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Implementation of Digital Marketing as a Marketing Strategy for VCO Star MSMEs

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) are not only the main economic pillars in Indonesia but also play a significant role in building and developing economic growth in the country. One strategy that can be implemented to advance MSMEs is through digital marketing. This research aims to reveal the various digital marketing strategies implemented by VCO Star MSMEs. The research method is a descriptive qualitative approach, focusing on VCO Star in Mantikulore District, Palu City. Research findings show that VCO Star uses digital marketing by implementing several strategies, such as posting products on social media such as Facebook, Instagram ads, and WhatsApp statuses. However, this research also reveals that VCO Star has not used influencers as a digital marketing tool, causing a lack of public trust in the product and its impact on sales and reach of desired target consumers. Apart from that, VCO Star business actors have yet to utilize popular marketplace platforms such as Shopee, Tokopedia, and Lazada, which can benefit from reaching a wider market.

INTRODUCTION

The shift in data-based business and marketing strategies encourages companies to utilize technology, especially in marketing (Kumar et al., 2021). Significantly, marketing communication methods that were previously traditional and conventional have now been integrated into the digital realm (Suriadiman et al., 2023). Digital marketing is key to increasing customer engagement and interaction, managing the marketing mix, and implementing marketing communications (Peter & Dalla Vecchia, 2021). However, there needs to be more alignment in companies' communication modes, where, although more and more are turning to social media to interact and create value, companies still use both digital and traditional sales communication tools (Fraccastoro et al., 2021). So, by utilizing the Internet as a marketing tool, businesses achieve financial success and strengthen communications through utilizing online visibility and sales channels, including advertising on social

media. This method has proven effective in reaching various markets and supporting business expansion (Pitaloka & Kardoyo, 2023).

Digital marketing is a marketing strategy that adopts sophisticated digital technology. In this context, digital marketing involves interactive and integrated marketing activities, facilitating engagement between producers, market intermediaries, and potential consumers (Urva et al., 2022). Digital marketing includes using electronic technology, especially information technology, to support various business processes, including buying and selling products, services, and information. Digital marketing aims to increase demand and provide customer service with a digital approach (Noviana et al., 2022). In general, digital marketing is a popular form of marketing, widely used to promote products or services and reach consumers through digital channels (Rahmanda, 2023).

Digital marketing is a form of marketing through internet access, social media, and other digital devices (Ahmas et al., 2022). Although the literature on micro, small, and medium enterprises (MSMEs) is limited in studies comparing companies from different countries, some studies suggest that the relationship between strategic orientation and digital marketing tactics can impact business performance, and the effect may be moderated by the economic context of the country's market certain (Goldman et al., 2021). The hope is that digital marketing can be an effective tool for business actors, especially MSMEs, to promote and market their products and services. More than that, digital marketing can open opportunities to new markets previously limited or closed, overcoming obstacles such as limited time, distance, and conventional communication methods (Zhang & Erturk, 2022).

The variety of social media continues to grow today. The popularity of platforms such as Facebook, TikTok, Instagram, and others is widely used for product marketing activities (Sundaram et al., 2020). Digital marketing involves various sectors of the economy, including retail stores, online banking services, transportation, hotel bookings, money transfers, and online payments (Ashrafuzzaman et al., 2022). The benefits gained from implementing digital marketing include reaching a wider market efficiency in marketing costs and opening up opportunities to run campaigns without being limited by space and time. This means that digital marketing is real-time, allowing entrepreneurs to respond to interest and feedback from the target market immediately. So, quick decisions are made regarding adjustments to advertising content strategies in the hope of getting better results and faster responses. Therefore, the strategic role of digital marketing is crucial in attracting consumers' attention and guiding them to communicate electronically and conventionally (Denny et al., 2022).

Various studies regarding digital marketing have been carried out previously (Ahmas et al., 2022; Pitaloka & Kardoyo, 2023; Suriadiman et al., 2023). Research by Pattoka and Kardoyo (2023) found that sales will increase when marketers utilize technology. However, this research needs to reveal the impact of using social media in marketing. Then, research Suriadiman et al. (2023) also found that digital literacy in marketing had a positive impact. However, this research needs to show the implementation of social media. Therefore, this research considers the implementation and impact of social media use within a marketing strategy framework. The success of digital marketing depends not only on technology or digital literacy alone but also on skills in integrating social media effectively. Understanding and analyzing the impact of using social media platforms can optimize their strategies to achieve maximum results, which is one of the strategies in digital marketing.

Digital marketing strategies using social media are very important for marketers to expand networks and create competitive advantages for business actors. According to Ketter and Avraham (2021), There are two digital marketing strategies: a media strategy that emphasizes the important role of social media and a message strategy that emphasizes the importance of the marketer's image or product. Apart from that, digital marketing utilizes internet technology, which makes consumers comfortable in terms of ease of access and practicality (Nafsi & Kusuma, 2023). Therefore, within the framework of a digital marketing strategy, the role of social media is very

significant because it allows marketers to interact directly with audiences, create relevant content, and take advantage of the various features offered by these platforms. Digital marketing strategies are not only limited to social media but also include message strategies that aim to build a positive image for marketers or products. This means that creating a strong message that is in line with brand values is the key to creating a positive appeal in the eyes of consumers. So, internet technology in digital marketing opens up opportunities to provide a more efficient and satisfying shopping experience, making ease of access and practicality an important element in gaining consumer trust.

This research study focuses on MSMEs operating in the Palu City area, Central Sulawesi. Palu City has abundant natural resources that can be developed through entrepreneurial activities (Bachri & Adda, 2017). On the other hand, Central Sulawesi is also known as one of the largest coconut producers in Indonesia, as recorded by the Central Statistics Agency (BPS)(Marwahti et al., 2023). The main factor that supports the growth of MSMEs in this area is the abundant availability of coconut raw materials. This phenomenon has resulted in increased diversification of processed coconut products and the establishment of various businesses in this sector. Therefore, this research mainly focuses on VCO Star, one of the MSMEs operating in Central Sulawesi.

As a seller of virgin coconut oil (VCO) and body wash, VCO Star emphasizes using natural raw materials to ensure the safety of its products. Not only that, but the prices offered by VCO Star are more affordable than its competitors. At first, VCO Star focused sales on offline or direct methods, which required extra effort and time to distribute its products. To overcome this challenge, VCO Star took strategic steps by creating social media accounts and joining the marketplace, making it easier for customers to order products and get detailed price information.

Not only does the existence of social media accounts and marketplaces increase accessibility, but it also provides opportunities for VCO Star to educate consumers about its products in more detail. Facing the era of digitalization that increasingly dominates business, VCO Star is expected to be able to adapt to digitalization needs. Internet utilization is key in business development, and transformation towards internet-based business inevitably becomes necessary. This research aims to evaluate the implementation of digital marketing by VCO Star and identify obstacles that may be faced during the process.

RESEARCH METHOD

This research uses a descriptive qualitative approach, which focuses on exploring social phenomena and developing a specific understanding of a particular problem (Ulfatin, 2013). Qualitative research methods are defined as research procedures that produce descriptive data in the form of written or spoken sentences from the subject and behavior that can be observed (Murdiyanto, 2020). The data collection process involves a combination of structured interviews, in-depth interviews, and observations of business actors. The type of interview is semi-structured and open, allowing flexibility in approach (Sulandjari & Suparwata, 2023). The informants in this research are VCO Star business actors who have successfully and effectively adopted information technology. The research was conducted at VCO Star, located in Mantikulore District, Palu City.

An in-depth interview and observation were conducted on VCO Star business actors. Before starting, preparation involves formulating questions and identifying informants who have insight into the research topic. The first step is obtaining consent and ensuring the informant understands the interviewer's identity. Several questions are designed to give direction to the interview. The focus then shifted to digital marketing strategies using semi-structured questions. Followed by validation of research findings with informants and exploration of potential obstacles in implementing digital marketing strategies. Discussion of potential solutions and plans for VCO Star is an important part. After the interview, the data transcription process was carried out, and the findings were reflected for future research development.

RESULTS AND DISCUSSION

Results

Informants were asked to explain the steps in the digital marketing process implemented by VCO Star. This interview design aims to detail the experiences and actions taken by business actors related to obstacles or successes in digital marketing. The information obtained is expected to provide in-depth insight into the marketing strategies used by VCO Star and how they overcome various challenges in the digital realm. Every stage of the digital marketing process, whether related to social media, chat platforms, or marketplaces, is the main focus of gaining a comprehensive and in-depth understanding from the perspective of business actors.

Technological developments and their impact on digital marketing. VCO Star has used various social media in its marketing process. Business actors stated that this aims to enable them to communicate interactively with consumers. This interaction is an opportunity for VCO Star to promote its products.

"We use social media, especially Facebook and Instagram, to promote our products. We also actively use chat platforms such as WhatsApp and Instagram direct messages to interact directly with consumers."

(Informant 1, VCO Star business actor)

Effectiveness in digital marketing. Other informants also stated that business actors trust social media as an effective marketing medium. Social media has a positive impact. As a result, the social media strategy has had quite a significant impact.

"We believe that social media is effective for creating awareness, communicating directly with consumers, and promoting products. So far, we feel this strategy has delivered positive results."

(Informant 2, VCO Star business actor)

Strategy to increase consumer confidence. VCO Star business actors also realize that consumer trust is very important. One way to increase consumer trust is by using influencers in digital advertising. VCO Star entrepreneurs realize that, by using influencers, their products will become more widely known. Additionally, utilizing the marketplace is also important in reaching a larger market.

"Yes, we found some flaws. One of them is not yet using influencers as digital advertising, which can increase consumer trust. Apart from that, not yet marketing products through marketplaces such as Shopee, Tokopedia, or Lazada is also an obstacle because it can expand market reach."

(Informant 1, VCO Star business actor)

In line with the results of this interview, business actors, as marketers, have realized the importance of using technology in marketing (Urva et al., 2022). However, on the other hand, VCO Star business actors also realize that marketplaces can also be promising apart from social media. In line with the findings of this research, the use of marketplaces is considered to have the ability to expand market reach (Hodijah et al., 2023). Apart from that, the use of influencers as "advertisements" is also expected to have a positive impact on reaching consumers.

Discussion

Technological developments have emphasized that business actors, including VCO Star, adapt to the marketing process. Digital marketing now optimizes social media, chat platforms, partnerships with marketplaces, and various other platforms, making it easier for business actors to attract consumer attention and interact directly (Noviana et al., 2022). The research results on VCO Star show the implementation of digital marketing strategies through social media, especially on Facebook and Instagram. Both platforms effectively promote VCO Star products and interact

directly with consumers. Chat platforms, such as Whatsapp and Instagram direct messages, are also commonly used by consumers and considered easy by MSME business actors.

Based on research by Sundaram et al. (2020), the marketing strategy confirms the effectiveness of digital marketing in attracting consumers. The benefits are not only limited to promoting products but also providing complete information, creating awareness of the company and products, and being a data source for market research. Therefore, using social media, such as Instagram, Facebook, and WhatsApp, as a sales platform is the right step.

Research interviews also revealed areas for improvement in VCO Star, especially in implementing digital marketing strategies. The lack of use of influencers in digital advertising means that public trust in products is affected, impacting sales and the reach of target consumers. Additionally, VCO Star must take advantage of popular marketplaces such as Shopee, Tokopedia, and Lazada, which can benefit market expansion, increase revenue, and reduce marketing costs. Using a marketplace is also recognized as making administration and transaction management easier.

CONCLUSION

Facing technological developments, business actors, such as VCO Star, have successfully adapted digital marketing processes. This strategy involves utilizing social media, especially Facebook and Instagram, which have proven effective in promoting products and interacting directly with consumers. The effectiveness of digital marketing can be seen from its positive impact, in accordance with previous research findings. However, the interview also highlighted shortcomings, such as the lack of use of influencers and optimal penetration through leading marketplaces. Business actors realize the importance of consumer trust, encouraging them to consider the use of influencers and the potential of marketplaces as strategic steps in expanding market reach. So, adapting to technological developments and utilizing various platforms is the key to digital marketing success for business actors.

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