Analysis of Digital Marketing Usage by Small and Medium Enterprises in Bogor Regency (Study SME’s Actors Abilities to Use Information and Communication Technology)

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Abstract
Digital marketing is urgently needed by Small and Medium Enterprises (SME) in Bogor Regency for reach a wider market. This study uses a mix method, by using a quantitative strategy at one stage and a qualitative strategy at another stage or vice versa. The aim is to find out the extent to which SME actors in Bogor Regency are able to use digital marketing. Data collection was carried out in this study by means of surveys and field observations, questionnaires, interviews and literature review. This study used a purposive sampling method by 40. The results of this study conclude that: 1) The level of digital marketing SMEs actors in Bogor Regency is still low, because they think that large funds are needed, there is a lack of human resources to be able to carry out digital marketing, and there is an assumption that SME products will continue to develop without the need to usage digital marketing ICT-based; 2) Although the readiness of SME actors to carry out computer technology-based marketing (e-Computer Usage Readiness) is relatively low, the majority state their readiness to usage digital marketing ICT-based, 3) The SME actors level usage digital marketing readiness ICT-based transaction or payment models is also sufficient high, and 4) The ability of SMEs to manage all transactions such as ordering, payment, correspondence and others through electronic business Readiness is also relatively high.

Keywords: SME, Digital Marketing, Information and Communication Technology, Digital platforms

1. Introduction
The industrial revolution in information and communication technology (ICT) brought major changes in all fields, including the field of marketing communications. The use of ICT is increasingly felt by its users who cannot be separated from the digital world. That's what causes internet marketers, narablog, bloggers, YouTubers, vloggers and online stores to increasingly have a place in the eyes of consumers.

Base on Indonesian Internet Service Providers Association (APJII) data, internet users in Indonesia in 2022 to 2023 have reached 215.63 million people, an increase of around 2.67
percent compared to the previous 210.03 million users. The number of internet users is equivalent to 78.19 percent of Indonesia's total population of 275.77 million people (Bank Indonesia, 2023). With these achievements, it is not surprising that Indonesia is ranked 4th internet users in the world (Bank Indonesia, 2023).

SMEs are one of the economic forces that have been supporting the Indonesian economy and economic strength in various regions. At a time when the world economy and the Indonesian economy were experiencing a recession, even when the world was hit by the Covid-19 pandemic, it seemed that SMEs actors were not negatively impacted, in fact the majority of SMEs actors were actually able to develop their businesses to support the country's economy. SMEs can maintain and increase their contribution to regional economic growth and increase revenues in the state tax sector, apart from being supported by large-scale industry, they are also supported significantly by small-scale industry groups.

The SME sector has contributed to the increase in gross domestic product in the last five years. The Ministry of Cooperatives and SMEs sees that the contribution of the SME sector has increased from 57.84 percent to 60.34 percent and the SME sector has also helped absorb labor in the country. Labor absorption in the SME sector increased from 96.99 percent to 97.22 percent in the last five year period (Ministry of Industry, 2016). In Bogor Regency, until 2021 there were more than 57 thousand SMEs spread throughout the Bogor Regency area (BPS, 2022). With that many SMEs, the SMEs actor must be encouraged to develop and promote their businesses, one of which is using internet media as a means of digital promotion.

The increase in the number of internet users in Indonesia is due to the development of infrastructure and the ease with which people can get smartphones. So this can be an opportunity for SMEs to use information technology as a medium in developing their markets. According to APJII data, 48% (APJII, 2022), Indonesian internet users search for goods or services online, 46% of users visit online stores, 34% of users make online transactions by computer or laptop, and another 33% of users make online transactions by mobile devices or smartphone. In fact, according to We Are Social records (Kemp, 2021), until January 2021, as many as 93% of internet users in Indonesia searched for goods or services online, 87.3% of users visited online shops with various devices, 78.2% of users make online transactions from various devices (laptop and mobile), 87.1% of users make transactions by PC or laptop, and 79.1% of users make online transactions by smartphone devices. Its show the potential for digital shopping and the use of the internet as a business promotion medium is quite growing in Indonesia, which SME business actors should read as an opportunity.
Therefore, in this digital era, SMEs need the right ICT to be able to grow and compete in the industrial era 4.0. Unfortunately, many SMEs have difficulty utilizing ICT appropriately, because not all SMEs have expertise in that field. Another obstacle is the large variety of ICT products, making SMEs confused about choosing the right solution. Therefore, according to Kotler and Keller (2008), SMEs need guidance in choosing the right ICT according to their type of business and needs so that they can develop in the era of industrialization.

SME
According to Maxmanroe (2019), Small and Medium Enterprises (SMEs) are a type of business that has an important role in a country's economy, one of which is Indonesia, both as a provider of employment opportunities and strengthening the community's economy.

Consumer Behavior Theory
Consumer behavior is "a process of activities in which someone searches, selects, purchases, uses and evaluates a product in the form of goods or services to meet their needs (Schiffman, 2005). Consumer behavior is also influenced by various factors such as internal and external factors (Kotler Keller, 1997). Internal factors are influences that come from consumers themselves, such as: 1) Motivation, 2) Attitude, and 3) Economy. Meanwhile, external factors of consumer behavior are influenced by the consumer environment such as: 1) Family, 2) Social Group, 3) Reference group, 4) Culture.

Consumer Behavior in the Digital Era
The rapid development of the digital era has an impact on almost all lives. Including changes in consumer behavior in shopping. Putri (2019) stated that the majority of consumers learn about a product through digital technology, namely social media.
Digital Marketing Concept
According to Adeosun (2020), digital marketing is the marketing of products or services using digital media or ICT-based technology to reach a wider target market. So, by using digital marketing, you can increase your target consumer coverage to a greater extent than using conventional marketing methods. The digital marketing models that are usually used are: 1) Branding; 2) Broadcast advertising; 3) Multi-level marketing; and 4) Internet Marketing.

According to Khan (2016), internet users have reached 2.4 billion people and it is certain that their use will continue to increase. Internet marketing or digital marketing is a new approach to marketing to strengthen traditional marketing models (Ferdinand, 2002). Digital marketing can also be interpreted as marketing communication efforts using electronic devices and the internet by carrying out various marketing techniques, through social media such as Instagram, WhatsApp, Twitter, and so on. If we look at the types, Adani (2020) classifies digital marketing into 6 (six) types, namely: 1) Website; 2) Search engine marketing (SEM); 3) Email marketing; 4) Social media marketing; 5) Online advertising; and 6) Video marketing.

Digital Marketing Usage Strategy
Adani (2020) states that there are 7 (seven) strategies for good use of digital marketing, namely: 1) Search engine optimization (SEO); 2) Pay per click (PPC); 3) Content marketing; 4) Influencers; 5) Affiliate programs; 6) Google my business; and 7) Marketing automation.

Social media
Although Adeosun et al (2009) stated that ICT, including social media, provides positive value for management strategies related to aspects of communication, access to information, decision making, data management and knowledge management in an organization, including for the purposes of marketing SME products, the fact is that a number of researchers have revealed that that the use of ICT among SMEs is still very lower than expected (Kurnia, 2006). In fact, in the current era of knowledge-based economy, SMEs should be able to take advantage of the use of ICT to improve services and competitiveness (Apulu & Latham, 2011). Research by Lefebvre et al (1999), states that there are four important factors that require SMEs to adapt to ICT, namely: (1) characteristics of SMEs, (2) strategy and competition management, (3) the influence of internal and external parties in the decision making process, and (4) characteristics of new technology that will be adopted by SMEs.

Adi (2008) states a simple reason why SMEs need to adopt the ability to use social media or ICT, because it is considered to increase the dissemination of information and communication intensity, both between SME actors and with potential buyers. Geographical considerations regarding the distribution of business units and trends in the use of digital media or social media by trading partners can also be a driving factor in the use of the internet for the benefit of small businesses in Indonesia.

Method
This research uses a purposive sampling method, namely a non-random sampling technique, where the researcher determines sampling by determining the special characteristics of the population in accordance with the research objectives, namely consisting of 40 respondents each,
2 members of the DPRD Bogor Regency, 2 officials within the Bogor Regency Government, 6 staff at the Cooperatives and UKM Service, 30 SME actors. Meanwhile, the approach used in this research is a mixed method. In research using mixed methods, researchers use quantitative strategies at one stage and qualitative strategies at another stage or vice versa.

Result and Discussion

SMEs Digital Marketing Usage Readiness
1. Description of Computer-based Technology Usage Readiness
In item No. 1 There were 20 respondents (50%) who expressed their readiness to use computer technology to organize and manage SMEs. Meanwhile, in point No. 2, 18 respondents (45%) also stated that they were ready to use computer-based technology to manage goods produced by SMEs. Likewise for item No. 3 as many as 15 respondents (37.50%) stated their readiness to use computer technology to schedule processes and the availability of raw materials to become finished materials and ready to be marketed. As the following table.

Table 1. Frequency Distribution of SME Computer-Based usage Readiness

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<th>Item</th>
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2. Description of SME e-Commerce Usage Readiness
In item No. 4 there were 15 respondents (37.50%) stated that they were ready to use the internet to receive purchase orders from customers. Only 3 respondents (7.50%) said they were not ready to use internet technology. Meanwhile, item No. 5 as many as 12 respondents (30%) tend to agree with using the internet to sell business products to buyers, because it makes it easier for them to expand their customer reach, makes it easier to interact with buyers, and increases sales volume. The remaining 6 respondents (15%) admitted that they were not ready to use the internet, because they couldn't and didn't think the internet was needed in their business. Meanwhile, item no. 6 as many as 16 respondents (40%) stated that they were ready to offer services to customers via the internet. Only 5 respondents (12.50%) stated that they were not ready to offer services to customers via the internet. As the following table.
Table 2. Frequency Distribution of SME e-Business Usage Readiness

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<th>Item</th>
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3. Description of SME e-Business Usage Readiness

In item No. 7 as many as 20 respondents (50%) stated their readiness to arrange all forms of business transactions with buyers, for example for ordering purposes, correspondence using electronic media. The remaining 4 respondents (10%) said they did not agree that they were not ready. Meanwhile for item No. 8 there were 15 respondents (37.50%), claiming to have the readiness to manage all forms of business transactions with customers using electronic media. Only 5 respondents said they strongly disagreed (12.50%). Then, for item No. 9, as many as 8 respondents (45%) agreed to organize all forms of business transactions with suppliers using electronic media, because it makes business processes easier. There were only 4 respondents (10%) who said they did not agree or were not ready. As the following table.

Table 3. Frequency Distribution of SME e-Business Usage Readiness

<table>
<thead>
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<th>Item</th>
<th>Respondent's Answer</th>
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**Digital Marketing Usage by SME Actors in Bogor Regency**

**Website**

The majority of SME actors in Bogor Regency admit that they do not have a special website with their respective business brand names for various reasons. The reason is that 26 SMEs (65%) have not allocated costs for creating and managing a website, 6 SMEs (15%) believe that they do not need to use a website, 4 SMEs admit that the cost of creating a website is relatively expensive (10%), and 4 SMEs (10%) admitted that they did not understand about websites.
Even though the majority of SMEs in Bogor Regency admit that they do not have a website, the majority of SMEs realize that websites are very useful for their SMEs, namely to find out important information for 16 SMEs (40%), which can be accessed at any time for 8 SMEs (20%), as a tool marketing that saves costs for 6 SMEs (15%), to attract potential buyers for 6 SMEs (15%), to collect customer data for 2 SMEs (5%), and to increase trust in 2 SMEs (5%).

**Search Engine Marketing (SEM)**

Even though SEM is useful for increasing the level of visits to SMEs, based on survey results, the level of knowledge of SME actors in Bogor Regency regarding the benefits of SEM is still relatively low, in fact the majority or 34 SME actors (85%) admitted that they did not know the SEM method and only 6 SMEs (15%) who know the benefits of SEM to increase sales of their SME products.
The picture above shows that 16 SMEs (40%) are aware of the benefits of SEM for finding out various important information via the internet, while 8 SMEs (20%) know the benefits of SEM which can be accessed at any time, 6 SMEs (15%) know that SEM is cost-effective and 5 SMEs (15%) just found out that SEM is useful for attracting potential buyers. The remaining 2 SMEs (5%) just realized that SEM is useful for collecting customer data and 2 SMEs (5%) are useful for increasing trust.

**Email Marketing**

The majority of SMEs in Bogor Regency with a proportion of 34 SMEs (95%) have never used email invitations to promote SME products. The remaining 2 SMEs (5%) admitted to having sent an email invitation.
In general, although email marketing is considered quite important and can support the promotion of SME products, not many SMEs take advantage of this facility. There are only 6 SMEs (15%) who know or have used email marketing as a way to promote their SME products. Meanwhile, the remaining proportion of 34 SMEs (85%) admitted that they had never used email marketing, as in figure below.

Figure 6. Level of Responden’s Knowledge of Email Marketing

**Social Media Marketing**
On average, SME actors in Bogor Regency already have various social media accounts, both personal and with brand names for their SME products. Of all the social media account owners, the majority of SMEs use Facebook, YouTube, Instagram, Twitter and other social media, as figure.

That picture shows that the majority of SMEs in Bogor Regency use Facebook as the main promotional media, with 14 SMEs (35%), 10 SMEs (25%) use YouTube channels, 8 SMEs (20%) use Instagram, 6 SMEs (15%) use Twitter and the remaining 2 SMEs (5%) use other social media to promote their products. In fact, what is quite interesting is that the majority of SME sector players in Bogor Regency still use regular social media content, not paid advertising facilities. This is very understandable, considering that the cash flow and profits obtained from the SME sector are relatively not very large compared to other types of business, as explained in figure below.
The figure shows that only 10 SMEs (25%) use paid social media advertising content, while the other 30 SMEs (75%) still use regular social media content.

**Online Advertising**
The results of this research show that very few SMEs in Bogor Regency take advantage of online advertising. This happens because of limited knowledge and cost allocation. On average, players in the SME sector with a proportion of 38 SMEs (85%) admitted that they had not used this online advertising. This means that only 2 SMEs (5%) use online advertising to promote their SME products, as the following picture.

**Video Marketing**
The research results show that there are still a little of SME sector actors in Bogor Regency who utilize video marketing with a proportion of 10 SMEs (25%). The remaining 30 SMEs (75%) still do not use video marketing to promote their superior SME products. This happens due to limited budget or costs, limited knowledge and ability to manage video marketing content. Figure 12 below explains this condition.
SME Preferences for Using Digital Marketing

Cost incurred
The budget allocation spent by SMEs in Bogor Regency utilizing ICT-based digital marketing is quite varied. A total of 26 SMEs (65%) provided a budget of less than Rp. 200,000 per month, both through social media and other online marketing. Meanwhile, 8 SMEs (20%) spent a budget of between Rp. 200,000 up to Rp. 500,000 in a month, 4 SMEs (10%) incur costs between Rp. 500,000 up to Rp. 1,000,000, and the remaining only 2 SMEs (2%) allocated costs above Rp. 1,000,000.

Utilization of Digital Marketing Platforms
The majority of SMEs in Bogor Regency use social media marketing to promote their SME products with a proportion of 24 SMEs (60%), 12 SMEs (30%) use video marketing, 2 SMEs (5%) each use email marketing and online advertising, while none of them use websites and SEM, as the picture below.
If explored further, this research also found that on average business actors in the SME sector in Bogor Regency mostly use digital social media platforms, with a proportion of 14 SMEs (35%) using Facebook, 10 SMEs (25%) using WhatsApp, 8 SMEs (35%) using Facebook, (20%) use YouTube, 6 SMEs (15%) use Instagram, and the remaining 2 SMEs (5%) use marketplaces (Tokopedia, Shoppe, Gojeg) and others, as the following picture.

Length of Time to Used Digital Marketing
This research found that the majority of SME actors in Bogor Regency spend an average of 2 to 4 hours promoting SME products by utilizing digital marketing with a proportion of 22 SMEs (55%). This is almost the same as data reported by Kemp (2021) as of January 2021, which stated that the average Indonesian uses social media for around 2 to 4 hours. Meanwhile, 8 SMEs (20%) use digital marketing to sell their SME products in less than 2 hours, 4 SMEs (10%) each use between 4 to 6 hours and 6 to 8 hours, the remaining 2 SMEs (5%) spends their time utilizing digital marketing to promote their products for more than 8 hours.
The Influence of Digital Marketing on Promotion
The majority of business actors in the SME sector in Bogor Regency feel the impact of using digital marketing, namely as many as 34 SMEs (85%) admit that promotions through digital marketing are able to add new customers for their SME products. The remainder, 4 SMEs (10%) admitted that promotion through digital marketing could boost sales and 2 SMEs (5%) admitted that promotion through digital marketing was useful for introducing their SME brand or product brands.

The Influence of Digital Marketing on Sales
This research found that several SMEs admitted that promoting through digital marketing increased their sales, this was influenced by the ease of consumers accessing business information and ordering products. This is in line with research by Selitto (2004), which states that the use of internet marketing can increase sales even in very remote locations. Several respondents even agreed that digital marketing increased their sales by 40% to 100% because digital marketing expanded consumer reach and made it easier for consumers to access information provided on social media, websites and other platforms.
Conclusion

Based on all the previous descriptions, it can be concluded that the use of digital marketing by SMEs in Bogor Regency is still relatively low. The low level of utilization of ICT-based digital marketing, such as computers and the internet, is due to the assumption that large funds are needed to have ICT-based technological equipment, the lack of human resources capable of operating digital marketing, and the assumption that SME products will still be able to develop without the need to use digital marketing.

However, the majority of SMEs are ready to use digital marketing (Computer-based Technology Usage Readiness) to inform and interact directly with consumers, expand their market share, increase consumer awareness. The majority of SMEs also expressed their readiness to utilize electronic marketing models (e-Commerce Readiness) and utilize various electronic business transaction models (E-Business Readiness).

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