

Digital Marketing Analysis on UMKM Snacks

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Abstract

This study aims to analyze the application of digital marketing in micro, small, and medium enterprises (MSMEs) within the snack food sector, and its impact on business performance. Using a qualitative method with in-depth interviews, observations, and documentation study, this research explores the digital marketing strategies implemented by five MSME snack business owners, along with the challenges and outcomes they experienced. The results show that most MSME snack businesses have utilized digital platforms, particularly social media like Instagram and Facebook, as well as e-commerce platforms like Tokopedia and Shopee, to promote their products. Strategies include the use of engaging visual content, discounts, and partnerships with micro-influencers. Despite challenges such as limited knowledge, budget, and time, the impact of digital marketing has proven significant, especially in increasing product visibility, sales, and customer loyalty. Therefore, digital marketing offers great potential for MSMEs to expand their market reach and enhance business performance. The study also recommends improving digital literacy and leveraging advanced marketing features to maximize the potential of digital marketing for MSMEs.

Keywords: Digital Marketing, social media, e-commerce, MSME Snacks

1. Introduction

In today's digital age, marketing strategies have transformed, especially among micro, small and medium enterprises. One that benefits from digital marketing is the hawker industry. In the age of the internet and social media, hawker MSMEs can now reach more markets and at the same time achieve increased brand visibility. Digital marketing provides various tools and techniques that make it easier for hawker MSMEs to promote their products. An effective digital marketing strategy for MSMEs is a strategic tool that can be used by businesses, policy makers, and other stakeholders to design and implement measurable and targeted programs that support the acceleration of digital transformation (Cheren, 2022). However, insight center data shows that there are still many MSMEs that have not utilized social media as a marketing medium, as many as 66.5% still rely on offline branches. Therefore, MSME players must try new things such as digital marketing by creating social media accounts and collaborating with markets to increase marketing creativity (Khansa Al Hafiz et al., 2023). MSMEs themselves can be an effective solution to maintain economic dynamism and increase people's income to meet their daily needs (Rahman & Hadiyati, 2023)

Digital marketing is one of the marketing strategies currently carried out by companies with very large investments (Nuseir et al., 2023). Digital marketing has the ability to help businesses develop and increase sales (Dayat & Sirodjudin, 2023). By using digital platforms such as social media, websites, and mobile applications, businesses can build brand awareness and obtain relevant customers who are interested in snack products. Thus, analyzing digital marketing in Jajanan MSMEs is relevant, among other things, to understand how marketing strategies function effectively. Despite the enormous potential of digital, not all MSMEs, including those in the snack sector, have the capacity to understand and implement effective digital strategies.

Many MSME entrepreneurs still rely on traditional marketing such as direct word-of-mouth sales.

Therefore, conducting an in-depth analysis of the application of digital marketing in Jajanan MSMEs to understand how digital marketing impacts business performance, especially in terms of brand awareness, sales growth and customer loyalty. This research aims to analyze the application of digital marketing in Jajanan MSEs. The focus is on understanding how various digital platforms are used, the challenges faced by MSME entrepreneurs, and the opportunities that can be utilized to improve business competitiveness and sustainability. Through a case study approach and interviews with hawker business owners who have used digital marketing, it is hoped that this research can provide deeper insights into the effectiveness of implementing digital marketing strategies in the context of hawker MSMEs.

2. Literature Review

Digital Marketing. Digital marketing according to Coviello, Milley And Marcolin (2001) is the use of the internet and the use of other interactive technologies to create and connect dialog between companies and consumers who have been identified. Digital marketing or internet marketing is the use of electronic data and applications to plan and implement concepts, sales, promotions, pricing and create exchanges that meet personal and organizational goals (Untari & Fajariana, 2018). Internet marketing is a form of business in which marketers promote their products and services and build relationships with customers through internet media. Digital Marketing is a marketing strategy that uses digital platforms and technologies to promote products or services to consumers. This method utilizes various digital channels such as the internet, social media, search engines, email, and mobile applications to reach a wider and more specific audience. Digital marketing encompasses a wide range of activities and techniques. Digital marketing allows businesses to reach audiences more efficiently and measurably compared to traditional marketing methods. With the use of data and analytics, companies can adjust their strategies to meet the changing needs and preferences of consumers, thus increasing their chances of success in a competitive market. The utilization of digital marketing in the development of MSMEs not only has the potential to expand market reach, but also improve operational efficiency and provide various opportunities for innovation. In today's digital era, consumers increasingly rely on online platforms to search for products and services, making digital presence essential to the success of MSMEs (Priska Ambarita et al., 2024).

Social Media. Social media combines communities built on social networks with extensive cyberspace elements in online service products such as blogs, discussion forums, chat rooms, email, and websites (Sari et al., 2018). According to Thoyibie (2010), social media is content containing information, created by people who utilize publishing technology, is very accessible and is intended to facilitate communication, influence and interaction with others and with the general public. In essence, with social media we can carry out various two-way activities in various forms of exchange, collaboration, and mutual acquaintance in written, visual, and audio-visual forms. Social media can be used as a way to grow a business and even maintain the existence of a business. Of course, social media also acts as an intermediary for businesses and consumers by communicating the products they sell and the company profile (Herdiyani et al., 2022). Social media accelerates conversation as opposed to traditional media, which delivers content but does not allow media consumers, such as readers, viewers or listeners to participate in the development and dissemination of content. Various social media platforms

have been found such as Twitter, Facebook, Instagram and so on.

E-commerce. E-commerce is the distribution, buying, selling, marketing of goods and services through the web or computer networks. All components in trade are applied to E-commerce such as customer service, product services, payment methods and promotion methods. The development of an increasingly advanced web is one of the driving factors for the development of E-commerce (Hermiati et al., 2021). E-commerce is an electronic buying or selling activity carried out on a web network. E-commerce looks more real, with the need for sellers and buyers to make transactions (Hermiati et al., 2021).

Snack MSMEs. MSMEs (Micro, Small and Medium Enterprises) are productive businesses owned by individuals or business entities that have met the criteria as micro enterprises (Ternando, 2022). As stipulated in legislation No. 20 of 2008, in accordance with the definition of MSMEs, the criteria for MSMEs are distinguished respectively, including micro, small and medium enterprises. Micro, Small and Medium Enterprises (MSMEs) are a group of businesses that have a very important role in the Indonesian economy, with an estimated number of micro business actors mostly engaged in the informal sector (Hartomo, 2014). MSMEs have grown rapidly in product innovation, marketing strategies, corporate governance, and other important business aspects. Many creative ideas have sprung up in the field of culinary MSMEs such as snacks (Deri, 2024). Snack MSMEs are micro, small and medium enterprises engaged in the production, distribution and sale of snacks or snacks. These hawker MSMEs often play an important role in meeting the daily needs of consumers, both in traditional markets and digital platforms such as social media or e-commerce.

3. Research Method

This research method uses qualitative research methods. Qualitative research is a research method used to examine and understand the behavior of individuals or groups, and social phenomena in natural conditions ((Rohman et al., 2023)natural), so that descriptive data is obtained in the form of oral and / or writing . Then interpreted descriptively to understand the meaning of a much deeper understanding of qualitative research, Interviews were conducted in a semi-structured manner with a duration of between 30-45 minutes per participant. Through qualitative methods with in-depth interviews, observations, and documentation studies, this research explores the digital marketing strategies implemented by five hawker MSME owners, as well as the challenges and outcomes they experienced. The focus of this research was to describe the situation as it existed at the time. In descriptive research, no treatment is given or controlled as in experimental research.

4. Findings and Discussions

4.1 Implementation of Digital Marketing in Snack MSMEs

Based on data collection through interviews, observations and literature review, it can be concluded that the application of digital marketing in the Jajanan MSMEs studied varies by industry. Variations have been developed depending on company type, resources, and managers' understanding of digital marketing levels. Overall, most of the surveyed hawker MSMEs use digital platforms to market their products, albeit with varying levels of understanding and intensity.

- **Social media as a key advertising tool** Social media platforms such as Instagram and

Facebook are widely used by snack MSMEs to promote their products. Most snack companies use Instagram to display appetizing product photos, use the Stories feature, and use relevant hashtags to reach a wide audience. In addition, the Instagram Reels and Facebook Ads features are also utilized by some MSME players to create more interactive content and target specific audiences. One of the snacks MSMEs studied used Instagram to showcase its products with a consistent and attractive visual theme and held giveaways to attract new consumers. The use of social media has proven to be more effective in increasing awareness and reaching a larger market than relying solely on offline advertising.

- **E-commerce platforms and online stores** Some Jajanan MSMEs also use e-commerce platforms such as Tokopedia, Shopee and Bukalapak to sell their products online. On these platforms, have official stores that make it easy for consumers to buy products directly and also utilize promotional features such as flash sales and discounts to attract buyers. For example, Jajanan MSMEs utilize Tokopedia to provide special prices on their products and free shipping for purchases above a certain amount, making them very popular with consumers. However, not all Jajanan MSMEs utilize e-commerce optimally. Some economic operators use the platform only as an additional channel, without fully utilizing features such as paid advertising management and sales data analysis.
- **Content Marketing and Product Education** Some Snack MSMEs use education-based content to attract consumers. For example, some snack companies upload videos on how their products are made and the natural ingredients used to make their snacks. This approach aims to increase consumer confidence in product quality. In addition, there are also MSMEs that create fun content such as memes and short videos that are not only funny but also related to their products.

4.2 Digital Marketing Strategies

Used by Jajanan The various digital marketing strategies used by MSMEs are reflected in the following interview and observation findings.

- **Micro-influencers with a small number of followers (around 1,000 to 10,000)** are considered effective in attracting the attention of a more fragmented and engaged audience. For example, one of the analyzed snack food companies works with local influencers to promote its products through Instagram. Influencers post photos of the products as well as reviews on the taste and quality of the snacks. This partnership takes the form of providing free products in exchange for promotion.
- **Discount and Promotion-Based Marketing** Many hawker MSMEs provide discounts and special offers to customers who purchase their products online. Most of these strategies are implemented on e-commerce platforms, using coupons and discounts to attract first-time buyers or encourage customers to buy in bulk. In addition, hawker MSMEs also hold flash sales on social media to create a sense of urgency and increase sales within a certain time frame.
- **Actively engage with customers** Engaging with customers through social media is also an integral part of your digital marketing strategy. Some hawker MSMEs show

that they actively respond to comments, answer customer queries, and interact with consumers through direct messaging features on Instagram and Facebook. Some companies also conduct surveys and quizzes on social media to increase audience engagement and gather feedback from customers about their products and services.

- **Paid Ads** Some hawker MSMEs have started allocating budget for paid ads on platforms such as Instagram and Facebook. These paid ads are used to promote new products, increase traffic to your social media accounts, or maximize sales on your e-commerce platform. Most hawker MSMEs that use paid ads have increased awareness of their products despite having a limited budget.

4.3 Challenges in implementing marketing

While digital marketing offers many benefits to hawker MSMEs, this research also identified some important challenges that businesses face when implementing digital marketing strategies

- **Have a deep understanding of effective digital marketing strategies.** Most entrepreneurs manage their digital marketing with a less structured approach, based on experience and trial and error. Many MSMEs are unable to realize the full potential of digital marketing due to a lack of knowledge about data analysis, SEO, and database marketing.
- **Time and effort constraints** Many hawker MSMEs are run by individuals or families who struggle to allocate enough time and resources to manage their digital marketing consistently. Busy tasks like producing and distributing products often distract you from managing an effective online marketing campaign.
- **Intense competition** Digital marketing offers wider market opportunities, but hawker MSMEs also have to compete with thousands of similar businesses using the same strategies. This creates fierce competition, especially on social media platforms where many other brands are trying to attract consumers' attention.
- **Limited advertising budget** Most hawker MSMEs do not have a large budget for paid advertising campaigns on social media and e-commerce platforms. Some MSMEs try to utilize paid advertising, but due to budget constraints, the results achieved are less than optimal and only reach a limited audience.

4.4 The Impact of Digital Marketing on the Performance of MSMEs

From the analysis, digital marketing has a positive impact on the performance of hawker MSMEs in several aspects.

- **Increase brand awareness** The use of social media, especially Instagram and Facebook, has helped many hawker MSMEs increase awareness of their products. The use of attractive and consistent graphics makes MSME products more recognized by potential consumers.
- **Increased sales** Several MSMEs that implemented digital marketing strategies reported increased sales. For example, MSMEs that use e-commerce platforms and offer discount promotions and free shipping generate higher sales than before.
- **Customer Loyalty** Active interaction with customers on both social media and e-

commerce can help increase customer loyalty. Consumers who feel valued and receive prompt service through digital marketing are more likely to make repeat purchases and recommend products to others.

5. Conclusion

Based on the findings of this study, it can be concluded that the application of digital marketing in snack food MSMEs has a significant impact on increasing visibility, sales, and customer loyalty. While challenges such as limited knowledge and resources still exist, the utilization of digital platforms such as social media and e-commerce can help snack food MSMEs expand their market reach and compete with larger companies.

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