

Product Development, Product Certification, and Digital Marketing in Increasing Micro Business Development

I Putu Artaya

Management Study Program, Faculty of Economics and Business, Narotama University Surabaya, Indonesia

Corresponding Author: I Putu Artaya (putu.artaya@narotama.ac.id)

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ABSTRACT

The problem that occurs in this research activity is the process of developing micro businesses using a three variable approach consisting of product development, product certification and digital marketing implementation, especially in the city of Sidoarjo. The total research sample was 114 micro business actors in the culinary sector with various types of food and beverage products. The sample determination method uses the census method or saturated sample. A group of business actors joined by the name Gumin (food and beverage business actors). The process of collecting research data uses Microsoft forms which are shared via the WhatsApp group of micro entrepreneurs. The analysis method used is multiple linear regression analysis, where the aim of this analysis is to find the estimation equation. The use of estimation equations in regression analysis aims to find out how big the role and influence of each independent variable (X) is on the dependent variable (Y). The results obtained through the analysis were that only two independent variables were significant, i.e product development and product certification, while one independent variable, i.e the application of digital marketing, was not significant. Improving the implementation of digital marketing is the main focus of this micro business group so that they can develop their business better in the future, so they can compete with other culinary businesses. The process of implementing digital marketing can be carried out if micro business actors establish partners with similar business actors, thereby creating mutual benefits.

Keywords: Digital marketing, Digital marketing, Micro business



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INTRODUCTION

The Covid 19 pandemic has subsided, but there are still many problems in the environment and operational activities of micro-enterprises in various fields. There are many new problems that have arisen when it has been hit by various obstacles for almost two years due to the pandemic. However, all forms of problems that arise can still be corrected properly as long as there is effort and innovation and creativity to overcome them. During that time the way to rise is always wide open. However, the occurrence of the Covid 19 pandemic for almost two years has created a new phenomenon in the



field of business activities, entrepreneurship and the rise of the food product business which has grown so rapidly. Because every individual in the household is trying to maintain their survival. The emergence of economic activities in the micro sector through the rapid growth of micro businesses is the easiest thing to do than carrying out activities in other business sectors because it can require resources and assets that are quite large and cannot even be reached by households nationally in Indonesia to be able to restore life and business activities on a micro scale, it is necessary to have a stimulus that can really be applied by the government, a general approach that can be carried out and is able to reach all groups is the food sector and food products is one of the most developed business sectors in Indonesia. This sector controls almost 66% of micro business activities that have developed in Indonesia since mid-2016. Indonesia is indeed rich in agricultural products including agribusiness products which greatly support micro business activities in the field of food ingredients and food products. Why is that? because one of the basic needs that cannot be abandoned in life is the adequacy of sources of food and food products which are the primary needs of all citizens. The field of micro-business activities which is based on sources of food and the development of food products can be realized and growing rapidly considering that almost 75% is consumed locally, This statement is in accordance with the results of research by Prasad, Su, Altay & Tata in 2015 which has been implemented in four different cities with the result that the dependent variable has a role and contribution to the strong development of micro businesses and this sector has the opportunity to become the prima donna in the export activities of world food ingredients and products. Of course, this condition is beneficial for Indonesia if the micro-enterprise community gets sufficient attention for them from the government and the private sector in the business development process. the development of micro-enterprises in the food sector in the form of product development contributions and a variety of products so that they are more varied, then the business and product certification process, then the next contribution is the application and adoption of technological advances in the field of marketing and sales (Permana, 2017).

Table 1. Growth in the micro business sector including the food product business in Sidoarjo Regency from 2019 to 2022.

Year	Type of Business	Amount (unit)	Growth
2019	 Food Product Business 	938	-
	 Foodstuff Business 	466	-
2020	 Food Product Business 	1.023	9,06%
	 Foodstuff Business 	820	75,9%
2021	 Food Product Business 	2.006	42,70%
	 Foodstuff Business 	1.129	37,68%
2022	 Food Product Business 	1.670	16,74%
	 Foodstuff Business 	1.044	7,25%

Source: Sidoarjo Regency in Figures, processed. 2022

From the appearance of table 1 above, it shows that the development and growth of the food product and food ingredients business has occurred so rapidly. As explained by (Hasibuan et al., 2022), a food product business is a business that is run in a family environment without involving outside personnel, and only focuses on the food sector. Meanwhile, food is a business that has been developed and has involved outside workers other than family members and is on an industrial scale. This business is supported by local wisdom from various sources or economic potential that is growing and dynamic so that it has the opportunity to become an alternative business activity when the economy is down during the pandemic. Such dynamic conditions cannot be dammed and flow by itself. The following is the growth of micro businesses in 18 sub-districts of Sidoarjo Regency.



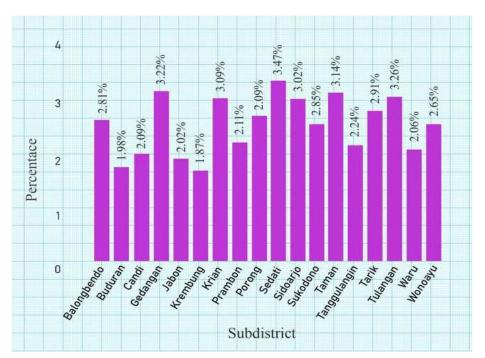


Figure 1. The average growth of micro businesses per year from 2019 to 2022 in 18 sub-districts of Sidoarjo district Source: BPS City of Sidoarjo, processed, 2022.

Based on the display of Figure 1 above, despite the pandemic, the growth of micro businesses is quite high. This was marked during the pandemic, in fact the level of online sales was very high and even boomed (Arham & Firmansyah, 2021). Supported by the impact of technological advances that are quite rapid in the field of online sales, making this digital sales model the main alternative in the owner's business development efforts. Considering that digital models have penetrated and can be accessed easily by business owners using strings. The extraordinary growth of micro-enterprises is not followed by business owner compliance with minimum requirements in fulfilling business legal obligations. For example, what usually happens is that you don't have a Business Identification Number (NIB), don't have an NPWP, aren't packaged properly, products marketed use imperfect labels and seem sober, products don't meet eligibility standards, do not have a Halal certificate yet. The growth of micro-enterprises in the economic field is not prohibited, in fact, the 1945 Constitution guarantees every citizen to open a business as wide as possible. But behind that all business owners must be willing to comply with the terms and conditions imposed in the field of micro business activities. So that in the development process there are no obstacles in the field of business legality. Specifically for micro-enterprises in Sidoarjo Regency, the average problem and problem that is still encountered in the field is a packaging problem, not using a label that meets the minimum requirements according to BPOM Regulation Number 86 of 2019 concerning food products, not evenly having product eligibility certification requirements such as a P-certificate IRT, POM Agency certificates, Halal-MUI certificates, and the last problem that is still encountered is lack of knowledge and inability to implement digital marketing optimally because they really do not understand how to use digital marketing properly and correctly (Gunawan et al., 2022).

From the point of view of the interests of the economic sector in supporting the development of micro-enterprises, it should even become a mandatory program for the development of micro-enterprises in Sidoarjo district in particular and East Java province in general. In this way, the growth of micro-enterprises will have a better acceleration in dealing with all changes, especially changes in market tastes and changes in regulations caused by changes in the business environment. There



must be solutions or activities that are focused on for micro-entrepreneurs in developing their business and or products. There are still many aspects that need to be improved in the development of micro-enterprises so that they are able to increase their competitiveness and product excellence so that they are more accepted by the market through industrial and trade exhibition events, according to information by (Prasad et al., 2015). Regionally, the Sidoarjo Regency government is trying to support the improvement of micro-enterprises in various ways, i.e cheap bazaars at the village level which are attended by almost all micro-business actors, shopping for local products, exhibitions of MSME products at the district level and involving them in exhibitions at the national level. prioritizing buying local products rather than imported products, and facilitating creative industry products to be able to take part in exhibitions at the national level, and encouraging growth for small industry activities. In general, the emergence of small industries or micro-enterprises cannot be stopped, because they emerge as part of the impact of local wisdom which triggers the emergence of business opportunities which are a source of income for most people in the middle to lower economic class. The government's seriousness is manifested in the form of providing a Curation institution whose job is to carry out training and assistance for micro business products that are feasible and have the potential to be repaired and enter the export market. Hasibuan's research in 2022, through collaboration with the Department of Trade in Empowering Micro, Small and Medium Enterprises in the City of Medan, found that through the implementation of product development, product certification services and the implementation of digital marketing, it was able to provide motivation and benefits for groups of micro business actors in the city of Medan to increase sales. even increasing the quantity of exports of Malaysian and Thai micro-enterprise products. Then the research results from Ariansyah, Asrul, & Eymal, in 2021 showed the same results, that the role of product development, product certification services, and digital marketing was able to increase 56% of sales levels and 48% of business actors were able to increase their market share through increasing capacity export (Abduh. 2021).

Aspects of Business Improvement

Can be interpreted as a comprehensive action on all aspects of business activities in a micro business activity. In a study conducted by (Irawan, 2017), it was explained that in order for micro-enterprises or MSMEs to have an advantage in the process of expanding their market, what needs to be considered are aspects in improving or developing their products, business legality related to juridical so that products can be well received in the scope of the local market and global market, then also the linkages of business management related to technological advances in transaction, marketing, sales and delivery activities. Ariansyah et al., 2017 put more emphasis on the digital marketing aspect as a very important substance in managing and developing business activities in today's modern era. In order for digital marketing activities to bring benefits, it needs to be supported by business and product development processes and maintaining aspects of product quality and legality, including product eligibility certification. product development can be realized in the form of improved packaging and product labeling. Through the two studies above, it can be hypothesized that product development, legality of product feasibility, and the application of digital marketing have effectiveness in improving or improving micro business activities. (Sundari et al., 2017) through a research on four leading companies, when the company was still on a micro scale, it had to put more emphasis on innovation activities, and this innovation was realized by always following developments in information technology so that it was very helpful in managing its management, on the other hand advances in information technology could help good communication with stakeholders who provide a very positive value in business development. One of the innovations that is well developed through the company's internal management is to adopt digital marketing properly, especially when the company has focused on its external environment (Astuti, 2022).

Product Development

One important thing in changing micro-businesses so that they can be more developed and advanced is to pay attention to their products. Products are outputs that will be offered and provided to customers in an effort to meet the needs of consumers and or customers. Of course the product must be able to meet the expectations and desires of consumers. Products consumed by consumers must



be fun, satisfying, meet expectations, safe for health, not endanger the existence of consumers, not have negative effects, be able to provide a sense of comfort, and be able to foster a sense of love as described by (Halim, 2020). The most important aspect in product improvement is paying attention to the packaging, packaging must be able to be accepted by the market, meaning that consumers feel willing to choose and buy it just by looking at the shape of the packaging. Apart from packaging, another aspect that is no less important is the product label attached to the packaging. Product labels must contain all important information for consumers before consumers decide to buy or not the goods they see Murwadji & Saraswati, in 2017. Packaging and labels are part of product development, and at one time packaging and labels became a means of competition to win competition in the market, even a product that was initially mediocre could and was able to penetrate the global market only because of the forms of packaging and labels that were favored by consumers. abroad, the impact is that the company will progress and become an international company by Yudo et al., 2018. This is understandable because consumers in the global market demand products that are safe, attractive and able to evoke feelings of liking. If this can be achieved, then the product automatically has competitiveness. The feeling of liking that arises in the hearts of consumers could be because the product is considered to have added value, attractiveness, is attractive to choose from and ultimately favored compared to other competing products. So that it can be hypothesized here that product development can have a role or influence on the effectiveness of improving microenterprises in Sidoarjo Regency (Sundari et al., 2017).

Product Eligibility Certification

Product circulation in the market must meet several conditions, so that the provisions can be fulfilled, every product produced by a micro business must have a certificate of eligibility so that the product has distribution rights because it is deemed to have legality. The purpose of product certification is to gain recognition and comply with regulations that apply to every product circulating in the market so that it meets safety or guaranteed safety, meets consumer health aspects, meets eligibility standards, and meets the required requirements. By following and or having a certificate of eligibility, the products distributed to the consumer community meet applicable national standards, and business actors are not considered to have committed a violation, as explained through the results of research conducted by (Murwadji & Saraswati, 2019). Meanwhile, in his research, by Abduh in 2021 explains that the most important purpose of product certification is to generate trust and provide adequate value to consumers and all interested parties, fulfill the minimum requirements for product marketing and an effective management system, as well as products sold to the public. has fulfilled the obligations of the certification body. Meanwhile, according to Jayadi et al., 2019 product certification is one of tightening quality requirements so that products have added value for consumers, minimize losses to consumers, maintain assurance in production process activities so that the quality of products sold is guaranteed to maintain consumer security and safety. On the other hand, Gunawan et al., 2022 in his research said that product certification is a shortcut to generate consumer confidence and at the same time increase the principle of product legality so that it is safe for consumption and negative impacts can be avoided from the consumption process. If this aspect is fulfilled properly, then micro business products are suitable for marketing and widely consumed because they are considered legal. Thus product feasibility certification can be considered as having a role or influence on the process of improving microenterprises in Sidoarjo Regency (Novinati & Hakam, 2014).

Application of Digital Marketing

Today the role of digital marketing is very priority in running a business, this is not a forced condition but an environment that forces every company to implement this. Digital marketing is widely applied as a means of publicity, product introduction, promotion, exhibitions, and building good relationships with customers through certain media as a means of communication. Conducted a comparative study of several micro businesses that have implemented digital marketing well with micro businesses that have not implemented it optimally. The results are very clear that several micro businesses that have implemented digital marketing with various platforms are able to grow faster in developing their business compared to micro businesses that are still traditionally based.



The results of Irawan research in 2017 prove that the application of digital marketing for micro businesses is able to provide added value in improving better communication with customers, maintaining markets, expanding the market to a global direction, and providing long-term stimulation in business development and improvement processes. This means that communication with the outside environment of the business can run more easily so as to accelerate business development. Jayadi et al., (2019) explained in his research activities that the role of digital marketing in the application of information technology must use a specific strategy, which can be a guide and policy line for companies and micro businesses to develop their business in the future in a specific and focused manner. Without this role, micro-enterprises will always be unable to compete with other similar businesses in terms of speed of communication and taking advantage of opportunities in developing their business. Dari beberapa penelitian di atas, dapat dibuat hipotesa bahwa penerapan digital marketing mampu dan berpengaruh dalam pembenahan usaha mikro ke depan. Penerapan digital marketing dapat berjalan dengan baik apabila setiap pelaku usaha mikro telah mendapat pelatihan dengan baik tentang Search Engine Optimization (SEO), Search Engine Marketing (SEM), Content Marketing, Sosial Media Marketing, dan Iklan Di Internet (Srirejeki, 2016).

METHODS

The research subjects were a group of micro business actors, especially food and beverage products, as many as 114 business actors who are members of Gumin, i.e the Food and Beverage Business Association. The research team did not participate in micro business groups other than the food and beverage business group. The Gumin group is under the guidance and auspices of the Sidoarjo District Office of Cooperatives and UMKM Clinics. The research sample was 114 micro business actors, the total population at the Sidoarjo UMKM Cooperative and Clinic Office consisted of 114 micro business actors, so the method of determining the research sample was the census method or saturated sample. Because what we sampled were food and beverage micro entrepreneurs. The primary data collection model uses instruments that are designed using Microsoft Forms and distributed to several WhatsApp groups of business owners who are under the MSME Clinic at the Sidoarjo District Cooperative Office. Based on the literature review and tracing the results of previous research, the variables in this study are determined as follows:

- 1. The independent variables consist of X1 = Product Development; X2 = Product Eligibility Certification, and X3 = Application of Digital Marketing.
- 2. The dependent variable consists of one, i.e Y = Improvement of Micro Enterprises.

Through some of the variables above, we will estimate how big the strength of the three independent variables is in an effort to change and create better conditions for the magnitude of variable Y, i.e Micro Business Improvement.

Data Analysis Methods Friedman Test

As explained by Sulaksono & Zakaria, 2020 in his research, the purpose of Friedman's test is to determine whether there is a linear relationship between several variables to be tested in the association model. It is said to be normal if one variable with another variable does not occur or a linear relationship is not detected. If the Friedman test results are negative, then all variables are feasible to use in multiple linear regression analysis. By using Friedman's analysis, it can be seen whether the three independent variables have a linear relationship with each other as a single unit in supporting the process of developing micro business activities as described in the results of Irawan's research in 2017. In this research it is said that one of the successes of supporting business development is Micro is the role of business actors' ability to adopt technology through the role of digital marketing in the form of improving marketing and sales processes through marketplaces and other online sales systems, then product innovation capabilities, as well as developing added value



for products through Halal certification programs and marketing eligibility certification. With the hypothesis, as follows:

 \mathbf{H}^0 : The three independent variables (product development, product feasibility certification, application of digital marketing) are not linearly related to each other.

H¹: The three independent variables (product development, product feasibility certification, application of digital marketing) are linearly related to one another.

With the following decision rules:

If the Asymptotic Sig. greater than 5% then it is determined to accept H⁰.

If the Asymptotic Sig. less than 5% then it is determined to accept H¹.

Multiple Linear Regression Analysis

The data analysis model used in this study is an associative method, i.e determining the size of the estimate of the dependent variable based on variations or random changes of the independent variable, through an estimation equation that is formed. The form of the model equation is as follows (Sundari et al., 2017):

Y = B0 + B1.X1 + B2.X2 + B3.X3 + E.

The equation has meaning:

Y= Micro business development.

B0= Constants/Fixed values from the estimation equations that are formed.

B1, **B2**, **B3**= The regression estimator coefficient or estimator parameter of the dependent variable.

E= Regression residual values or confounding quantities that are not discussed in the model equation.

By using the multiple linear regression analysis equation, we can estimate the process of improving micro-enterprises based on the value of the regression estimator, so that each variable in the model equation can be estimated how big the coefficient of determination is, this allows how much contribution each variable has in the process of improving the micro-business.

RESULTS AND DISCUSSION

Description of Respondents' Answers

Based on collecting data on respondents' answers using Microsoft Forms, a description of the respondents' answers is obtained as shown in table 3 below, i.e:

Table 2. Description of the answers of 114 respondents from Gumin.

Variables	Average Answer	Amount	(%)
	• (1) Very Relevant	32	28,07
Product Development (X1)	• (2) Relevant	44	38,59
	(3) Less Relevan(4) Irrelevant	21	18,42
		10	8,77
		7	6,1
	• (5) Very Irrelevant	0	0
	 (1) Very Relevant (2) Relevant (3) Less Relevan 	39	34,21
		48	42,10
Product Eligibility Certification (X2)		11	9,65
Froduct Enginity Certification (A2)		12	10,52
	• (4) Irrelevant	4	3,51
	• (5) Very Irrelevant	0	0
A	• (1) Very relevan	41	35,96
Application of Digital Marketing (X3)	• (2) Relevant	53	46,49



(3) Less Relevant(4) Irrelevant(5) Very Irrelevant	16 4 0 0	14,04 3,51 0 0
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Source: Process data, 2022.

Based on the appearance of table 2 above, it can be explained that the average percentage of respondents' answers to (1) is very relevant and (2) relevant to the variables of product development, product feasibility certification, and the application of digital marketing, the percentage is much greater than (3) less relevant, (4) irrelevant and (5) very irrelevant. Based on the description of the respondents' answers, it shows that the majority of respondents consider the product development process, product feasibility certification, and the application of digital marketing to be relevant and important for improving micro-enterprises. This means that with product development, product eligibility certification, and the application of digital marketing, the micro businesses they run can be helped to develop better.

Friedman Test Results.

To test that each independent variable is not linearly related to each other, a test tool is needed before the variable is declared feasible for analysis using multiple linear regression. The test tool used is the Friedman test The advantage that can be obtained through testing using the Friedman Test is that it will be possible to know the comparison of the accuracy of the three variables used in the regression model equation. by looking at the results of the hypothesis test from the Friedman test mentioned above. Thus the use of three independent variables in the regression equation is closer to the linear value, meaning that the residual value is considered the minimum. This means that the three independent variables in the regression equation with each other are considered to have a low level of correlation. Friedman test results can be shown below:

Table 3. Ranks Friedman Test Output

	Mean Rank
Product Development	2,05
Product Eligibility Certification	2,16
Application of Digital Marketing	2,29

Sources: Processing data, November 2023.

Table 4. Test Statisticsa Output

N	114
Chi-square	26,546
Df	2
Asymp. Sig	,162

Sources: Processing data, November 2023.

The display of Friedman test results in table 4 shows, the value of the Asymptotic Sig. a value greater than 5%, i.e 0.162, means that it was decided to accept H0, which means that the three independent variables (product development, product feasibility certification, digital marketing implementation) are not linearly related to each other so that the variance in changing the value of one independent variable does not have a linear relationship with the variance changes in the value of other independent variables. With the Friedman test results, the three independent variables fulfill the eligibility element to be analyzed using multiple linear regression analysis.



Results of Multiple Linear Regression Analysis

The purpose of this associative analysis is to find the regression equation. Thus, the process of estimating the value of the dependent variable (micro business improvement) can be estimated using the regression estimator values of the three independent variables formed in the regression estimation equation. Another result that can be seen from the multiple linear regression analysis is the magnitude of the contribution value (the coefficient of determination) of each independent variable to the dependent variable. According to Santoso's explanation in his book entitled Multivariate Statistics which he wrote in 2017, through multiple linear regression analysis, the strength of the dependent variable (Y) can be estimated using a regression equation if each independent variable used in the regression equation has a low level of correlation. Through the regression estimation equation, all forms of changes in the value of the dependent variable can be predicted using the parameters of the independent variable that have been formed in the model. One important thing that needs to be observed when using a regression equation in the estimation process is to look at the value of the magnitude or standard error coefficient of the model equation which must be minimal, meaning that the smaller the coefficient, the more accurate the process of estimating the dependent variable using the value of the independent variable. The estimation process carried out using the regression estimation equation is not absolute because every result of multiple linear regression analysis always uses the model's level of validity (standard error of the estimate) so that the coefficient numbers that appear are considered as estimator numbers, while we cannot know for sure the actual numbers. In research activities which are generally carried out by other researchers, searching and collecting data, the use of qualitative data is acceptable as long as quantitative data is not available or difficult to obtain. Why use a combination of analysis, i.e the Friedman test and multiple linear regression analysis? The main purpose of the Friedman test is to measure the linearity of the independent variables. The results obtained through the Friedman test are that the independent variables are not linearly correlated with each other. If this result is obtained then it can be continued to the multiple linear regression analysis model using the model equation by adding the dependent variable, i.e Y (micro business development). The measurement process is not based on quantitative results but only looks at the direction of movement in the ability to increase the perception of micro business actors. For complete results of the multiple linear regression analysis, we can see the following in table 5 below.

 Table 5. Results of Multiple Linear Regression Analysis.

Independent Variable	Regression Coefficient	Standard Error	t-ratio	Sig. t	r-Partial
Constant	2,044	0,732	2,792	0,006	-
Product Development (X_1)	0,680	0,135	2,118	0,040	0,595
Product Eligibility Certification (X_{2})	0,440	0,520	2,918	0,044	0.687
Application of Digital Marketing (X ₃₎	0,030	0,177	0,073	0,142	0,007
R	0,787				
R Square	0,782				
Adjusted R Square	0,857				
F-ratio	3,239				
Sig F. Change	0,023				

Sources: Data analysis process, 2023.

From table 5 above it can be explained that the determination values of the three independent variables (product development, product feasibility certification, digital marketing implementation) simultaneously as seen from the Adjusted R Square value are 85.7%. This means that 85.7% of success in revamping micro businesses is caused by product development, product feasibility



certification activities, and the application of digital marketing. While the remaining 14.3% (1-0.857) is caused by the confounding variable (E) which is not discussed in the estimation equation. Because the confounding variable (E) has a relatively small value of 14.3%, it can be perceived that the three independent variables have a big role in improving micro-enterprises for the Gumin group in Sidoarjo Regency. The Standard Error of the Estimate is 0.041 (very small) meaning that the three independent variables in the regression estimation equation have a high level of accuracy and are relevant in estimating micro business improvement variables.

Based on the F or simultaneous test value (Sig. F Change), which is 0.023, the value is below 5%, meaning that all independent variables have a role in the regression model equation so that all three can be used as an estimation tool to estimate variations in the magnitude or change in the value of the dependent variable in efforts to improve micro-businesses.

From the explanation of the results in table 5 above of the multiple linear regression analysis above, an explanation can be made that the product development variable and the product feasibility certification variable have a role, interrelation, positive contribution (influence) to the gumin micro business improvement variable. This condition means that the two independent variables have been well implemented in the process of improving micro-enterprises by providing positive contributions and benefits. As for the variable of implementing digital marketing because the regression coefficient value is not significant, This means that there is something that has not been implemented properly from the three independent variables used in the regression equation, i.e that micro business actors have not been able to implement their product development process well and then their product certification process has also not been carried out. The impact of the two variables that have not been implemented well is that the products they offer in digital marketing activities receive a bad response from consumers, so they are not interested in giving trust to products from micro businesses and on the other hand their products are unable to compete with micro business products. others are more innovative in packaging form, packaging variations, variety of choices, including price variations. Meanwhile, the certification process is able to provide and inspire a sense of trust in consumers and existing customers so that consumers choose the product in question because they feel it is much safer for consumption. Therefore, micro business actors, in order for their digital marketing activities to be successful in the market and sales process, must first improve the quality of their products in the form of various forms of innovation activities and carry out product certification for all the products they sell before offering them to the market. This statement is in accordance with the results of Novianti, & Hakam's research in 2014. Through this research, Novianti and Hakam succeeded in proving that with various forms of innovation programs and improvement of activities in the digital marketing field, a good perception will be formed when the product enters the market as a superior product, 1.e the fulfillment of supporting elements as a supporter of marketing and sales success. Nupratama & Anwar tahun 2020 has carried out research regarding the development of micro businesses in Indramayu, West Java, the results of the research show that there is no role for the digital marketing aspect, which is a supporting platform in marketing activities that gives business actors the strength to strengthen product presence, but it must be supported by various supporting aspects, including quality products, products are more innovative, and products are new according to technological developments, without the support of these strengths, products tend to be less competitive. The value of determination or contribution is very low, the variable of implementing digital marketing must receive attention and focus in efforts to carry out micro business improvement programs. This attention and focus is manifested in the form of micro business actors who are members of Gumin must receive more training and mentoring activities regarding the use of digital marketing with various platforms including having to receive more intensive training on understanding, mastering skills regarding Search Engine Optimization (SEO), i.e the process of implementing digital marketing through a website that contains On Page SEO and Off Page SEO. So that micro-entrepreneurs are better able to master interactions in the field of marketing activities through their respective websites. Then training on Search Engine Marketing (SEM), i.e skills to be more able to increase the visibility of their website, especially increasing the ability to master the website on search pages such as Google, so that websites will be easy to find. Getting training on content marketing, i.e a skill on how to create productive and high-



attraction content that will be operated using various digital marketing platforms, this is related to the process of publicizing micro business products that they will introduce and offer to potential customers in a virtual language that is more attractive and alluring. Furthermore, you also have to be able to master social media marketing, the form is mastery of social media marketing which is one of the ways that can be done through internet access to improve business units. Social media is a way for people to communicate and interact online without time and space limits. The last main focus of micro business skills is advertising communication via the internet. There are many ways to create advertisements digitally, using social media such as Facebook or Meta, Instagram, Twitter, Youtube. Another example of advertising is Pay Per Click or PPC. Advertising on the internet for faster product introduction activities on the internet to potential audiences or potential consumers. In this modern era based on information technology, if micro-enterprises are not strong in this field of technology, then the business they run will automatically be unable to compete and the opportunity to develop will be lost (Irawan, 2020).

From the display of table 6 above, it can be explained that the product development variable has a significance value (column 6) of 0.040 less than 5%, meaning that the product development variable can be used as a regression estimator (with a coefficient value of 0.680 and its determination value on business improvement variables micro business by 59.5% (quite high). The product feasibility certification variable has a significance value of 0.044 less than 5% meaning that the product feasibility certification variable can be used as a regression estimator with a coefficient value of 0.440 and its determination value on the micro business improvement variable is 68, 7% (high), while for the digital marketing implementation variable the significance value is 0.142 this value is greater than 5% meaning that for the digital marketing implementation variable with a coefficient value of 0.013 it cannot be used as a regression estimator and the determination is very small only 7%.

Various research results and data collection processes about micro businesses that have not yet adopted the digital marketing field and other types of businesses that have long adopted the digital marketing field micro, as can be explained in the figure below. What is the solution to overcome this problem? It is important for micro business actors to focus more on developing their digital marketing through several aspects that can provide support, i.e: 1). Increasing online sales through various digital platforms such as Instagram, Meta, Twitter and Marketplace because some of these platforms have high traffic and are starting to be preferred as an online shopping model. 2). Improve their marketing content by offering products in the form of video and vlog content so that communication is more lively and doesn't look boring. 3). Providing e-commerce services as a complement to the online sales process so that it is easier for consumers to complete their transaction processes efficiently and minimize obstacles in the payment process. 4). Many business people forget that providing a sufficient website will help business people in the process of introducing and offering their products all the time without being limited by place and space, through the website consumers can view products at any time according to their wishes and needs. 5). Connect the website used with direct messaging communication tools such as WhatsApp for Business, the aim is to make it easier for consumers to convey messages earlier to sellers. This model saves consumers' time, especially when they are busy. 6). One important thing that is often forgotten by business people is branding, 1.e a set of online activities that emphasize activities in the form of unique selling methods, displaying various product variants with more choices, easier ordering models, even communication that is designed to be able to enter directly and can be connected with WhatsApp for business. 7). Using influencers who are attractive, skilled at communicating, able to take advantage of situations, able to elevate the image of the product to attract the attention of the audience through visual displays and video content. The results of research from Srirejeki in 2016 showed that 60% of micro business activities involving various online sales actions were able to improve the approach to consumers, because this method is not limited by location, distance and



place, but business actors must have supporting aspects such as availability. A good website is a means of supporting visual sales activities. Then, the results of research from Sulaksono in 2020 in the city of Kediri, obtained various advances and positive impacts on groups of micro-entrepreneurs who were more successful in developing their businesses because they relied more on digital marketing capabilities and strengths for the marketing process of their products. Why is this important in the digital field for micro-enterprises now and in the future?, because both stakeholders and customers really need everything to be faster, more accurate and transparent in the process of managing business, reporting and accountability for all those who need it. Traditional patterns are now considered inaccurate and inefficient for all parties, therefore by starting to improve, micro business activities will become more valuable and have more added value due to the process of adopting technology in the form of using applications related to all elements of micro business activities.

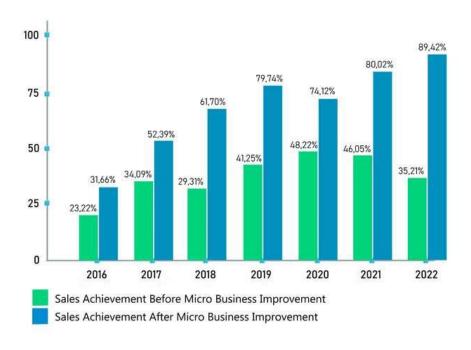


Figure 2. The Difference in Sales Value Between Micro Businesses Before Business Improvements and After Business Improvements from 2016 to 2022.

Source: Processing data, November 2022.

From Figure 2 above, it can be explained that the average sales that can be achieved for micro businesses without adopting fields and activities related to digital marketing each year are only able to achieve a sales rate of 36.76%, 12.53% lower than the industry average. i.e 49.29%. Meanwhile, micro-enterprises in the food and beverage sector that adopt the digital marketing field at full capacity have an average annual sales rate of 67.01%, this percentage is almost the same as the industry average of 69.42%. Every micro business actor must understand and be willing to follow developments in the field of digital marketing, Therefore, what must be a concern for micro business actors in Sidoarjo from now on is that today's competitors have been trying hard to change their



culture in business activities to a completely digital culture, and are starting to abandon the old methods because they are considered inefficient and slow. Buyers or consumers are increasingly choosing and using online purchasing models to meet their product needs so that this cultural change in shopping methods triggers increasingly high levels of digital marketing implementation, starting from ordering goods or products, product selection processes, more flexible payment or transaction processes with Electronic payment approaches such as Dana, OVO, M-Banking are increasingly popular among consumers in various transactions such as purchasing goods, ordering tickets, hotel reservations, culinary reservations, and others, making services increasingly available to meet consumer needs. All digital marketing processes from the consumer's perspective and interests can be operated via mobile mobile devices or smartphones. Through this cultural change, more and more micro business actors are taking advantage of technological advances to improve their business services to consumers, so that digital marketing users are increasing. This makes the level of competition among micro business actors even higher. The increasingly rapid competitive advantage in the digital marketing field can be seen from the increasingly developing aspects in the following matters: 1). Competition is more aggressive in conducting market research to better identify their potential consumers more specifically during the product offering process. 2). Offer process, selling more differentiated products through a price discount approach, easier payment process, lower price offers, longer promo programs. 3). The product variants offered are more numerous and varied, there are even more choices for various segments, so that this sales model can combine the various needs of various age and utility segments. 4). More displays of brands whose quality is no less than classier ones. 5). Increasing online presence when there are new variants or choices for consumers, this method is more profitable because it gets a higher response compared to online sales that do not prioritize or have minimal content. 6). Collaborating with more partners, this is done to reach a wider market when certain products are offered to potential consumers. The role of partners is very important in reaching the audience, because products can be marketed more quickly than using their strengths without partners. 7). Improving the service model, the payment process can be done with alternative options, online or electronic payments and cash payment options when the goods arrive at the buyer's place. The choice of goods delivery service can be adjusted to what consumers prefer. Competitors have been implementing it intensively for a long time, the key to winning competition in the current era is far different from the traditional era.

From the results of the overall discussion, the following picture is obtained: for the product development variable, although the results of the hypothesis test show that it is significant, the results of the field review show that the overall product development process has not been optimal. This is characterized by the products offered and sold not using proper identities such as brands, symbols, images or the like as the basis for a good identification process for consumers. Because the use of brands, images, symbols or logos is a good lesson in the product development process from the start. The goal is to build consumer trust and good memory. Business actors are not yet fully aware that the products they build can one day become superior products, and for a product to become superior requires a development process based on the strength of a brand, symbol, logo, and/or image that is able to provide a distinctive product characteristic in the eyes of consumers. One good product development can be shown by replacing better and special packaging so that the packaging can be recycled. Use good labels that contain important information for consumers before the consumption process begins. With the information on the label, consumers can decide whether to buy the product in question or not. The process of product certification which will later be made into a superior product is not yet well integrated, because what is called a superior product definitely has a brand, or logo as a basis for initial introduction for consumers who know it, and is a differentiator from



competing products in the target market or product market segmentation. Even though several business actors have succeeded in carrying out the certification process, especially halal certification and marketing fit certification, the use of brands on their products remains the main reference. In a market survey, when market research is important to carry out, the presence of a brand, whatever its shape or form, becomes important as a differentiator from similar products on the market. The success of this certification activity for micro-entrepreneur products can support the level of sales success when the product is marketed more widely. For the third variable, i.e the variable of implementing digital marketing, it cannot be carried out optimally by the Gumin group micro business actors in Sidoarjo. This weakness is because this group of micro business actors is still in the process of transitioning from a traditional sales culture to a more modern sales model, 1.e the use of online networks. Through the results of this research, it turns out that in the process of developing their business, this group of micro business actors in Sidoarjo must take part in more training programs and mentoring processes so that they receive a more focused development activity process from experts. The process of developing micro businesses in Sidoarjo can be implemented in stages based on a product development approach first, then improving the certification process for all members of micro business actors as a whole which can be coordinated at the sub-district level, if the product development process and certification process produce good and real results then the final stage is to carry out the digital marketing process for the products they are marketing. Thus, when the digital marketing process through certain platforms such as marketplaces, social media and websites is ready to be implemented, their products will already be in a condition that meets the criteria for eligibility for sale and distribution.

CONCLUSION

Through the results of data collection, testing and analysis, it can be concluded that two variables i.e product development and product feasibility certification are linear towards improving microenterprises. If it is linear, it means that the two variables have been implemented well in various efforts to improve micro-enterprises. However, there is one variable that is not linear in efforts to improve micro-businesses, this variable is the application of digital marketing. Therefore, what must be done so that efforts to improve micro-businesses using digital marketing can be successful? Efforts that must be made to the Gumin group are to provide introductions, training, and mentoring with a focus on digital marketing activities intensively so that they eventually become familiar, understand, understand, and can finally carry out and apply digital marketing properly and their understanding is not piecemeal towards digital marketing. Thus efforts to improve micro-enterprises can be achieved step by step and bring development and benefits in improving and improving their businesses. Training and mentoring activities can be carried out internally within the MSME Cooperatives and Clinics Office or externally through the graft method, which includes the Gumin group in training and mentoring organized by other institutions but has the same goals and benefits, i.e the programs and activities aim to increase and improve micro-enterprises in the long run. The application of digital marketing does not only promote on Facebook and Instagram, the scope and scope of digital marketing is still broad and more than that, it can include Search Engine Optimization, Search Engine Marketing, interaction on the website, presentation of advertising materials, external sales connections and good transaction methods and right. If all of this has been mastered properly, it will obviously make a very good contribution to the development of the micro business itself. Especially now that there is a boom or an increase in traffic using media on the internet which is so massive. This must be achieved so that the variables of implementing digital marketing can play a role and have a real contribution to the life of micro businesses.



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