The Impact of Digital Marketing Technology Development on the Growth of Pekalongan Batik MSMEs via Social Media and Marketplaces

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ABSTRACT

There have been changes in many facets of human life due to technology’s ever-accelerating development. All human affairs and everyday tasks can now be made simpler thanks to technological advancements; the marketing and product sales industry is just one example. These days, technology can help to simplify marketing; it can even be used to sell goods directly to customers online. Naturally, the advancement of this technology benefits both buyers and sellers, as it facilitates the purchasing and exploration of products via digital networks. The growth of MSMEs (micro, small, and medium-sized enterprises), particularly Batik, is greatly influenced by the advancement of digital marketing. Digital marketing facilitates the marketing of batik products by allowing producers or sellers to directly market their products in real-time via social media or marketplaces. The purpose of this study was to examine how advancements in digital marketing technology have affected MSMEs, particularly Batik in Pekalongan. Information is gathered through field observations and observations. It is hoped that the research's findings will shed light on the advancements faced by Batik MSMEs that have adopted digital marketing or digital network marketing, as well as explain the advantages of digital marketing for company growth.

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1. INTRODUCTION

These days, technological advancements happen very quickly. The internet makes information easily accessible to all societal levels. The internet itself is proof that technological advancements have permeated many domains, including the social, cultural, educational, and economic (Novita, 2020). The global community now considers the rise in internet users to be a basic necessity. When compared to traditional systems, the services offered by this digital system provide prospective customers with faster service and information (Hartanti & Oktiyani, 2020). One easily accessible platform for digital marketing is social media. One could argue that social media presents business opportunities to the target market as a whole.
One benefit of using social media for information dissemination is speed. Furthermore, messages shared on social media platforms can be "shareable" with ease. The market in question can be developed by directly accessing speedy feedback from those who see and respond (Afrilia, 2018). Digital marketing will lead to more business opportunities. Digital marketing strategies are going to be of assistance to marketers in their analysis of consumers and in making decisions based on direct consumer information. Thus, marketers can make sure that the tactics they use are appropriate for the type of business they operate (Wati et al., 2020). The state of the market is currently favorable for entrepreneurs as well. Whereas the millennial market favors useful culinary products that manufacturers can order online and ship out (Nur mansyah, 2019).

The development of the internet will bring about enormous changes in human behavior, relationships, and interactions with others. There have been difficulties with social and commercial transactions over the global communications network (Dzikrulloh, 2014). To expand, an online firm needs a sales strategy that is well-managed, provides nice service, delivers goods on schedule, and protects customer data (Hanum, 2019). The advent of digital technology has made it possible for entrepreneurs to offer their goods online.

Known as "Batik City," Pekalongan City is a Central Javan manufacturer of high-quality icons and batik. For the majority of people living in Pekalongan City, the batik industry provides a vital source of income and significantly contributes to the city's economic development. Building marketing centers and batik villages to facilitate the purchase of batik by consumers is one way that the Pekalongan City Government supports the batik industry (Taryadi et al., 2015).

Digital marketing's contribution to the drive to boost Pekalongan's batik sales turnover has now given guidance on how to market batik items directly to customers, as well as to resellers and drop shippers. Social media platforms including Marketplace, Instagram, Facebook, Telegram, and WhatsApp can be used for this marketing. Manufacturers can advise them on how to use social media to market their products and provide support for setting up accounts. Due to the rising popularity of electronic media and the ability to advertise items on numerous social media platforms, direct marketing has now expanded to include consumers as a target market (Maheswari et al., 2020).

Business actors used technology to their advantage during the COVID-19 pandemic, which had a significant impact on drawing in customers. People in business need to be flexible in everything from strategy objectives. Since batik is a locally produced good that is representative of the community, many buyers are eager to purchase it from online retailers like Shopee or Marketplace. Because they frequently conduct deals, they like through online promotions like this one, online sales outcomes have increased. Customers then start to show interest. Aside from that, using bundling promotions is another sales approach. This has shown to be sufficient to entice buyers to give it a try, which affects sales growth (Cahya et al., 2021).

2. RESEARCH METHOD

To conduct this study as explanatory research for a field survey, quantitative methodologies will be used. A systematic analysis of a phenomenon through the collection of data that can be assessed by computer, statistical, or mathematical methods is known as quantitative research (Priadana & Sunarsi, 2021). The natural and physical sciences both make extensive use of quantitative research. The following are the categories of quantitative research: (1). Survey Research: Research that is conducted to gather information or data from the field is known as survey research. This study aims to help gather factual and reliable information, (2). Investigational Studies The purpose of this study methodology is to assess the impact of a certain treatment on a group's symptoms to those of other groups that receive alternative therapies.

To collect primary data for this quantitative study, a field survey was carried out in Pekalongan City to get information from Batik MSMEs. Additionally, experimental research was done to compare business actors who utilized traditional marketing only with those who had adopted digital marketing. The purpose of this study is to quantify the impact of digital marketing on the growth of Batik MSMEs in Pekalongan.

3. RESULTS AND DISCUSSION

Digital marketing refers to any marketing activity that involves different web-based media, including blogs, websites, e-mail, Adwords, or social networks and includes branding or brand awareness. Digital marketing encompasses more than just internet marketing (Sanjaya & Tarigan, 2009). The evolution of e-marketing happened in three stages: information publication (brochure/interactive content provider) is the first step, where websites are used exclusively as information sources. Secondly, transactional websites, which are those that make it easier for people to purchase online; and thirdly, mass customization, which is the process of using internet technology to tailor products and services to specific customers (Tjiptono & Chandra, 2017).
The theory of Digital Marketing is (Lucyantoro & Rachmansyah, 2017): (1). Content Marketing (Marketing of Content). With content that is tailored to the interests of the user, content marketing helps build relationships and keep users interested. (2). Product marketing through search engine optimization. Search engine marketing is the process of using search engines to get product information or to type in terms of things you want to buy. (3). The strategy for social media (Social Media Strategy). Using social media platforms like Facebook, Twitter, and blogs to promote items is known as a social media strategy. (4). The pull principle. It is a theory that clarifies why buyers actively look for details or additional information about the goods they wish to purchase. (5). The push idea. It is a concept of communication that marketers use to reach out to clients or potential clients via email, SMS, or RSS.

Some metrics that impact digital marketing are as follows: (1). Return on Investment, or ROI. ROI is also known as return on investment in Indonesia. Of the numerous expenses associated with a digital marketing campaign, you need to know if the campaign is profitable for the business and effective. (2). Exchange of Value (Value). Here, figuring out the value exchange entails deciding what benefits we will offer to clients to promote the goods. The goal of providing good value is to win over clients' loyalty and make them an indispensable component of the success of digital marketing. (3). Goals (Objectives). One may define objectives as the aims or targets that a practitioner of digital marketing will follow when performing their tasks. Before executing a digital marketing strategy, there should be a thorough debate about the objectives because the plan itself cannot be divorced from the ones that were formed. (4). Strategy and Assessment (Strategies and Assessment). To achieve goals in digital marketing, a plethora of digital methods and resources are available. Every strategy has advantages. For instance, email is one of the finest techniques for increasing the number of things that you sell to current clients, while disbursement advertising is likely the best way to drive acquisition (getting new customers). As a result, after establishing the goals, methods are modified by the goals and ideals that must be met. (5). Continuous Optimization (Working on Optimization). The dynamic, adaptable, and elastic aspect of digital marketing is what makes it so fascinating. This implies that a digital marketer needs to be obliged to stay current with advancements throughout time. A lot of digital marketing approaches typically update frequently, once a year, once a month, or even once a week, with new values provided. Thus, the methods under study will evolve further, and occasionally they will do so extremely fast and dramatically.

Every entrepreneur bears the duty of developing their firm, which calls for vision, drive, and ingenuity. Pfeffer and Salancik, cited in the Reni journal, describe business development as the capacity of the organization to execute appropriate activities and outcomes. Nonetheless, the growth of the business must be able to be conceptualized, operationalized, and quantified using a variety of techniques. The elements that affect business development, such as psychological capital, entrepreneurial characteristics, human resource management, and SME characteristics, were developed by Indiarti and Langenberg in the journal Reni (Dewi, 2013).

For MSMEs, business development refers to their ability to succeed in the marketplace, which is demonstrated by their growing sales as a result of their ability to grasp business opportunities, innovate, control a wide range of markets, be competitive, and have easy access to bank and non-bank financial institutions to boost funding for their operations (Purwanti, 2012).

The following are signs that MSMEs are growing: (1). The capacity of entrepreneurs to take advantage of current commercial prospects, (2). Be creative, (3). The size of the regulated market, (4). Capable of competing, (5). Be able to access financial institutions widely.

As an alternative to advertising, information, and communication, a marketplace satisfies the needs of businesses, customers, and management by reducing service costs while enhancing the quality of goods and service speed of e-commerce-based business systems. Marketplaces can be utilized as locations where customers can freely look for as many vendors as feasible based on the specifications and expectations they have, and sellers can freely discover what purchasers require in the way of goods and services based on their preferences.

Generally, a marketplace can be thought of as a container or place that takes the shape of an online website or application. The container serves as a meeting point for both buyers and sellers, who will use it to search for and purchase goods and services. and as widely as feasible by the standard criteria that customers wish to have without needing to interact with the merchant in person. Using an online marketplace has the following benefits (Jabat et al., 2022): (1). Increased potential via community, (2). You shouldn't be concerned about losing clients, (3). Reputable characteristics and rules for online markets, (4). No requirement for significant finances, (5). Has insight features that can support business development.

We can track the number of customers who visit the store, the number who respond, and the number of customers who purchase with this function. Meanwhile, the market's drawbacks consist of: (1). It's challenging to earn confidence, (2). There is intense competition among traders, (3). Have faith in the manager of the virtual marketplace. Among the several kinds of marketplaces are: (1). Horizontal

Product marketing can be carried out more broadly and inexpensively to reach a larger number of potential customers when MSMEs are developed with Marketplace. This is consistent with research by (Puji Raharjo & Rofiduddin, 2022), whose findings indicate that Indonesia's growing internet user base is a welcome development for business owners looking to market their goods to a larger consumer base.

According to (Swissia & Halimah, 2023), their research demonstrates that business actors must be able to make the most use of the ever-rapidly developing technology, starting with product promotion and sales and the instantaneous sharing of information with internet users. MSMEs must therefore embrace the role of business management and the usage of technology in the 4.0 era to grow and thrive. Examples of this include using Google application services and social media platforms like Facebook and WhatsApp Business to stay competitive, so that the business's vision and objective can ultimately be more easily realized.

The research conducted by (Kumalasari, 2023) explains that while developing MSMEs to boost sales through digital marketing, several issues were discovered. These issues include (1). Lack of interest in the product, which calls for product innovation, (2). Conventional product marketing and (3). MSME players' continued inexperience with technology. The following are some actions that can be taken to develop MSMEs: (1). Assist in developing new items that cater to consumer preferences, (2). Help in setting up accounts and leveraging digital marketing technologies to reach a broad audience, (3). Use the marketplace to boost sales.

The function of social media platforms has emerged as the primary focus of MSME actors, according to (Indrajaya et al., 2022). Aside from that, MSME companies are beginning to adjust by utilizing a range of auxiliary apps, like online finance platforms. Currently, MSMEs can finally grow their enterprises again through digital transformation. Therefore, one way to keep the MSME sector alive and thriving could be to support the growth of digital MSMEs.

According to research, digital marketing has been popular in the marketing industry and is very dependable in the present day (Permatasari et al., 2022). Consequently, MSME participants must gain a deeper understanding of digital marketing and incorporate it into the marketing management of the business units they oversee. This encourages broadening one's market reach and creating numerous chances to boost sales.

Digital marketing is said to save money, improve client engagement, and be more convenient, according to research by (Jatmoko et al., 2023). All MSME participants said that, aside from that, using digital marketing enables them to communicate and engage directly with customers. Because MSME players update product information daily, they raise consumer awareness, which in turn promotes sales. Several MSMEs also work with other marketplaces, like Shopee and Tokopedia, thus using digital marketing to broaden their market is considered beneficial.

According to research results (Admugraha et al., 2021), nearly all of the dealers in the Batik Buaran Center (BBC) market use digital marketing, whether it be through Facebook, Telegram, or already-existing e-commerce. A tiny percentage of vendors, nonetheless, continue to use traditional marketing techniques and depend on customers visiting the BBC's locations directly. In addition, traders' income and sales turnover has dropped dramatically, particularly in offline sales that depend on in-person customers. There has been a minor but not a statistical reduction in digital marketing. Digital marketing is the lifeblood of today's traders and the engine driving the Pekalongan batik industry's prosperity.

According to research by (Purwidiantoro et al., 2016), MSMEs frequently utilize Facebook, Twitter, and Instagram. The majority of MSMEs use social media as a means of direct consumer communication, advertising, tracking customer demands, answering inquiries, assisting in decision-making, and serving as a platform for customer conversation. Research indicates that using social media can boost sales by over 100% if MSMEs post material on social media daily and consistently.

Based on research conducted by (Susanto et al., 2020), MSMEs can more easily sell their products and improve sales volume by using Facebook Marketplace. This can be done anytime, anywhere, and on a smartphone. Doing the same for other social media platforms like Instagram and other marketplaces like Shopee, Tokopedia, and the like is vital in an attempt to boost online marketing and sales afterward.

The Putri Sekawan Batik Shop's sales have increased as a result of using the marketplace, particularly Shopee, WhatsApp, and Telegram, according to research results (Agustina & Nasrullah, 2023). As a result, in the cutthroat digital age, MSMEs can find success by utilizing marketplace marketing methods to boost their product visibility and sales. Reaching a variety of customer groups has been demonstrated to be beneficial when marketing methods are diversified through three distinct marketplaces: Shopee, WhatsApp, and Telegram.

3.1. Digital marketing technology development
The advancement of digital marketing technology presents novel prospects for entrepreneurs to engage in greater communication with customers. But this also necessitates modifying marketing plans to accommodate new abilities. While incorporating new technologies into marketing plans can boost productivity and effectiveness, doing so also necessitates a thorough grasp of how to use them most effectively.

The batik MSME sector has greatly benefited from the growth of internet marketing. According to the research findings, several batik MSMEs in Pekalongan have already started using digital channels to market their goods. The majority of business actors who have used digital platforms to market their products have seen an increase in sales as a result of the wider sales reach that was previously only possible with traditional marketing, which involved selling directly to customers or through vendors who set up shop and market to passersby. Naturally, this facilitates both the selling of goods by vendors and the procurement of goods by consumers.

The Covid-19 epidemic marked the beginning of the evolution of digital marketing. The world has changed a lot since then, particularly in the area of digital network marketing. Pekalongan's Batik MSMEs are beginning to employ this digital marketing strategy to sustain their operations throughout the pandemic. Following the pandemic, batik MSME players that had previously marketed their products online saw an increase in business, which encouraged additional batik MSME companies to follow suit.

3.2. How Digital Marketing Affects the Growth of Batik MSMEs

Digital marketing has a significant impact on MSMEs' development, particularly batik. Sales of batik MSMEs have increased in comparison to traditional sales for many of them. Among the factors contributing to rising sales are: (1) Simple product promotion. With merely a picture or video showcasing the product to be sold and posted or distributed via the business actor's social media platform or marketplace, entrepreneurs find it simple to market their goods through social media or marketplaces. (2) Economical. Another benefit of selling products online is that expenses are reduced, including those associated with product packing, storage, and other running expenses. (3) Lower Costs. For customers, a product's price is its primary draw. When two similar products are offered at different prices, buyers will choose the less expensive item. Because operating expenses are lower when selling online than they are when selling physically, sellers can maintain a lower price when selling on social media or in marketplaces, where prices are typically lower than the going rate. (4) Greater Market Access. Online product marketing has a vast audience, which is helping many business owners attract more customers. Broader marketing increases the possibility that consumers will see the product, which raises the possibility that it will be sold.

Based on the aforementioned considerations, digital media marketing can be highly beneficial for entrepreneurs and contribute to the expansion of their businesses. It does, however, have both beneficial and detrimental effects, such as: (1) There is more intense competition in the market. Due to the simplicity with which products may be promoted on social media, vendors are forced to compete with one another, which results in a greater selection of products for consumers to choose from. Entrepreneurs need to use creative marketing strategies to draw attention to the benefits of the goods they offer. (2) Inadequate expertise and knowledge. A businessman's sales are likely to diminish if he lacks the knowledge and expertise necessary to successfully offer his products online. This occurs because a lot of individuals choose to shop online these days due to the ease it provides and the significantly lower costs.

The aforementioned explanation demonstrates how digital marketing significantly affects MSMEs' ability to grow their operations. There are two sides to the influence of digital marketing for businesses—positive and bad. Because of this, businesses who wish to implement digital marketing strategies in their company must be ready for every obstacle they may encounter.

3.3. Using Marketplaces and Social Media

Business actors frequently use several facilities or platforms while selling products through digital media. Various platforms serve distinct purposes based on the benefits associated with each digital platform.

3.3.1. Social Media

Social media is a digital platform used for social interactions. Users can exchange information, activities, or special moments with other social media users using this platform. Social media is typically used to advertise goods that are for sale. This is because social media is very universally used, meaning that in addition to individuals who genuinely want to purchase the goods, it also reaches others who did not initially have any interest in doing so.

As a result, social media is excellent for product promotion. To make things simpler for their users, several social networking platforms have added purchasing and selling tools over time. Frequently used social networking sites include Facebook, Instagram, TikTok, WhatsApp, and Telegram.

The Impact of Digital Marketing Technology Development on the Growth ... (Muhammad Jamil)
3.3.2. Marketplace

A marketplace is an online store where specific products are sold to users of the associated online store. Unlike social media, which was first intended for information sharing but is now also useful for product promotion and sales, the marketplace's primary goal is to facilitate the sale of goods through digital channels. The marketplace's benefit is the vast array of products it offers, and it already has a defined target market. Users of this digital platform include those who wish to look for and purchase certain things as well as those who want to sell and promote products. Frequently utilized marketplace systems comprise of Shopee, Tokopedia, Lazada, Bukalapak, and Blibli.

3.4. The Value of Teaching Batik MSMEs How to Use Digital Marketing

It is essential and crucial for batik MSMEs in Pekalongan to educate themselves on digital marketing before attempting to offer their products online. Business actors need to choose appealing marketing concepts, digital platforms, and marketing objectives.

Determining the target market comprised of potential customers is crucial for batik MSME participants. The target market can be ascertained in several methods, such as: (1). Examine or comprehend the product that will be promoted, taking into account its features, benefits, and target market. (2). Market segmentation, which includes knowing the traits of customers according to their age, gender, and hobbies. (3). Market research: gathering information about consumers' inclination to purchase goods that align with the product that will be promoted.

MSMEs involved in batik must decide which digital platform is best for the given target market. Selecting a suitable digital platform is crucial because it will help you market your items faster and further boost business growth. Additionally, Batik MSMEs must be aware of the features of every digital channel they plan to employ for product marketing. Digital media marketing of batik MSME products requires ingenuity. This is because a picture or video featuring the goods being offered will be the first thing buyers view. As such, a consumer-friendly marketing concept is required. The marketing concept can be modified to suit the target audience for the product, the best digital platform to use, and the concept itself.

Business development will accelerate more swiftly for Batik MSMEs who properly comprehend digital marketing as opposed to those who do not. Because of this, it's critical to comprehend digital marketing before utilizing it.

3.5. Leveraging Digital Marketing to Strengthen the MSME Economy

Digital marketing has the potential to boost MSMEs' revenue, particularly batik in Pekalongan. This is so that product marketing can reach a wider audience and expedite the marketing process through the usage of digital marketing. Because digital media marketing does not have time constraints and is also much faster than traditional marketing, it can expedite the process of promoting a product so that it is quickly noticed by a large number of people. can increase market reach because digital media marketing is not spatially restricted, allowing it to reach nearly all users of digital media who may eventually become customers.

Because of all the advantages and conveniences that come with digital marketing, it can create new business prospects in the community. This can undoubtedly quicken economic expansion and create job opportunities for jobless individuals looking for employment.

4. CONCLUSION

The development of digital marketing technology has a noteworthy and favorable impact on the growth of Batik MSMEs in Pekalongan, as indicated by the research findings. When comparing business actors who exclusively utilize traditional marketing to those who have integrated digital marketing, there is a discernible income gap. While there are both good and negative influences on its development, both exist. It is highly recommended for business-people who want to see growth in their company to develop Batik MSMEs through social media and marketplaces; however, to succeed in digital business, one needs to possess similar knowledge and abilities to offline sales. Digital marketing has the potential to boost the local economy by attracting MSMEs and absorbing labor, hence lowering unemployment. This is because while marketing things online is simple, knowing digital marketing is necessary to advance in business.

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