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## UMKM MARKETING STRATEGY IN THE ERA OF DIGITALIZATION

### *STRATEGI PEMASARAN UMKM DI ERA DIGITALISASI*

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#### Abstract

*UMKM are independent productive business units, carried out by individuals or business entities in all economic sectors. In principle, there is a distinction between Micro Enterprises (UM), Small Enterprises (UK), Medium Enterprises (UM), and Large Enterprises (UB). Media that is displayed online on the internet is called digital media or online media. Online media is broadly defined as any type of material, including text, images, video, and sound, that can only be accessed online. The definition of marketing is in the social sphere and the second is in the managerial sphere. Based on the social definition, marketing is defined as a social process in which individuals and groups obtain what they need and what they want through the creation, offering and exchange of the value of the products and services they own freely with other people. Marketing digitalization is an effort to buy and sell goods or services owned by business owners. With the digitalization of marketing, it is hoped that the market for the goods or services they provide will become more widely known and have many interested people. Marketing digitalization is an effort to buy and sell goods or services owned by business owners. With the digitalization of marketing, it is hoped that the market for the goods or services they provide will become more widely known and have many interested people. Marketing strategy is an effort to market a product, be it goods or services, using certain plans and tactics so that the number of sales becomes higher. Digital marketing can simply be defined as an effort to achieve marketing goals through the application of technology and digital media. Digitalization is described as the use of digital technology to innovate business models and provide new value creation opportunities in the industrial ecosystem. Rapid business development in Indonesia has increased competition between business actors. Several things need to be considered so that the marketing process in UMKM runs well and efficiently, namely that you must pay attention to factors including Marketing Strategy, Integration of Knowledge Sources on Digital Platforms, Consumer Purchase Interest and Income in Digital Marketing, Use of Digital Platforms in UMKM Business, Development of External Understanding and Collaboration.*

**Keywords:** *Marketing strategy, UMKM, Digitalization*

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#### ABSTRAK

UMKM adalah unit usaha produktif yang berdiri sendiri, yang dilakukan oleh orang perorangan atau badan usaha di semua sektor ekonomi. Pada prinsipnya, pembedaan antara Usaha Mikro (UM), Usaha Kecil (UK), Usaha Menengah (UM), dan Usaha Besar (UB). Media yang ditampilkan secara online di internet disebut dengan media digital atau media online. Media online secara luas didefinisikan sebagai segala jenis materi, termasuk teks, gambar, video, dan suara, yang hanya dapat diakses secara online. Definisi pemasaran dalam



lingkup sosial dan yang kedua dalam lingkup manajerial. Berdasarkan definisi sosial, pemasaran diartikan sebagai sebuah proses sosial di mana individu dan kelompok memperoleh apa yang mereka butuhkan dan apa yang mereka inginkan melalui penciptaan, penawaran, dan pertukaran dari nilai (value) produk dan jasa yang dimiliki tersebut secara bebas dengan orang lain. Adapun digitalisasi pemasaran merupakan usaha memperjualbelikan produk barang atau jasa yang dimiliki oleh pemilik usaha. Dengan adanya digitalisasi pemasaran maka pasaran produk barang atau jasa yang mereka sediakan diharapkan untuk dapat dikenal lebih luas dan memiliki banyak peminat. Digitalisasi pemasaran merupakan usaha memperjualbelikan produk barang atau jasa yang dimiliki oleh pemilik usaha. Dengan adanya digitalisasi pemasaran maka pasaran produk barang atau jasa yang mereka sediakan diharapkan untuk dapat dikenal lebih luas dan memiliki banyak peminat. Strategi pemasaran adalah upaya memasarkan suatu produk, baik itu barang atau jasa, dengan menggunakan pola rencana dan taktik tertentu sehingga jumlah penjualan menjadi lebih tinggi. Pemasaran digital secara sederhana dapat didefinisikan sebagai upaya mencapai tujuan pemasaran melalui penerapan teknologi dan media digital. Digitalisasi digambarkan sebagai penggunaan teknologi digital untuk berinovasi dalam model bisnis dan memberikan peluang penciptaan nilai baru dalam ekosistem industri. Perkembangan bisnis yang pesat di Indonesia telah meningkatkan persaingan antar pelaku usaha. Beberapa hal yang perlu diperhatikan agar proses pemasaran di UMKM berjalan dengan baik dan efisien, yakni harus memperhatikan faktor-faktor di antara lain Strategi Pemasaran, Integrasi Sumber Pengetahuan pada Platform Digital, Minat Beli Konsumen dan Pendapatan pada Pemasaran Digital, Penggunaan Platform Digital dalam Bisnis UMKM, Pengembangan Pemahaman dan Kolaborasi Eksternal.

**Kata Kunci: Strategi Pemasaran, UMKM, Digitalisasi**

## INTRODUCTION

UMKM are independent productive business units, carried out by individuals or business entities in all economic sectors. In principle, the distinction between Micro Enterprises (UM), Small Enterprises (UK), Medium Enterprises (UM), and Large Enterprises (UB) is generally based on the initial asset value (excluding land and buildings), average turnover per year, or the number of permanent workers.

Media that is displayed online on the internet is called digital media or online media. Online media is broadly defined as any type of material, including text, images, video, and sound, that can only be accessed online. Online media can also be considered as an online communication tool in a broad sense.

The definition of marketing is in the social sphere and the second is in the managerial sphere. Based on the social definition, marketing is defined as a social process in which individuals and groups obtain what they need and what they want through the creation, offering and exchange of the value of the products and services they own freely with other people. Marketing digitalization is an effort to buy and sell goods or services owned by business owners. With the digitalization of marketing, it is hoped that the market for the goods or services they provide will become more widely known and have many interested people.

Marketing strategy has an important role in a company or business because it functions to determine the company's economic value, both the price of goods and services. There are three factors determining the price value of goods and services, namely production, marketing, consumption.

Using digital media is the right choice for entrepreneurs to develop their business. Ease of internet access, greater profits, cheaper costs and wider market reach are the main reasons for entrepreneurs to choose digital media.



Based on the description above, researchers are interested in conducting research on UMKM Marketing Strategy in the Era of Digitalization. It is hoped that the output of this research can provide an overview for people who will start UMKM, or who are currently running UMKM.

## **Literature Review**

### **UMKM Concept**

UMKM are independent productive business units, carried out by individuals or business entities in all economic sectors. In principle, the distinction between Micro Enterprises (UM), Small Enterprises (UK), Medium Enterprises (UM), and Large Enterprises (UB) is generally based on the initial asset value (excluding land and buildings), average turnover per year, or the number of permanent workers (Kustanto, 2022). In detail, the concept of Micro, Small and Medium Enterprises (UMKM) refers to Law Number 20 of 2018 concerning UMKM.

Mentoring and training, often complement each other. Mentoring provides personalized guidance that can be tailored to individual needs, while training provides a more structured framework for acquiring specific skills or knowledge (Muttaqin et al., 2024). The combination of the two can create a holistic learning environment, ensuring ongoing support and coaching to achieve optimal development. In various fields, such as employee development, education, or business coaching, mentoring and training have an important role in helping individuals or groups reach their full business potential. (MAULANA, 2021).

UMKM, according to Rudjito's assessment in 2003, are companies that support the Indonesian economy. This is because UMKM will boost the country's foreign exchange through corporate taxes and open up new job opportunities. UMKM are defined as individuals who carry out economic activities with a net worth of a maximum of IDR 200,000,000.00, excluding the building and land where the business is located.

### **Digital media**

Media that is displayed online on the internet is called digital media or online media. Online media is broadly defined as any type of material, including text, images, video, and sound, that can only be accessed online (Marjuni & Harun, 2019). Online media can also be considered as an online communication tool in a broad sense. Given the broad definition of online media, social media, email, mailing lists, websites, blogs and WhatsApp all fall into this category (Listiyorini, 2017). Multimedia and telecommunications-based media are often called online media. This includes websites, portals, online mail, online press, online TV and radio, among others. Each has unique qualities based on the facilities it allows consumers to utilize (Romli, 2018).

There are several advantages that online media has compared to print and electronic media, including: Links that allow users to view content online. Customers can see the latest and freshest information. Online information is updated frequently. There are tools to produce images, movies, sound, and information online quickly and easily. able to store data online forever (Zein, 2019). People can spend a lot of time virtually thanks to the internet which is starting to be used by various groups. Using the internet as a marketing tool is known as "digital marketing". UMKM benefit greatly from digital marketing as consumers can now easily keep up with the pace of digitalization (Zebua et al., 2023). With digital marketing, one can check various commodities online



and carry out communications and transactions in real time or at any time, from anywhere in the world. For ease of ordering and the opportunity for customers to compare one product with another, most information about various products is available online (Rachmadi & Kom, 2020).

*E-marketing*, or internet marketing, is a channel that can be accessed using a computer and modem. A modem is a device that connects a computer and a telephone line to allow the computer to access various online information services (Sihombing et al., 2022). Meanwhile, e-marketing is running a business online, the most obvious example is selling goods to customers. Classify business models, there are six categories of online commercial services (e-marketing) (Yoyo Sudaryo et al., 2020). These categories include:

1. Interconnectivity, companies that provide internet connection services to his client.
2. Context Companies offering recreational and information services.
3. Content-based companies: These are companies that offer services centered on text or images.
4. Interaction of internet-based interactive media-based communication services.
5. Local company that creates online communities through message boards, web chat, web mail, and messaging media.
6. Trade plans of companies that carry out online commercial operations.

Customers can get the information they want more easily thanks to digital marketing which is increasingly developing and closely related to social media (Widyastuti, 2017). Instagram is a social media platform that falls into the category of social networks that can be accessed freely and offers information.

### **Marketing Digitalization Concept**

Financial success often depends on marketing ability. Financial operations, production or other business functions are actually meaningless if there is no demand for a product or service so that the company can generate profits or profits (Trust, 2010). So, marketing is an important factor that must be carried out by companies, businesses or producers of a product in an effort to maintain their business.

Definition of the marketing concept in two scopes. First, the definition of marketing in the social sphere and second in the managerial sphere (Saleh & Miah Said, 2019). Based on the social definition, marketing is defined as a social process in which individuals and groups obtain what they need and what they want through the creation, offering and exchange of the value of the products and services they own freely with other people. (Fathurrochman et al., 2021). In the managerial sphere, marketing is often described as "an art of selling products".

The essence of marketing is the needs and desires of individuals or groups, the existence of products and the existence of exchanges (Setiadi & Se, 2019). Marketing is preceded by desires and needs, where needs are the basic things that must be met. Meanwhile, desires are needs that are unlimited as a result of the culture and personality of the individual who needs them. A product is anything offered to satisfy needs such as goods, services, ideas, and so on (Ridwan, 2018). A product will be useful if it is able to provide value to those who need it. Needs in marketing can be met if there is an exchange of value between the owners of the needs and desires (Asmani, 2015).

Marketing digitalization is an effort to buy and sell goods or services owned by business



owners. With the digitalization of marketing, it is hoped that the market for the goods or services they provide will become more widely known and have many interested people (Hendrayani & Siwiyanti, 2021). Every human being really needs good service, in fact it is generally said that service cannot be separated from human life (Hendriana et al., 2023).

### **Marketing Strategy Concept**

Marketing strategy is an effort to market a product, be it goods or services, using certain plans and tactics so that the number of sales is higher (Haque-Fawzi et al., 2022). The definition of marketing strategy can also be interpreted as a series of efforts carried out by a company in order to achieve certain goals, because the potential to sell a proposition is limited to the number of people who know about it.

Marketing strategy has an important role in a company or business because it functions to determine the company's economic value, both the price of goods and services (Fuad, 2006). There are three factors determining the price value of goods and services, namely production, marketing, consumption. In this case, marketing is the part that connects production and consumption activities (Mayla Surveyandini, 2022).

### **Digital Platforms as Marketing Tools**

The development of digital technology has changed the marketing of UMKM from conventional to digital by utilizing social media and websites to market their products. (Syahputro, 2020). Digital marketing can simply be defined as an effort to achieve marketing goals through the application of technology and digital media. Digital marketing's most important role is to drive action and advocacy as well as results, whereas traditional marketing's focus is on initiating customer interactions (Nainggolan et al., 2023).

Using digital media is the right choice for entrepreneurs to develop their business. Ease of internet access, greater profits, cheaper costs and wider market reach are the main reasons for entrepreneurs to choose digital media as the right solution for marketing their products and services.

According to the Indonesian Digital Marketing Association, there are 10 types of digital marketing, namely:

1. Content marketing
2. Search Engine Optimization (SEO)
3. Search Engine Marketing
4. Social Media Marketing
5. Payper Click Advertising
6. Affiliate marketing
7. Email marketing
8. Instant messaging marketing
9. Radio advertisements and television advertisements.

### **METHODOLOGY**

The method used is a literature review. A literature review approach was chosen to collect, evaluate and synthesize relevant literature regarding digital platform optimization as a marketing





strategy to increase UMKM sales.

This research takes sources from journals, books, articles and all supporting references. This includes a series of activities that involve collecting relevant information from various library sources, reading and note-taking processes, and managing research data in a structured and analytical way regarding UMKM development strategies in the digital era.

The data collected includes theories, concepts, research findings and practical approaches related to the use of digital platforms in UMKM marketing. Data collection was carried out through searches in academic databases such as Google Scholar, Garuda, and other trusted online journals, as well as through official websites of related organizations and other trusted sources of information.

Data analysis is carried out by comparing, evaluating, and synthesizing information from various literature sources. A critical analysis approach is used to evaluate the suitability and accuracy of information obtained from literature sources.

The information obtained and evaluated is secondary data consisting of research results such as book publications, journals, articles, online sources and other material relevant to the topic of discussion.

## **RESULTS AND DISCUSSION**

Micro, small and medium businesses are businesses carried out by individuals with a high risk of loss if they do not carry out appropriate promotions. In many cases, small and medium businesses experience a lack of consumers due to inappropriate promotional actions. Often UMKM do not think about what the future holds for their business and they simply open a business.

After the Covid-19 pandemic, it has had a huge impact on the Indonesian economy, including UMKM. This impact is not limited to the production aspect but also the marketing aspect. At the same time, many UMKM do not yet understand effective digital marketing techniques as a solution in this post-pandemic era. There are several findings that can be discussed based on the results from several journals that are relevant to this paper. These findings include:

### **1. The Importance of Digital Marketing Strategy**

Technological developments are currently occurring very rapidly, especially the development of internet technology which has changed everything into digital form and opened up new marketing realms. Digital marketing is a combination of market research and advertising through digital online platforms such as social media. Digital marketing in online media also has outreach marketing benefits and is very profitable because it makes it easier for customers to learn about the marketing products they need. Because of its significant contribution in supporting Indonesia's economic growth.

By implementing the right digital marketing strategy, UMKM have the opportunity to expand their market reach and increase their profits in an increasingly competitive business environment. Social media has become an important tool for UMKM to compete with products from large companies. The benefits include increased brand exposure, online word of mouth promotion, increased market insight, and two-way communication with buyers. UMKM can start with free things like creating Facebook and Instagram pages, then consider paid promotions, banners, or using influencer services to expand their market reach.



## 2. **Benefits of Knowledge Source Integration using Digital Platforms**

Digital platforms play a key role in integrating strategic knowledge sources for UMKM. In the current era of digitalization, digital platforms enable the integration of strategic knowledge sources and better response to a dynamic environment.<sup>9</sup> This allows them to be more responsive to market changes and strengthen their position amidst dynamic business competition.

There are many advantages to implementing this digital marketing strategy. First, a more targeted audience, comparison of data with strategy, able to reach almost all markets, reduce costs

## 3. **Positive Impact of Digital Marketing on Consumer Purchase Interest and Income**

Digital marketing has a positive impact on consumer purchasing interest and UMKM income. Digital marketing, especially content uploaded on social media platforms such as Instagram, is the most influential indicator in increasing consumer buying interest.<sup>10</sup>

Through the use of digital platforms such as social media and e-commerce, UMKM can reach more consumers, increase brand exposure and expand their market share.

## 4. **Trends in Using Digital Platforms in UMKM Business**

The use of digital platforms, especially social media and marketplaces, is increasingly popular among UMKM. Many UMKM are starting to switch to online sales and utilize digital platforms for promotions and transactions, considering the larger market potential offered by these platforms.

Using digital media is the right choice for entrepreneurs to develop their business. Ease of internet access means greater profits, cheaper costs and wider market reach.

## 5. **Efforts to Develop Understanding and Collaboration in External Fields**

Using social media and e-commerce as marketing media requires good knowledge in this digital era to prevent risks and develop effective marketing strategies. This includes understanding consumer interactions and responses, as well as analyzing performance to improve strategy.

## **CONCLUSION**

Digitalization is described as the use of digital technology to innovate business models and provide new value creation opportunities in the industrial ecosystem. Rapid business development in Indonesia has increased competition between business actors. Where technology has become a basic need, business actors must face challenges by adopting technology and utilizing it in marketing and sales.

Digital marketing strategies play a crucial role in the success of Micro, Small and Medium Enterprises (UMKM) in Indonesia, especially in facing changes in the business landscape caused by digital technology. In facing this digital era, UMKM have a great opportunity to achieve success by utilizing existing digital platforms.

This article examines the important role of UMKM Strategy in facing the development of digitalization. Digital marketing strategies are not only important for expanding market reach and



increasing brand visibility, but also for strengthening the position of UMKM in increasingly fierce business competition. Integration of knowledge sources through digital platforms allows UMKM to be more responsive to market changes, while the use of digital platforms such as social media and marketplaces is increasingly popular among UMKM.

Several things need to be considered so that the marketing process in UMKM runs well and efficiently, namely paying attention to the factors below:

1. Marketing strategy
2. Integration of Knowledge Sources on Digital Platforms
3. Consumer Purchase Interest and Income in Digital Marketing
4. Use of Digital Platforms in UMKM Business
5. Development of External Understanding and Collaboration

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