

## **DIGITAL MARKETING STRATEGY USING ONLINE SHOP, MARKETPLACE AND SOCIAL MEDIA FOR MSMEs IN TULUNGAGUNG DISTRICT**

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**Abstract:** MSMEs are the most significant economic actors in a country's economy; MSMEs have a massive role in the economy. One of the strategies that can be carried out by MSME players so that they can advance, develop, and increase their sales is through a marketing strategy that uses digital marketing methods. In today's technological era, new business models are emerging. The emergence of digital marketing media such as online stores, marketplaces, and stores on social media proves that people today want easy access to what they want. From digital marketing media and tools, some media are most utilized by MSME players, namely Online Shop Websites, Marketplaces, and Social Media. This research aims to discover how MSMEs use digital marketing strategies to maintain and increase business profits. This research is a type of descriptive qualitative research. Using observation and interview techniques, including ten samples from several types of MSMEs interviewed. The results of this study indicate that the digital marketing strategy carried out by MSMEs is marketing through social media and marketplace facilities such as grab food, superfood, and go food. Some of these media have proven that they can increase the profits earned by MSMEs, make it easier for consumers to get MSME products, and provide comfort and convenience, so they have a good influence on MSME owners.

### **INTRODUCTION**

MSMEs play a vital role in the country's economy. The role of small, medium, and micro businesses or MSMEs is not only reflected in developing countries but also developed countries. MSMEs are very important in both developed and developing countries because they absorb the largest workforce compared to large companies. MSMEs make the most significant contribution to the formation or growth of Gross Domestic Product (GDP) compared to large corporations (Tulus Tambunan, 2001). The strategy that MSMEs can use to progress and develop is through a marketing strategy that uses digital marketing methods. The American Marketing Association defines digital marketing as activities, institutions, and processes facilitated by digitalization technologies that create, communicate, and deliver value to consumers and other interested parties.

One strategy that MSMEs can use to progress, develop, and increase their sales is through a marketing strategy that uses digital marketing methods. The American Marketing

Association defines digital marketing as activities, institutions, and processes facilitated by digitalization technologies that create, communicate, and deliver value to consumers and other interested parties. In the current technological era, new business models are emerging.

As innovation shifts from traditional marketing to marketing that utilizes today's digital media, traditional face-to-face buyer-seller meetings can now be mediated through digital media, ultimately giving rise to new marketing trends. The emergence of e-commerce models such as online shopping websites, marketplaces, and shops on social media proves that people today want easy access to what they want. Of the media and digital marketing tools, some media are most utilized by MSMEs, namely Online Shop Websites, Marketplaces and Social Media. Digitalization of the marketing process is the most effective strategy for MSMEs to increase sales of their products after the COVID-19 pandemic.

Technological developments also influence people's culture in life. This can be seen in human activities in the current era, which cannot be separated from using communication tools to support all life activities. These technological developments have caused changes in consumer behavior when shopping. The use of digital media and the internet in the current era is increasingly rapid, especially in online shops, marketplaces, and social media, to fulfill daily needs. The way consumers shop has become more modern, from traditional to online shopping. Starting from the emergence of online stores for several large company products, marketplace applications or online shopping and social media have become places for buying and selling that offer various conveniences when making transactions. Online shopping applications or marketplaces have a significant market share; most people are familiar with online shopping applications. Consumers can quickly fulfill their needs through online shopping sites on marketplaces and other social media. Marketplaces are considered more efficient and cost-effective because buyers do not have to come directly to the seller's location; customers can easily access the product information they want.

The online shop is a form of shop in an online system or, in another sense, is a place to carry out buying and selling transactions globally. In other words, an online shop is a shop on the internet. In this term, there is no real shop building like in the real world and no direct interaction between sellers and buyers. In an online shop, there is only a website that contains information on the goods being sold, their descriptions, and information on how to purchase them.

*Marketplaces* can be interpreted as an electronic product marketing platform that brings together many sellers and buyers to interact with each other. Marketplace is an internet-based online media for business activities and transactions between sellers and buyers.

Marketplace is a new form of business that is developing in line with developments in information technology. The presence of the marketplace has an impact, so everyone can carry out buying and selling activities easily, quickly, and cheaply because there are no boundaries of space, distance, or time.

Social media or social networks are the platforms most frequently used by people today. The available social networks sometimes have some differences. Previously, social media had differences in the focus of their services, such as WhatsApp, Facebook, Instagram, and TikTok, which focused on friendship, while others were specifically for finding and building relationships, such as those offered by LinkedIn. However, many social media today provide marketplace services and online stores on their menu options.

According to data from We Are Social, a digital marketing agency in the United States, the social media platforms frequently used in Indonesia as of January 2023 are WhatsApp (92.1%), Instagram 86.5% and Facebook (83.8%). The next position is occupied by TikTok (70.8%), Telegram (64.3%), Twitter (60.2%), and FB Messenger (51.9%). The rest is occupied sequentially by Snackvideo, Pinterest, Line, LinkedIn, Discord, Snapchat and Skype.

Today's MSMEs must adapt to conditions in this digital era by utilizing existing digital media as a strategy to market their products and manage their customers better. However, due to the large number of digital media choices available and the rapid dynamics of the development of existing digital media, MSMEs sometimes still need help finding suitable digital media to use as their digital marketing strategy.

## **RESEARCH METHODS**

This research uses a qualitative approach and a descriptive analysis approach, namely a qualitative approach, to understand and describe the implications of the analytical rules contained in the digital marketing strategy of MSMEs. Researchers use this methodology to highlight the most essential things in an event or phenomenon being studied. Using observation and interview techniques, including ten samples of MSME informants who were interviewed from several types of MSMEs according to the products produced. This research uses qualitative methods because it is intended to explain and analyze what will be researched. However, researchers only focused their research on the Tulungagung district area. The MSMEs interviewed by researchers in Tulungagung district were obtained through in-depth interviews with business people to obtain the required information. To obtain more

detailed information, researchers use a type of data collection known as primary data or data taken directly from the source.

### Data collection technique

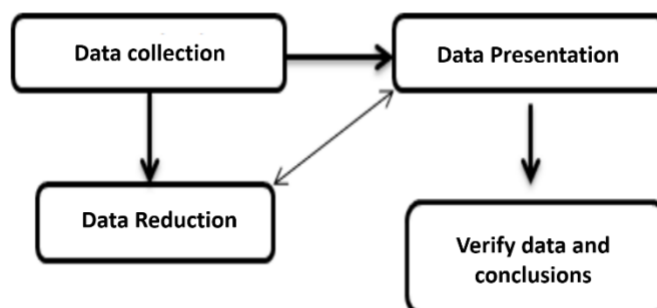
The author uses the following data collection methods:

1. The observation method is a method of collecting operational data that is carried out using a careful and systematic process to obtain objects that are examined directly. These observations are directly used to provide factual knowledge regarding digital marketing strategies implemented by traders to increase their business growth and profits.
2. The interview method is one of the data collection methods used in research. Researchers can obtain data by interviewing MSME actors directly.

### Data Processing Techniques

This research was conducted using the following data processing techniques:

1. Editing, namely reviewing all data obtained for editing, especially completeness, clarity, and coordination between existing data and its relevance to research.
2. Finding results means analyzing the authenticity and characteristics of the research object correctly and accurately based on the data obtained in the research, as well as the relationship between the phenomena studied, and drawing conclusions appropriately and accurately. Data Analysis Techniques The data processing process can be carried out in 3 stages: data reduction, data presentation and drawing conclusions.



Picture 1. Data Processing Process

## RESULTS AND DISCUSSION

Micro, small and medium enterprises or MSMEs in Tulungagung Regency have several fields ranging from agriculture to services. However, the understanding and knowledge of MSME players in Tulungagung Regency regarding digital marketing still need to be evenly distributed. Due to increasingly developing times and marketing trends, various research perspectives are needed to maintain their business in an era of intense competition. One of the strategies that can be used to develop Micro, Small and Medium Enterprises is through digital marketing strategies. This research aims to find out what and how digital marketing strategies are used by Micro, Small and Medium Enterprises in Tulungagung Regency. As time progresses, technology also proliferates. One of them is a marketing system or marketing trend. The rapid development of technology, not far from everything related to the internet and the digital world, with digital marketing strategies applied to a business, allows interest to arise in people's purchasing behavior. What was not previously known was that this digital technology allows a business to be accessed and communicated to potential customers via virtual media. Not only that, the impact of digital strategies implemented in a business also makes it easier for potential customers to make transactions in terms of payments. Now that payment activities have shifted online; where payments were previously made conventionally (offline), digital technology allows potential customers to make purchasing decisions because it is considered easy and practical. Digital marketing consists of social media, e-commerce, online stores, marketplaces, and social media, which are designed in such a way as to be integrated. Digital marketing media is built to connect the products being sold and consumer needs so that potential customers find it easy to order the products being offered. Several things that must be considered are the understanding and knowledge of digital marketing by food and beverage MSME players.

Based on the problem formulation raised by the researcher, namely regarding the implementation of digital marketing strategies in MSMEs in Tulungagung Regency, the researchers conducted interviews with a sample of MSME actors to gather information about the implementation of digital marketing strategies in their MSMEs for their understanding and knowledge of digital marketing and how they apply digital marketing strategies to their business. So, in order to describe it in detail, the researcher will explain the results of interviews with food and beverage MSME actors in Tulungagung Regency. Here are the interview results: Knowledge and understanding of Food and Beverage MSME actors in Tulungagung Regency regarding digital marketing. The Micro, Small, and Medium Enterprises business, commonly known as the MSME business, was initially carried out using conventional marketing methods, where business actors only put up displays of their

products in shops or entrusted them to other people's shops. Some offer it directly to their closest friends by word of mouth. However, with the development of the times followed by increasingly advanced technology, MSME business actors inevitably have to learn about what technology is, especially in utilizing the progress of their business. It cannot be denied that almost all corners of our world have used the internet as an intermediary medium for interaction; MSME business actors have now utilized technology as a supporting medium in promoting their business products, one of which is by implementing digital marketing strategies.

By studying digital marketing strategies through social media, MSME players believe that implementing digital marketing in their business can further expand their market reach and make their business activities much more accessible. According to them, digital marketing is widely marketing products using social media as an intermediary, such as online stores, marketplaces, and social media applications. With the use of social media today, they believe that digital marketing is the best solution and has many benefits for MSME business owners. Marketing by promoting exciting content about their products, which will later be uploaded to their MSME business social media accounts. Not only that, according to them, the strategy of implementing digital marketing is a step that makes it easier for consumers to make purchases and payments; nowadays, many people are reluctant to go out and buy directly from business outlets. Therefore, these MSME players provide delivery services by registering their business products on marketplace platforms such as GrabFood, ShopeeFood, and GoFood from these three platforms, which consumers frequently access. The answers from the interviews that were conducted, on average the answers they gave were similar. Business people can explain what digital marketing is. Even though they cannot express the meaning of digital marketing well, they already understand and understand enough about digital marketing. MSME business actors also understand and know about implementing digital marketing strategies, although only in general terms. This can be seen from the implementation of digital marketing strategies that have been carried out, such as using Instagram, TikTok, WhatsApp, Facebook, and several order delivery services such as Grabfood, Gofood, and Shopeefood. According to them, using digital marketing strategies is very helpful in promoting the products they sell and is very beneficial for the long-term sustainability of their business activities because digital marketing can increase broad access to potential customers. Digital marketing can make purchasing activities easier for prospective customers by ordering without having to come directly to the sales outlet. So, digital marketing strategies have a good influence on MSME owners.

### Digital Marketing Implementation by Micro, Small and Medium Enterprises (MSMEs) in Tulungagung Regency.

According to statistical data in 2023, as of November 2023, as many as 32.23 percent of MSMEs are carrying out e-commerce activities. Then, as of the results based on data collection ending on September 15, 2023, 34.10 percent of businesses were carrying out e-commerce activities (Statistics, 2023). The number of e-commerce users is increasing every year. Seeing that the number of internet users in Indonesia is increasing every year, it is believed that this marketing system using online digital methods can improve people's welfare. Micro, small, and medium enterprises (MSMEs) that implement digital systems can increase sales and profits, although not significantly. However, digital marketing-based marketing can positively impact the sustainability of MSMEs in Tulungagung Regency in maintaining their businesses to continue operating. Also, with digital marketing, MSMEs can promote their businesses more efficiently and reach consumers more widely.

#### INTERVIEW RESULTS WITH MSMEs

No	Type of MSME	Name of MSME	Media of Digital Marketing applied
1	Kuliner	Waroeng Ndeso Tulungagung	1. Toko Online (Website) 2. Marketplace - Grab Food 3. Media Sosial - Meta Bussines Suite
2	Kuliner	Minuman Coklat Asyik	1. Marketplace - Grab Food, Maxim, dll 2. Media Sosial - FB, IG, WA Bussines
3	Fashion	Busana Wanita Hanny	1. Toko Online (Website) 2. Marketplace - Grab Food 3. Media Sosial - Meta Bussines Suite
4	Fashion	Kaos Distro Tulungagung	1. Marketplace - Grab Food, Maxim, dll 2. Media Sosial - FB, IG, WA Bussines

5	Aksesoris dan Kerajinan Tangan	Lampu Hias Batok	1. Marketplace - Grab Food, Maxim, dll 2. Media Sosial - FB, IG, WA Bussines
6	Aksesoris dan Kerajinan Tangan	Gelang Romboy	1. Toko Online (Website) 2. Marketplace - Grab Food 3. Media Sosial - Meta Bussines Suite
7	Peralatan Rumah Tangga	Meja Kayu Ukir	1. Toko Online (Website) 2. Marketplace - Grab Food 3. Media Sosial - Meta Bussines Suite

Table 1. Interview Result with MSMEs

Results of the interview, the dominant digital marketing strategy implemented by MSME business actors in Tulungagung Regency is the use of social media such as Instagram, TikTok, Facebook, and WhatsApp, and also marketplace platforms such as Grabfood, Shopeefood, and several other local marketplace applications. Instagram is a photo and video-sharing application where users can take photos, record videos with various features provided by the application, and share them on various social networking services, including the Instagram application itself. The features the Instagram application provides that can be used to promote a product can be used through Instagram stories, feeds, reels, and paid advertisements (ads). Tik-tok is also an application that can be used to promote products; just like Instagram Tik-Tok, some features can be used to attract the interest of potential customers; the difference is that the Tik-Tok application is more for uploading interesting videos about food and drinks you want to sell. Not only that, Facebook and WhatsApp can also be used to promote products to be sold. Usually, this application is the first step sellers take in introducing a business to introduce products to their closest friends/potential customers. Implementing an appropriate digital strategy will positively impact the continuity of the MSMEs being run.

### **Impact of Using Digital Marketing by MSME Actors in Tulungagung Regency.**

To survive the pandemic conditions last year, business actors had to promote their businesses to survive aggressively. One of the efforts business owners can make to maintain their business is implementing digital marketing strategies.



Digital Marketing is very effective in reaching a broader market. The results of interviews conducted by researchers with several MSMEs show that the impact of digital marketing on sales turnover was insignificant. The data above show that turnover generated by several MSMEs tends to increase, and some even decrease. According to MSMEs, turnover increased because there were many online enthusiasts. Even though the impact of implementing digital marketing is not very significant on sales figures, it has an important role. It is very influential in keeping a business afloat and able to compete with other businesses. Through digital marketing, consumers can more easily find starting points for business and fulfill consumer needs and desires.

### **Discussion Analysis**

Digital Marketing is the right strategy to increase sales and keep your business running. The author conducted research in the form of interviews with several informants and found specific differences in the application of digital marketing, especially in the selection of digital media used, resulting in differences in the influence of digital marketing on the profits or turnover obtained. What differentiates businesses that have a significant influence from businesses that do not have a significant influence is the method they use in marketing food and beverage business products on social media. Businesses with significant influence tend to use more creative and innovative methods in creating content on social media for promotions they post through their social media accounts. Not only that, but they also implement an endorsement system and utilize influencers to get lots of visitors on their social media, which will later impact sales of their products in their online stores and marketplaces. Despite this, some business owners still do not carry out these endorsement activities, considering the cost that MSME players will incur.

### **CONCLUSIONS AND RECOMMENDATIONS**

The digital marketing strategy that has been carried out by MSME actors in Tulungagung district is marketing through online shops, social media, and several e-marketplace applications such as Grabfood, Maxim, and several local marketplace applications. To promote their business, most of them use the social media Instagram, Facebook, TikTok, and WhatsApp to upload photos and videos of products as interesting as possible on their Instagram accounts, such as Instagram reels, Instagram feeds, and Instagram stories. They also carry out promotions by implementing an endorsement system for their products. Meanwhile, WhatsApp media carries out promotions to nearby consumers by ordering internally. The results of digital marketing strategies in increasing business

profits are insignificant. However, digital marketing strategy methods can positively impact the sustainability of MSMEs in Tulungagung Regency. With digital marketing, business actors can easily promote their products by reaching consumers more widely. Not only that, digital marketing also makes it easier for consumers to buy food and drinks without having to go to MSME outlets directly. This can provide comfort and convenience for consumers, so it has a good influence on MSME owners.

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