, and brand websites are 34.4% (GlobalWebIndex, 2022). In an effort to find brands that consumers want, Indonesian e-commerce in 2021 still terminates as a search engine (GrahaNurdian.com, 2022). This data tends to show an increase from previous years.

Micro, Small and Medium Enterprises (MSMEs) must be technologically literate 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 job creation and household empowerment that supports household income. Which indirectly helps the government in national economic growth while eradicating poverty (Mustamin, 2018). The existence of MSMEs is expected 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 economic powerhouses (Purwana et al., 2018). The rapid competition also makes digitalization increasingly attractive to MSME players, because the reason for the digitalization era is also promotion with digital media more effectively and efficiently. Because it can save various aspects in business activities.

In addition to the reasons above, the digital era is indeed impossible to avoid. Marketing expert Yuswohadi revealed that if you want to survive, MSME players must be able to maximize the benefits of digital development (Maulana, 2017). In addition, government support is very large in this regard. Through the Ministry of Cooperatives and Micro, Small and Medium Enterprises (Kemenkop UMKM) and the Ministry of Communication and Information Technology (Kemkominfo) want to grow the number of MSME actors who use online platforms by creating a program entitled 8 million MSMEs Go Online (Keminfo.go.id2018). Through this collaboration, the government hopes to accelerate the transformation of MSMEs in Indonesia towards digital. With government policy, MSMEs have the potential to grow and develop, have a much larger market reaching international.

The above opportunities have not been fully utilized properly by MSME players in the city of Makassar. This can be seen from the lack of MSME players who really use digital marketing well in their marketing. Of the total 16,492 MSMEs recorded at the Cooperatives and Small Micro and Medium Enterprises Office of South Sulawesi Province in 2019, only 268 MSMEs were reported to use digital marketing in running their businesses (South Sulawesi MSME Directory, 2019).

Based on the above problems, this study will examine the influence of digital marketing on the income of micro, small and medium enterprises, so that through this research it can be a literacy to all MSME actors that digital media is very important in efforts to increase income from the business being run.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Digital Marketing

Khan & Siddiqui in their journal quoted from Purwana ES et al, that the concept of digital marketing comes from the internet and search engines on sites (Khan & Siddiqui, 2019). At the peak of Internet usage in 2001, the market was dominated by Google and

Yahoo as search engine optimization (SEO). And the use of internet search grew in 2006 and in 2007 the use of mobile devices increased drastically which also increased the use of internet in people from different parts of the world started connecting with each other through social media.

According to Ridwan Sanjaya and Josua Tarigan, digital marketing is a marketing activity including branding (brand recognition) that uses various web-based media such as blogs, websites, e-mail, adwords, social networks and of course digital marketing is not only talking about internet marketing but more than that (Tarigan & Sanjaya, 2013). Digital marketing is one of the media that is currently in great demand by the public as a supporter in daily activities (Saputra et al., 2020). Digital marketing according to the American Marketing Association (AMA) is an activity, institution, and process facilitated by digital technology in creating, communicating, and conveying values to consumers and other interested parties (Kannan & Li, 2017)

Digital marketing describes the management and implementation of marketing using electronic media. Dave said that digital business is how companies apply digital technology and media to improve the competitiveness of their organization through optimizing internal processes with online (Chaffey et al., 2015). So what is meant by digital marketing is the application of digital technology that forms online channels (online channels) to the market (websites, e-mail, databases, digital TV and through various other latest innovations including blogs, feeds, podcasts, and social networks) that contribute to marketing activities aimed at making profits and building and developing relationships with customers in addition to developing a planned approach to improve knowledge of the consumer (towards the company, its behavior, values and level of loyalty to its product brand), then uniting targeted communication with service.

Digital Media Channels

There are many online communication techniques that must be reviewed by marketers as part of a digital business communication strategy or as part of planning a company's online marketing campaign. Digital media channels are online communication techniques used to achieve the goals of brand awareness, familiarity, fun, and to influence purchase intent by encouraging digital media users to visit a website to engage with a brand or product and ultimately to purchase online or offline through media channels such as over the phone or in-store. The six main channels of digital media channels (Chaffey et al., 2020),

a. Search Engine Marketing (SEM)

The use of online advertising on search engine results pages to help visitors find marketers' product websites. By placing messages in search engines to encourage click-throughs to websites when users type in certain keyword phrases. The two main search marketing techniques are: paid placements or sponsored links using a pay-per-click (PPC) system, and placement in major listings using search engine optimization (SEO), a structured approach used to improve a company's or its product's position in natural listing results search engines (the main body of the search results page) for selected keywords or phrases.

The website is a link with the digital world as a whole and perhaps the most important part in the overall digital marketing strategy, where online activities will be directed directly to potential customers. One important part of the website is search engine optimization (SEO), or the process of setting the content of the website so that it is easily found by internet users who are looking for content that is relevant to what is on the website, and also presents content so that it can be easily found by search engines.

b. Online Public Relations

Maximize mentions and profitable interactions with a company's brand, product, or website using third-party sites such as social networks or blogs that the company's target audience happens to visit. This also includes responding to negative mentions and conducting public relations through the site through the press center or blog. It is closely related to social media marketing. Online partnerships

Create and manage long-term arrangements to promote the company's online services on third-party websites or through email communications. Different forms or partnerships include link building, affiliate marketing, aggregates such as price comparison sites, online sponsorships, and co-branding. Interactive advertising

Use of online advertising such as banners and rich media ads to achieve brand awareness and drive clickthroughs to target sites

c. Opt-in email marketing

Use of internal lists for customer activation and retention. This method adds to the contact list in email marketing, through customers who have registered who have certainly agreed and know that they will get regular emails containing advertisements from marketers.

d. Social media marketing

Social media marketing is an important category of digital marketing that involves and encourages customer communication on a company's own site, or social presence such as facebook or twitter, instagram, or publisher sites, blogs, and forums. Taking care of existing consumers and establishing mutually beneficial cooperation with is one of the important elements of digital marketing activities.

Utilization of Digital Marketing by MSME Actors

According to Stelzner, quoted from Purwana, 32 social media has the potential to help MSME players in marketing their products. Social media apps are available ranging from instant messaging to social networking sites that offer users to interact, relate, and communicate with each other. These applications intend to initiate and circulate online information about the user experience in consuming products or brands, with the main goal of reaching engage or engaging the community. In a business context, people engagement can lead to profit creation. The business value of using social media (Stockdale et al., 2021) for MSMEs is as follows:

- a. Creation of sustainable marketing channels;
- b. Increase in short-term revenue and long-term sales;
- c. Reduction in advertising costs by up to 70%;
- d. Reduction in overall marketing costs;
- e. Creation of competitive advantage;
- f. Ease of cross-promotion of social media platforms;
- g. Increased popularity of brands and products;
- h. The introduction of the organization or company to society.

Socialization of digital marketing strategies in the form of utilizing social media is very important because it can provide knowledge to MSME actors about the ways and stages of expanding consumer networks through the use of social media in marketing their products so as to increase competitive advantage for MSMEs themselves. The use of digital marketing has provided a significant increase in business growth for MSME players. Many evidences have been felt by MSME players from the presence and use of digital marketing in their business. Among these evidences, according to Pradiana, is that MSME players can communicate with customers and suppliers more intensively and effectively and efficiently, because communication through digital marketing can occur within 24 hours. The transaction process also becomes easier and cheaper because it only has credit/quota to be able to communicate (Pradiani, 2018).

METHODS

This research is a field research (Field Research) with a quantitative approach. This research is carried out by studying intensively about the background of the current situation and the interaction of the environment of a social unit whether individuals, groups, institutions, or communities. This study explored data sourced from Micro, Small and Medium Enterprises (MSMEs) in Depok City.

The population in the study is Micro, Small and Medium Enterprises (MSMEs) in Depok City. According to data from the Cooperatives and Small Micro and Medium Enterprises (MSMEs) Office of West Java province, the number of MSMEs that have criteria is 16,492 and MSMEs that use Digital Marketing as marketing amounted to 268 MSME actors (South Sulawesi Province Cooperatives and Small Micro and Medium Enterprises Office, "monthly report on MSME development, 2019). The population in this study was homogeneous, so sampling could be taken from any population. In this study using purposive sampling techniques, the respondents of this study were as many as 116 Small Micro and Medium Enterprises (MSMEs).

RESULT AND DISCUSSION

Data Analysis

Data analysis begins with testing the instruments used to see the feasibility of the instrument to be deployed. Instrument testing in this study was carried out with validation tests and reliability tests. The results of this test can be seen in the following test results table:

Table 1. Validity Test Results

No.	Question Item	r_{hitung}	r_{tabel}	Information
1.	P1	0.858	0.179	Valid
2.	P2	0.857	0.179	Valid
3.	P3	0.778	0.179	Valid
4.	P4	0.798	0.179	Valid
5.	P5	0.678	0.179	Valid
6.	P6	0.698	0.179	Valid
7.	P7	0.996	0.179	Valid
8.	P8	0.876	0.179	Valid
9.	P9	0.824	0.179	Valid
10.	P10	0.765	0.179	Valid
11.	P11	0.777	0.179	Valid
12.	P12	0.895	0.179	Valid
13.	P13	0.759	0.179	Valid
14.	P14	0.790	0.179	Valid
15.	P15	0.892	0.179	Valid
16.	P16	0.796	0.179	Valid
17.	P17	0.676	0.179	Valid
18.	P18	0.624	0.179	Valid
19.	P19	0.665	0.179	Valid
20.	P20	0.677	0.179	Valid
21.	P21	0.795	0.179	Valid
22.	P22	0.859	0.179	Valid
23.	P23	0.890	0.179	Valid
24.	P24	0.696	0.179	Valid
25.	P25	0.676	0.179	Valid
26.	P26	0.624	0.179	Valid
27.	P27	0.865	0.179	Valid
28.	P28	0.877	0.179	Valid
29.	P29	0.695	0.179	Valid

Source: 2023 data processing results

Table 1 shows that all Digital Marketing and revenue variable question items are valid. This is evidenced by obtaining a correlation coefficient value ($r_{\text{calculated}}$) of > 0.179 . The value 0.179 is obtained from the r_{table} value with $N=118$.

Table 2. Reliability Test Results

No.	Variabel	Cronbach's Alpha	keterangan
1.	Digital Marketing	0.956	Reliabel
2.	Income	0.998	Reliabel

Source: 2023 data processing results

Based on table 2 data, it can be concluded that all values of Cronbach's alpha variable, digital marketing and revenue are greater than 0.6 so that they can be declared reliable. Thus the reliability test results are declared reliable because $X1\ 0.956 > 0.6$.

Classical Assumption Test

The classical assumption test is carried out using three tests, namely the normality test, the autocorrelation test, and the heteroscedasticity test. Details of the test results can be seen in the following table:

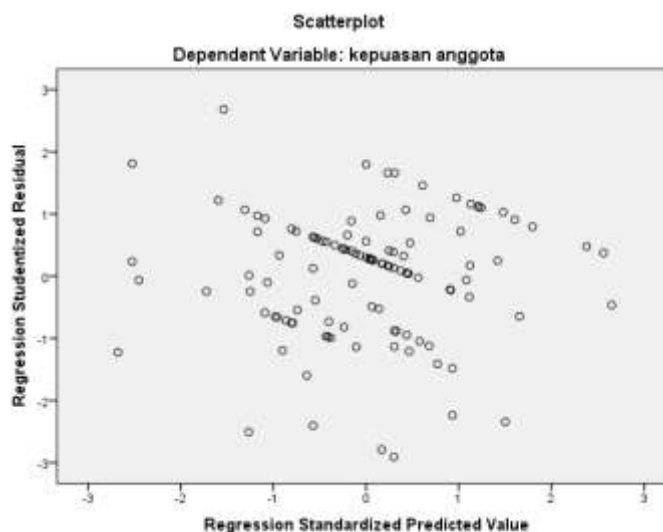
Table 3. Normality Test Results

		Unstandardized Residual
N		118
Normal Parameters ^{a,b}	Mean	0.0000000
	Std. Deviation	2.54376617
Most Extreme Differences	Absolute	0.076
	Positive	0.076
	Negative	-0.078
Test Statistic		0.076
Asymp. Sig. (2-tailed)		.200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: 2023 data processing results

The normality test shows normally distributed data if the Liliefors significance value is above 0.05. The normality test results above show a significance value of 0.200 so that the significance value is above 0.05, therefore it can be interpreted that the data in this study is normally distributed.

Table 4. Heteroscedasticity Test Results



Based on the results of the scatterplot test above, the graph shows that the points on the graph do not form a pattern, so it can be said that the data does not have heteroscedasticity.

Table 5. Autocorrelation Test Results

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.534 ^a	0.285	0.267	3.014	1.852

a. Predictors: (Constant), X

b. Dependent Variable: (Y)

Autocorrelation tests are used to determine whether there are deviations from classical assumptions, autocorrelation, namely correlations that occur between residuals in an observation with other observations in the regression model. Based on the table above, it can be seen that the Durbin-Watson value obtained is 1.852 greater than the upper limit (du) 1.635 and less than $4 - 1.635$ ($4 - du$). So it can be stated that this regression model is free from autocorrelation.

Test the hypothesis

Regression equations are used to examine the relationship between a dependent variable and several independent variables.



Table 6. Regression Test Results Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.897	2.382		2.475	.015
	Digital Marketing	.945	.105	.508	6.134	.034

a. Dependent Variable: Income

Based on the results of testing individual parameters presented in the figure above, it can be seen that the X regression coefficient (digital marketing) of 0.945 means that if every increase X is one (digital marketing) then the value of Y (revenue) will increase by 0.945.

Table 7. Test Results t Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.897	2.382		2.475	.015
	Digital Marketing	.945	.105	.508	6.134	.034

a. Dependent Variable: income

The influence of digital marketing on the income of micro, small and medium enterprises. In the column Coefficients model 1 there is a sig value of 0.000. Sig value. Smaller than the probability of 0.05 or 0.000 Ttable or $6.134 > 1.9806$, it can be concluded that digital marketing variables have an influence on the income of micro, small and medium enterprises. This means that digital marketing has a significant effect on the income of micro, small and medium enterprises.

Table 8. Test Results of Coefficient of Determination (R²)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.491 ^a	.241	.220	1.008

a. Predictors: (Constant), Digital marketing dan pendapatan

Based on Table 8 above, it can be seen that the Adjusted R Square value is 0.220. This means that 22% of employee performance variables can be explained by digital marketing and income variables while the remaining (100%-22%) or 78% can be explained by other variables that are not in this study.

CONCLUSIONS

The results of data processing analysis using the SPSS 25 application are known that digital marketing variables have a significant influence on the income of Micro, Small and Medium Enterprises (MSMEs) in Depok City. The increase in revenue is due to the involvement of MSME players in marketing their products in digital media. The response from respondents was very good regarding questions about: the use of digital marketing, digital marketing facilitates respondents in marketing, and digital marketing expands the reach of respondents' business customers. In fact, more than 60% of respondents strongly agreed that the use of digital marketing is very helpful in all marketing activities carried out. The results of this study are in accordance with Pradiani (2018) that digital marketing facilitates the transaction process (Pradiani, 2018). This easy process ultimately has an impact on all activities in business activities which ultimately has an impact on increasing the income of MSME actors.

MSME actors who are respondents in this study agree that the costs that must be incurred for promotion and all other marketing activities through digital marketing are cheaper than the costs that will be incurred if done traditionally/conventionally. Rozina and Meiriki's research also found that the use of digital marketing has helped MSME players in marketing their products, expanding their market share and minimizing the promotional costs they spend (Rozinah & Meiriki, 2020). These results show that digital marketing provides many benefits in the marketing process, including the convenience is an easy process and the costs that must be incurred are smaller than conventional / traditional businesses.

Many MSME players use digital media in the form of social media and e-commerce in their business activities. Social media that are widely used are Facebook and Instagram as product catalogs, and whatsapp business as the main chat media to communicate with customers. The use of digital marketing by MSME players is very necessary. Especially now that almost all aspects of life are digital-based. So that the use of digital media properly by MSME players will increase their competitive ability in the midst of current business competition. The results of this study can be evidence that digital marketing plays an important role in increasing the income of MSME actors in the city of Depok.

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Digital marketing has a significant impact on increasing MSME income. MSME players are greatly helped in all aspects of the business activities they carry out by utilizing digital marketing. Digital marketing that is most widely used by MSME players is e-commerce, Facebook, and Instagram as a product catalog, while whatsapp business as the main medium for communication/chat with customers.

The results of this study highlight the importance of digital marketing for MSMEs. In addition to increasing revenue, costs incurred for business activities or businesses with digital marketing also tend to be cheaper. Based on the findings of this study, only 1.63% of the total MSMEs use Digital Marketing in their marketing. So it is recommended to make good use of digital media in the business / business that is run. The government and academics must also play an active role in digital marketing socialization through training activities, workshops, or other educational activities.

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