

Digital Marketing Among the Millennials Generation of MSMEs in Serdang Bedagai Regency

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Abstract

This article intends to describe the phenomenon of conventional marketing transitioning to digital marketing by millennial-generation MSMEs in Serdang Bedagai Regency in marketing their products. Internet access in Indonesia is generally quite extensive; at this time, the average house has one cellphone that has an Internet connection. The millennial generation of MSME actors in Serdang Bedagai Regency has also known the benefits and advantages of digital marketing. However, the marketing method and the choice of digital platforms cannot be generalized for all types of MSMEs and their target markets. This article is based on qualitative research and descriptive analysis. The results found that most digital marketing was carried out through applications on smartphones rather than computers (laptops or desktops). The choice of media platforms is also adjusted to the target market and economic level as well as the user's understanding, so many MSME actors prefer social media based on mobile applications that are easy for them to access.

Keywords: Digital Marketing; MSME; Millennial; Serdang Bedagai.

Abstrak

Artikel ini bermaksud menggambarkan fenomena peralihan pemasaran konvensional ke pemasaran digital oleh generasi milenial pelaku UMKM di Kabupaten Serdang Bedagai dalam memasarkan produk mereka. Akses internet di Indonesia secara umum sudah cukup luas, saat ini rata-rata setiap rumah memiliki satu handphone yang memiliki koneksi internet. Para pelaku UMKM generasi milenial di Kabupaten Serdang Bedagai pun telah mengetahui manfaat dan keunggulan pemasaran digital. Namun metode pemasaran dan pilihan platform digitalnya tidak dapat digeneralisir untuk semua jenis UMKM dan wilayah target pasarnya. Artikel ini disusun berdasarkan penelitian kualitatif dengan analisis deskriptif. Hasil penelitian menemukan kebanyakan digital marketing dilakukan melalui aplikasi di smart phone daripada komputer (laptop atau desktop), pilihan platform mediana juga disesuaikan dengan target pasar dan tingkat ekonomi juga pemahaman si pengguna, sehingga banyak pelaku UMKM lebih memilih media sosial berbasis aplikasi seluler yang gampang mereka akses.

Keywords: Pemasaran Digital; UMKM; Millennial; Serdang Bedagai.

INTRODUCTION

MSMEs (micro, small, and medium enterprises) are the most significant element in the economy of Indonesia. The MSME sector is one of the pillars of the national economy and has a strategic role in supporting the people's economy, including in terms of equal distribution of income and employment, as well as providing a social and economic forum for the community. Nevertheless, many MSMEs still do not understand how to continue to grow and expand their business. Especially in the industrial era 4.0 as it is today, where the use of technology is an absolute thing for MSMEs to do in order to develop, (Panuju, 2019).

MSMEs are one of the leading potentials in Serdang Bedagai Regency. The number of MSMEs in Serdang Bedagai Regency reached 139,155 people, representing agriculture, trade, services, and small industries. This fact proves that MSMEs are an important pillar in the economy, but of the many MSMEs in the Serdang Bedagai district, very few use information and communication technology for marketing.

One of the main centers of MSME activity in Serdang Bedagai Regency is in the Perbaungan District area. The area is in a strategic location because it is the main route from Medan City to the East and West Sumatra Crossroads. Before the operation of the Medan-Tebing Tinggi Toll Road, the Pasar Bengkel area in the Perbaungan sub-district was crowded with pedestrians who passed by to buy souvenirs, either in the form of snacks such as lump head, chips, bread, or handicrafts from woven wood that are sold by MSME business actors.

Recently, a lot fewer people have been going to the MSME centers in the Pasar Bengkel area. This is at least partly because of two things that can't be changed, even though they should have been expected. First, the operation of the Medan-Tebing Tinggi toll road This factor has resulted in pedestrians who want to go to the east and west routes of Sumatra preferring to enter the toll road rather than take the normal road, which has the potential to experience congestion and longer travel times. As a result, the MSME centers in the Bengkel Market have lost potential buyers from pedestrians who usually pass by. Second, the outbreak of the COVID-19 pandemic since the beginning of 2020. This pandemic has hit society's economic activities in general throughout the world, and the economic activities of MSMEs in Serdang Bedagai are no exception due to restrictions on people's activities and movements.

In several cases of MSMEs in Indonesia, especially in big cities, the actors have benefited from learning how to manage technology in business development. Digital marketing by MSMEs has affected business sustainability, especially how MSMEs can survive after the COVID-19 pandemic. Many MSME businesses use information and communication technology (ICT) to have unlimited marketing reach, which allows them to reach a wider target market than traditional methods and substantially reduce marketing costs.

A number of researchers have undoubtedly conducted research on digital marketing. Susanti, Koswara, and Rahmatiar conducted research in Tasikmalaya to discover the communication behaviors of creative bamboo craft entrepreneurs in developing local, national, and export-oriented businesses. The study's findings show that internal communication behavior among workers is based on kinship because a humanist approach is thought to be capable of maintaining production stability. Meanwhile, the external communication behavior is tailored to the party being confronted. In marketing bamboo handicraft products, both face-to-face and media communication is used (Susanti et al., 2021).

Combining technology with the marketing of goods or services has aided the growth of the technology industry in many areas of life. The success of PT. Karya Anak Bangsa, better known as Gojek, is inextricably linked to the concept of digital marketing, which small and medium-sized

businesses (MSMEs) are rapidly adopting. It was founded in 2010 with the intention of using technology to make many people's lives easier. In 2019, Gojek became the first Indonesian startup to be granted Decacorn status (Faradysa, 2022).

THEORETICAL REVIEW

Marketing

Marketing is a social and managerial process that helps people and businesses get what they need and want, usually by exchanging goods and services and creating value with others (Kotler and Armstrong, 2008). Marketing can also be referred to as an activity carried out by a company to maintain its business continuity. From the notion of marketing described by Kotler and Armstrong, it can be concluded that marketing is an activity carried out by an individual or a person, or an organization, which covers the process of planning, promotion, pricing, and distribution of goods, services, and ideas -- used to generate exchanges that satisfy the needs and wants between the parties involved (Sujanto, 2021).

Another definition of marketing is "the effort to provide and deliver the right goods and services to the right people at the right place, right time, and at the right price through appropriate promotion and communication" (Assauri, 2004).

The Y Generation: The Millennials

The Y Generation (hereinafter written Gen Y) or Millennials are those born in the early 1980s to the late 1990s. This generation is growing up in the new millennium era; they are widely known as Millennials. Most Gen Y is Baby Boomers. In general, they are more educated and culturally diverse than previous generations. Generation Y is the first to be strongly associated with social media use. If Generation X was the first to be exposed to the internet at work for professional reasons, Generation Y learned about it at a much younger age. For personal reasons, Generation Y welcomes social media and other internet-related technologies (Bolton et al., 2013; Werenowska & Rzepka, 2020).

They are open about their identities on social media and frequently compare themselves to their peers. As a result, what their peers say and buy has a strong influence on them. As a result, what their peers say and buy has a strong influence on them. They trust their peers more than well-known brands. Generation Y conducts a lot of research and purchases online, particularly on their cell phones (Kotler et Al., 2022).

Mobile Application

Society in general has been able to adapt to information and communication systems in today's digital era. The use of mobile applications is also rapidly increasing in tandem with the continued advancement of communication technology innovation. According to Islam and Mazumder (2010), mobile applications have many positive effects that can help people with their daily activities. Mobile applications are a new field that is rapidly evolving. This is due to the fact that mobile applications are a technology that is simple to use (user friendly), inexpensive, simple to obtain or download, and can be used on almost all types of cell phones, including low-cost cell phones. relatively low-cost (Ichwan, 2022).

Social Media

Social media is a broad term that refers to any online service where any user can make and share content. Among those included in social media are user-developed services such as online journals, social networking sites, online games, audio-video sharing sites, review forums, and online groups where users generate, design, disseminate, or check and verify content and information (Bolton et al., 2013; Yadav & Rai, 2017).

In the field of marketing and advertising, social media is definitely the main platform in a digitalized world. Schivinski and Dabrowski (2015) found that brand communication on social media that a company makes has a positive effect on awareness (cognitive responses). Labrecque's (2014) investigation found that brand interactions across different social media platforms resulted in positive cognitive and attitudinal responses among respondents in the US. This study resulted in positive cognitive attitude responses regarding brand interactions on social media (Duffett, 2017).

Social media has resulted in the emergence of new consumer interaction models as well as consumer-business interaction models (Baumöl et al., 2016). According to a literature review conducted by Baethge et al. (2016), e-commerce with social media is an important preferred channel for consumers to make purchases (Simangunsong, 2018).

Marketing 4.0: From Traditional to Digital

Digitalization further complements the trend toward human centrality. Gen Y—and to some extent, Generation Z too—is leaning towards the digital economy. The rise of the mobile internet, social media, and marketplaces have changed the way customers buy. Marketers adapt to these changes by communicating and delivering their products and services through an omnichannel presence. They started moving from traditional to digital and implemented marketing 4.0.

Marketing 4.0 is a new marketing pattern that refers to customer behavior in the digital era. According to (Kotler et al., 2019) the connectivity that existed in the marketing 4.0 era was the influence of growing social suitability for all parties. Customers are increasingly concerned about the opinions of others. They also share their opinion and collect a large number of reviews. And what allows this to happen is of course the internet, especially social media with the availability of platforms and tools (Kotler et al., 2019)..

RESEARCH METHOD

This research is descriptive and aims to describe the types of people in the community or social activities. Descriptive research focuses on "how" and "who" questions. The approach used in collecting data is qualitative research methods.

Qualitative data were obtained from expert personal interviews on a one-to-one basis to obtain unlimited comments and opinions and better understand their opinions and behaviors in social media life. This qualitative data is very useful for understanding individual behavior when making decisions.

The study was carried out in Serdang Bedagai Regency over the course of four months, from July 2022 to October 2022. Informants are Serdang Bedagai MSME actors who will be classified by sector, MSME actor data obtained from the Serdang Bedagai Regency Government Cooperative service, and representatives from each MSME sector invited to be resource people for focus group discussions. The information and facts from the focus groups were then used as the foundation for the database, which was then triangulated by conducting structured interviews.

Structured interviews are conducted by data collectors who have prepared research instruments in the form of written questions with alternative answers. Respondents were asked the same questions, and data collectors recorded their answers, as well as the tools used.

Qualitative data analysis occurs during the collection of data, not after it has been collected. However, the facts and data analyzed prior to going to the field should not be used to direct and control the researcher while on the field. Unlike quantitative research, the main focus of qualitative research can shift depending on what is going on in the field, both in terms of what it is and what it means.

Miles and Huberman suggest that activities in qualitative data analysis are carried out interactively and continuously until they are complete so that the data is saturated. Miles and Huberman offer a general pattern of analysis by following the flow model.

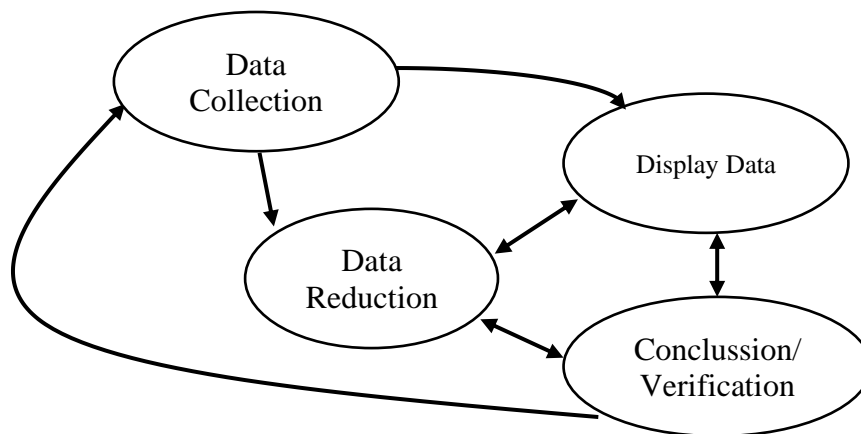


Figure 1. Data Analysis Flowchart
(Source: Researcher. 2022)

RESULT AND DISCUSSION

One of the most important things about MSMEs that can change with the times is that they are creative and aware of social changes. Since the digitalization era began in the early 2000s, social media has become the idol of many people. Especially for millennial groups that are passionate about technological progress because it makes everything easy, fast, and simple.

According to the data collected from the FGD participants' profiles, all MSME actors who took part in the FGD had at least one social media account. Nonetheless, not all FGD participants actively promoted or sold their products via social media.

Rusman is a high school teacher and one of the FGD participants. He actively promotes his business via YouTube, TikTok, and Facebook. His YouTube channel subscribers' number in the tens of thousands. Ade Haryati is the owner of Waroeng Ade Haryati, an MSME in the culinary field (WAH). WAH has a Facebook page called 'Waroeng Ade Haryati,' and it promotes the organization from there. Edi Iswanto is an agribusiness MSME manager named UR or People's Business. This MSME managed by Mr. Edi Iswanto employs 12 employees, already has a business license, and also has a Facebook social media account with the account name "Bumdessur 2".

Linda Wati is a young mother who has been selling clothing online since 2015. She runs her business from home and does not have a physical store. Linda promotes her products on Facebook. Putri Utami is a young woman who has been working in the culinary industry, particularly with fresh melons, since 2020. Her company name is "Melon Online," which means she only promotes and sells her products online. Putri promotes her products on Instagram and

WhatsApp. Abdul Rokan is an MSME actor who runs two businesses at the same time: souvenirs and gifts and interior design. Despite the fact that he only began his business in 2022, he's diligently promoting it on Facebook and has already sold his products on one of the international marketplaces.

Muhammad Prabudi Aswan runs a family-owned business that makes Dodol Sergai food. He also owns and manages several other businesses, primarily in the furniture and videography industries. He promotes his company through social media platforms such as Facebook and Instagram, as well as through Google AdSense.

Digital transformation is something that is important in the development of micro, small, and medium enterprises (MSMEs) in the current era of the industrial revolution 4.0. The reason is that the changing times from conventional to digital have contributed to changes in the behavior of the general public, which is the MSME consumer market itself. Consumer behavior has changed in nature and character, shifting from activities previously carried out in the real world to those in the digital world.

Digital communication can also be a forum for exchanging information digitally between MSME business actors for business strategy applications such as marketing, sales, and customer service. The Internet is the main support for communication and collaboration between employees, consumers, sellers, and other MSME business partners. Digitalization also allows consumers from different MSMEs to work together as a virtual team to develop, produce, market, and maintain their products or services.

However, MSME actors in Serdang Bedagai are not currently utilizing ICT to its full potential. The ability of the user's human resources, as well as the intended target market, all have a significant impact on the extent to which they use digital communication.

Linda has been in business since 2015, and her clients range from adolescent girls to middle-aged mothers. Because her target market consists of housewives and young women from villages, she adheres to the social media trend that her target consumers prefer, namely Facebook. Facebook is still used to market their products in a straightforward manner, with no fan pages or advertising, instead posting on personal account "walls."

We can also see the social media options used by MSME actors according to their target market from Rusman, who sells decorative flowers. With a wider target market (decorative flower lovers) throughout Indonesia and even abroad, he also chooses social media that can reach a wider audience quickly and easily. His decision to post his ornamental plants on the YouTube channel was not wrong; international audiences and potential buyers easily found Rusman and his ornamental plants.

Muhammad Prambudi Aswan, on the other hand, is involved in videography services and furniture crafts. Its target market is young people (videography), so it is more likely to market its services on Instagram. In addition, he uses Google AdSense to promote his website on the Google search engine, making it easier for potential buyers of his furniture or videography services to find.

CONCLUSIONS

Based on our discussions with the FGD speakers, we believe that all of the participants are aware of the numerous advantages of shifting to digital marketing. However, issues with capital, human resources, and a lack of government assistance are some of the major barriers to transformation.

HR's ability to investigate social media for digital marketing purposes has the potential to broaden its market coverage. However, economic constraints have become a stumbling block, and there appears to be a recurring cycle between economic capital and MSME market expansion.

Linda's mother is targeting rural women as her market, so she believes she doesn't need up-to-date digital marketing just yet because she doesn't have much capital or merchandise stock, so she can't meet demand from the larger market.

Several of our sources told us that they didn't have business licenses and weren't registered as MSMEs at the Serdang Bedagai Regency Government offices where they should have been. This should be a concern of every related party because many MSMEs are still running on their own without guidance and attention from the government, both in terms of increasing their knowledge and capital. Meanwhile, the District Government, through interviews with the head of the Cooperatives and Employment Service, explained that there was no discrimination in determining which MSMEs would receive assistance; however, they must first register their businesses with the Cooperatives and Employment Service. The existence of MSME actors who have not registered their businesses with the agency referred to above is a separate homework assignment for policymakers. The root of the problem must be sought, whether it is a matter of information distribution, bureaucratic complications, or other sociological or cultural factors that prevent them from registering their business.

As the last sentence of this conclusion, we'd like to thank Universitas Sumatera Utara for giving us the chance to do this research in Talenta Applied Research 2022. Also, we were glad for all of the people who came to the focus group discussion.

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