

Digital Marketing: Implementation In Marketing MSMEs Crush Chips Products In Palembang

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Abstrak: *The purpose of the study is to investigate the difficulties and digital marketing tactics employed by UMKM Crush Chips in Palembang. The research object is Crush Chips, a MSMEs that makes chips in Palembang, and the research method is qualitative descriptive with purposive sample approaches. The information was gathered by watching and interviewing the proprietors of Crush Chips businesses. According to research, Crush Chips' marketing efforts make use of social media platforms including Facebook, Instagram, Whatsapp, and TikTok, in addition to alliances with online retailers like Shopee Foods, Grab-Food, and Go-Food. By using innovative and engaging content, they were able to increase sales and customer contact. Still, Crush Chips has to deal with a number of issues, including inadequate capital, a shortage of SDMs who meet the requirements, and inadequate internet and infrastructure connectivity. Their capacity to create more potent digital marketing tactics is hampered by these difficulties. Therefore, it can be said that while MSMEs Crush Chips has shown tenacity and inventiveness in utilizing digital marketing tactics, there are still issues that need to be resolved, such as a shortage of financing and the constraints of SDM and infrastructure. In order for Crush Chips to maintain sustainable growth and competitiveness in the digital market, efforts must be made to overcome these obstacles.*

Kata Kunci: Digital Marketing, Marketing Strategy, MSMEs

JEL :M2, M3, M31

1. INTRODUCTION

Micro, small, and medium enterprises (MSMEs) play a central role in the Indonesian economy. As a significant contributor to economic growth, MSMEs not only contributes to labor absorption but also plays an important role in preserving local economic diversity. Amid technological advances and the shift of consumer behavior to digital, MSMEs players face new challenges in maintaining their competitiveness (Purwanti et al. 2022).

The digitalization of MSMEs is an attempt to digitize not only MSMEs marketing processes but also business processes within MSMEs. In an era with increasingly advanced technology, it has become easier for entrepreneurs to run their businesses online, from using financial management applications, online product monitoring, ordering supplies and logistics via digital platforms, to marketing and selling their products online. Nowadays, online shopping has grown into the most popular shopping style (Lin 2013). It is undeniable that social media has become a new way for society to communicate. The presence of social media has had a very significant impact on the way we communicate (Rafiq 2015).

McKinsey notes the top innovations that have the most significant economic impact, including the mobile internet, knowledge job automation, the internet of things, cloud technology, advanced robotics, and 3D printing. These technologies help develop several sectors of the economy, such as retail (e-commerce) (Kotler, Kartajaya, and Setiawan 2017).

With the development of digital communications, modern societies, both urban and rural, use communication technology in shopping activities. In the digital age, people tend to spend more on online shopping than on conventional shopping (Rohimah 2018). Entrepreneurs can market their products on social media even by providing location-point information on maps available on social media, thus making it easier for customers to come directly to the location (Yuliawati and Aryanti 2023). Digital marketing involves the use of digital platforms such as social media, websites, emails, and search engines to interact with prospective customers. This provides significant opportunities

for MSMEs to increase their visibility, reach a wider target market, and optimize customer interaction (Chakti 2019).

In this context, MSMEs Crush Chips, a business based in Palembang, South Sumatra. Despite being located in residential areas, MSMEs Crush Chips is able to attract the attention of the market with its innovation and good product quality. Along with the expansion of internet access and the widespread use of smartphones in society, there has been a significant shift in consumer behavior. Otoritas Jasa Keuangan (2021) Note that 88.1 percent of Internet users in Indonesia have used e-commerce services to buy a number of products. This gives the impression that more and more people are turning to the Internet to shop, search for information, and interact with local brands. According to BPS data (2022), as many as 76.48% of the registered population of Palembang City have or own a mobile phone. As a result, MSMEs must adapt to changes such as the use of technology and changes in the way consumers interact in the era of digitalization.

Faced with increasing competition and more competitive demand, MSMEs is faced with the urgent need to adopt digital marketing strategies as an integral part of their efforts in business development and growth.

The purpose of this writing is to study the digital marketing strategy used by MSMEs Crush Chips in Palembang as well as the challenges facing it. It is hoped this journal can provide insights and recommendations for other MSMEs in adopting effective digital marketing strategies.

2. LITERATURE REVIEW

2.1. Digital Marketing

Digital marketing is the marketing of products or services using digital technology, mainly the Internet, but also includes mobile phones, photo advertising, and other digital media. (Desai 2019). According to (Chaffey and Smith 2017) The interaction and integration between the Internet and traditional channels is an important part of developing digital marketing strategies. Basically, a digital marketing strategy is a channel marketing strategy that needs to be integrated with other channels as part of multi-channel marketing.

2.2. Social Media

Social media is a common term given to internet-based and mobile channels that allow users to interact with each other through sharing opinions and content. According to its name, social media involves building communities or networks and encouraging participation and involvement (CIPR 2013).

Andreas Kaplan and Michael Haenlein (2010) defines social media as a group of Internet-based applications that build on the ideology and technology of Web 2.0, and that enable the creation and exchange of user-generated content. A social network is a site where anyone can create a personal web page, then connect with friends to share information and communicate.

2.3 E-Commerce

E-commerce is a form of trade that relies mainly on the information technology infrastructure and the Internet network, and its role is very significant in the business world. According to Organization for Economic Cooperation and Development/OECD (2009) e-commerce is the sale or purchase of goods or services carried out through a computer network with a method specifically designed for the purpose of receiving or making orders, but the payment and delivery of the main goods or services do not have to be done online.

E-commerce transactions can occur between households, individuals, governments, and other private or public organizations. Nowadays, in the information age, many conventional companies are actively adopting Internet technology to support their operations. E-commerce is a business activity that includes consumers, manufacturers, service providers, and traders online using electronics and the Internet (Yuliawati and Aryanti 2023).

2.4 Market Place

In his book Security, Rights, and Liabilities in E-Commerce, Matsuura explains that the marketplace is a global network of commercial transactions and economic relations supported by

the Internet and other forms of modern information and telecommunications technology (Matsuura 2002).

2.5 MSMEs

MSMEs According to Law No. 20 of 2008, MSMEs is a trade enterprise managed by individuals that refers to a productive economic enterprise with the criteria already established in the law (Ariyanto et al. 2021)

3. METHODS

3.1. Data Types and Sources

This research uses descriptive and qualitative methods. According to Strauss and Corbin (2013) Qualitative research is a type of research whose findings are not obtained through statistical procedures or other forms of counting. According to Arikunto (2017) A qualitative research method is a research procedure that produces descriptive data in the form of written or oral sentences about the subject and observable behavior. Data analysis uses thematic analysis to identify the main themes that appear in the data. They also use code analysis to categorize and interpret the data.

The data collection technique uses structured interviews, in-depth interviews, and observations of Crush Chips entrepreneurs. Then use the tabulation method proposed by Strauss and Corbin (2013) to organize and interpret data obtained from structured interviews, in-depth interviews, and observations. Thus, results are obtained that give a more comprehensive picture of the effectiveness of digital marketing in marketing MSME products in Palembang.

3.2. Population and Sample

The population in this study is small and medium-sized microenterprises that adopt digital technology in their marketing strategies. MSMEs included in this population cover a wide range of industrial sectors, but this study will focus specifically on the snack business sector, with special attention to chip products.

This research uses purposive sampling techniques, and the main sample of this research is MSMEs Crush Chips, a MSMEs that has been in existence since 2016 and produces and markets chip products in Palembang with a number of employees as many as nine. The selection of crush chips as a sample is based on several criteria, such as the use of digital technology (at least two digital platforms), success in digital marketing, the duration of the enterprise (at least 3 years), the type of enterprise, the scale of business, and the location of the business.

3.3. Location and Research Objects

The research was carried out at the site of the Crush Chips enterprise located in JL. Karya Bersama Perumahan Kinaya Residence Blok C1 Kel. Lebung Gajah Kec. Sematang Borang Palembang. The location was chosen due to the availability of topics that are relevant and representative of the use of digital technology in the development of small businesses.

The object of this research is the owner of the Crush Chips business, which has used digital technology for the development of its business.

4. RESULT AND DISCUSSION

Intensive interviews were conducted as well as observations of the owner of MSMEs Crush Chips. In today's era of digitalization, entrepreneurs need to adapt, especially in terms of digital marketing strategies. Digital marketing is the key, using social media, messaging platforms, partnerships with marketplaces, and content marketing techniques to easily attract the attention of consumers and interact directly with them.

MSMEs Crush Chips rely on social media, such as Facebook and Instagram, as well as TikTok, as the main means of communicating information about their products and communicating directly with consumers. These three platforms have proven to be effective in promoting the products of Crush Chip and establishing direct contact with the consumer. Proper use of content also increases the visibility and attractiveness of their products. Crush Chips also

produces relevant and exciting content, such as video tutorials for making healthy snacks and the story behind the process of making crush chips.

In addition to relying on social media and messaging platforms, Crush Chips also partnered with well-known marketplaces such as Go-Food, Grab-Food, and Shopee-Food to sell their products. This step is taken according to the demands and preferences of current consumers, who tend to order food through the app. This partnership helps Crush Chips increase sales, expand its reach, and obtain feedback in the form of reviews from customers to continuously improve the quality of their products.

4.1 Digital marketing strategies used by MSMEs Crush Chips

MSMEs Crush Chips has been using digital marketing as their marketing strategy. They are actively promoting their products through social media such as Instagram, Facebook, TikTok, and WhatsApp. By leveraging social media, Crush Chips can reach a wider audience and broaden the reach of their product marketing online. In addition, Crush Chips also collaborates with food delivery service platforms such as Go-Food, Grab-Foot, and Shopee-Food in an effort to broaden their online product marketing reach.

Data from social media shows a significant increase in engagement and sales. Their Instagram campaign managed to increase the number of followers from 638 to 1,429. Tiktok, with its creative and interactive content, is the most effective platform, with an average of 3,891 views per video. Video content showing product creation processes and customer testimonials turned out to be more effective than static images, even reaching 15,400 views per video. On Instagram and Facebook, as well as on WhatsApp, stories and reels that contain promotions and discounts bring more traffic to their accounts.

The marketing strategy carried out by MSMEs Crush Chips is in line with research done by Fadhilah dan Pratiwi (2021) that digital marketing has a huge influence on product marketing because it can increase sales volumes and also increase sales and profits for MSMEs entrepreneurs. A study conducted by Marlien (2022) also found that digital marketing influences online purchasing decisions, given the wide range to be achieved. Therefore, the use of social media such as Instagram, Facebook, TikTok, WhatsApp, and others as a means of marketing products is the right thing to do.

4.2 Challenges in Implementing Digital Marketing Strategies

This discussion aims to understand the challenges faced by entrepreneurs in implementing digital marketing. Research results show that there are challenges faced by MSMEs Crush Chips in implementing digital marketing. The challenges include lack of funding, unoptimal marketing strategies, a lack of skilled workers, limited delivery services, delayed delivery times, and restricted internet access that interrupts live streaming due to poor internet connections.

4.3 Analysis of Challenges in Implementing Digital Marketing Strategies

The main challenge faced by Crush Chips is a lack of funding that limits their ability to develop effective digital marketing strategies. Capital constraints hinder investments in the digital tools and platforms needed to reach a wider audience. The impact is felt in the lack of brand exposure and less optimal sales.

In addition to financing, Crush Chips also faces challenges in terms of SDM. The lack of a skilled workforce for managing digital marketing campaigns hampers the ability to maximize the potential of digital platforms. This can result in an inability to generate relevant and interesting content and manage interactions with customers effectively.

Another challenge faced by Crush Chips is the limited infrastructure and internet access that can interfere with the course of digital marketing activities, including live streaming and online interaction with customers. Delays in delivery and disruptions of internet connections can cause discomfort to customers and reduce trust in the brand.

It's in line with Az-Zahra's research (2021) This indicates that MSMEs offenders prefer to market their products online because they can increase sales volumes, but in the implementation of digital marketing to market products, there are obstacles such as unstable internet connections,

delayed delivery, fraudulent transactions, and manipulation of admin numbers. Based on the results of research carried out by Wardhana (2015), it can be concluded that digital marketing strategies imply the competitive advantage of SMEs in marketing their products.

The results of the research conducted by P.M et al. (2023) support the researcher statement that the digital marketing strategy carried out by UMKM in the context of social media marketing through social media as well as e-commerce applications such as grabfood, shopeefood, and gofood. Digital marketing results increase profit, which is not very important. However, through digital marketing, UMKM can promote easier access to consumers for larger. Digital marketing also makes it easier for consumers not to have to go directly to outlets to buy food and beverages for UMKM, as well as providing comfort and convenience for the consumer, thus providing a good influence for the owner of UMKM.

In response to the challenges that arise, UMKM Crush Chips can take several steps, For example, to overcome the lack of funding, small businesses can apply for loans or find investors. Besides, following a capital aid program from a government or non-governmental agency can also be an effective solution. In the face of an unoptimal marketing strategy, formulating a more effective marketing plan using social media, search engine optimization (SEO), and content marketing can increase the attractiveness of a business. In-depth market analysis to understand consumer needs is also crucial.

To address the shortage of skilled workers, organizing training for existing employees or recruiting a new workforce with appropriate qualifications is the right step. Working with an educational or training institution can also help to create a skilled workforce. Meanwhile, partnering with more delivery service providers can overcome delivery service constraints, and tracking technology to monitor deliveries in real time can prevent delays in delivery time.

To overcome internet access constraints that interfere with live streaming, improving internet infrastructure by switching to better service providers or using satellite internet solutions can be a solution. Setting up a backup of your internet connection is also important to ensure that live streaming is not interrupted. With measurable action plans and periodic monitoring, these solutions are expected to address the challenges faced effectively.

5. CONCLUSION AND SUGGESTION

CONCLUSION

Based on interviews and observations carried out with the owners of MSMEs Crush Chips, it can be concluded that in the era of digitalization that fundamentally changes the business landscape, MSMEs Crush Chips have demonstrated enthusiasm and creativity in leveraging digital marketing strategies. By relying on social media and partnerships with marketplaces, they succeeded in expanding product reach and improving interaction with consumers.

However, as identified, challenges such as lack of funding, lack of skilled HRMs, and limited infrastructure and internet access suggest that there is still room for improvement. Therefore, in order to continue to compete in an increasingly competitive market, efforts must be made to address these challenges through increased financing, the development of SDM, and the improvement of technological infrastructure. Thus, Crush Chips can continue to strengthen its position in the digital market through sustained growth.

UMKM Crush Chips can address various challenges through specific strategies. To overcome funding issues, one can seek loans, seek investors, or participate in capital aid programs from governmental or non-governmental organizations. Enhancing marketing strategies through social media, SEO, content marketing, and in-depth market analysis, can increase business attractiveness. Addressing skilled worker shortages can be achieved by training current employees, recruiting qualified staff, and collaborating with educational institutions. Partnering with more delivery service providers and tracking technology can mitigate delivery constraints. Improving internet infrastructure, using satellite solutions, and setting up backup connections can resolve internet access issues for live streaming. Implementing these solutions with measurable action plans and regular monitoring can effectively address these challenges.

SUGGESTION

MSMEs actors need to understand target markets, create interesting and informative content, use multiple digital platforms, manage social media consistently, use digital marketing tools, and conduct evaluations on a regular basis. MSMEs can also improve funding by finding the right sources of funding, optimizing marketing strategies by conducting market research and developing more effective strategies, improving the quality of the workforce by providing the necessary training and skills development, finding more reliable and efficient delivery services to speed up product delivery times, and finding alternative solutions to overcome internet access constraints, such as using a more stable internet network or reducing reliance on live streaming.

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