

THE ANALYSIS OF DIGITAL MARKETING IN EFFORTS TO IMPROVE COMPETITIVE ADVANTAGES IN MSMEs

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Abstract

The purpose of the research is to find out, 1) the effect of implementing digital marketing through interactive indicators on competitive advantage, 2) the effect of implementing digital marketing through incentive program indicators on competitive advantage, 3) the effect of implementing digital marketing through site design indicators on competitive advantage. 4) the effect of applying digital marketing through cost/transaction indicators on competitive advantage. This research is a quantitative research, which uses multiple linear regression analysis as its approach. The research population is culinary business actors in the sugarcane area of Sokosari. The research sample was 30 respondents. The research findings show: digital marketing indicators, namely interactive, incentive programs, site design, cost/transactions have partial or simultaneous effects on competitive advantage in the culinary business of the Sokosari area. seen from the simultaneous test where $\text{sig } 0.00 < 0.05$.

INTRODUCTION

In today's technological developments supported by the internet, all fields have experienced rapid progress. Especially in the field of business, the internet has become one of the supporting factors in the success of companies and entrepreneurs to gain profits in a wider scope. Therefore, one strategy that is widely used by business people in selling, promoting and even distribution is through digital marketing.

Digital marketing provides benefits both consumers and marketers, where it is a good communication tool to build closer relationships with customers. With

digital marketing, you can connect sellers with consumers, and sellers can reach more targeted consumers.

The development of digital technology has changed the marketing from small to medium businesses which was originally carried out conventionally to be digital by utilizing the use of social media and the use of websites to market their products. The use of online media is the right choice for MSMEs to develop the business they run. The ease of internet access at this time, the low cost required and the many benefits obtained are the main reasons for MSME actors to choose digital marketing as the right solution to expand their business reach.

Table 1. Frequently Accessed Social Media

No.	Social Media	Percentage of Internet User
	Youtube	88 %
	Whatsapp	83%
	Facebook	81%
	Instagram	80%
	Tik Tok	79%

Source: wearesocial.com

From the data above, it can be seen that the most frequently used social media in Indonesia are Youtube by 88%, WhatsApp by 83%, Facebook by 81%, Instagram by 80%, and Tiktok by 79%. From these percentages, it can be seen that the development of social media in Indonesia has a great opportunity to serve as a medium in marketing their products. Social media itself is a very potential digital marketing (Satria & Hasmawaty (2021).

The high consumer interest data in using social media needs to be a great concern to MSME leaders to see marketing opportunities to consumers, and must be able to maximize the use of digital technology. The first thing that must be done is product promotion efforts through digital media (online) so that consumers can get to know the products produced by these MSMEs.

UMKM Sokosari is a Micro, Small, Medium Enterprise which is located in Sokosari Village, Soko District, Tuban Regency. MSMEs in this area have mostly taken advantage of digitalization technology. The need for digital marketing is for UMKM Sokosari to be able to follow developments in digital technology to promote and distribute products to consumers. The variety of products sold by

MSME leaders also varies, but among the most dominant are MSMEs in the culinary field.

Based on the description above, the researcher is interested in conducting research with the title " The Analysis of Digital Marketing in Efforts to Improve Competitive Advantages in MSMEs (Case Study on Sokosari Culinary MSME Leaders)".

RESEARCH METHOD

The method applied in this study is a quantitative approach. It is a type of research that produces discoveries that can be achieved or obtained using statistical procedures or other methods of measurement (Chotimussoleh & Wicaksana, 2021). Meanwhile, the primary data used was obtained through distributing questionnaires to Culinary MSME leaders in the Sokosari area. The data collection techniques used are observation, documentation and questionnaires.

The data population in this study are culinary MSMEs around the Sokosari area who have used digital marketing for Social Media (Digital Marketing). There were 30 MSME leaders. Meanwhile, this research uses non-probability sampling technique, namely saturated sampling technique. According to Sugiyono (2017: 85) saturated sampling technique is a sampling technique in which all members of the population are used as samples. So this study used a sample of 30 respondents. Before the research was carried out, an instrument test was carried out. After being valid and reliable, a questionnaire was then distributed to the respondents. After the data was collected, then data analysis techniques were carried out.

RESULT AND DISCUSSION

Based on the distribution of questionnaires to 30 respondents, the data provides information about the problem under study. The data collection was carried out by distributing questionnaires directly to MSME leaders around the Sokosari area. The distribution of the questionnaire was carried out from September 24 to October 4 2022. After the data was normally distributed, a

multiple linear regression model analysis was carried out to determine the effect of the relationship between variables.

Table 2. Multiple Linear Regression Analysis

Model	Coefficients ^a					Collinearity Statistics	
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
	B	Std. Error	Beta				
1 (Constant)	-.788	3.150		-.250	.804		
Interactive X _{1,1}	.701	.210	.436	3.336	.003	.515	1.942
Incentive Program X _{1,2}	.365	.137	.277	2.663	.013	.813	1.230
Site Design X _{1,3}	.442	.202	.253	2.182	.039	.655	1.526
Cost / Transaction X _{1,4}	.438	.191	.237	2.294	.030	.825	1.213

a. Dependent Variable: Competitive advantage Y

. Based on the multiple linear regression equation in Table 2, it shows that $Y = -0.788 + 0.701 X_{1.1} + 0.365 X_{1.2} + 0.442 X_{1.3} + 0.438 X_{1.4} + \epsilon$. A constant of -0.788 means, if there are no independent variables that affect equal to zero, then competitive advantage is -0.788. The regression coefficient of the digital marketing variable with the indicator interactive is positive, namely 0.701, which means that each increase interactive indicator by one unit will increase the amount of competitive advantage by 0.701 units. Then, the value of the regression coefficient of the incentive program indicator is 0.365, which means it will increase the level of competitive advantage by 0.365 units. The value of the regression coefficient for the Site Design indicator is 0.442, which means it will increase the level of competitive advantage by 0.442 units. Then the value of the regression coefficient for the Cost/Transaction indicator is 0.438, which means it will increase the level of competitive advantage by 0.438 units assuming other variables have a fixed value.

In short, it can be said that the direction of influence of the independent and dependent variables is positive. It is also known through test coefficient determination, which shows Adjusted R Square, namely 0.744 or 74.4%, so it can be said that the percentage contribution of the independent variable to the dependent variable is 74.4% and 25.6% is influenced by other variables.

Discussion

Analysis of Digital Marketing Through Interactive Indicators of Competitive Advantage

Based on the research results, it can be seen that digital marketing variables through interactive indicators partially have a significant effect on competitive advantage. The contribution to the effect of implementing digital marketing variables on the competitive advantage is (R²) 74.4%. Digital marketing variables through interactive indicators with a significance value of $0.003 < 0.05$ and a positive t count of 3,336. This means that it shows that digital marketing variables through interactive indicators affect competitive advantage in Culinary MSMEs in the Sokosari area.

The interactive indicator in this case has an influence on the competitive advantage of Culinary SMEs. This shows the interaction between MSMEs and consumers even though it does not occur directly (digitally), so that consumers can still understand the food and beverage products offered.

Interactive activities carried out through social media such as Whatsapp, Instagram, and Shopee are known, liked, and able to attract consumers so as to trigger competitive advantage.

Analysis of Digital Marketing Through Incentive Program Indicators on Competitive Advantage

Based on the results of the study, it can be seen that digital marketing variables through incentive program indicators partially have a significant effect on competitive advantage in the Sokosari Culinary MSMEs. Incentive program indicators with a significance value of $0.013 < 0.05$ and t count of 2,663. This means that the digital marketing variable through the incentive program indicator affects the competitive advantage of Culinary MSMEs in the Sokosari area.

The Incentive Program indicator in this case has an influence on the competitive advantage of Culinary MSMEs in the Sokosari area. This shows the incentive program activities carried out by MSMEs in running their business, MSMEs need to make plans that can be used to attract customer attention. With this program, it is expected to increase consumer attractiveness and buying interest.

Analysis of Digital Marketing Through Site Design Indicators on Competitive Advantage

Based on the research results, it can be seen that digital marketing variables through site design indicators partially have a significant effect on competitive advantage in Culinary MSMEs in the Sokosari area. Digital marketing variable with a significance value of $0.039 < 0.05$ with a t-value of 2,182. This means that digital marketing variables through site design indicators affect competitive advantage in Culinary MSMEs in the Sokosari area.

Site Design indicators in this case have an influence on competitive advantage, where appearance on social media such as Instagram, Tiktok, Whatsapp which is served to consumers, will give the first impression of the company to consumers. Having an attractive social media appearance will increase the number of visitors and or followers.

Analysis of Digital Marketing Through Cost/Transaction Indicators on Competitive Advantage

Based on the results of the study, it can be seen that digital marketing variables through cost/transaction indicators partially have a significant effect on competitive advantage in Culinary MSMEs in the Sokosari area. Digital marketing variable through cost/transaction with a significance value of $0.030 < 0.05$ with a calculated t value of 2,294. This means that this shows that digital marketing variables through cost/transaction indicators affect competitive advantage in Culinary MSMEs in the Sokosari area.

Cost/transaction indicators in this case have an influence on competitive advantage, where businesses or companies can offer more affordable service prices with the convenience of online transactions. This cost/transaction activity is closely related to digital promotions carried out by the company.

CONCLUSSION AND SUGGESTION

Based on the results of the research and discussion above, the following conclusions can be drawn that the application of digital marketing through interactive indicators has a positive and significant influence on competitive advantage in Culinary MSMEs in the Sokosari area. This can be demonstrated by

the interaction between MSMEs and consumers, even though it does not occur directly, consumers can still understand the food and beverage products offered.

The application of digital marketing through incentive program indicators has a positive and significant effect on competitive advantage in Culinary MSMEs in the Sokosari area. This means that the incentive program activities carried out by MSMEs in running their business, MSMEs make plans that can be used to attract customer attention. With this program, it is expected to increase consumer attractiveness and buying interest.

The application of digital marketing through site design indicators has a positive and significant effect on competitive advantage in Culinary MSMEs in the Sokosari area. This means that having a display on social media such as Instagram, Tiktok, Whatsapp which is served to consumers, will give the first impression of the company to consumers. Having an attractive social media appearance will increase the number of visitors and or followers.

Then, the application of digital marketing through cost/transaction indicators has a positive and significant effect on competitive advantage in Culinary MSMEs in the Sokosari area. This means that by offering more affordable service prices, this will ease of online transactions. This cost/transaction activity is closely related to digital promotions carried out by micro, small and medium enterprises.

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