

The Influence of Digital Marketing Strategy in the Development of MSMEs on Economic Growth 2018 – 2022 (Case Study of Digital Advertising MSMEs in Jakarta)

Rizkia Putri Amalia Zukari
Bina Nusantara University

Rudy Aryanto
Bina Nusantara University

Abstract: This research examines the influence of digital marketing strategies on the development of Micro, Small and Medium Enterprises (MSMEs) and their contribution to economic growth with a focus on the 2018-2023 period in DKI Jakarta. This research investigates how digital marketing empowers MSMEs to expand their reach, increase customer engagement, and ultimately drive business growth. By analyzing the case of MSMEs in Jakarta that utilize digital advertising, this research aims to explain the correlation between effective digital marketing strategies and economic development. The results of the research on the relationship between digital marketing strategies in MSMEs and economic growth in DKJ Jakarta have a significant positive influence or relationship on both the variable number of MSMEs on GDP per capita and the variable of MSME workforce on GRDP per capita DKJ Jakarta 2018 - 2022.

Keyword: Digital Marketing, MSMEs, Economic Growth

1. INTRODUCTION

Technology has experienced extraordinary progress and has become an inseparable part of human life today. The development of science and technology is interrelated, encouraging the creation of various new innovations. This innovation aims to provide convenience, positive benefits, and become the newest solution in various human activities. Indonesian people have also experienced many benefits from various technological innovations that have emerged in the last decade. The fact that so many people in Indonesia utilize the internet attests to the convenience that has been brought about by the advancement of contemporary technology. The internet has become an inseparable part of many people's lives, including the use of social media. Based on data from the Asosiasi Penyelenggara Jasa Internet Indonesia (APJII), it shows that internet users in Indonesia will reach 221 million people in 2023, placing Indonesia in third place with the most internet users in Asia.[1]

Digital technology and the internet provide practical, easy and efficient solutions for marketing activities in the midst of busy daily lives. Marketing communication strategies are the key to marketing products, both online (display to face) and offline (face to face). Implementing appropriate and fast communication strategies within a company can avoid losses due to ineffective and inefficient promotions. Internet advertising is widely used as an intermediary for marketing communications, and social media has become a popular platform for promoting products or services. The digital era has brought major changes in various aspects of life, including the business world. Micro, Small and Medium Enterprises (MSMEs) as one of the important pillars of the Indonesian economy need to adapt to this digital era so that they can continue to develop and increase their contribution to national economic growth. The economic growth of a country cannot be separated from regional economic development activities. Regional economic development is a process by regional government and the private sector in creating new jobs and also stimulating the development of economic activities in a region.[2]

Digital marketing is a marketing activity that uses digital media and the internet to reach target markets and achieve marketing goals. Digital marketing can be done through various online platforms such as websites, social media, email marketing, search engine optimization (SEO), and paid advertising.[3] Digital Marketing is becoming a favorite in the modern marketing world. Many people choose it to support various buying and selling activities. Conventional

marketing is starting to be abandoned and replaced by Digital Marketing which is more modern and practical. The scope of marketing with Digital Marketing is much wider, and communications and transactions can be carried out at any time in real time. One of the key areas of the Indonesian economy is the micro, small, and medium-sized enterprise sector. According to figures from the Ministry of Cooperatives and SMEs, MSMEs would account for 60.5% of the country's GDP in 2023.[4] MSMEs are the largest business actors, accounting for 99.9% of the total national workforce absorption in Indonesia. Data from the Ministry of Cooperatives and SMEs in 2023, the number of Micro, Small and Medium Enterprises will reach 67 million MSMEs in Indonesia.[5] In comparison to other commercial entities, the national workforce is absorbed by MSMEs, which is why empowering MSMEs has been shown to be a driving force for the national economy. This demonstrates how MSMEs can lower poverty and unemployment in Indonesia.

One of the current uses of digital marketing that has had significant development or success in Indonesia is e-commerce, apart from that, digital advertising has become a very important tool for business people to reach target markets and achieve marketing goals with the various benefits offered. Digital advertising will continue to develop and become an important part of marketing strategies in the future. Digital advertising is the practice of promoting products or services using digital platforms and technology. Advertisements are displayed to audiences through various online channels, such as: Websites, Search engines, Social media, Email, Mobile applications.[6] The main goal of digital advertising is to reach a specific target market, increase brand awareness, generate prospects (potential customers), and ultimately encourage sales or conversions.

Based on the background explanation above, the researcher wants to analyze the influence of digital marketing strategies in developing MSMEs on economic growth, as well as identifying digital marketing strategies that are effective in increasing the economic growth of MSMEs in Jakarta. Apart from that, it is also to find out the obstacles faced by MSMEs in implementing digital marketing strategies. Lastly, namely to formulate solutions to overcome obstacles in implementing digital marketing strategies in MSMEs.

2. LITERATURE REVIEW

Digital Marketing Strategy

Digital marketing is the use of various online platforms or media such as social media, email and various other online platforms to promote, market and communicate a product or service. The main goal of digital marketing is to increase sales and attract the attention of potential customers. Digital Marketing has a broad definition with various concepts and different implementation systems. According to Chaffey (2011) digital marketing is digital marketing which is a form of company business in marketing its products and services using digital technology online to get a global and specific market.[10] Digital Marketing strategies will continue to develop with developments in technology and information. The company will also continue to update and innovate to survive in this dynamic market. Digital marketing is not just about advertising, but also interacting with potential customers and building long-term relationships. Digital marketing has an important role in the modern business world and plays a core role in attracting the attention of visitors to online platforms and websites that market the product.[11]

Enterprises, Micro, Small, Medium (MSME)

Micro, Small, and Medium-Sized Enterprises (MSMEs) frequently employ digital marketing techniques. According to Law of the Republic of Indonesia No. 20 of 2008, MSMEs are defined as productive businesses owned by individuals or individual business entities that meet the requirements of the law to qualify as micro businesses and have a net worth of up to IDR 300 million, with a maximum of IDR 50 million.[12] A stand-alone, profitable economic enterprise run by a person or even one that is owned, controlled, or a direct or indirect component of a medium-sized or big enterprise that satisfies the requirements for small business as defined by this legislation is considered a small business. starting at IDR 50 million and going up to IDR 500 million at most. Menengah business is a productive

economy that operates independently of firms and is run by people or even companies that are not subsidiaries or branches. The net worth of medium-sized businesses can reach up to IDR 10 billion.[13] According to Sumodiningrat, the success indicators used to measure the implementation of community empowerment programs within the scope of Small and Medium Enterprises include the following: (1) Number of MSMEs; (2) Absorption of MSME labor; (3) MSME capital; (4) Profit or benefits obtained by MSMEs.[14]

Economic Growth

Economic growth can be interpreted Economic growth quantifies the accomplishments of an economy's development throughout time, just as the expansion of economic activity leads to an increase in the quantity of products and services produced in society and an increase in its affluence. A nation's capacity to generate products and services will rise because of improvements in the quantity and quality of production elements. Aside from that, there is a growing workforce due to rising levels of education and population development, as well as expanding investments in capital goods and technology.[15] An economy's ability to produce more commodities and services is referred to as economic growth. Economic growth is a crucial metric for assessing a nation's economic progress since it indicates the degree to which economic activity will raise the general public's standard of living within a given time frame.[16]

A country sometimes experiences slow economic growth and sometimes also experiences rapid growth. Here's how to calculate the economic growth rate, namely as follows:

$$g = \frac{GDP_1 - GDP_0}{GDP_0} \times 100\%$$

Information:

g = level (percentage) of economic growth

GDP_1 = (gross domestic product or gross domestic product or briefly

GDP = Real national income (national income calculated at fixed prices achieved in one year (Year 1).

GDP_0 = Real national income in the actual year (0).

3. METHOD

Research Design

Types of Research

This kind of research combines a quantitative methodology with qualitative and descriptive analysis. The goal of descriptive research is to produce an organized, factual, and precise account of the features and circumstances of the people living in a certain location. The process begins with data collection, analysis, and interpretation.[17] Causality research is research that explains the relationship between variables by changing one variable and causing changes in other variables without the possibility of the opposite effect.[18] This research is quantitative research which aims to reduce data into numbers. This research uses a lot of numbers starting from collecting data, interpreting data and interpreting data from the results of data management. The scope of this research is to analyze the influence of digital marketing strategies in Advertising MSMEs which will be the independent variable and Economic Growth as the dependent variable.

Research Sites

This research will focus and be carried out in the Jakarta Special Region with research data collection points regarding digital advertising MSMEs registered in DKI Jakarta on the BPPBJ Jakarta e-order platform and workforce data obtained from BPS Jakarta through open data, namely the website.

Research variables, Population, Sample

The independent variable used in this research is Digital Marketing Strategy in MSMEs (Variable X), while the dependent variable used in this research is Economic Growth (Variable Y).

In accordance with the research title "The Influence of Digital Marketing Strategy in MSMEs on Economic Growth in digital advertising MSMEs in Jakarta for the period 2018 - 2023, the population in research on economic growth in Jakarta Province from 2018 - 2023 as well as the number of digital advertisings MSMEs and the number of workers in each district /city in Jakarta Province. The sample in this research is the number of MSMEs and workers as well as data on economic growth per capita inside the administrative cities of Central Jakarta, East Jakarta, West Jakarta, North Jakarta, South Jakarta, and East Jakarta.

Data Management and Analysis Techniques

In this research, time series data is used, namely data arranged based on the time sequence of events.[19] Time Series data covers all MSMEs in 5 Administrative Cities in Jakarta Province during 2018 – 2023. Data analysis in this research will use the SPSS version 25 software application. The steps in data analysis are: (1) The Kendall Tau and Spearman tests are tests that have The aim is to test the level of closeness between the independent and dependent variables ordinally. The Kendall Tau test is better to use compared to Spearman if the data is normally distributed, while the Spearman test is better to use if the data is not normally distributed. After carrying out the normality test to choose between Kendall Tau or Spearman, you can then see the value of the magnitude of r and its significance. The amount r shows the level of closeness between two variables or more, while the significance is used for hypotheses with the condition <0.05 which can be said to have a significant effect; (2) Normality test, namely a test to test independent variable data (X) and dependent variable data (Y) in the resulting regression equation. Normally distributed or not. The normality test used in this research is Kolmogorov-Smirnov with the provisions that the variable is normally distributed if the sig value is > 0.05 , and the variable is not normally distributed if the sig value is < 0.05 ; (3) Multicollinearity test, namely a classification assumption test which aims to predict the influence of each indicator or dimension. The condition is that if the correlation coefficient value is greater than 0.60, it can be said that multicollinearity occurs, and if it is less than 0.60, multicollinearity does not occur.

Furthermore, after the class assumption test has been carried out, hypothesis testing can be carried out with two main tests, namely (1) T test, namely the t statistical test to show how far individual explanatory or independent variables are in explaining variations in the dependent variable. The condition is that if the $t\text{-count} > t\text{-table}$ then each independent variable studied has a positive influence on the dependent variable and if $t\text{-count} < t\text{-table}$ then there is no positive influence between the dependent variable and the independent variable; (2) The F-test is a statistical tool used to determine whether all of the independent variables in a model have an effect on the dependent variable simultaneously or jointly. The test's limitations state that if $F\text{-count}$ is less than $F\text{-table}$, H_a is rejected and H_0 is accepted, or if all of the independent variables have no effect on the dependent variable, or if $F\text{-count}$ is greater than $F\text{-table}$, H_a is accepted and H_0 is rejected, indicating that the independent variables have a joint effect on the dependent variable.

4. RESULT AND DISCUSSION

Classic Assumption Test

In this research, the data used is secondary data from data on the number of MSMEs in DKJ Jakarta Province which use the BPPBJ DKJ Jakarta e-order from 2018 - 2022 as an independent variable or X_1 , following data on the number of MSMEs in DKJ Jakarta:

Table 1. Data on the number of MSMEs in DKJ Jakarta Province 2018 – 2022

Wilayah	Tahun				
	2018	2019	2020	2021	2022
Jakarta Selatan	6831	13780	13298	11108	10174
Jakarta Utara	5419	11078	9761	17036	9143
Jakarta Barat	12244	16969	15929	10035	15297
Jakarta Timur	7390	14187	13524	19729	14040
Jakarta Pusat	5588	6322	6025	11413	6160
Kepulauan Seribu	378	593	480	480	349
DKJ JAKARTA	37850	62929	59017	69801	55163

Furthermore, data on the number of workers in MSMEs in DKJ Jakarta Province from 2018 - 2022 as an independent variable or X2 is as follows:

Table 2. Number of MSME workers in DKJ Jakarta 2018 – 2022

Wilayah	Tahun				
	2018	2019	2020	2021	2022
Jakarta Selatan	19376	33785	28562	28628	24466
Jakarta Utara	19133	36407	31305	28226	28473
Jakarta Barat	12244	77537	73773	62089	65499
Jakarta Timur	23761	42016	41404	38166	34442
Jakarta Pusat	64497	23842	18688	20596	21579
Kepulauan Seribu	621	1143	1014	767	506
DKJ JAKARTA	139632	214730	194746	178472	174965

Next, the economic growth data seen from the GDP Per Capita DKJ Jakarta 2018 – 2022 as the dependent variable (Y), namely:

Table 3. GDP Per Capita DKJ Jakarta 2018 – 2022

PDRB Per Kapita	Tahun				
	2018	2019	2020	2021	2022
Jakarta Selatan	260945	283969	289569	299330	730224
Jakarta Utara	271806	288449	279767	300342	587224
Jakarta Barat	168585	168094	192975	202371	540696
Jakarta Timur	155398	168094	155287	163795	546887
Jakarta Pusat	690857	769827	665829	682994	794935
Kepulauan Seribu	338932	317724	234079	292214	101346
DKJ JAKARTA	247678	268052	262702	274709	318646

This data will be used to determine the influence of digital marketing strategies in DKJ Jakarta MSMEs on the economic growth of DKJ Jakarta from 2018 - 2022. To find out this, data analysis was carried out using the SPSS Version 25 application. The initial data analysis carried out was a normality test with the condition that if Sig value. (2-tailed) > 0.05 then the data is normally distributed but if the Sig. (2-tailed) < 0.05 with the following results using the One-Sample Kolmogorov-Smirnov Test for normality:

Table 4. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		5
Normal Parameters ^{a,b}	Mean	0,0000000
	Std. Deviation	25258,958
Most Extreme Differences	Absolute	0,344
	Positive	0,344
	Negative	-0,270
Test Statistic		0,344
Asymp. Sig. (2-tailed)		.054 ^c
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

From table 4 above it can be seen that the Sig. (2-tailed) of 0.054 is greater than 0.05 or $0.054 > 0.05$ so it can be concluded that the data for each variable is normally distributed and can be continued with a multicollinearity test using SPSS version 25 provided that the VIF value is < 10 and the Tolerance value more than 0.01, it is concluded that there is no multicollinearity problem. The results of data analysis for the multicollinearity test can be seen from the following table:

Table 5. Coefficients

Variabel	Collinearity Statistics	
	Tolerance	VIF
Jumlah UMKM	0,920	1,089
Tenaga Kerja UMKM	0,920	1,089

From Table 5 above, the Tolerance value is more than 0.01, namely 0.919 and the VIF value is less than 10, namely 1.088, so it can be concluded that there is no multicollinearity problem. After all the classical assumption tests have passed the test or met the requirements, hypothesis data analysis can be carried out using the Kendall's Tau test to determine the relationship between digital marketing strategies, in this case there are two variables, namely the number of MSMEs and the number of workers in MSMEs and the economic growth variable with the variables GDP per capita in DKJ Jakarta Province 2018 – 2022.

Hypothesis Testing

In obtaining research results, a time series hypothesis test was carried out using the Kendall Tau Test, this was done because the time series data was normally distributed. From these data, the results of research and calculations using SPSS Version 25 are as follows:

Table 6. Hasil Uji Kendall Tau

		X1	X2	Y	
Kendall's tau_b	Jumlah UMKM	Correlation Coefficient	1,000	,200	,400
		Sig. (2-tailed)		,624	,034
		N	5	5	5
	Tenaga Kerja UMKM	Correlation Coefficient	,200	1,000	,543
		Sig. (2-tailed)	,624		,023
		N	5	5	5
	PDRB Perkapit a	Correlation Coefficient	,400	,543	1,000
		Sig. (2-tailed)	,034	,023	
		N	5	5	5

From Table 6 above in the Sig row. (2-tailed), the results of the Kendall Tau correlation test for the digital marketing strategy variable, namely the number of MSMEs, show a significance of 0.034, which means the value is smaller than 0.05. So it can be interpreted that there is a significant relationship between the number of MSMEs and the GDP per capita of DKJ Jakarta Province in 2018-2022. The closeness between the variable number of MSMEs and GRDP per capita can be seen through the correlation coefficient line with a value of 0.400 which is included in the sufficient closeness category. Furthermore, for the digital marketing strategy variable, namely MSME labor, it shows a significance of 0.023, less than 0.05, so it can be concluded that there is a significant relationship between MSME labor in Jakarta DKJ Province and GDP per capita in 2019 - 2022. Closeness between the MSME labor variable with GDP per capita, it can be seen from the correlation coefficient of 0.543, which is included in the strong relationship category.

Discussion

Based on the results of the Kendall's Tau correlation test in table 6, it is known that the relationship between each Digital Marketing Strategy variable in MSMEs in DKJ Jakarta (the number of MSMEs which has a score of 0.034 and the MSME workforce which has a value of 0.023) is less than 0.05 so it can be interpreted that There is a significant relationship between digital marketing strategies in MSMEs and economic growth.

At the level of closeness for the digital marketing strategy variable, namely the number of MSMEs, the correlation coefficient is only 0.400, which is included in the sufficient closeness category, while for the digital marketing variable in the MSME workforce, it has a value of 0.543 and is included in the strong closeness category.

Research conducted by Fatmawati (2023) shows the relationship between e-marketing and the competitive advantage of MSMEs, where the results of this research are directly proportional to the research currently being carried out, namely choosing the real level of significance between variables. So the impact of this digital marketing strategy is directly proportional or has a positive impact on MSMEs that have been registered in the BPBJJ DKJ Jakarta e-order, especially in the digital advertising sector as well as increasing economic growth in the DKJ Jakarta Province. [20]

This digital marketing is a strategy for MSMEs in Jakarta to increase business growth and can contribute to economic growth in DKJ Jakarta Province. The Digital Advertising Services MSME case study also shows that with the right strategy, MSMEs can take advantage of digital opportunities to achieve success and drive economic progress.

5. CONCLUSION

Based on the results of the research that has been carried out, it can be concluded that the relationship between digital marketing strategies in MSMEs and economic growth in DKJ Jakarta has a significant positive influence or relationship both on the variable number of MSMEs on GDP per capita and the variable of MSME workforce on GRDP per capita DKJ Jakarta in 2018 - 2022. Apart from that, at the level of closeness, the influence of digital marketing strategies in MSMEs on the economic growth of DKJ Jakarta has a sufficient and strong relationship. This is proven that every year GDP per capita in DKJ Jakarta increases along with the increase in MSMEs in DKJ Jakarta Province. Apart from that, the existence of MSMEs can create jobs and in the national realm economic competitiveness will also increase.

REFERENCES

- Ahmeti, F., & Bajrami, H. (2024). EXPLORING THE IMPACT OF TECHNOLOGY ACCEPTANCE MODEL CONSTRUCTS ON CONSUMER BEHAVIOR IN SMEs: WITH A FOCUS ON E-MARKETING STRATEGIES. *Economic Studies*, 33(1).
- Chaffey, D. (2007). *E-business and E-commerce Management*. England.

- Direktorat Jendral Perbendaharaan. (2023, Juni 27). Kontribusi UMKM dalam Pertumbuhan Ekonomi Indonesia. Kementerian Keuangan RI. <https://djpb.kemenkeu.go.id/kppn/lubuksikapng/id/data-publikasi/artikel/3134-kontribusi-umkm-dalam-perekonomian-indonesia.html>.
- Fatmawati, I., & Garad, A. (2022). An analytical study of the relationship between network capability and e-marketing to achieve the competitive advantage of MSEs. *The Implementation of Smart Technologies for Business Success and Sustainability: During COVID-19 Crises in Developing Countries*, 3-12.
- Gumilang, R. R. (2019). Implementasi digital marketing terhadap peningkatan penjualan hasil home industri.
- Haryanto, A. T. (2024). APJII: Jumlah Pengguna Internet Indonesia Tembus 221 Juta Orang. diperoleh dari <https://inet.detik.com/cyberlife/d-7169749/apjii-jumlah-pengguna-internet-indonesia-tembus-221-juta-orang>, diakses, 26.
- Hidranto, F. (2023, September 19). Menuju Data Tunggal UMKM. Indonesia go id. <https://indonesia.go.id/kategori/indonesia-dalam-angka/7525/menuju-data-tunggal-umkm?lang=1>
- Jannah, N. R., & Bowo, P. A. (2017). Pengaruh Kur, Omset, Tenaga Kerja dan Jumlah Umkm terhadap Sektor Industri Pengolahan di Jawa Tengah. *Economics Development Analysis Journal*, 6(4), 420-427.
- K. Dan et al. (2021). *Digital Marketing : Konsep dan Strategi*. <http://insaniapublishing.com>
- Khan, S. A. (2023). E-marketing, e-commerce, e-business, and internet of things: an overview of terms in the context of small and medium enterprises (SMEs). *Global applications of the internet of things in digital marketing*, 332-348.
- Lombok, V. V., & Samadi, R. L. (2022). Pengaruh Brand Image, Brand Trust Dan Digital Marketing Terhadap Keputusan Pembelian Konsumen Pada Produk Emina (Studi Kasus Pada Mahasiswa Universitas Sam Ratulangi). *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 10(3), 953-964.
- Ponkratov, V., Karaev, A., Masterov, A., Gorlova, O., Sedova, M., & Shmigol, N. (2019). Productivity and Economic Growth by Using Business Management Based on the E-marketing: Evidence from developed and developing countries, 2000-2018. *Industrial Engineering & Management Systems*, 18(3), 463-473.
- Riset, I. D. T. K. B. (2024). Ahyar, H., Maret, US, Andriani, H., Sukmana, DJ, Mada, UG, Hardani, S. Pd., MS, Nur Hikmatul Auliya, GCB, Helmina Andriani, MS, Fardani, RA, Ustiawaty, J., Utami, EF, Sukmana, DJ, & Istiqomah, R. R.(2020). Buku Metode Penelitian Kualitatif & Kuantitatif (Issue March). Al-Zahrani, KH, Aldosari, FO, Baig, MB, Shalaby, MY, & Straquadine. *Journal Socio Economics Agricultural*, 14(1), 1-10.
- Riyanto, Y. (2010). Metodologi Penelitian Pendidikan Surabaya. Penerbit Sic.
- Sanjaya, P. K. A., & Nuratama, I. P. (2021). Tata Kelola Manajemen & Keuangan Usaha Mikro Kecil Mengengah.
- Siwu, H. F. D. (2019). Strategi pertumbuhan dan pembangunan ekonomi daerah. *Jurnal Pembangunan Ekonomi Dan Keuangan Daerah*, 18(6).
- Sudono, S. (2006). *Ekonomi Pembangunan: Proses, Masalah, dan Dasar Kebijakan*. Jakarta: Kencana
- Sugiyono, P. (2011). Metodologi penelitian kuantitatif kualitatif dan R&D. *Alpabeta, Bandung*, 62, 70.
- Syukri, A. U., & Sunrawali, A. N. (2022). Digital marketing dalam pengembangan usaha mikro, kecil, dan menengah. *KINERJA: Jurnal Ekonomi Dan Manajemen*, 19(1), 170-182.
- Widiastuti, S. A., Danial, R. D. M., & Nurmala, R. (2022). Analisis Kapabilitas Dinamis dan Keunggulan Bersaing Dalam Meningkatkan Kinerja UMKM (Survei Pada UMKM Furnitur Di Kecamatan Gunungguruh). *Management Studies and Entrepreneurship Journal (MSEJ)*, 3(3), 1584-1591.