Research Article

THE EFFECT OF DIGITAL MARKETING TRAINING ON THE RESILIENCE AND PERFORMANCE OF MICRO SMALL AND MEDIUM ENTERPRISES

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Abstract

In the history of economic development in Indonesia, Micro Small and Medium Enterprises (MSMEs). It is a pillar in supporting the nation's economy, but in the midst of the Covid-19 pandemic, MSME players are required to be able to immediately transform into the digital era by implementing a digital marketing strategy to maintain resilience and improve their performance. The government and other stakeholders are required to strengthen MSMEs by conducting digital marketing training, so that the resilience and performance of MSMEs can be increased. The research is intended to analyze digital marketing training in relation to resilience and the performance of MSMEs in the new normal period of the Covid-19 pandemic. The research sample is MSME actors in Klaten Regency in terms of digital marketing training. Collection of research samples using purposive sampling technique, using a questionnaire. The total sample of this research is 150 samples. Structural Approach Model (SEM) is used to analyze the relationship between variables and data processing using LISREL 22.0. The results: a). Digital marketing training has a positive and significant effect on the resilience of MSMEs. b). Digital marketing training has a positive and significant effect on the performance of MSMEs.c). Resilience has a positive and significant effect on the performance of MSMEs.

Keywords: Digital Marketing Training, Resilience, MSME's Performance.

INTRODUCTION

At the beginning of 2020, almost the whole world was shocked by a global pandemic due to the corona virus, commonly known as Covid-19. Its influence, not only on the world of health, but has a major impact on all life, in a long time unit and the movement is very massive. The impact of Covid-19 hit both developing countries and even the developed world, thus forcing stakeholders to implement policies for a worse impact from the Covid-19 pandemic. Each country issued a policy, including the state of the Republic of Indonesia, In Indonesia, the initial attack of Covid-19 started in early March 2020 and continued to grow for quite a long time. The massive attack demanded that the Indonesian government issue Government Regulation PP No 21/2020 concerning Large-Scale Social Restrictions (LSSR). With this Government Regulation, the movement of people and goods is strictly limited. Even though with the existence of the LSSR, it turns out that controlling the corona virus is still very difficult to control, on the one hand, economic growth must be maintained so that it can continue to grow and not further exacerbate the next situation. Then the next policy was issued in the form of Implementation of Restricting Community Activities (IRCA). The IRCA policy has also had a major impact on the business world, both nationally, regionally and of course in various business sectors, which has resulted in some business sectors carrying out Termination of Employment. In the micro and medium sector, there is a sense of fear in the community when doing activities and leaving the house.

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With restrictions on various activities such as restrictions on the tourism sector, restrictions on worship activities, restrictions on the business sector and other restrictions, it certainly has an impact on the economic sector. Significant influences include a decrease in people's purchasing power, which is undeniably a big influence on the global and regional economy, especially for Micro, Small and Medium Enterprises (MSMEs). The pressure on MSMEs has become increasingly felt due to changes in market patterns from conventional market patterns to digital marketing, namely marketing activities, with the support of digital technology to achieve its main goals in the Industry 4.0 era. (Masduki, in Bebey, 2021). MSMEs have many limitations, including the readiness of resources and mastery of technology, as well as the ability to adapt to changing times. Not all MSMEs are highly educated and understand applied technology, including internet technology. Nearly 80% of MSMEs are not literate in internet technology, (Sukamto, in Edi, 2021); MSMEs are required to immediately adapt and maximize digital technology platforms in developing their businesses (Masduki, in Bebey, (2021). In the Covid-19 pandemic situation, MSMEs are forced to carry out and follow market changes from conventional patterns to digital patterns, so they can survive even expand its business.

With regard to coaching MSME players to survive and develop their business, especially during the Covid-19 pandemic, stakeholders have made efforts to increase the resource capacity of MSME actors, including by holding digital marketing training for MSME players in Klaten Regency. In its development, as reported by Hermawan, (2021), there has been a significant increase in the use of digital platforms in running its business. It was reported that as many as 280 thousand out of a total of around 400 thousand MSMEs had used digital media in their business transactions. This number is also

expected to continue to increase during the Covid-19 pandemic and in the next era. The study, linked the influence of digital marketing training variables on the resilience of MSME actors in Klaten Regency as shown by the performance of MSMEs, especially in the New period of Covid-19 pandemic.

LITERATURE REVIEW

Digital Marketing

Digital marketing has been known since the 1990s, and has become a necessity that must be passed in this ever-growing internet era. Stakeholder attention continues to be focused and developed into an effective marketing strategy that is inevitable in the business world. With the development of the internet, digital marketing continues to expand so that the use of internet technology begins to shift conventional marketing (Urban, 2004); which is intended to achieve marketing objectives with the support of digital technology, (Chaffey, 2009); can be used in building brands, social media users who continue to grow and networks that continue to innovate further, (Sanjaya and Tarigan, 2009). The application of digital marketing encourages MSMEs to try to be active and creative in building deeper relationships with consumers. Control and monitoring of marketing efforts, as well as fulfillment of consumer expectations are becoming easier to monitor in a digital footprint. For consumers too, it will also make it easier for them to find product information, as well as being able to quickly and accurately make comparisons between similar products offered by MSME players.

MSMEs Resilience

The pressure of MSMEs during the Covid 19 pandemic is increasingly extraordinary. The change in conventional marketing patterns to digital marketing forces all sectors to think about strategies and efforts to be able to maintain their business, including MSME players. Many business sectors have gone out of business due to the Covid-19 pandemic. Efforts to survive must be considered in depth by taking advantage of opportunities and advances in internet technology in the industrial era 4.0. Efforts to gradually adhere to and follow health protocols are in accordance with the will of the government as well as changes in paradigms and new norms in society in maintaining its resilience. Communities and MSME actors need to apply more careful observation, be able to identify situations and conditions based on market orientation and consumer desires , be quick in taking further actions and decisions to maintain business resilience, and continue to and continuously evaluating and taking follow-up actions with a situation that continues to develop without being limited by time so that the business unit can survive.

MSMEs Performance

Performance, basically is the achievement of business by comparing the results of implementing strategies to achieve business targets, (Thagian, et al., 2015); describe the achievement of strategic goals, (Hult, et al, 2004); describes whether or not the management of owned resources is good (Pevan and Xu, 2013); is a change in the index of organizational and stakeholder capabilities based on financial and operational indicators, based on operations and finance for business performance, (Bedi, 2006). Measurement of business performance can be done by measuring the relationship

between industries, company history, and of course how the goals set by business actors are achieved, (Thagian, et al, 2015); including by comparing growth, effective management of company resources, service quality, supply chain, and its relationship with the general market, (Al-hakim and Lu 2017); which can be evaluated from sales value to market demand. (Wheelen, (2015); profits, (Al-hakim and Lu 2017).

METHODS

This type of research is a quantitative descriptive research, which is a descriptive explanation research. The variables studied included: digital marketing training for MSME actors and MSME resilience which is an exogenous variable and MSME performance as an endogenous variable. The population in this study are SMEs in Klaten Regency, Central Java, Indonesia. Sampling using purposive random sampling technique. The number of research samples is 150 samples. Collection of research data using a structured questionnaire with the direction of the questions to explore the problems studied. The data analysis technique by the Structural Equation Modellin, and the data processing by the Lisrel 22.0.

RESULTS AND DISCUSSION

Respondent Profile

The general description of the respondents in this study is as follows:
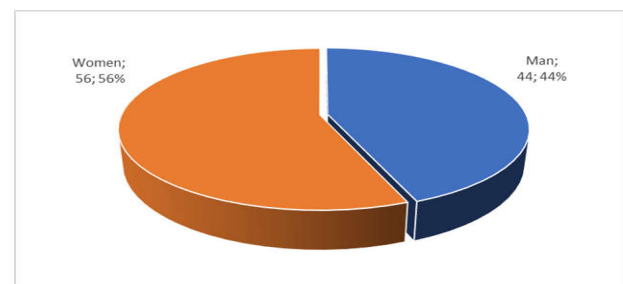

Figure 1. Respondents' Gender Distribution

Based on the gender of the respondents, the largest were women (56.56%) and the rest were men (44.44%). This is possible because MSME actors are active in developing themselves, most of them are initiated by women, as well as being responsible for the progress of the MSME business unit they are involved in and sufficient time to run the MSME business unit, as well as helping the family economy, especially in the New Period of Covid-19 pandemic.
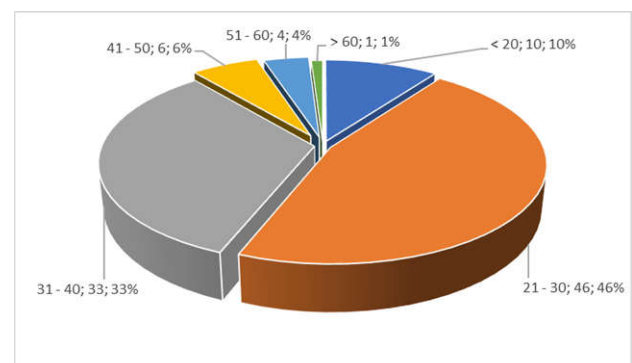

Figure 2. Age Distribution of Respondents

Based on the research results in Figure 2, it shows that the distribution of respondents based on their age class in the development of MSME business units, the highest distribution is in the age range between 20-30 years (46.46%), followed by the age range 31-40 years (33.33%) , age range less than 20 years (10.10%), range 41–50 years (6.6%), range 51–60 years (4.4%) and range more than 60 years (1.1 %). The largest percentage is in the range of 20-30 years, because this range is an active, productive and inspiring age range to find solutions for MSME development even in difficult times, especially the Covid-19 pandemic and of course because of the ability to master internet technology compared to the older generation. Interestingly, in the age range of 50–60 years and age > There are still 60 years who are respondents in this study (1%). This is possible because there is still high enthusiasm among respondents in this age range in developing MSME Business Units.
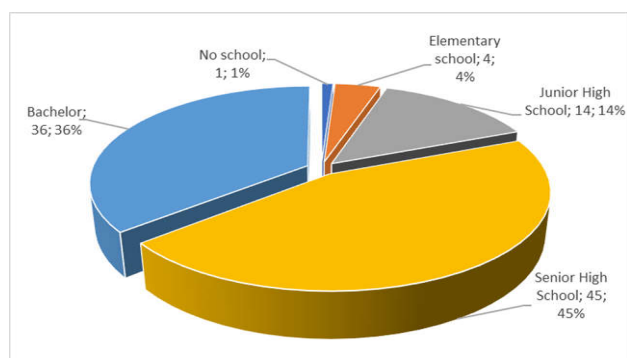

Figure 3. Distribution of Respondents' Education

Based on Figure 3, it shows that the education distribution of respondents is dominated by MSME actors with high school and undergraduate education levels, respectively 45.45% and 36.36%. This is possible because MSME business actors with high school and undergraduate education levels have opened their horizons to be able to quickly get out of the Covid-19 Pandemic crisis that has hit their businesses, as well as their ability to master internet technology.

Then followed by respondents with a junior high school level of education (14.14%); Elementary School (4.4%) and Not Completed School (1.1%). Interestingly, the respondents here are at the elementary school level and did not finish school, because of family encouragement, and they are used to using Android-based mobile phones, even though they are not technically capable of operating a computer.

DESCRIPTION ANALYSIS

The results of data analysis of the 6 (six) indicators studied, based on Table-1 and Table-2, are as follows:

Based on Table-1, regarding the digital marketing training variable for MSMEs using 6 (six) indicators, the average response score is quite high (80%), this indicates that digital marketing training encourages MSMEs to use digital platforms in marketing to maintain and developing MSME businesses. From the distribution of the answer scores on this variable, it shows that the ability to use the internet (85%) and use of Waths Up media (83%) is at a fairly high level. This is possible because the use of the internet is needed by MSMEs. Likewise the use of Waths Up media, basically it is relatively used/familiar to be used by MSME actors in Klaten Regency. There are 2 (two) indicators with achievements of less than 80%, namely collaboration indicators with large market places such as Shoope, Tokopedia, etc., (77%), as well as efforts to have their own market place at the level (74%), which can it is interpreted that MSME actors in Klaten Regency are able to survive and get out of the Covid-19 pandemic storm and as an effort to improve MSME performance is by implementing a conventional marketing strategy by transforming into digital marketing. Table-2 illustrates that the distribution of respondents' answers to the MSME performance variable in Klaten Regency, as a whole gave a high achievement (82%), it means that with training and the application of digital marketing, encouraging the improvement of MSME performance in Klaten Regency.

Table 1. Distribution of Respondents' Answers to Digital Marketing Training Variables

No	Indicator	Freq-score					Total Score	Max Score	%
		1	2	3	4	5			
1	Can use the Internet	1	6	18	44	81	636	750	85
2	Can use Facebook	3	12	27	44	64	589	750	80
3	Can use Instagram	3	10	24	47	66	599	750	81
4	Can use Watch Up	1	6	17	46	80	577	750	83
5	Collaboration with major Market Places	8	15	24	41	62	575	750	77
6	Has its own Market Place	12	20	25	31	62	566	750	74
	Total / Average						599	750	80

Source: Primary data processed; 2022

Table 2. Distribution of Respondents' Answers to MSMEs Performance Variables

No	Indicator	Freq-score					Total Score	Max Score	%
		1	2	3	4	5			
1	MSME Products are Easily Recognized by Consumers	3	8	13	41	85	647	750	87
2	Ease of Consumers Searching for Products Which is offered	2	9	17	39	83	642	750	86
3	Convenience of Consumers to Make Choices	7	13	25	31	74	602	750	80
4	Convenience Consumers decide Purchase Plan	5	7	23	38	77	625	750	83
5	Convenience of Consumers to Interact With Service Provider	10	18	18	37	67	583	750	78
6	Promotion Cost Efficiency	7	13	22	39	69	600	750	80
7	Increased Marketing Reach	3	8	24	32	83	634	750	85
8	Increased Sales	4	10	22	44	70	616	750	82
9	Increased Profits	3	12	17	49	69	619	750	83
10	Ease of Taste Analysis	8	15	22	31	74	598	750	80
	Total / Average						617	750	82

Source: Primary data processed; 2022

The highest results were obtained for the indicator "MSME Products Easily Recognized by Consumers" (87%); followed by the indicator "Ease of Consumers in Searching for Products Offered by MSME Actors" (86%); "Increasing Marketing Reach" (85%); "Providing Convenience for Consumers in Deciding Purchases" (83%); and "Increased Profits" (83%). However, there are indicators that are less than the average score, namely the "Increased Sales" indicator (82%); the indicator "Easy for Consumers to Make Choices" (80%); the indicator "Ease of Analysis of Market Tastes" of (80%); as well as the lowest on the indicator "Ease of Consumers in Interacting with Service Providers" in this case are MSME actors (78%). Overall, it can be interpreted that digital marketing training and its application will increase the resilience of MSMEs, which will ultimately improve the performance of MSMEs.

STRUCTURAL MODEL ANALYSIS

The results of the confirmatory factor analysis, as a basis for predicting the structural model as well as the results of hypothesis testing are summarized in Table-3 and Figure-4::

Table 3: Goodness of Fit Index (GOFI)
Full Model

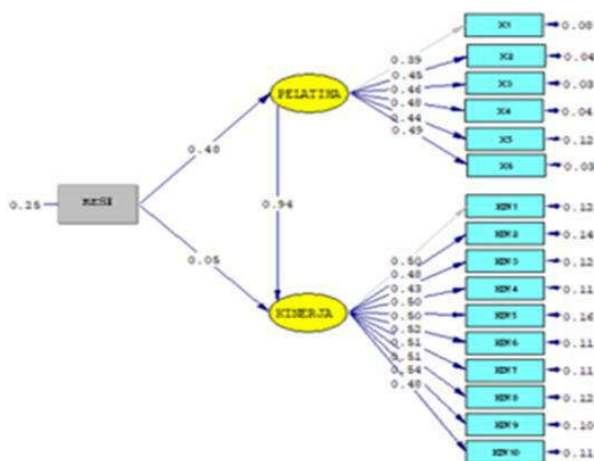| GoF Index	Cut-offs Value	Results	Conclusion
x^2- Chi square (df=150; p=0.005)	≤ 207.20	203.24	fit
Sign Probability	≥ 0.05	0.00	marginal-fit
Df	≥ 0	117	fit
GFI	≥ 0.90	0.86	marginal-fit
AGFI	≥ 0.90	0.81	marginal-fit
CFI	≥ 0.90	0.99	fit
TLNNFI	≥ 0.90	0.99	fit
NFIs	≥ 0.90	0.98	fit
IFI	≤ 0.90	0.99	marginal-fit
RMSEA	≤ 0.08	0.072	fit
RMR	≤ 0.05	0.011	fit

Source: Primary data processed; 2022

Figure 4. Structural Model Analysis and Hypothesis Results

Testing the hypothesis by estimating the path coefficient is evaluated based on the value of the T-statistic. Estimation of the path coefficient shows the estimated value that describes the relationship between latent variables obtained by the bootstrapping procedure. Measurement items are declared significant if the T-statistics value is greater than 1.98 and the p-value is less than 0.05 (5% significance level). The parameter coefficient of 150 shows the direction of influence by looking at the positive or negative of the original sample and the magnitude of the influence of the independent variable on the dependent variable (Ghozali, 2008).

a. Testing the first hypothesis to prove digital marketing training has a significant positive effect on MSME resilience. The results showed that the positive regression coefficient was 0.4 with a p-value of 0.000 (> 0.05). The sign of the effect is positive, meaning that the higher the digital marketing training, the better the resilience of MSMEs. It can be concluded that digital marketing training has a positive and significant effect on MSME resilience.

b. Testing the second hypothesis to prove digital marketing training has a positive and significant effect on MSME performance. The results showed that the positive regression coefficient was 0.94 with a p-value of 0.000 (> 0.05). The sign of the effect is positive, meaning that the higher the digital marketing training, the better the performance of MSMEs. It can be concluded that digital marketing training has a positive and significant effect on MSME performance.

c. Esting the third hypothesis to prove the resilience of MSMEs has a positive and significant effect on MSME performance. The results of the study obtained a negative regression coefficient of 0.051 with a p-value of 0.000 (> 0.05). The sig of the effect is positive, meaning that the higher the resilience of SMEs, the higher the performance of SMEs. It can be concluded that MSME resilience has a positive and significant effect on MSME performance.

CONCLUSION

1. The results of this study indicate that digital marketing training has a significant positive effect on MSME resilience. So that by increasing digital marketing training for MSMEs, it can increase the resilience of MSMEs in facing increasingly fierce business competition and even in pandemic conditions.
2. The results of the study show that digital marketing training has a positive and significant effect on the performance of MSMEs. It is interpreted that increasing digital marketing training for MSME players will improve the performance of MSMEs.
3. The results of the study show that MSME resilience has a positive and significant effect on MSME performance. It is interpreted that the higher the resilience of SMEs will improve the performance of SMEs.

RECOMMENDATIONS

1. Stakeholders in the development of MSMEs need to increase the resilience of MSMEs and improve the performance of MSMEs by increasing Digital Marketing training, because it is a necessity in the era of internet technology.
2. MSME actors build and enhance collaboration with large market place players
3. MSMEs are encouraged to be able to have digital platforms and build their own market places to promote their products and improve MSME performance.
4. MSMEs consistently need to communicate actively with their customers, as well as evaluate market tastes in depth to strengthen strategies to survive and win the competition..

RESEARCH LIMITATIONS AND NEXT RESEARCH AGENDA

The variables studied need to be improved, for example with regard to the variables of collaboration, customer involvement, customer trust in relation to increasing the resilience and performance of MSMEs.

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