

DIGITAL MARKETING TRANSFORMATION: A SOLUTION FOR DEVELOPING SMES IN KADUGENEP TOURISM VILLAGE

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ABSTRACT

This research aims to develop a digital marketing strategy model to support the growth of Micro, Small, and Medium Enterprises (MSMEs) in Kadugenep Village, Serang Regency, as part of efforts to establish the village as a tourist destination. Kadugenep Village is known for its local crafts, particularly bag production and bamboo weaving, but faces challenges in adopting digital technology to expand market reach. The research employs a qualitative method using interviews, observations, and documentation. The results show that a digital marketing strategy, especially through social media platforms like Instagram, Facebook, and e-commerce sites, significantly improves MSME product visibility, expands the consumer base, and strengthens market competitiveness. Moreover, this model helps reduce reliance on intermediaries, thereby enhancing production efficiency and profitability. With the optimal use of digital technology, Kadugenep's MSMEs are expected to grow sustainably, while promoting the village as a well-known tourist destination. This model offers a relevant solution for advancing MSMEs in the digital era.

Keywords: MSMEs; Digital Marketing; Tourist Village; Online Marketing; Local Crafts; Economic Development

1. Introduction.

The geographical location of Kadugenep village can be considered strategic as it is close to the city of Jakarta, approximately 90 kilometers away or a 1.5-hour drive by private vehicle. It is part of the Petir sub-district, Serang regency, Banten province. The village covers an area of 294 hectares, mostly utilized for plantations, agriculture, or fisheries, with most of the produce traded in Jakarta. Situated at an altitude of 78 meters above sea level, it has a cool climate. Since 2019, the village has been led by Village Head Mr. H. Muhamad Aopidi, during which time significant advancements in infrastructure, especially public road facilities, have been made to mobilize the population, which in 2000 was recorded at 3,509 people consisting of 1,737 men and 1,772 women, predominantly working as farmers, plantation workers, and bag craftsmen (<https://kadugenep-petir.desa.id>).

Most residents utilize the village's natural resources, which are then processed with skills passed down through generations, allowing them to produce marketable products such as bamboo crafts known as Klakat, which are containers like pots or bowls made of bamboo, widely used by siomay vendors or restaurants for serving dim-sum. Additionally, broomsticks and, seasonally, ketupat are produced and marketed in Jakarta. Interestingly, the area is dubbed the 'village of a thousand machines' because of the tradition of residents migrating to Jakarta to make ready-to-sell bags commonly used as promotional merchandise. However, following the economic crisis and subsequent riots in May 1998, which caused many companies to collapse, many villagers returned to their homeland and started similar businesses in their birthplace (Karmeli and Fatimah, 2008). With minimal capital and skills, they purchased sewing machines and, as the economy revived, returned to Jakarta. However, the COVID-19 pandemic hit Jakarta, repeating history and causing

many Kadugenep villagers to return home (Hernikawati, 2022). Field observations reveal that some villagers still manage to fulfill sewing orders from several companies like Yamaha and Dancow Milk, ordering around 500 to 1,000 sets of merchandise such as goody packs, hats, wallets, or waist bags for promotional events. However, there are challenges, such as limited capital to create product samples and intermediaries who sometimes erode the craftsmen's income (Manangkot, Andaki, and Pangemanan, 2015). Numerous productive businesses with potential in the area, ranging from small-scale to those with substantial capital, classify them as SMEs or small and medium enterprises but face limitations such as consumers' lack of information regarding product types, ordering methods, showrooms, and whether they can customize their orders. The distance between the bag craftsmen and the consumers is also relatively far, which has not been maximized by Kadugenep village SMEs, especially given the limited use of social media. These conditions have not been fully addressed due to limited digital technology capabilities, particularly marketing

2. Methodology.

The digital marketing theory to be applied through qualitative research aims to address modeling issues and provide solutions for Micro, Small, and Medium Enterprises (MSMEs) in Kadugenep Village to achieve the status of a tourism village. The four main managerial functions, namely POAC (Planning, Organizing, Actuating, Controlling), represent a series of actions designed to achieve specific objectives, such as generating profit or providing services. This approach fosters an integrated condition with effective synergy, enabling organizations to manage their resources more efficiently, enhance productivity, and achieve their strategic goals effectively. POAC assists organizations in remaining focused, organized, and adaptive to continuous environmental changes (Dakhi, 2016).

Consumer loyalty within traditional market user groups is generally characterized by an emotional attachment to personalized seller services. Based on the analysis conducted by Haryani et al., consumers desire a high level of personal interaction between buyers and sellers. This indicates a significant relational bond that influences consumer behavior in making repeat purchase decisions. Therefore, the frequency of face-to-face interactions should be considered a critical factor in traditional markets (Anjani, Irham, and Waluyati, 2018).

The activities of intermediary traders typically involve gathering information about the presence of fishermen. They usually operate within a marketing chain system that begins with a connector or information provider. Subsequently, the connector or information provider contacts the intermediary trader, who promptly arrives with transportation equipment such as trucks, weighing tools, and cash. After weighing the catch, fishermen immediately receive payment or wait for the sales proceeds according to the initial agreement (Manangkot, Andaki, Pangemanan, 2015).

The methodology applied in this study encompasses descriptive and verificative methods with a quantitative approach. The descriptive approach is employed to identify the values of independent variables, whether single or multiple, without making comparisons or establishing relationships with other variables. This descriptive method is utilized to understand and analyze specific aspects of the research. The stages of the research activities are outlined below:

2.1 Research Object

The research focuses on bag artisans or MSMEs, with research partners including the

village apparatus of Kadugenep and consumers of bag products or MSMEs.

2.2 Time and Location

The research is conducted in two primary locations: Jakarta and Kadugenep Village, Petir District, Serang Regency. Kadugenep Village serves as the main research object, focusing on the activities of bag artisans and MSMEs, while Jakarta provides additional context and data for comparative analysis. The selection of these locations is based on their relevance to the study's objectives, particularly in examining the challenges and opportunities faced by MSMEs in achieving the status of a tourism village. The research period spans from early September 2023 to the end of March 2024, ensuring comprehensive data collection and analysis. This is illustrated in Figure 1.

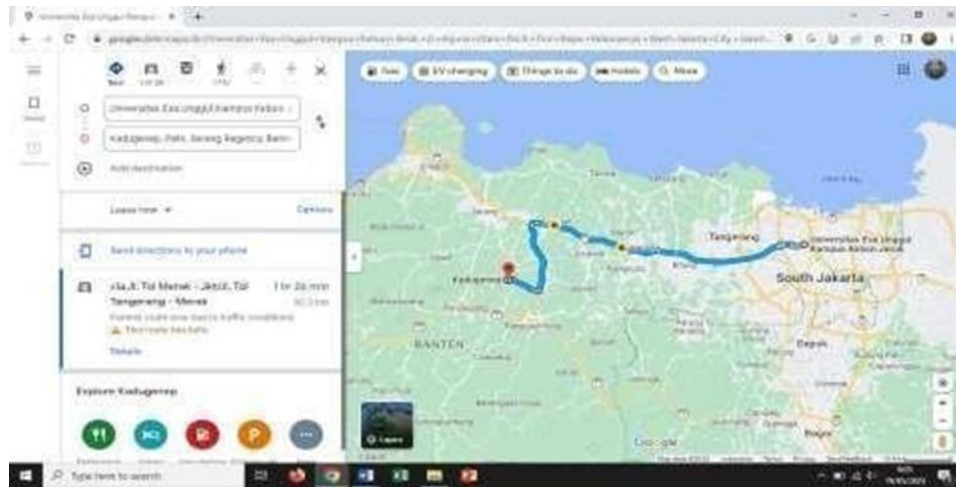


Fig.1 Research Location

3. Results and Discussion.

3.1 Competition Model

The cost leadership strategy involves forming a cooperative to:

- Provide training and introduce new information to the artisans of Kadugenep Village.
- Offer information on locations and methods for selecting higher-quality raw materials to achieve optimal results.
- Establish working groups to facilitate targeted collaboration with new suppliers.

The differentiation strategy involves forming community groups to ensure a more focused approach, enabling the creation of unique and distinctive tourism products with maximum market value.

The focus strategy aims to provide more targeted tourism product services to consumers. This is illustrated in Figure 2.

Competitive Strategy Analysis		
Cost Leadership: - optimizing raw material price selection - forming working groups - establishing synergy with supplier groups and cooperatives	Differentiation: Creating value and uniqueness as superior value for tourist services	Focus: Empowering bag craftsmen, namely consumers can buy bags, models according to order with the best quality to become the attraction of tourist villages with the natural beauty of rice fields and irrigation as their mainstay.

Fig. 2 Tourism product service strategies that are more targeted towards consumers

3.2 Benchmark Analysis of Similar Industries

Candirejo Tourism Village in Borobudur District, Central Java:

Strengths: Fertile land, rivers, and highlands share similar geographical elements. This village has successfully created an independent attraction by utilizing local wisdom and cultural practices, such as establishing home stays for tourists to experience the authentic, pristine, and culturally rich rural environment of Indonesia.

Manding Tourism Village in Sabdodadi, Bantul Regency, Special Region of Yogyakarta:

A center for leather bag craftsmanship since 1947, renowned even in Europe. Activities include producing leather bags and showcasing artisans in workshops held in residents' yards. Tourists can observe the bag-making process, from pattern setting, fabric cutting, to stitching, encouraging them to place orders and gain hands-on experience in leather bag production.

Kadugenep Village adopts the benchmark of Candirejo Tourism Village in Borobudur, Central Java, due to its strengths in natural tourism attractions, such as beautiful rice fields, hills, and a natural ambiance. Its success is evident in the increasing number of ticket sales and tourists, both domestic and international, spanning all age groups. These strengths share geographical similarities with Kadugenep Village.

Additionally, to enhance tourist appeal, Kadugenep Village draws inspiration from Manding Tourism Village in Sabdodadi, Bantul Regency, DIY, which is internationally recognized for its handmade leather and bamboo woven bags. The primary asset is the technical skills possessed by Kadugenep villagers as tailors and bag artisans. Providing technical guidance will further strengthen their knowledge and capabilities. This is illustrated in Figure 3 on Benchmark Analysis of Similar Industries.

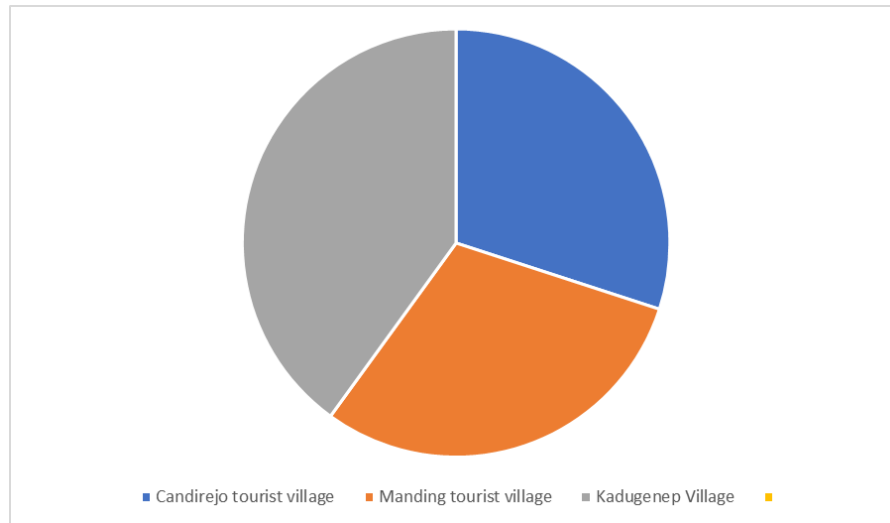


Fig.3 Benchmark Analysis of Similar Industries

3.3 SWOT Analysis Model

The SWOT modeling for Kadugenep Village is as follows:

1. Strengths: Attractive natural potential, similar to the benchmark objects, and relatively close proximity to the center of Banten City.
2. Weaknesses: Limited supporting facilities, such as road access, internet connectivity, and a lack of formal education among the workforce.
3. Threats: Seasonal challenges, including strong winds and heavy rainfall, as well as competition from nearby tourist destinations.
4. Opportunities: Natural tourism has the potential to become a strong attraction, along with opportunities for investment partnerships and government support. This is illustrated in Figure 4 SWOT Analysis Model.

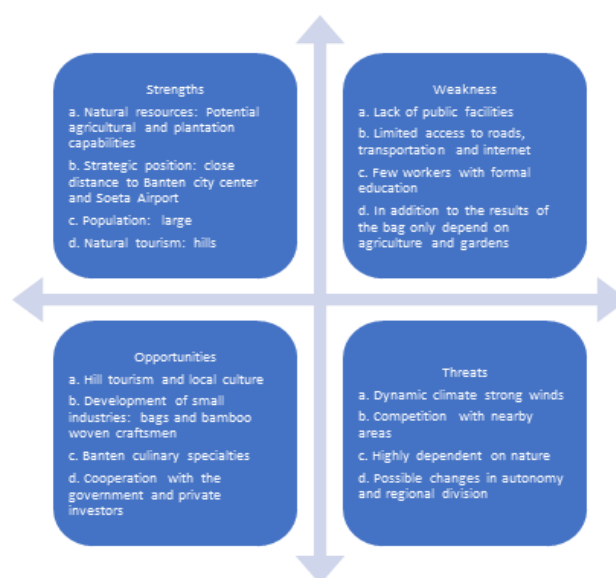


Fig.4 SWOT Analysis Model

3.4 Marketing in Government Relationship Model

The marketing in government relationship model includes the following steps:

1. **Objective:** Strengthening existing resources in Kadugenep Village, particularly the supporting bureaucratic structure.
2. **Infrastructure:** Establishing collaborations with government entities and private sectors to support various forms of information, such as facilitating permits, sourcing raw materials for crafts, and ensuring transparent information for targeted marketing.
3. **Social-Welfare:** The government provides technical guidance for the legitimacy and legality of tourism village products and facilitates access to state assistance or private sector corporate social responsibility (CSR) programs.

The private sector assists in the establishment of a more focused cooperative legal entity, preparing and organizing online marketing strategies to transition into relationship marketing, ensuring maximum service to consumers, particularly domestic and international tourist. As shown in the Figure 5 Marketing in Government Relationship Model.

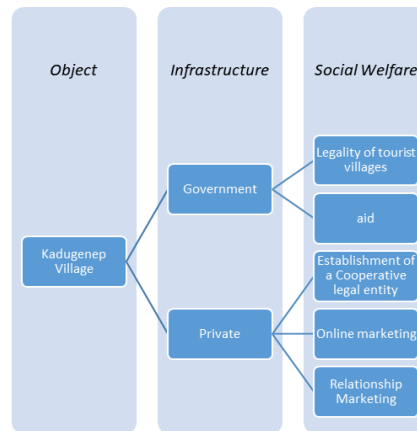


Fig. 5 Marketing in Government Relationship Model.

3.5 Density

The Core Marketing Concept revolves around understanding and addressing the fundamental aspects of consumer behavior, which include needs, wants, and demands. These elements are crucial in shaping marketing strategies, particularly in determining pricing strategies that align with market expectations and consumer willingness to pay.

Marketing Mix Analysis, The marketing mix is a foundational framework that includes four key components: product, distribution, promotion, and price. Each element plays a critical role in ensuring the successful delivery of value to customers. Product, refers to the goods or services offered to meet consumer needs and wants. Distribution, involves the channels and methods used to make the product available to consumers. Promotion, Encompasses the strategies used to communicate the product's value to the target audience. Price, represents the monetary value assigned to the product, which must align with market conditions and consumer perceptions. Segmentation, market segmentation is essential for identifying and targeting specific consumer groups. Market segmentation involves dividing the market based on various criteria, such as platform and budget. Platform refers to the digital or physical channels used to reach consumers, while budget denotes the financial resources allocated for marketing activities.

Digital marketing has become a cornerstone of modern marketing strategies. Key

components include goal formulation, target audience identification, promotion, quality content creation, advertising, website optimization, social media engagement, and augmented or virtual reality. Goal formulation entails defining clear objectives for digital marketing campaigns. Identifying and understanding the specific group of consumers to be reached is critical. Promotion leverages digital channels to promote products or services, while quality content aims to attract and retain consumers. Advertising increases visibility and drives conversions, whereas website optimization enhances user experience and search engine rankings. Utilizing social media platforms engages consumers and builds brand loyalty, and incorporating immersive technologies enhances consumer experiences.

Market analysis involves examining various dimensions of the market to inform strategic decisions. These dimensions include geographical, psychographic, and behavioral aspects. Geographical analysis involves studying market characteristics based on location, while psychographic analysis focuses on understanding consumer lifestyles, values, and personalities. Behavioral analysis examines consumer behavior, such as purchasing patterns and brand interactions.

Targeting involves selecting specific market segments to focus on, while positioning refers to how a brand is perceived in the minds of consumers. Key factors include region, age, occupation, education, social class, occasions, and usage. Region pertains to geographical areas where the product or service will be marketed. Age denotes the age group of the target audience, occupation refers to the professional background of consumers, and education signifies the educational level of the target market. Social class indicates the socioeconomic status of consumers, occasions represent specific events or situations that influence consumer behavior, and usage describes how and when consumers use the product or service.

Demographic, psychographic, and behavioral segmentation approaches provide deeper insights into consumer profiles. Demographic segmentation includes age, gender, income, education, and occupation. Psychographic segmentation focuses on lifestyle, personality, and values, while behavioral segmentation examines purchasing habits, brand loyalty, and usage rates.

3.6 Digital Marketing and Consumer Personality

Digital marketing strategies must align with consumer personalities and lifestyles to create meaningful connections. Understanding the demographic and psychographic profiles of the target audience enables marketers to craft personalized and impactful campaigns.

In conclusion, a comprehensive approach to marketing involves integrating core concepts, analyzing the marketing mix, leveraging digital marketing tools, and conducting detailed market segmentation. By understanding consumer needs, behaviors, and preferences, businesses can develop effective strategies to achieve their marketing objectives. This is illustrated in Figure 6 Comprehensive Digital Marketing Strategies for MSMEs in Kadugenep Tourism Village.

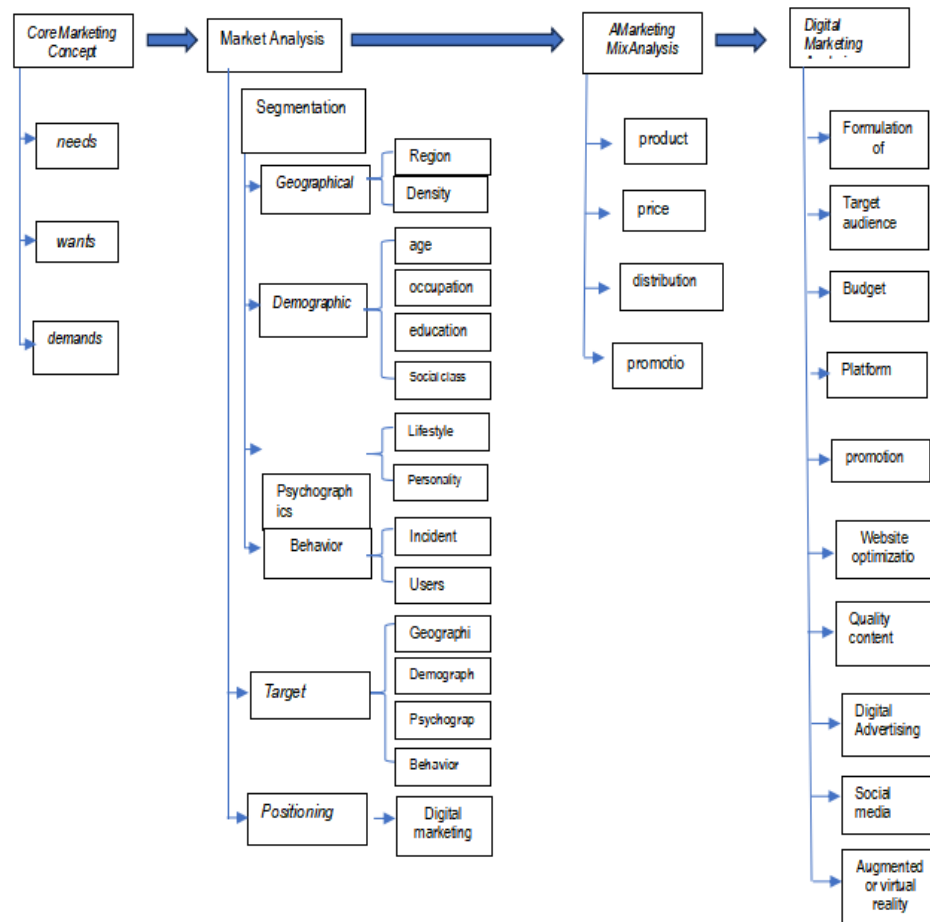


Fig. 6 Comprehensive Digital Marketing Strategies for MSMEs in Kadugenep Tourism Village

4. Conclusions.

This research aims to establish an effective digital marketing strategy to develop Micro, Small, and Medium Enterprises (MSMEs) in Kadugenep village, transforming it into a tourism destination. The study highlights several key aspects; Product Identification, Systematic identification of primary, secondary, and supporting products based on the existing resources in Kadugenep village, aimed at creating a tourism destination. Market Analysis; Determination of the target market that aligns with the needs, wants, and demands of tourists, ensuring that the tourism products in Kadugenep village provide maximum satisfaction. Marketing Mix; Restructuring the marketing mix program—product, price, place, and promotion by integrating digital marketing strategies to achieve precise and efficient strategic steps. Partnerships; Establishing collaborations with government agencies, investors, and creative economy communities to enhance the competitiveness of Kadugenep village in the tourism industry.

The implementation of this digital marketing strategy is expected to be carried out continuously, with evaluations of the achieved results to create an attractive, natural, safe, and comfortable tourism destination. This approach aims to provide satisfaction to tourists

and encourage the spread of positive information through word of mouth. To achieve these goals, there should be a focus on creating consumer satisfaction. Considering the tourism industry is highly influenced by the subjective assessments of tourists, the services provided must be dynamic, creative, and innovative to meet the expectations of tourists.

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