



The Usage of Digital Marketing Channels by Micro, Small, and Medium Enterprises (MSME) in Nganjuk Regency

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This study provides insight into the utilization of digital marketing channels for MSMEs in Nganjuk Regency, Indonesia. Starting from the types of channels used, the constraints during utilization and the benefits obtained by MSMEs. This study used a descriptive qualitative and quantitative approach with a case study design on MSMEs in the Nganjuk area. The data from this study were obtained from the results of semi-structured interviews with related parties, 30 respondents of MSME who were registered at the Industry and Trade Office of Nganjuk Regency as Digital Entrepreneur Academy-Digital Talent Scholarship training participants, observations, and analysis of related documents. This study shows that the utilization of digital marketing channels can facilitate MSME in marketing activities: providing information, increasing brand awareness, expanding market share, and increasing sales. The next finding, that MSMEs in the Nganjuk Regency mostly usage social media as one of the channels. Constraints obtained in the utilization of digital marketing channels are due to MSMEs in Nganjuk still not prioritizing the usage of digital marketing channels. The obstacles include understanding MSMEs regarding digital marketing and its channels, resources including capital and human resources that are not yet qualified. Furthermore, researchers through the marketing mix approach – 4P (product, price, place, and promotion) found a digital marketing strategy for MSMEs in Nganjuk Regency.

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INTRODUCTION

Statista noted that until March 2021, Indonesia was in 15th position in Asia with a penetration rate of 76.8% (databoks.katadata.co.id, 2021). Technology can push a country's economy towards a digital economy. Indonesia is one of the countries that have great potential in the development of the digital economy. The digital economy makes the economic gates wider, not only filled by elite and exclusive zones ([Kominfo, 2020](#)).

The chart is obtained from one of the digital marketing agencies We Are Social, the data above is advertising activity data as of January 2020 that in 2019 the total spent on digital marketing in Indonesia was 1.89 Trillion Dollars. From this data, it shows that currently, the people of Indonesia are starting to use digital marketing facilities or channels in their marketing strategies. Either use it with paid services or use it organically to achieve its marketing targets.

The literature shows that digitalization, in its various forms, has a positive impact on business growth, performance, efficiency, and competitiveness ([Galloway, 2007](#)). The reality is that SME marketing is far from big companies, this is a formidable challenge for SMEs. According to [Parrot, et al. \(2010\)](#) marketing activities in SMEs are still far from optimal practice in marketing theory. Micro and Small Enterprises (hereinafter abbreviated as MSEs) began to use social media as a marketing tool. Social media has an important role in marketing and building relationships with customers. Unfortunately, many still struggle to use social media and don't have a strategy to do so. Without a basic understanding of the benefits of social media and how to use it by involving customers, MSMEs result in missed opportunities ([Adegbuyi et al., 2015](#)).

In connection with the statement of the Minister of Cooperatives and MSMEs who asked the Regional Government to encourage Micro, Small, and Medium Enterprises (hereinafter referred to as MSMEs) to Go Online in marketing their products. That the Central Government and Regional Governments will contribute to supporting MSME actors in doing digital marketing. For this reason, one of the efforts of the Nganjuk Regency Government is to hold a training program organized in collaboration with the Regency Industry and Trade Office with the Ministry of Communication and Information, called the Digital Entrepreneur Academy. Therefore, it is time for MSMEs to start adopting digital means as their marketing media. In addition, digital marketing benefits

SMEs by reducing marketing costs ([Srinivasan et al., 2016](#)).

Based data from research conducted by Delloitte Access Economics, shows that the barriers to digital transformation for MSMEs in Indonesia. It is proven by 36% of MSMEs in Indonesia still using conventional marketing methods and only 18% of MSMEs can use social media and websites to promote their products. Some still have not optimally implemented the existing digital media ([Liu et al., 2011](#)). Research related to the process of using digitization has been widely discussed ([Carroll and Wagar, 2010](#); [Dholakia and Kshteri, 2004](#); [Lohrke et al., 2006](#); [MacGregor and Vrazalic, 2005](#); [Parker and Castleman, 2007](#)). However, not much has been discussed how MSMEs utilize digital marketing channels that require more in-depth knowledge.

Based on the preliminary explanation above, considering the importance of improving the quality of MSMEs in the Nganjuk Regency. Therefore, a study is needed that provides insight into the use and purpose of digital marketing, as well as examines the factors that influence the adoption and use of digital marketing tools in MSMEs. The author is interested in researching several MSMEs that have implemented digital marketing on how to use digital marketing facilities for MSMEs in the Nganjuk Regency. The objectives of this study include: (a) Identify the types of channels used in digital marketing by MSMEs in the Nganjuk Regency; (b) Identify the optimization of the use of digital marketing channels by MSMEs in the Nganjuk Regency; (c) Identify marketing strategies for using digital marketing channels for MSMEs in Nganjuk Regency.

LITERATURE REVIEW

Definition MSMEs

The definition of MSMEs according to the Ministry of Cooperatives and MSMEs in [Aufar \(2014:8\)](#): Small businesses, including micro businesses, are business entities that have a net worth of at most Rp. 200,000,000, excluding land and buildings for business premises and having annual sales of at most Rp. 1,000,000,000. Meanwhile, Medium Enterprises are business entities owned by Indonesian citizens who have a net worth greater than Rp. 200,000,000 to Rp. 10,000,000 excluding land and buildings.

MSMEs have buying and selling activities or trading. In Islam the behavior of buying and selling or trading is one type of muamalah. The law of buying and selling or trading in Islam is permissible. Such as Surah Al-Baqarah, 275: Those who eat the Ribâ (Usury) will not rise from their graves except as one rises who is

being beaten by Satan into insanity. That is because they say: "Trading is only like usury; however Allah has made trading lawful and forbidden usury". To whomsoever then the admonition has come from his Lord, then he desists (from usury), so what has already passed (usury he had taken before) is for him and his affair belongs to Allah; and whoever returns (to usury), these are the inmates of the Fire; they shall abide in it forever.

The verses above are evidence of the greatness of the power of Allah Subhannahu Wata'ala who has governed all aspects of life, including the aspects of trading or buying and selling. Allah says in His verse, that buying and selling or trading is permissible with several things that must be avoided, such as usury, and committing fraud. Because this can lead to injustice on one side. Therefore, he recommends that when buying and selling or trading transactions, there is a consensual principle between the two parties.

MSMEs in Nganjuk Regency are the objects in this study. Nganjuk Regency is one of the areas in East Java Province. The number of MSMEs in Nganjuk Regency is 288,199 (diskopukm.jatimprov.go.id as of 2018 obtained from the 2016 economic census and the 2018 SUTAS). Of the number of MSME actors above, some do digital-based marketing. This study focuses on training participants held in collaboration with the Regency Industry and Trade Office with the Digital Entrepreneur Academy which was developed by the Ministry of Communication and Information to train as many as 40 MSME actors to take part in the Digital Talent Scholarship. Several trainings were carried out to develop the digital marketing capabilities of MSME actors in Nganjuk Regency.

Digital Marketing

Digital marketing is a new approach to marketing, not just traditional marketing that uses digital elements or digital platforms (Jarvien et al., 2012; Liu, Karhanna and Watson, 2011; Rowley, 2008). Digital marketing has different characteristics, it must be understood effective marketing tactics and strategies. According to Ridwan Sanjaya and Josua Tarigan (2009: 47) digital marketing is a marketing or marketing activity including branding that uses various web-based media such as blogs, websites, e-mail, adwords, or social networks. Of course, digital marketing is not just talking about internet marketing.

According to Chaffey and Smith, there are six digital marketing channels, including: Search Engine Marketing (SEM), Online Public Relations, Online Partnerships, Interactive Advertising, Opt-in email marketing, and Social media marketing. Websites and

emails are examples of digital channels with one-way communication, the company's level of control in these communications is high. The website is the home for a brand in the digital world (Christodoulides, 2009). While email, is actually a two-way communication tool. However, in marketing it is often used one way. In addition, Search Engine Optimization (hereinafter referred to as SEO) and Search Engine Marketing (hereinafter referred to as SEM) is related to web pages.

Digital media opens up more opportunities for online marketing, helps make communication targeting more precise, and increases feedback and interactivity levels. Social media is also one of the most digital marketing tools used by companies and SMEs as a marketing medium. Many companies view using social media as a profitable channel such as to attract new customers and reach existing customers more efficiently, improve performance and efficiency as well as increase growth and competitiveness (Lindqvist, 2017; Adegbuyi, et al., 2015). This can help marketers make better use of their budgets and increase customer loyalty. Firm size has a strong influence in adopting digital marketing channels/means, micro-enterprises are said to be the slowest in their utilization and adoption (Bordonaba-Juste et al., 2012; Teo, 2007). Big businesses are more likely to have the resources and knowledge needed to successfully adopt or use new digital tools and tools (Barnes et al., 2012).

Karajuoto and Huhtamäki (2010) classify factors that affect micro-enterprises into three main categories, namely (specific) internal company and owner-manager factors, resource factors, and environmental factors. This classification is used to understand the utilization and use of digital marketing for MSMEs, both benefits and obstacles. The main factors that determine the choice of SME business strategy include capabilities, motivation, background, and experience (Barbero et al., 2011; Delmar and Wiklund, 2008; Wiklund and Shepherd, 2005). Likewise with business strategies using digital marketing channels. Knowledge of company owners about technology has proven to be an important factor (Chao and Chandra, 2012). Of course, owners and managers have an important role in the use of digital marketing channels, they are also adapted to specific or internal conditions of the company.

Karajuoto and Huhtamäki (2010) classify company resources into 3, namely human resources, financial resources, and technological resources. Added by Gilmore et al. (2007) that SMEs that lack adequate human resources, capital, and knowledge can affect the

utilization and use of digital marketing channels. Products and services are more easily communicated through digital marketing channels (Karjaluoto and Huhtamäki, 2010).

Previous Studies

There are several related studies on the use of digital marketing for MSMEs using qualitative, quantitative, and mixed methods. The following research was conducted by Bruhn et al. (2012), regarding social media as one of the important choices in digital marketing channels or means, it was also revealed that social media has become an important part of marketing communications and building brand equity. In the next journal, Malhotra et al., (2013) explore one of the most influential social media, that Facebook has become an important channel in involving consumers and forming brand awareness. Nuseir (2016), This research shows that digital channels play an important role in the marketing strategy of MSMEs, which has an impact on customer loyalty and increases the sales retention ratio. Srinivasan, et al., (2016), From the research it was found that there are a strong positive correlation between sales and time investment in social media, and social media marketing strategies have a positive impact on increasing market share and customer loyalty. Foroudi, et al. (2017), this study, it was found that the relationship between digital technology, tangible/intangible assets, and marketing capabilities has an important role as a facilitator for company growth.

Botashirin (2019), In this study, it was found that the existence of online marketing brings benefits to the marketing and economic aspects. The opportunities and benefits are considered to be more flexible, cost and time-effective, personalization, and global reach. In addition to the advantages, of course, there are weaknesses as well as opportunities, there will certainly be challenges. Saputri et al. (2015), in her research it was found that most MSMEs still marketing conventionally. Not optimizing social media such as Facebook, Instagram as digital channels. In addition, in this study, it was found that MSMEs investing in digital marketing showed that investment in digital marketing experienced an increase in marketing and sales. According to research, MSME still have not the existing digital media (Liu et al., 2011). Research related to the process of using digitization has been widely discussed (Carroll and Wagar, 2010; Dholakia and Kshteri, 2004; Lohrke et al., 2006; MacGregor and Vrazalic, 2005; Parker and Castleman, 2007). As a result, it is time for MSMEs to begin optimally using digital marketing channels with current information about it.

METHODS

Type of research is a type of Mix Method Research. According to Bryman and Hanson, Creswell and Clark (2007: 5) define Mix Method Research as a research design that departs from the philosophical assumptions of the inquiry method. The research design used in this study was sequential exploratory, namely collecting and analyzing qualitative data and then collecting and analyzing quantitative data. In this design, the results of qualitative data analysis are used to help determine the focus and type of data collection in the quantitative phase.

In this study, quantitative data is used to explain qualitative data. This qualitative data was obtained through in-depth interviews with participants. The purpose of the interview is to gather knowledge about how to use digital marketing channels in MSMEs in Nganjuk Regency. Qualitative as the basis for developing a questionnaire instrument. While the quantitative survey method was used to find out the general results of using digital marketing channels in MSMEs in the Nganjuk Regency. Knowledge gathered from interviews was used in conjunction with previous studies (Järvinen et al., 2012; Michaelidou et al., 2011) as the basis for developing survey instruments.

Types of data in this study are primary data and secondary data. Primary data is data obtained from respondents directly or through the first source obtained from interviews and questionnaires from research respondents, MSMEs in Nganjuk Regency, and the Department of Industry and Trade of Nganjuk Regency. Secondary data can be in the form of official archives from related agencies, documents, and observations related to research.

Analysis Method

In data analysis techniques that are inductive, namely based on the data obtained. In the book Research Methods by Sugiarto (2010), according to Miles and Huberman (1984), qualitative analysis activities are carried out interactively and take place continuously until complete, including: (1) Data Reduction; (2) Data Display; and (3) Concluding (drawing/verification).

Descriptive statistical analysis provides a description or descriptive of data seen from the average value (mean), standard deviation, variance, maximum, minimum, sum, kurtosis, and skewness or distribution skewness (Ghozali, 2011). The use of descriptive statistical analysis is in line with the research objective, which is to describe how the use of digital marketing

channels in MSMEs in Nganjuk Regency. So it focuses on obtaining data according to the variables that have been taken from the qualitative data collection process, not on the relationship or correlation between the variables.

RESULTS AND DISCUSSION

Results

Based on the source, Riana, as the Head of the Industrial Extension and Supervision Section which focuses on the industrial sector, stated that currently there are 1,319 registered Small and Medium Industries that have business permits in Nganjuk Regency. Of this number, there are several types of MSMEs that dominate, namely MSMEs engaged in the food and beverage business, fashion, batik production and handicrafts. The understanding of MSMEs in the

Nganjuk Regency related to digital marketing is still not comprehensive. Only some MSMEs have been active in doing digital marketing. Department of Industry and Trade Regency with the Digital Entrepreneur Academy which was developed by the Ministry of Communication and Information to train as many as 40 MSME actors to take part in the Digital Talent Scholarship. The success rate of implementation in MSMEs has not yet reached 50% of its success. Based on the data obtained from the results of the questionnaire distribution, it shows that 66.7% of MSMEs who have participated in the training claimed to have understood and implemented optimal social media management from content planning to content scheduling. This is contrary to the implementation, it was found that 40% of the training participants were still unscheduled and uncertain in uploading marketing content on their digital channels.

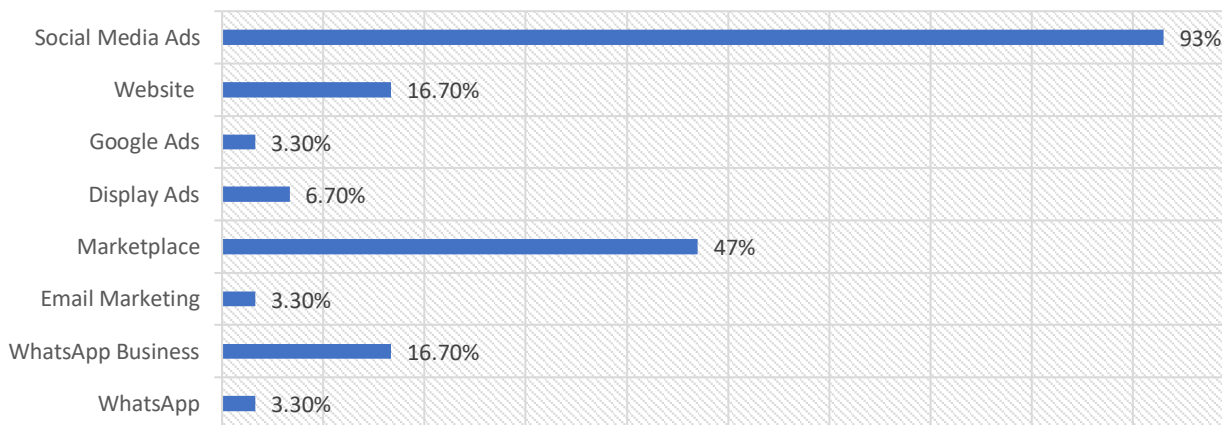


Figure 1 Types of Digital Marketing Channels of MSMEs in Nganjuk Regency

Source: Research Result

Of the 8 existing digital channels, the findings show that MSMEs in Nganjuk Regency have used four digital marketing channels: social media, email marketing, websites, PPC Advertising, and SEO. Although the majority use Social Media – Organic, Marketplace, and WhatsApp Business. This finding is in line with data from one of the informants, Riana said "Most MSMEs in Nganjuk Regency are still comfortable with business and personal WhatsApp, Facebook, and the marketplace". Meanwhile, based on the results of observations, it was found that MSMEs outside the agency's guidance were using digital marketing channels optimally. One that will be discussed is Macaron id - SMEs, production in the food sector. Macaron id uses digital channels as follows: website, social media, Facebook Ads, marketplace, SEO. It can be concluded that MSMEs in Nganjuk Regency, although MSMEs have received Digital Talent training, according to

survey data, is still not evenly distributed in the selection of digital marketing channels used in digital marketing.

Optimization of the Utilization of Digital marketing channels by MSMEs in Nganjuk

In optimizing the use of digital marketing, apart from MSMEs, that the central and local governments encourage MSMEs to go online. It was found that two of the Regional Government programs encourage the optimization of the use of Digital Marketing Channels for MSMEs. First, the Tukuo Nganjuk program, supporting Micro, Small, and Medium Enterprises to Go-Online. This is the result of a collaboration between Bukalapak startup and the Nganjuk Regency Government. "Tukuo Nganjuk" is legally strengthened by Regent Regulation No. 11 of 2020 concerning the Love Movement and Buying Local Nganjuk Products. However, in practice, the activity is still below 50%.

Admin Tukuo Nganjuk said that it can be said that two things make this Tukuo program still not optimal: First, due to the lack of human resources who manage the content on the digital channels used, so that marketing activities are not effective and optimal. Second, because the program changes every time the term ends, so if the MSME support program at every turn will change and need continuous adjustments.

The second program, is DEA (Digital Entrepreneur Academy) Digital Talent Scholarship, this program is implemented once a year. Based on the results, the understanding and implementation of MSMEs after participating in the training. With the most understanding of content concept planning and quality content creation. It is proven by 93.3% of MSMEs paying attention to the composition of marketing

content, and 70% of them paying attention to copywriting on the content.

The information from the interview with Riana, as Head of the Extension and Industrial Supervision Section of Nganjuk Regency, that the age factor is influently in usage digital channel and knowledge about digital. Supporting the statement from Riana, that the age of 41 and above can now be categorized as generation X and baby boomers, which are in the era of digital immigration. Meanwhile, most internet users are millennials and generation Z. Millennials and X generations are also the digitally literate generation with the highest penetration in Generation Z (Gen Z and Millennial Report, 2020). With higher internet penetration, digital consumption and use are also getting closer.

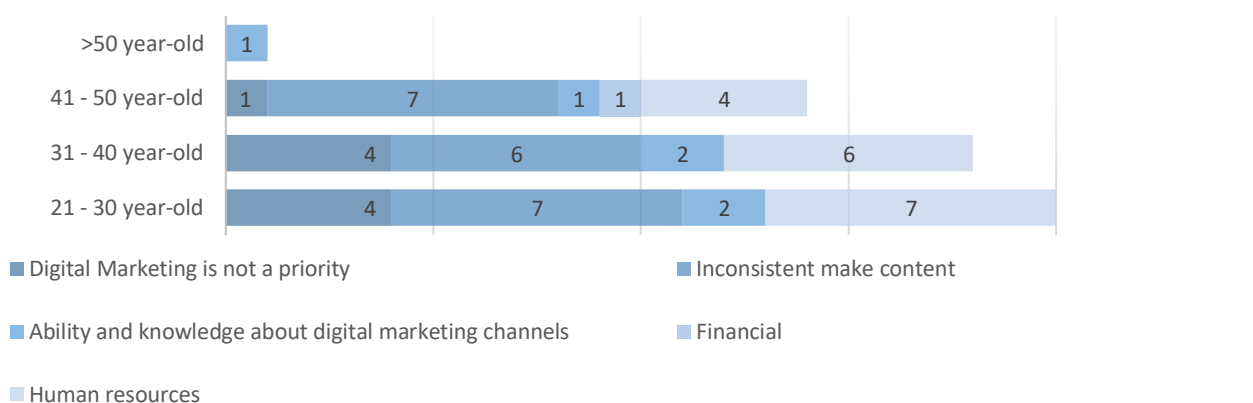


Figure 2 Obstacles in The Use of Digital Marketing Channels

Source: Research Result

However, in this case, it turns out that these obstacles are not only felt by those aged 41-50 and above. This shows that the knowledge of company owners about technology has proven to be an important factor (Chao and Chandra, 2012). These findings are in line with the findings of previous studies that the main factors that determine the choice of SME business strategy include capabilities, motivation, background, and experience (Barbero et al., 2011; Delmar and Wiklund, 2008; Wiklund and Shepherd, 2003). That the findings of these obstacles are closely related to the internal management of businesses and business actors.

The next obstacle, is the absence of human resources specifically managing the digital marketing channel. As many as 86.7% of respondents admitted that business owners still manage their digital channels. From the interview, Yayuk said, *“Website, Facebook, and WhatsApp business are still manage by ourselves and we still considering the budget if we want to recruit people.”* This shows that there is a close relationship between human

resources and financial resources in internal management in MSMEs. This finding is in line with previous research added by Gilmore et al. (2007) that SMEs that lack adequate human resources, capital, and knowledge can affect the utilization and use of digital marketing channels. It can be concluded that the obstacles in the utilization of MSMEs in Nganjuk Regency are background, and the experience of business actors does not look at the age, but rather on motivation and capability. In addition, there are constraints on the MSME resources, both in terms of human resources and financial resources.

Besides the obstacles, there are positive impacts using digital marketing channels. Based on the survey results, the majority of MSME actors in the Nganjuk allocate funds for digital marketing below 10%. Meanwhile, MSMEs that have a special budget, half to 80% have the opportunity to benefit, namely increased sales, brand awareness, and market expansion.

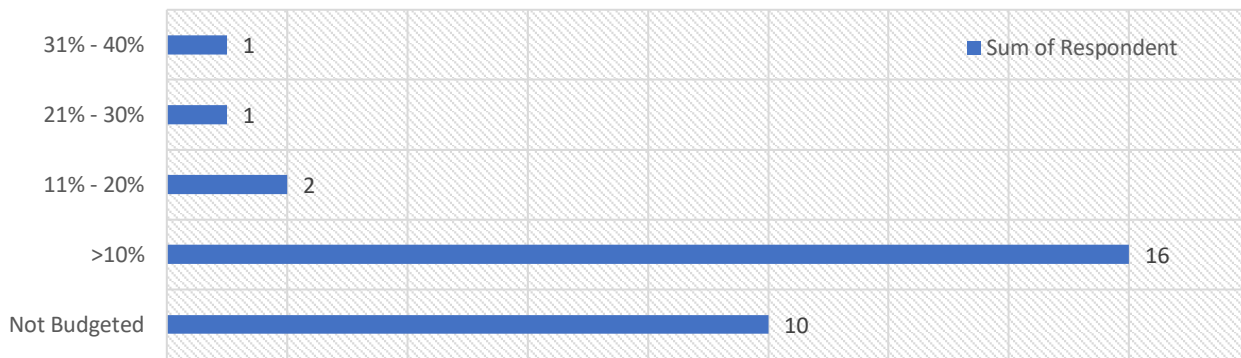


Figure 3 Digital Marketing Budget Allocation

Source: Research Result

In line with the findings of previous research, it was found that MSMEs investing in digital marketing showed that investment in digital marketing experienced an increase in marketing and sales (Saputri et al., 2015). The benefits that MSMEs get from using digital

marketing channels are diverse. Based on surveys and interviews, it is in line with previous research that social media has a strong influence in Srinivasan, et al., (2016) building brand awareness, brand trust, acquisitions customers, and customer loyalty.

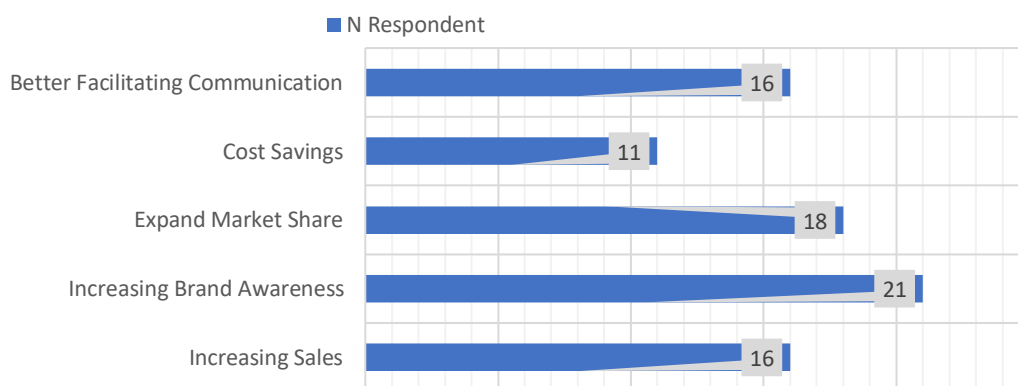


Figure 4 The Benefits of Digital Marketing Channels on MSMEs

Source: Research Result

In addition, the impact felt by MSME actors is in reducing marketing costs and also brand retention. This is also in line with Nuseir's research (2016), that using digital channels as a marketing strategy is considered effective, due to reducing expenses. It can be concluded that digital channels on MSMEs in Nganjuk Regency has an impact on customer loyalty and increases the sales retention ratio. That there are various benefits received during the use of digital marketing. However, according to survey data, the benefits received by MSMEs are still not comprehensive, this is because the utilization process in digital marketing is also not optimal.

It can be concluded that MSMEs in Nganjuk Regency have not optimally utilized digital marketing channels. Due to its utilization, there are still opportunities for constraints that can be optimized.

MSMEs still infer that investment in digital marketing is still not needed, one of the reasons is that MSMEs have not focused on digital marketing. The findings in this survey are in line with the statement from the source, Riana as the Head of the Extension and Industrial Supervision Section "...there are still many MSMEs in Nganjuk Regency that has not prioritized marketing.." and the statement from Puguh, as an MSME supervisor in Nganjuk Regency in 2017 "...MSMEs are still unable to differentiate between sales and marketing, so it is difficult for most of them to sacrifice time, effort, and money for digital marketing..". The consistency of content creation depends on the motivation, and understanding of the owners and managers of MSMEs. So, optimizing existing opportunities should be a cover for obstacles in the use of these digital marketing channels. As an effort to

optimize the use of digital marketing media in Nganjuk Regency. Observations were made on digital channels, social media, websites, and marketplaces for SMEs in Nganjuk Regency, Macaron_id. Macaron id is one of the MSMEs in the Nganjuk Regency, with its product, macaron cake, which has entered the national realm.

It can be concluded that from the observations, the optimization of the use of digital marketing channels carried out by Macaron id is to take advantage of the target market opportunities on Instagram by creating interesting content, language that is adapted to its target market, namely millennials, besides that the most important thing is that Macaron id builds communication with its market share. This finding is in line with research (Christodoulides, 2009; Weinberg and Pehlivan, 2011) that the nature of social media is two-way communication with customers, and audiences on social media like interactions in the form of real information about the products offered. In addition to optimizing the website, Macaron id provides complete and clear information so that website visitors are not confused and do not doubt the Macaron id brand. That way Macaron id has adjusted to the website channel, which is a one-way communication channel. A company website can be described as a brand house in an online environment, so the information provided must be clear and complete. In line the theory assert that the website is the home for a brand in the digital world (Christodoulides, 2009).

Strategy for Utilizing Digital Marketing Channels in MSMEs

From this research, data is obtained that can describe the digital marketing strategy of SMEs in Nganjuk Regency, through a mixed marketing strategy approach :

1. Product

MSMEs in Nganjuk currently focusing on product quality. With a lot of training for Micro, Small, and Medium Enterprises and Production-based Small and Medium Industries. According to the Head of the Extension and Industrial Supervision Section, "*MSMEs and ISMs in Nganjuk Regency are very focused on the quality of their products,*". Supported by a statement from Pugh, as the founder of Youth Entrepreneur Nganjuk, that MSMEs in Nganjuk Regency focuses on the production process, especially MSMEs under the guidance of .

In the batik eco print, Yayuk ensures that every product that participates in the exhibition and is marketed has passed strict quality control. So that the goods marketed through digital marketing channels with

the original have the same quality. It was concluded that MSMEs in Nganjuk Regency had good quality control of their products both offline and online sales. Supported by attractive product packaging for SMEs in Nganjuk Regency which is under the guidance of Department of Industry and Trade. So it can be concluded that MSMEs in Nganjuk Regency maintain the quality of their products in the production process, to the distribution process to customers.

2. Place

Pandemic brought major changes to the digitization of MSMEs. Likewise with MSMEs in Nganjuk Regency, which used to be important to have offline outlets. Currently, offline outlets are not needed, what is needed is a production house for production-based SMEs. Through digital marketing channels, griya batik rahayu no longer needs outlets with strategic locations as well as strategic exhibition locations. With a business website, Facebook, Instagram, griya batik rahayu can display the products offered, also participating in online exhibitions, which are connected to the WhatsApp business for communication to customers and the website is used as an online store to increase trust in potential customers. From the questionnaire data, it is concluded that MSMEs in Nganjuk Regency use the marketplace, WhatsApp Business, and the website as a place for transactions or buying and selling processes. The reach of online outlets is wider so that it has an impact on increasing sales for MSMEs in Nganjuk Regency. Even though, MSMEs in Nganjuk Regency still have offline outlets, to reach customers in the area.

3. Price

The strategy for determining product prices for MSMEs in Nganjuk Regency is adjusted to the target market. In Bawang Kita-Enterprises, it has a target market outside Nganjuk Regency. The price set is relatively high when compared to local products. This product has a special lower price for customers in the Nganjuk area. Meanwhile, batik products have relatively high prices, due to the manufacturing process and quality that have been recognized by their customers. So the price is adjusted according to the quality, and also the target market.

For MSMEs in Nganjuk Regency, which have a target market in the Nganjuk Regency and surrounding areas, adjust to the price on the market and also consider the value proposition. By using marketplaces in the form of Tokopedia, Shopee, Bukalapak, Gojek/GoFood, Grab/GrabFood, MSMEs also provide discounts at certain moments to customers. So that the

determination of the price of MSMEs in Nganjuk Regency in the use of digital marketing channels returns to the goals and targets of each MSME.

4. Promotion

The majority of MSMEs in the Nganjuk Regency use social media marketing. It is proven that

86.7% of the respondents chose social media as the most actively used channel as a marketing channel. In digital marketing, consistency is needed as a form of interaction with customers and increasing customer trust. From the data obtained, the majority of MSMEs in the Nganjuk Regency upload content 1-3 times a week.

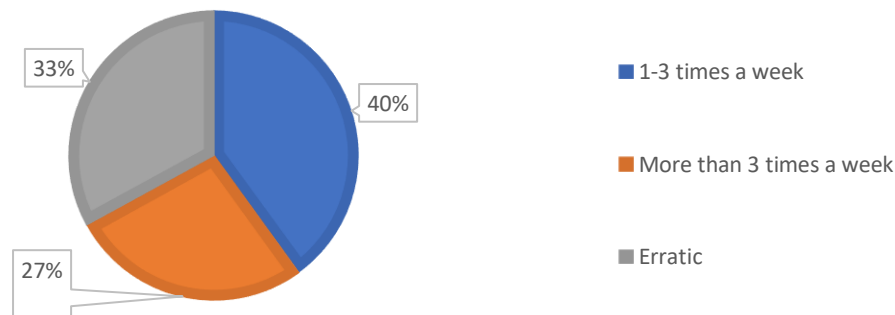


Figure 5 Content Upload Schedule by MSMEs in Nganjuk Regency

Source: Research Result

In the management of digital marketing for MSMEs in the Nganjuk Regency, as much as 85.7% is managed by MSME owners. Both human resources and financial resources. From the questionnaire data, 70% of MSMEs in the Nganjuk Regency are aware of the importance of investment, by having a special budget for digital marketing. Whereas the findings of Gilmore et al. (2007) that SMEs that lack human resources, capital, and knowledge affect the use of digital marketing channels. It can be concluded that the lack of human resources, capital, and understanding of MSMEs towards digital marketing hinders feedback from existing digital marketing opportunities.

Things that are of concern to MSMEs in Nganjuk Regency in digital marketing include content composition, copywriting, and content resolution. MSMEs choose WhatsApp Business, Facebook, Instagram as two-way communication options with customers. While the website is a means of promoting the company's brand, to increase customer trust. This is in line with the theory of multi-channel marketing strategy (Chaffey and Ellis-Chadwick, 2016) which is how different marketing channels can integrate and support each other in terms of value development and communication, based on company goals and benefits for customers. Therefore, MSMEs in Nganjuk Regency use different digital channels and digital marketing strategies are adapted to market objects and marketing objectives.

Managerial Implication

The managerial implications of the results of this study are as follows. This study identifies the types of digital marketing channels used by MSMEs in the Nganjuk Regency. From 8 types of digital channels, the findings show that MSMEs in Nganjuk Regency have used four digital marketing channels. Namely social media, email marketing, websites, PPC Advertising, and SEO. With the most use of channels, namely social media, WhatsApp business, and marketplace. Marketing is currently an important part amid an all-digital condition, not just rely on WhatsApp stories, WhatsApp groups, or Facebook groups. This shows that MSMEs in Nganjuk Regency has not used their channels evenly and there are still limited types of channels that are actively used. So, MSMEs must take advantage of several other digital channels in achieving digital marketing goals to the fullest with the available opportunities. The internal management of MSMEs and the resources of MSMEs are important in the use of digital marketing channels. In addition, this study reveals the impacts and obstacles faced by MSMEs in utilizing digital marketing channels so far. These findings can be used as a reference for improvement and finding solutions to optimize the use of digital marketing channels in the future.

This study reveals that the success rate below 50% obtained from the program as a form of support for optimizing the use of digital marketing channels for MSMEs. The program is training and providing a digital

platform for marketing local products. The success rate in DEA Digital Talent training, by 20%. It is proven by the implementation of the use of digital marketing for MSME participants which has not been optimal. Therefore, the need for assistance after training is due to the uneven increase in human resources for MSMEs in Nganjuk Regency. It is necessary to evaluate the success of the trainees. So that Digital Talent training is not only a work program but has a significant impact on improving the quality of MSME resources in the Nganjuk Regency.

From this study, it was found that the cause of the non-optimal Tukuo Nganjuk program, it is necessary to evaluate and innovate from the Tukuo program which is a program of Nganjuk Regency in collaboration with the Bukalapak startup as a stall for selling and promoting local Nganjuk products to national and global levels. The reason is that the activity of uploading content is still below 50% due to inadequate human resources in Tukuo and policy changes at every change of the term of office. As a result, the MSME support program changes without any evaluation for each period.

In this study, we use the 4P (Product, Place, Price, Promotion) mix-marketing approach to the digital marketing strategy of SMEs in the Nganjuk Regency. It was found that MSMEs in Nganjuk Regency experienced major changes, especially during the pandemic and the use of digital marketing channels. It is hoped that the analysis of digital marketing strategies with the 4P mix marketing approach can be used as an evaluation and development of digital marketing strategies for MSMEs in the future.

CONCLUSION

Referring to the discussion, it can be concluded as follows. From 8 types of digital channels, the findings show that MSMEs in Nganjuk Regency have used five digital marketing channels. Namely social media, email marketing, websites, PPC Advertising, and SEO. With the most use of channels, namely social media, WhatsApp business, and marketplace. Optimizing the use of digital marketing channels for MSMEs in Nganjuk Regency with a training program with a success rate of 20 percent. It can be seen from the findings on the use of digital marketing channels on MSMEs in the Nganjuk Regency, there are still many obstacles from opportunities that are missed by MSMEs. Therefore, the impact obtained is also not optimal from the existing opportunities.

It was found that MSMEs in Nganjuk Regency maintain the quality during the production process to

distribution (product), MSMEs do not have to have a strategic place, simply utilizing digital channels according to the target market share is sufficient (place), determining prices according to the target market and product quality also holding discounts at certain moments to increase brand awareness (price), using various types of digital marketing channels with interesting content following the target market share and marketing objectives (promotion).

As recommendation first, in the future, the data will use should more extensive, not only come from one region. Second, future research can increase the sample of respondents, not only to Digital Talent Scholarship participants in Nganjuk Regency. Third, that the sample can be widely used in MSMEs in Nganjuk Regency. Further research in quantitative analysis is not only on quantitative descriptive analysis, it would be better if it could use a more specific analysis and aim to prove more than one variable, but the relationship between variables. So that more research and more in-depth results can be obtained. Fourth, further research recommended to expand the distribution of questionnaires, not only to certain types of businesses.

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