

Implementation of Digital Marketing and Product Development to Increase Buyer Attraction in Pawon Encus MSMEs

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Article Information		Abstract
Submission date	30 November 2023	<p>Research aim: The aim of this research is to increase the understanding of MSME owners regarding optimizing digital marketing so they can develop their business.</p> <p>Design/Method/Approach: This research uses observation and interview methods (qualitative).</p> <p>Research Finding: The results of implementing Digital Marketing and developing Pawon Encus MSME business products are able to increase buyer attraction.</p> <p>Research limitation: The limitation of this research is the lack of time for sampling because MSME product owners are very difficult to find.</p> <p>Keywords: Digital Marketing, Product Development, MSMEs</p>
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1. Introduction

The development of information technology is very growing rapidly, various small to large business activities take advantage of this development to run their businesses. The large number of competitors is a consideration for entrepreneurs to enter the very tight competition. The right marketing and media strategies are used to reach the target market so that sales volume and profits always increase. Digital Marketing Strategy is a marketing strategy that utilizes increasingly developing information technology. The implementation of this strategy in a business must take into account various internal and external factors to determine suitability and to determine the most appropriate Digital Marketing strategy. The main aim of implementing a Digital Marketing strategy is to build communication between producers and customers, more precisely to communicate the brand in building trust and brand loyalty among customers [1]. With the large number of chat-based social media users increasing day by day, it opens up opportunities for SMEs to develop their market within the grasp of a smartphone. Apart from that, the marketing strategy that can be used is product development, which is tailored to the wants and needs of consumers [2]. On the one hand, digital marketing makes it easier for business people to monitor and provide all the needs and desires of potential consumers, on the other hand, potential consumers can also search for and obtain product information just by browsing cyberspace, making the search process easier. Buyers are now increasingly independent in making purchasing decisions based on their search results. Digital marketing can reach all people wherever they are without any geographical or time limitations [3].



Figure 1. Online Shopping Activities

Source: <https://www.slideshare.net/DataReportal/digital-2019-indonesia-january-2019->

The image above explains that as of January 2019, as many as 93% of internet users in Indonesia searched for goods or services online, 90% of users visited online shops with various devices, 86% of users made online transactions from various devices (laptop and mobile), 37% of users make transactions via PC or laptop, and 76% of users make online transactions via smartphone devices. The explanation above implies that the potential for online shopping has developed enough in Indonesia which must be balanced with digital marketing by business actors [3]. Based on McKinsey research results, only around 30% of businesses in Indonesia use digital instruments to develop their business (<http://www.marketing.co.id>). Seeing this, we can conclude that the potential for digital marketing in Indonesia is still very large. However, this dependency can be a weakness because policy changes or failure of the platform can have a negative impact on digital marketing efforts. Limited experience, because in digital marketing, good user experience is very important. However, there are limitations in providing an experience that is as engaging as in-person interaction. Users may not get the same physical experience, excitement, or intimacy as when interacting directly with a brand. Consumer changes because consumer behavior continues to change, especially when it comes to online purchases. Consumers are becoming more selective and smarter in choosing products or services. Companies must continue to monitor and understand these changes to meet consumer needs and expectations.

Facing increasingly competitive competition requires companies to look for new solutions in corporate strategy in order to maintain the company's survival, especially in terms of product development, innovation strategies need to be developed and implemented, without innovation the company will die, whereas companies that innovate continuously will be able to dominate the market. , with creativity, new product models and appearances. This innovation strategy is very much determined by consumer needs and current trends, so that consumers do not get bored with the products produced. Product packaging is an important part of a product because consumers can easily remember and recognize the product. Unattractive product packaging has an impact on the product image in attracting customers [4]. And conversely, if the product packaging is attractive, it will attract customers' buying interest.

Micro, Small and Medium Enterprises (MSMEs) have an important role in the development of the Indonesian economy, especially in creating jobs and empowering households which supports household income. It is hoped that the existence of MSMEs will be able to stimulate the economy amidst the current economic slowdown. The use of marketing concepts based on digital technology (digital marketing) gives hope for MSMEs to develop into centers of economic power [3].

Based on data from the Department of Cooperatives and MSMEs in the city of Kediri, the number of MSMEs in the city of Kediri increased from 2,600 businesses in 2014 to 3,100 in 2015. It was recorded that in 2019 the economic growth of the city of Kediri reached 7.02%, with the number of registered MSMEs reaching 4,668 . The increase in the number of MSMEs in Kediri City is also supported by the ease of licensing places to shop on Car Free Day Jln. Dhoho. Traders only have to obtain a permit directly or register at the Kediri City Transportation Department and then they will look for a place to shop if there is still an empty place. Of course there are no fees for traders. This licensing is also carried out to create order for traders. As a comparison of the number of MSMEs in Kediri with those in Indonesia, the following is a table of the number of MSMEs in Kediri City:

Table 1. Growth of MSMEs in Kediri City 2014-2019

Year	2014	2015	2016	2017	2018	2019
Number of MSMEs	2,600 businesses	3,100 businesses	3,370 businesses	3,500 businesses	3,806 businesses	4,668 businesses

Source: Kediri City Cooperatives and UMKM Service

Based on the data above, the city of Kediri shows that the development of MSMEs is also quite rapid, this is in accordance with what Tristanto said as head of the cooperative, micro-enterprise and labor (UMTK) department, namely that the city of Kediri is experiencing quite rapid growth, both those involved in the food and beverage sectors, crafts, batik, weaving, and others, reported by Radar Kediri. Due to these achievements, it is not surprising that the City of Kediri was the city with the highest per capita income in Indonesia in 2018 [5].

The author chose Pawon Encus UMKM which is located on Jl. Kh. Hasyim Asyari No. 68, Bandar Kidul, Mojoroto District, Kediri City. This sub-district has a lot of industrial potential, especially small, micro and medium businesses. Observation results show that the marketing carried out by MSMEs in the sub-district uses conventional and digital sales methods. Conventional sales by entrusting goods to shops and digital sales by promoting products on social media, for example Instagram, WhatsApp, etc. Conventional sales cause the profits obtained by entrepreneurs to be less than optimal. Digital sales at Pawon Encus MSMEs are less than optimal, so marketing assistance is needed by optimizing existing digital media in the current era.

The aim of this research is to increase MSME entrepreneurs' understanding of optimizing digital marketing, especially social media, as well as developing their products by adding product packaging of various sizes, and improving the design of the packaging to make it more attractive as a sales strategy and the importance of using digital media as promotional media. to increase purchasing attractiveness and as a buying and selling transaction.

1.1. Statement of Problem

From the above background it can be concluded that: 1) How to implement digital marketing to increase consumer purchasing power?, and 2) How to develop a product to increase buyer appeal?.

1.2. Research Objectives

The aim of this research is to increase MSME entrepreneurs' understanding of optimizing digital marketing, especially social media, as well as developing their products by adding product packaging of various sizes, and improving the design of the packaging to make it more attractive as a sales strategy and the importance of using digital media as promotional media. to increase purchasing attractiveness and as a buying and selling transaction.

2. Method

In this research the author used qualitative research methods by observing and interviewing the owner of an MSME business named Khusnul Ainiyah in Pawon Encus which is located on Jl. Kh. Hasyim Asyari No. 68, Bandar Kidul, Mojoroto District, Kediri City. Qualitative research is a research process that requires understanding of human or social phenomena, creating a comprehensive and complex picture that can be expressed in words, providing detailed reports obtained from information sources and created in the natural environment. The questions that are always considered in data collection are what, where, when, and how.

Qualitative research usually relies on triangulation of data obtained from three methods, namely interviews, participant observation, and document record analysis [6]. To obtain information, researchers conducted structured interviews by preparing several written questions and preparing alternative answers for MSME business owners. Informants in this research must:

- a. Relevant, the researcher ensures that the informant understands the problem being studied.
- b. Recommendation, researchers choose informants based on companion recommendations.
- c. Readiness, researchers conduct interviews when informants state they are ready to be interviewed.
- d. During confirmation, the informant stated that he was ready to give an honest, clear and honest answer without pressure from any party.

The series of interview questions for this research are as follows:

- a. What are the promotional media to market products?
- b. What platforms are often used as promotional tools?
- c. How do you develop a digital marketing strategy for the products being marketed?
- d. How to build strong relationships with consumers through digital channels?
- e. How does the owner carry out product development strategies?
- f. Are there any obstacles in digital marketing or in terms of product development?

The resulting data is then analyzed using the following steps:

- a. Presentation of information obtained from interviews, observations and documentation.
- b. Reduction and interpretation of interview data.
- c. The research results obtained from the summary of data obtained from the reduction and interpretation results are adjusted to the problem being researched and the theories that support it.

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- d. Discussion of research results is in accordance with the problem formulation that was determined earlier.

3. Results and Discussion

Application Of Digital Marketing To Increase Consumer Purchasing Power

The development of information technology is very growing rapidly, various small to large business activities take advantage of this development to run their businesses. Digital Marketing Strategy is a marketing strategy that utilizes increasingly developing information technology. The main objective of implementing a Digital Marketing strategy is to build communication between producers and customers, more precisely to communicate the brand in building trust and brand loyalty among customers [7].

Digital marketing is a marketing strategy that uses digital media and technology to achieve business goals. It involves using various online platforms such as websites, social media, email, search engines and others to promote products or services, build brands and interact with consumers. Product development is the process of designing, creating, and improving a product or service to make it more attractive to consumers. This involves a deep understanding of market needs and wants, and identifying ways to meet those needs in innovative and effective ways. To increase buyer attraction, digital marketing and product development can support each other. Here are some ways in which the two can work together:

- a. Digital market research: Through online data analysis, companies can understand consumer behavior and market trends that influence buyer preferences. This information can be used in product development to create products that meet identified market needs.
- b. Communication with consumers: Through social media, email, or other communication platforms, companies can interact directly with consumers. This provides an opportunity to gain direct feedback about the product, needs, and consumer preferences that can be used to direct product development.
- c. Content marketing: Relevant and useful content can be used to build brand awareness and attract consumer attention. These can be blog articles, video tutorials, infographics, etc., which provide added value to potential buyers and help build brand credibility.
- d. User experience optimization: In digital product development, good user experience is essential. Using responsive design, intuitive navigation, and user-friendly features can increase user satisfaction and make the product more attractive to potential buyers.
- e. Performance analysis: Digital marketing provides a variety of metrics to measure the performance of marketing campaigns and interactions with consumers. This data can be used to evaluate the effectiveness of marketing strategies and identify areas where product development can be improved to better meet consumer needs and desires [8].

By integrating digital marketing and product development, companies can create a more holistic and effective strategy in attracting buyers and meeting their expectations. The following results of this research interview are as follows:

Table 2. Test Results (Interview Results)

Question	Information (Initials)	Answer	Interpretation
1. What are the promotional media to market products?	(KA)	I use WhatsApp, sis, Ig, sis	Based on the sources, it can be concluded that the assistance provided is implemented in digital marketing and has an effect on sales.
2. What platforms are often used as promotional tools?		Usually I use Instagram, sis, sometimes I also upload on WhatsApp	It can be concluded that the resource person applies digital marketing in detail
3. How do you develop a digital marketing strategy for the products being marketed?		I made a video of the making process and the results but didn't upload it on social media, sis	From the interviewee's answers, it can be concluded that he has implemented E-Marketing in his business
4. How to build strong relationships with consumers through digital channels?		If there are comments from consumers, I immediately respond, sis. Sometimes I also ask for product testimonials, whether the taste is good or not right.	From the interviewee's answers, it can be concluded that he has a good relationship with his consumers
5. How does the owner carry out product development strategies?		That's not innovation, sis, for example from sambal Padang to the Javanese version of Sambal Padang. So people are interested, sis. Sometimes I also provide testers for new products.	The interviewee's answer can be concluded that the resource person has developed product innovation.

Question	Information (Initials)	Answer	Interpretation
6. Are there any obstacles in digital marketing or in terms of product development?		Yes, sis, sometimes I still don't understand captions when uploading photos or videos, so sometimes I ask my sister for help in creating captions. I also don't understand how to upload it to make it more interesting. When it comes to product development, sometimes I am confused about determining the right size for my product packaging because.	It can be concluded that the resource person experienced problems in E-Marketing

Source: Interview with MSME product owner

Based on the results of interviews conducted by researchers, it can be concluded that digital marketing is important because digital transformation has changed the way consumers interact with brands and make purchases. Digital marketing allows businesses to reach a global audience at a much lower cost compared to traditional marketing methods such as print or television advertising. This gives both small and large businesses the opportunity to compete globally. Through social media, email, or websites, digital marketing allows businesses to interact directly with consumers. This helps build deeper, more personal relationships with your audience, as well as gain valuable insight into their needs and wants [9].

The various content formats available in digital marketing, such as video, images, and interactive, tend to be more attractive to consumers than traditional advertising. This allows businesses to create higher engagement and strengthen bonds with their audience. With all these advantages, digital marketing has not only become important, but has also become one of the most important aspects of marketing strategy for modern businesses. Businesses that ignore the importance of digital marketing risk being left behind and having difficulty competing in an increasingly digital market.

How To Develop Products To Increase Buyer Appeal

Product development is a key process in maintaining and increasing buyer attraction. Continuously developing products can ensure that they remain relevant to customer needs and desires. This allows the company to stay at the forefront in an ever-changing market. Product development allows companies to improve the quality of their products, including features, performance, and reliability. Better quality is often an important factor in attracting buyers. Product development allows room for innovation. By continuously creating new products or improving existing products, companies can offer better or superior solutions to competitors [10].

In a competitive business environment, companies must continue to innovate to remain competitive. Product development helps companies maintain or even increase their competitiveness by offering better products than competitors. Continuously evolving products can help companies attract new customers and retain existing ones. This can contribute to long-term business growth. By paying attention to customer feedback on existing products, companies can identify areas where products can be improved or where there are opportunities for the development of new products that better suit customer needs. Without continuous product development, the risk of business stagnation increases. Companies that do not develop can become behind in the market and lose market share to more innovative competitors. Thus, product development plays an important role in attracting and retaining buyers by offering products that are relevant, innovative, high quality and in line with changing market needs.

Sellers can take several steps to develop their products and increase buyer appeal. Here are some strategies to consider:

- a. **Market Study:** Conduct market research to understand the needs and wants of the target market. By understanding market trends and consumer preferences, sellers can develop products that better meet demand.
- b. **Product Innovation:** Continuously innovating products can help sellers maintain buyer interest. This could be developing new products, improving quality, or adding innovative features.
- c. **Learn from Customers:** Listen to feedback from customers about existing products. This can be through surveys, online reviews, or direct communication. This information can be used to improve existing products or develop new products that better meet customer needs.
- d. **Personalization:** Offering products that can be tailored to the needs of specific individuals or groups can increase appeal. Customers will feel appreciated and are more likely to be interested in purchasing products that they feel were created especially for them.
- e. **Special Offers and Discounts:** Offering special offers, discounts, or bundle packages can attract potential buyers. This can help attract the attention of buyers who think twice before purchasing the product.
- f. **Attractive Packaging:** Attractive packaging can make a product stand out on the shelf and attract buyers' attention. Attractive packaging can also give customers a positive first impression.
- g. **Collaboration with Influencers or Business Partners:** Partnering with influencers or other brands that have a relevant audience can help increase product visibility. Endorsements from trusted parties can influence customer purchasing decisions.
- h. **Adopting New Technology:** Implementing new technology in a product or production process can provide added value and appeal to buyers. For example, products that use

environmentally friendly technology or products that are connected to the internet can attract the attention of consumers who care about innovation.

- i. Customer Education: Providing useful information about the product and its benefits to customers can increase their trust and interest in the product. This can be done through educational content on websites, social media, or through promotional events.
- j. Monitor and Evaluate: It is important to continuously monitor product performance and collect feedback from customers. Regular evaluation will help sellers understand what is working and what needs to be improved or changed to increase the product's appeal [11].

By following these steps, sellers can increase the appeal of their products and expand their market share. Thus, developing products is a very important strategy in increasing buyer attraction, maintaining competitive advantage, and ensuring the long-term success of the business. Innovation in product development allows you to differentiate yourself from your competitors. By creating a product that is unique or offers features that are not available in competitors' products, you can attract buyers' attention and create a competitive advantage. By continuously developing products, we can better understand and meet customer needs and desires. This makes it possible to create products that are more relevant and useful to your target market [12].

4. Conclusion

Based on research carried out by the author, it can be concluded that the implementation of digital marketing and product development has an effect on increasing buyer attraction at Pawon Encus MSMEs located on Jl. Kh. Hasyim Asyari No. 68, Bandar Kidul, Mojoroto District, Kediri City.

In this research, the author provides advice to MSME Pawon Encus to optimize offers and captions in posts. Apart from that, it also develops product innovation so as to increase buyer attraction and it is hoped that the managed business can reach the market on a large scale. This research only focuses on MSMEs in the food sector such as Pawon Encus MSMEs.

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