

The Effect Of The Utilization Of Digital Marketing On The Competitiveness Of Micro, Small, and Medium Enterprises (MSMEs) In Bone District

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ABSTRACT

This study aims to determine how much influence the use of Digital Marketing has on the competitiveness of SMEs in Bone Regency. This study uses a quantitative descriptive type of research with data collection techniques through observation and questionnaires. The sample used in this study was 100 respondents. The data of this study were obtained from the results of data processing using the SPSS 25 application which consisted of validity and reliability tests, descriptive data analysis techniques and inferential analysis. The results of this study indicate that the variables of Digital Marketing Utilization and MSME Competitiveness in Bone Regency have a significant influence. This is evidenced by the results of a simple linear regression test and a correlation coefficient test of 0.600, which means that the relationship between Digital Marketing Utilization and MSME Competitiveness is good/strong. And the Coefficient of Determination Test R^2 was obtained at 0.360, which means that the influence of Digital Marketing Utilization on MSME Competitiveness in Bone Regency obtained a value of 36.0%, while the remaining 64.0% was influenced by other factors.

Keywords: Utilization, Digital Marketing, MSME Competitiveness.

INTRODUCTION

The development of the micro, small and medium enterprises (MSME) sector plays an important role in the Indonesian economy. According to the Ministry of Cooperatives and Small and Medium Enterprises (KemenkopUKM, 2021), the number of MSMEs in Indonesia reaches 64.2 million with a contribution to Gross Domestic Product of 61.07% or Rp. 8,573.89 trillion. In addition, MSMEs absorb 119.6 million people or 96.92% of the total Indonesian workforce. With their large number, ability to absorb labor and their contribution to Indonesia's GDP, MSMEs are pillars of the Indonesian

economy because of their important role in Indonesia's economic growth (Maharani. M., & Astuti, 2012).

Hasanah (2016) In global perception it is recognized that MSMEs are able to survive in driving the people's economy even though they are being hit by the monetary crisis. Along with these developments, MSMEs are required to be able to compete with other business actors. Competition will arise when there are many business people who provide superior products that are produced, competitiveness will appear by itself in improving the quality of the products or businesses that are established. The development of MSMEs is very rapid so that competition makes entrepreneurs required to be able to understand and understand what is happening in the market and know what is needed by consumers.

The existence of business pressure from strong competitors, indirectly affects the marketing performance experienced by MSMEs. Tight business competition requires companies to further improve competitiveness, because the success of MSMEs will affect their marketing performance, in today's business environment organizations need to consider market factors and technological change factors.

According to Wardhana (2015) defines competitiveness as the implementation of strategies in creating company value and is not carried out by competitors and is difficult for competitors to imitate. Global competitiveness is closely related to high levels of social learning and the ability to switch to new technologies.

Porter (1985) suggests that a business unit is said to have competitiveness if the business unit has the ability to show superior performance compared to its competitors. One of the capabilities that can increase the competitiveness of MSMEs is the use of digital marketing. Digital marketing is also defined as marketing activities that use internet-based media (Wardhana, 2015). This is due to the marketing trend that was mostly carried out by MSMEs during the Covid-19 pandemic where interactions with consumers/customers were reduced, as well as inconsistencies.

Digital marketing is one of the marketing media that is currently in great demand by the community to support various activities carried out. They are gradually starting to leave the conventional marketing model and switch to modern marketing, namely digital marketing, communication and transactions can be done at any time in digital marketing.

Based on the results of a survey conducted by the Association of Indonesian Internet Network Providers (APJII), the growth of internet users in Indonesia in 2019-2020 reached 196.71 million users, which means an increase from 2018 which reached

171.17 million users of the total population of Indonesia in Indonesia. figure of 266.91 million people. This means that the penetration of internet user growth in Indonesia in 2019-2020 reached 73.7% compared to 2018 which was 64.08%. The development factor is due to reasons for internet users, from the results of the survey by the Association of Indonesian Internet Network Providers (APJII) it was found that internet users in Indonesia use the internet for more than 8 hours a day and the highest number of users is social media 51.5%. messages, the third reason for games, and the fourth reason for online shopping (Martin, 2020).

The increase in the number of internet users and the use of digital is a great opportunity for MSME actors to market their products. Internet marketing of products can be more helpful, because the internet allows a more effective marketing process, faster response and lower costs.

This study aims to analyze and examine the effect of using digital marketing on the competitiveness of SMEs, especially in Bone Regency. This research is based on empirical phenomena that occur in the field. Based on initial observations of the impact of the Covid-19 pandemic, which caused a decrease in the number of MSMEs from 2019 to 2020, from 90,602 to 50,766 this was due to limited ability to do marketing, with a limited market, MSMEs had difficulty selling a product which resulted in a decrease in market demand and had an impact on competitiveness of SMEs.

According to research UNDP & LPEM UI (2021) found that 77% of MSMEs experienced a decrease in income and 97% experienced a decrease in assets. One of the rarities made by MSME actors in Bone Regency is to reduce the decline in income and decrease in assets by changing the business model from conventional to digital marketing, this will make MSME actors meet consumers without having to meet in person. Utilizing digital marketing for MSME actors can help make marketing cost efficiency through the use of technology so that MSME products are expected to provide affordable prices and be able to compete.

After the economic recovery after the covid-19 pandemic, various public place activities were opened, now Bone Regency MSMEs can re-market their products not only digitally but also conventionally / offline. Of course, there will be differences and comparisons when the MSME actors in Bone Regency market their products digitally and conventionally / offline and the effect on the competitiveness of MSMEs.

Therefore, based on the statement of the problem, the researcher is interested in conducting a deeper study with a research entitled "The Effect of Digital Marketing Utilization on the Competitiveness of Micro, Small, Medium Enterprises (MSMEs) in Bone Regency".

RESEARCH METHODS

This study uses a quantitative approach because this research is presented with numbers. The purpose of this quantitative approach is to establish facts, test theories, show relationships between variables, provide statistical descriptions, estimate and predict the results. The type of research used is descriptive quantitative research. In this study, the variables studied were the influence of the use of digital marketing on the competitiveness of MSMEs, which is a descriptive study because it aims to create a description or description of the facts and characteristics of a population and sample systematically, factually and thoroughly. According to Sugiyono (2013), quantitative descriptive will be used to analyze data by describing or describing the data collected as they are without making generally accepted conclusions and generalizations. This research will basically examine the hypothesis and make an interpretation of the effect of the independent variable on the dependent variable.

The population in this study was 18,510 active MSME units in Bone Regency and used a sample with the slovin formula. according to Arikunto (2019) states that the sample is part or representative of the population to be studied. The number of samples used in this study is 100 MSME units. Data collection techniques used through observation, and questionnaires. The data that has been obtained from the research results are processed using the SPSS 25 software application which consists of validity & reliability tests, descriptive analysis techniques and inferential statistical analysis.

RESEARCH RESULT

Descriptive Statistical Analysis

The results of the data description in this study aim to provide an overview or explanation of the research that has been carried out in the field. Researchers used an instrument in the form of a questionnaire to collect research data. The questionnaire consists of 22 questions in the form of statements with five alternative answers with details on the number of questions for the Digital Marketing Utilization variable (X), namely 9 questions and 13 questions for the MSME Competitiveness variable (Y). Then, respondents' answers from the questionnaire were recapitulated or tabulated to find out the value of the questionnaire based on the frequency of respondents' answers and the percentage of respondents' answers to each question.

a. Description of Digital Marketing Utilization

The data presented in this study is the data obtained as a means of scoring from the research questionnaire derived from the variable of Digital Marketing Utilization. According to Anwar (2021) the variable of Digital Marketing Utilization consists of 4 indicators, namely: (1) Marketing content; (2) Ease of access; (3) Information Sources; (4) Social Media. Here's a table of score achievement levels:

Table 1 Summary of Data Analysis Per-Indicator of Digital Marketing Utilization Variables

Variable Indicator X	Persentase (%)	Category
Marketing content	86,6	Very Good
Ease of access	94,2	Very Good
Information Sources	79,0	Good
Social Media	88,6	Very Good
Level of Achievement Average indicator variable X	87,1	Very Good

Source: Data processing, 2022

Furthermore, the four indicators of Digital Marketing Utilization will be described as follows:

1. Marketing content

The results of the respondents' achievement level data on the marketing content sub-indicator get a percentage of 86.6% which is in the very good category

2. Ease of Access

The results of the respondents' achievement level data on the ease of access sub-indicator get a percentage of 94.2% which is in the very good category

3. Information Source

The results of the data on the level of achievement of respondents on the sub-indicator of information sources get a percentage of 79.0% which is in the good category.

4. Social media

The results of respondents' achievement level data on social media sub-indicators get a percentage of 88.6% which is in the very good category.

The discussion of the indicators above results in the total percentage of Digital Marketing Utilization as a whole, which is 87.1% which is included in the Very Good category.

b. Description of MSME Competitiveness

The data presented in this study are data obtained as a scoring tool from research questionnaires originating from the MSME Competitiveness variable. According to Harefa (2014) the customer satisfaction variable consists of 6 indicators, namely: (1) Human Resource Ability; (2) Type of Technology Used; (3) Competitor Environment; (4) Consumer Satisfaction; (5) Productivity; and (6) Regional Potential. Here's a table of score achievement levels:

Table 2 Summary of Data Analysis Per-indicator of MSME Competitiveness Variables

Variable Indicator Y	Persentase (%)	Category
Human Resource Ability	86,6	Very Good
Type of Technology Used	92,2	Very Good
Competitor Environment	87,6	Very Good
Consumer Satisfaction	89,8	Very Good

Productivity	89,8	Very Good
Regional Potential	91,6	Very Good
Level of Achievement Average indicator variable Y	89,6	Very Good

Source: Data processing, 2022

Furthermore, the six indicators of MSME Competitiveness will be described as follows:

1. Human Resources Capability

The results of the respondents' achievement level data on the Human Resource Capability sub-indicator get a percentage of 86.6% which is in the Very Good category.

2. Type of Technology Used

The results of the respondent's level of achievement data on the sub-indicator of the Type of Technology Used get a percentage of 92.2% which is in the Very Good category.

3. Competitor Environment

The results of the respondents' achievement level data on the Competitor Environment sub-indicator get a percentage of 87.6% which is in the Very Good category.

4. Consumer Satisfaction

The results of respondents' achievement level data on the sub-indicator of Consumer Satisfaction get a percentage of 89.8% which is in the Very Good category.

5. Productivity

The results of respondents' achievement level data on the productivity sub-indicator get a percentage of 89.8% which is in the Very Good category.

6. Regional Potential.

The results of respondents' achievement level data on the Regional Potential sub-indicator get a percentage of 91.6% which is in the Very Good category.

The discussion of the indicators above results in the total competitiveness of SMEs as a whole, which is 89.6% which is included in the Very Good category

Inferential Statistical Analysis

The results of the research collected for both the dependent variable (Y) and the independent variable (X) which were then processed using the help of SPSS calculations stated that the correlation test between the use of Digital Marketing and the Competitiveness of SMEs in Bone Regency obtained a Pearson correlation of 0.600 which was in the interval 0 .60-0.799 means that the use of Digital Marketing has a good/strong significant relationship to the competitiveness of SMEs. Then proceed with a simple linear regression test by getting the equation $Y = 28.326 + 0.773X$, the constant value of the regression equation is positive which means that if the variable of Digital Marketing utilization remains or equals zero, then the value of MSME Competitiveness is 28.326. Likewise, the regression coefficient shows the direction of a positive influence where every one unit increase is a significant increase of 0.773 with the assumption that other variables are fixed. Furthermore, to measure the percentage of

the effect given, the coefficient of determination test is carried out, in this test obtained an R Square of 0.360 which means that the influence of the use of Digital Marketing on the Competitiveness of SMEs in Bone Regency is 36.0% while the remaining 64.0% is influenced by other factors not included in this study.

This research is in line with research conducted by Simamora et al., (2020) which found that digital marketing has an influence on the competitiveness of MSMEs and also Wardhana's research (2015) which examined 21 MSMEs that had gone-line and found that digital marketing strategies had an influence on the competitiveness of SMEs. on the competitiveness of SMEs.

CONCLUSION

The use of digital marketing in Bone Regency is included in the very good category, where the majority of respondents chose to strongly agree on the question based on four indicators formulated in digital marketing variables, namely marketing content, ease of access, and social media. However, on the indicator of sources of information, the majority of respondents chose to agree or fall into the good category. For the variable of MSME competitiveness in Bone Regency, it is included in the very good category, where the majority of respondents chose to strongly agree on the question based on the six indicators formulated on the MSME competitiveness variable, namely the ability of human resources, the type of technology used, the competitor environment, consumer satisfaction, regional productivity and potential. The results of this study indicate that the use of digital marketing has a significant effect on the competitiveness of MSMEs in Bone Regency, this is evidenced by the results of a simple linear regression test and a correlation coefficient test of 0.600 which means that the relationship between Digital Marketing Utilization and MSME Competitiveness is good/strong. . And the Coefficient of Determination Test R^2 was obtained at 0.360, which means that the influence of Digital Marketing Utilization on MSME Competitiveness in Bone Regency obtained a value of 36.0%, while the remaining 64.0% was influenced by other factors.

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