

MARKETING | RESEARCH ARTICLE

Digitalization of Pipang Product Marketing for Increasing SME Sales

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ABSTRACT

This study focuses on pipe marketing to increase SME sales in Puncak Harapan Village, which lacks extensive marketing strategies and brands with significant selling value. It aims to leverage the potential of digital technology to expand opportunities for the growth and success of SME businesses in the current digital era. This study aims to analyze the appropriate digitalization of pipe marketing to enhance SME sales in Puncak Harapan Village, Enrekang Regency. The qualitative research method uses data analysis techniques with NVivo 12 Plus. Researchers will conduct in-depth interviews with informants to identify the most effective digital strategies for pipeline marketing. This study concludes that digitalizing product marketing in Puncak Harapan Village, Enrekang Regency, through platforms such as Shopee and Facebook, is crucial in increasing SME sales. Shopee is more effective by employing aggressive marketing tactics, while Facebook focuses on in-depth situational analysis to tailor strategies to consumer preferences. Effective marketing tactics and strategies on digital platforms significantly influence the success of SME product marketing. However, proper implementation and control are also essential to ensure the effectiveness of these strategies, particularly in response to market dynamics and consumer feedback.

Keywords: Digital Marketing, SME, Marketing Strategy.

JEL Code: M31, O33, L26, L81

I. Introduction

In the current era of technological development, the marketing of local products has undergone significant changes. To ensure the survival of businesses in the face of shifting consumer behavior towards online purchases and digital interactions, the use of digital technology, such as e-commerce and social media, has become essential. E-commerce has emerged as a vital platform for business growth, particularly for SMEs seeking to expand their market reach, as these enterprises often struggle to develop due to their limited marketing scale (Azmi Fadhilah & Pratiwi, 2021).

Puncak Harapan Village possesses great potential as a local economic resource, particularly through its superior commodities, such as pipang. However, despite the significant economic value of pipang, the village faces challenges in fully leveraging this product's potential. The primary obstacles to the economic



growth of SMEs in this area include the inability to reach a broad market and the lack of a strong brand identity. Additionally, the weakness in brand identity results in diminished product appeal to potential consumers outside the local environment. Therefore, in-depth research must focus on digitalizing marketing strategies to expand market reach, build a strong brand identity, and increase pipang sales. One practical approach to reaching a broader market is digitalizing marketing using e-commerce and social media platforms.

The problem addressed in this study is the low sales of pipang among SMEs in Puncak Harapan Village, which currently lack a digital market to promote their products widely. Sales of pipang in these SMEs remain at a local level, with products being sold in only two stalls, resulting in limited sales. The average monthly sales turnover is only IDR 600,000. Additionally, research by Jatmiko (2022) indicates that online marketing strategies utilizing digital marketing (specifically social media) can help SMEs increase their sales and profits. Therefore, one proposed solution to boost sales for SMEs, particularly for pipang products, is to implement sales through e-commerce and social media. This aligns with a survey by APJII, which shows that over 90% of the Indonesian population uses e-commerce and social media daily.

The scope of this research is limited to the digitalization of pipang product marketing aimed at increasing sales for SMEs in Puncak Harapan Village, Enrekang Regency, by utilizing existing platforms such as Shopee and Facebook. The research question is: How can the digitalization of pipang marketing be effectively analyzed to enhance SME sales in Puncak Harapan Village, Enrekang Regency? This study aims to analyze the appropriate digitalization of pipang marketing to increase SME sales in Puncak Harapan Village, Enrekang Regency. The benefits of this research are twofold: theoretically, the findings are expected to serve as a reference for future studies, and practically, the results are intended to be utilized by SMEs in Puncak Harapan Village to enhance their sales.

II. Literature Review and Hypothesis Development

The development of information technology has transformed the marketing landscape in recent years, prompting SME actors to leverage digital media as a marketing strategy to increase consumer awareness of their products. Effective marketing in the digital era involves utilizing various social media features as part of digital marketing. This approach potentially facilitates consumers in obtaining a wide range of product information and simplifies online transactions. The appropriate use of technology enables business actors to compete effectively in meeting consumer needs (Pratiwi et al., 2022). Digital marketing can assist business actors, such as SMEs, in promoting and marketing their products and services and expanding into new markets that were previously inaccessible or limited due to constraints of time, distance, and communication methods (Sono et al., 2023). Designing and utilizing e-commerce information technology in business can yield significant impacts, opening up broader access for product orders (Mursalat et al., 2022; Wardhana, 2022). Smith proposed a method of analysis in digital marketing known as SOSTAC, which stands for Situation Analysis, Objectives, Strategy, Tactics, Actions, and Control (Wardhana, 2022).

1. **Situation Analysis:** The first stage in implementing the digital marketing plan framework involves analyzing the situation, reflecting on the internal and external factors that influence the organization.
2. **Objectives:** The second stage focuses on the objectives the company aims to achieve through a strategy that will be formulated. This includes the 5S framework (Sell, Serve, Sizzle, Speak, Save), a vision for digital channels, and specific numerical objectives such as sales volume projections and cost savings.
3. **Strategy:** The third stage involves establishing a strategy: the company's approach to achieving the set goals. This includes segmenting, targeting, positioning (STP), proposition development that encompasses marketing mix elements, and customer relationship management (CRM).
4. **Tactics:** The fourth stage establishes tactics, which are detailed strategy derivatives. Tactics include specific tools used to achieve digital marketing goals. Companies can utilize the 4P or 7P Marketing Mix, focusing on the key attributes of Product, Price, Place, Promotion, People, Process, and Physical Evidence, as well as customer relationship management (CRM), customer experience, and digital communication.

5. Actions: The fifth stage involves realizing the plan through measurable actions that refer to action plans, change management, project management skills, and modifying roles and organizational structures.
6. Control: The sixth stage is to monitor and measure performance at each of the first five stages. Control involves using management information, including web analytics and tracking, to assess whether strategic and tactical goals are being achieved and identify improvement areas (Novrianda et al., 2023; Ary Meizary & Betty Magdalena, 2023).

In Indonesia, micro, small, and medium enterprises (SMEs) have long been recognized as a crucial sector of the economy due to their significant roles (Bima Setyahardi & Simamora, 2023). As the driving force of the people's economy, SMEs are the foundation of a socialist economy. They play a strategic and vital role in the economic growth of both developing and developed countries. The characteristics of SMEs are inherent in their business activities and the entrepreneurs' behavior. These characteristics serve as distinguishing features among business actors based on the scale of their operations (Srijani, 2020). During the ongoing economic crisis in Indonesia, the ability of SMEs to survive is evidence of the sector's resilience. In various economic downturns, SMEs have proven to be a reliable source of stability for the Indonesian economy. They also contribute to economic equality, as SMEs provide an alternative solution to poverty by empowering businesses that have demonstrated resilience in the face of economic challenges. Given their increasingly important contribution to the economy, SMEs require greater attention from policymakers (Astina, 2022). The role of social media in business is to enhance consumer recognition and curiosity, foster good relationships with consumers, attract new customers from various regions, and ultimately increase sales (Dilla Putri Sisca Dewi & Muhammad Rahmat, 2022).

Online sales have emerged as an effective strategy widely adopted by various companies. This is mainly due to the numerous advantages online sales offer compared to conventional marketing methods (Maryati & Masriani, 2019). One key benefit is reaching a wider audience at a lower cost. Unlike traditional sales, online sales require a relatively low budget while achieving a much larger market reach without extensive direct promotions (Rachyu Purbowati & Bagas Maulana Pasha Aditya Prada, 2023). Tracking the performance of conventional sales practices can be pretty challenging. For instance, advertising a business on television, displaying it on billboards, or distributing flyers makes it difficult for business owners to estimate who sees their ads and makes purchases. Online sales practices enable business owners to target specific audiences based on region, age, gender, and other details. This allows them to assess whether their online sales campaigns effectively reach their intended target audience. Online sales represent a broad marketing field encompassing various techniques and approaches (Dwita et al., 2023). There are many types of digital marketing, each with its advantages and disadvantages. Each strategy employs different tools and methods, from SEO and social media marketing to e-commerce and email marketing. By understanding the distinctions among these various types of digital marketing, businesses can select the most appropriate strategy to reach their target audience effectively.

III. Research Method

The approach taken in this research is qualitative, as defined by Creswell and Creswell (2022). Qualitative research is a method used to explore and understand the meanings attributed by individuals or groups to social or humanitarian issues. Researchers employ a qualitative approach because it allows for greater opportunities for expression and explanation through interpretation based on logical and intuitive reasoning, and acting as participant observers. The research procedures involving qualitative analysis techniques aim to explain, process, describe, and interpret the research results, providing a characterization or description of a specific condition or phenomenon in response to the problem being studied. The primary focus of this study is to analyze the appropriate digitalization strategy to increase SME sales in Puncak Harapan Village using the Shopee and Facebook platforms. The indicators used to measure the effectiveness of these platforms include Situation Analysis, Objectives, Strategy, Tactics, and Actions. By detailing these steps, this

study will investigate how implementing digitalization can positively impact pipang sales and assist SMEs in Puncak Harapan Village in achieving their marketing goals more effectively.

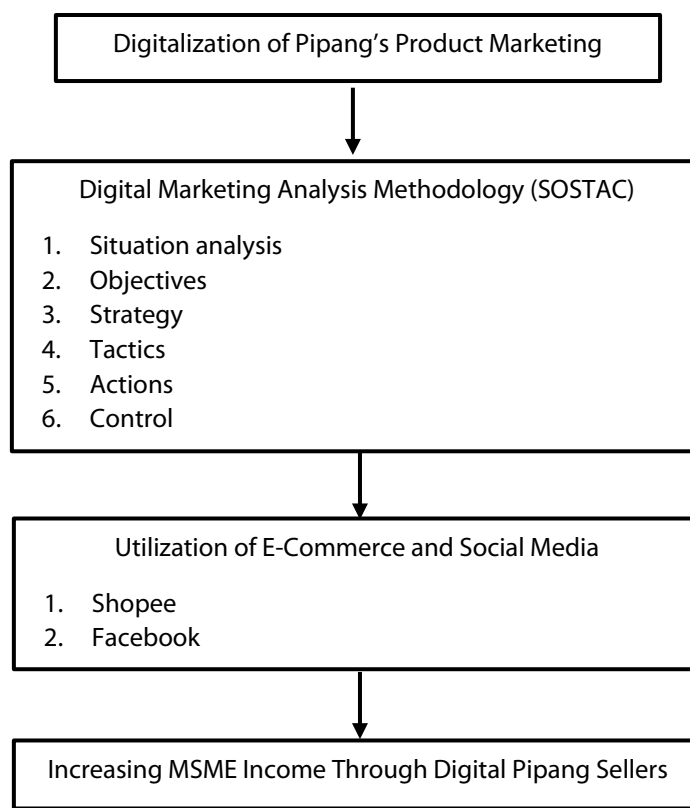


Figure 1. Research Flow

The tool used for data analysis in this study is NVivo. NVivo is a computer-based qualitative data analysis tool that organizes research data in a structured and sequential manner. The purpose of using NVivo in this study is to explain the appropriate digital marketing strategies to optimize pipang marketing through the Facebook and Shopee platforms using a data coding model. The data were obtained through in-depth interviews with pipang sellers and customers who had purchased pipang products. The results of the interviews were analyzed using computer-based tools/applications through several stages, including data import, multi-level coding, data display, and data visualization. This process aims to determine the most effective strategy for optimizing pipang marketing. The informants in this study included 13 individuals: one pipang product owner, six customers who purchased pipang through Shopee, and six customers who bought pipang products through Facebook. The study was conducted in Puncak Harapan Village, Maiwa District, Enrekang Regency. This location was chosen because Puncak Harapan Village is approximately 9 km from the district, with rugged terrain. However, internet access in Puncak Harapan Village is quite adequate, leading researchers to believe that using technology in product marketing will be both effective and efficient. The data collection techniques used in this study are as follows:

1. **Observation:** Observation is the process of obtaining firsthand data by observing people and the location where the research is conducted (Creswell & Creswell, 2022). In this study, observations were conducted involving informants, specifically five UMKM actors selling pipang and consumers.
2. **Interview:** An interview is a data collection process that involves asking a series of questions to informants to obtain information on a particular topic. In this study, the researchers conducted in-depth interviews

with five informants, including pipang UMKM actors and pipang consumers. The researchers prepared questions about digital marketing strategies to increase UMKM income.

- Literature Review: Data collection in the field through literature studies is used to review several references relevant to the theme raised by the researcher. The references are sourced from various literature studies.

IV. Results and Discussion

This study analyzes the appropriate digital marketing strategy to increase SME sales in Puncak Harapan Village, Enrekang Regency. Through in-depth interviews with 12 customers and one SME actor, data were analyzed using NVivo 12 Plus software to identify key elements in digital marketing strategies. The analysis results reveal different focuses on elements such as Tactics, Strategy, Situation Analysis, Objectives, Control, and Actions across two leading platforms: Shopee and Facebook. Below is a representation of the results from the NVivo analysis.

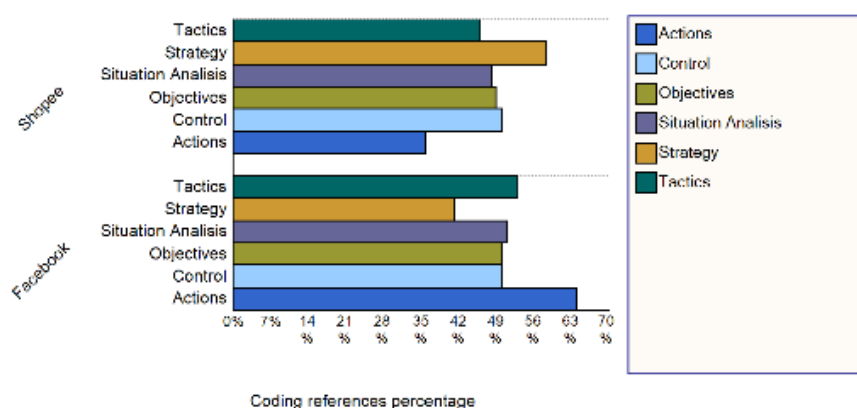


Figure 2. Analysis of Marketing Digitalization Strategy
 Source: NVivo 12 Plus Crosstab Data Analysis, August 2024

The table and figure above indicate that on the Shopee platform, the marketing strategy plays a vital role, with the highest coding percentage of 58.33%. This suggests that long-term planning and developing a cohesive strategy are crucial for achieving success on Shopee. Additionally, marketing tactics emerged as a significant element, with a percentage of 53.13%. This indicates that effective tactics are a top priority in SME marketing strategies, particularly pipeline sales. The emphasis on these tactics reflects the need to respond quickly and appropriately to market dynamics and consumer preferences. In addition to tactics and strategies, situation analysis and goal setting also emerged as important elements in marketing on Shopee. Situation analysis, which involves understanding the market and business environment, provides a foundation for SMEs selling pipang to identify existing opportunities and threats. Meanwhile, setting clear goals helps SMEs direct their marketing efforts toward achieving desired results. However, the elements of control and action appear to receive less attention, indicating that the implementation and evaluation of marketing actions may need improvement on this platform. On the other hand, tactics on the Facebook platform also receive the highest level of attention. However, an interesting difference is that situational analysis has a higher coding percentage on Facebook than Shopee. This suggests that a deep understanding of the Facebook market is considered more important, likely due to this platform's different user characteristics and interaction patterns. While strategy remains a key element, the emphasis on situational analysis on Facebook indicates the need to adjust strategies based on specific market conditions.

The analysis results for the objective and control variables on Facebook are balanced with those on the Shopee platform, confirming the importance of clear goal setting and control mechanisms to monitor marketing effectiveness. However, like Shopee, the direct action or implementation of strategies seems less emphasized. This can mean that, although planning and analysis are important, there is a need to pay more

attention to the concrete implementation of marketing strategies on both platforms. In addition to the results of the digital marketing analysis method, the researchers also observed positive and negative responses from sources related to the marketing of pipang products through the Shopee and Facebook platforms. The following are the results of the analysis of responses from these sources.

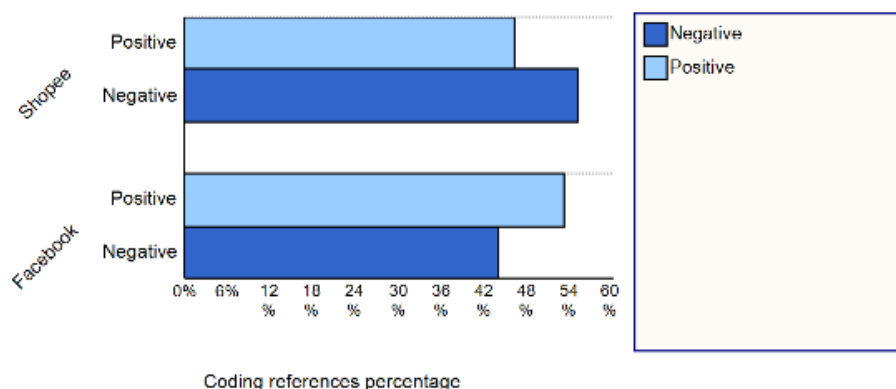


Figure 2. Customer and SME Responses
 Source: NVivo 12 Plus Crosstab Data Analysis, August 2024

This second graph shows a percentage analysis of how respondents reacted positively or negatively to various aspects of digital marketing on Shopee and Facebook. First, the data from the second graph indicates that negative responses to Shopee are higher than those for Facebook. This relates to previous findings, where marketing tactics and strategies were emphasized more on Shopee. The intense focus on tactics suggests that respondents feel the strategies used on Shopee are too aggressive or do not meet their expectations, resulting in more negative feedback. In contrast, despite a similar focus on strategies on Facebook, the lower negative responses indicate that the strategies on Facebook are more accepted or preferred by users. Second, we observe that the positive reactions on Shopee and Facebook are not significantly different, although Facebook has a slightly higher percentage. This suggests that, despite both platforms' shortcomings, users still appreciate some aspects of the digitalization strategy. From the previous analysis, it is evident that tactics and strategy are the primary focus, leading to the conclusion that while there may be criticism of this approach, there is still recognition of the efforts made to achieve marketing goals.

Third, the higher negative response rates on Shopee can also be attributed to the lack of emphasis on the Control and Actions elements in Shopee's strategy, as identified in the first analysis. A lack of adequate control or monitoring can lead to consumer dissatisfaction, resulting in more negative responses. This indicates that even if strong tactics and strategies are implemented, without proper evaluation and control, the overall effectiveness of the marketing strategy can be compromised, leading to increased negative feedback. Fourth, regarding positive responses, Facebook appears to have slightly more support, which is related to the high focus on Situation Analysis, as shown in the first analysis. Users feel that marketing strategies on Facebook are more relevant and tailored to their conditions and preferences, which can explain the higher percentage of positive responses. This underscores the importance of conducting in-depth and accurate situation analyses in creating effective marketing strategies that resonate well with users.

This study significantly enriches the literature on SME marketing digitalization, particularly in the local context of Puncak Harapan Village, Enrekang Regency. Previous literature has shown that SMEs' adoption of digital technology can have a substantial positive impact on increasing business competitiveness and sustainability. However, this study offers a new perspective by providing an in-depth analysis of how specific digital platforms, such as Shopee and Facebook, can be strategically optimized to enhance product sales, especially in the context of pipang products.

Rahayu and Day (2017) highlighted that SMEs' adoption of digital technology in Indonesia positively correlates with increased market access and competitiveness. They found that SMEs that successfully integrate digital technology into their marketing strategies tend to be more adaptive to market changes and better to survive in an increasingly competitive environment. This study aligns with the findings of Rahayu and Day (2017). However, it deepens understanding of how specific marketing tactics on platforms like Shopee and Facebook can be designed and implemented to support such success. For example, this study demonstrates that a strong and well-planned marketing strategy on Shopee can significantly increase sales, underscoring the importance of strategic planning in digital marketing.

Additionally, research by Santoso (2020) emphasizes the importance of social media in the marketing strategies of SMEs in Indonesia, particularly in enhancing customer engagement and expanding market reach. Santoso (2020) found that Facebook, as one of the most popular social media platforms in Indonesia, plays a key role in facilitating interactions between SMEs and customers. This study supports these findings while also providing new insights into how in-depth situational analysis can help SMEs adjust their marketing strategies on Facebook to respond more effectively to specific consumer preferences and market dynamics.

V. Conclusion

This study concludes that digitalizing pipang product marketing in Puncak Harapan Village, Enrekang Regency, through the Shopee and Facebook platforms, significantly increases SME sales. Shopee is more effective when utilizing aggressive marketing tactics, while Facebook emphasizes in-depth situational analysis to adjust strategies according to consumer preferences. Effective marketing tactics and strategies on digital platforms greatly influence the success of SME product marketing. However, proper implementation and control are also crucial to ensure the strategy's effectiveness, particularly in responding to market dynamics and consumer feedback.

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