The Impact of Implementing Digital Marketing and Branding on Increasing Sales and Competitive Advantage of MSMEs (Case Study of MSMEs Fostered by PT. PHR)

Muhammad Arif[1,a)], Muhammad Ridho Nosa [2,b)], Wahyu Triyono[3,c)], Ulva Fadhillah[4)],

[1]*Digital Business, Bengkalis State Polytechnic, Bengkalis, Indonesia*

[a)]Corresponding author: m.arif@polbeng.ac.id

Abstract. This study aims to analyze the effect of digital marketing and branding implementation on increasing sales and competitive advantage in MSMEs fostered by PT. PHR in Riau. Digital marketing includes the use of various online platforms for promotion, while branding focuses on building a positive image and brand loyalty. The method used is quantitative research with multiple linear regression analysis techniques processed using SPSS 29 software. The results of the study show that branding has a more significant effect on increasing sales (62.8%) and competitive advantage (113.7%) compared to digital marketing, which only contributed 13% and 22.3% respectively. Prerequisite tests including normality, heteroscedasticity, and linearity tests show that the data used meets the criteria for statistical analysis. The main conclusion of this study is that MSMEs who want to increase their competitiveness in the digital era need to prioritize the development of branding strategies, although digital marketing remains an important component. This study provides practical implications for MSMEs in utilizing digital technology to improve their business performance.

Keywords: Digital Marketing, Branding, Sales Increase and Competitiveness

INTRODUCTION

In today's digital era, the development of information and communication technology has changed various aspects of life, including in the business and trade sectors. MSMEs (Micro, Small and Medium Enterprises) are one sector that is greatly influenced by this development. One approach that has been implemented by many MSMEs to increase sales and compete with large companies is through the implementation of digital marketing and branding. This is done to expand market reach, strengthen brand image, and ultimately, increase competitiveness.

The ideal condition expected is that MSMEs can utilize digital technology optimally to increase sales and carve out competitive advantages. Digital marketing and branding are expected to be the main instruments in achieving these goals. The implementation of digital marketing includes the use of social media, email marketing, search engine optimization (SEO), and digital advertising. Meanwhile, branding functions to build brand awareness, positive image, and customer loyalty.

The important role of digital marketing in improving the performance of MSMEs has been widely studied by researchers. A study conducted [1] in their book "Digital Marketing: Strategy, Implementation and Practice" states that effective implementation of digital marketing can expand market reach and increase customer interaction. This

study highlights the importance of integrating social media, SEO, marketing content, and digital advertising in MSME marketing strategies to face competition in the global market.

[5] in their article published in the journal "Journal of Business Research" stated that strong branding can increase customer trust and introduce products more widely. Their research shows that consistent and comprehensive brand recognition can create greater customer loyalty and drive sales. In the context of MSMEs, branding becomes a very important tool to differentiate them from larger competitors.

The case study of MSMEs fostered by PT. PHR highlights this in more depth. PT. PHR as a company that cares about MSME development has provided a lot of training and mentoring to its MSME partners. However, the effectiveness of this program in increasing sales and competitive advantage still requires further research. In this study, it will be revealed how the implementation of digital marketing and branding by MSMEs fostered by PT. PHR can influence increased sales and create competitive advantages for them.

To provide rational solutions, it is important for MSMEs to continue learning and adapting to technological developments. Intensive training and workshops on digital marketing and branding must be held regularly to improve the capabilities of MSME actors. In addition, collaboration with influencers or using professional marketing services can be another alternative to achieve more optimal results.

In addition, measuring the effectiveness of digital marketing and branding also needs to be done periodically to determine the extent to which the implemented strategy has achieved the desired results. By conducting regular evaluation and monitoring, MSMEs can continue to improve and adjust their marketing strategies according to market trends and needs.

This research will provide a significant contribution in understanding the influence of digital marketing and branding implementation on increasing sales and competitive advantage among MSMEs. As a theoretical basis, this research will refer to various relevant literature and case studies, as well as empirical data obtained from MSMEs fostered by PT. PHR.

METHODS

This research was conducted at MSMEs fostered by PT. PHR located in Riau. This research is a quantitative research that aims to measure the effect of digital marketing and branding implementation on increasing sales and competitive advantage of MSMEs. According to [2] quantitative data is data that defines that quantitative data is data in the form of numbers, or quantitative data that is numeric (scoring). So quantitative data is data that has a tendency to be analyzed using statistical techniques. The subjects of this study were MSMEs fostered by PT. PHR who have implemented digital marketing and branding strategies in their business operations. Data processing using SPSS 29 and the indicators of achievement of this study are a significant increase in MSME sales and an increase in competitive advantage after the implementation of digital marketing and branding.

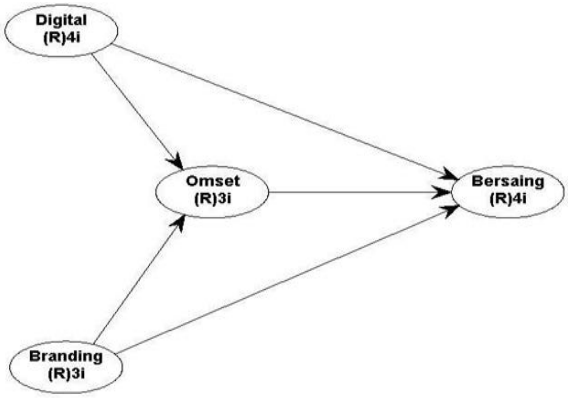

FIGURE 1. Developed model

RESULTS AND DISCUSSION

The prerequisite test or what is called the classical assumption test in this study includes several important aspects, including the normality test, heteroscedasticity test and Linearity test. Each test has its own role in identifying and overcoming potential problems that can affect the results of regression analysis. By conducting a classical assumption test, researchers can ensure that the model used meets certain criteria needed to produce accurate and reliable estimates. These tests are described as follows:

Normality Test Y1=X1X2

One-Sample Kolmogorov-Smirnov Test

		X1	X2	Y1
N		84	84	84
Normal Parametersa,b	Mean	19.96	22.67	21.67
	Std. Deviation	1,898	2,067	2,224
Most Extreme Differences	Absolute	,278	,290	,226
	Positive	,278	,290	,147
	Negative	-,139	-,241	-,226
Test Statistics		,278	,290	,226
Asymp. Sig. (2-tailed)c		,163	,117	,071

If the significance value is greater than 0.05 then the research data is normally distributed, conversely if the significance value is less than 0.05 then the research data is not normally distributed.

Based on the results of the KS/Kolomogrov Smirnov Normality test, the Asymp.Sig (2-tailed) value of Variable X1 is 0.163 > 0.05, variable X2 is 0.117 > 0.05, and variable Y1 is 0.071 > 0.05. So it can be concluded that variables X1, X2 and Y1 are normally distributed.

Normality Test Y2=X1X2

One-Sample Kolmogorov-Smirnov Test

		X1	X2	Y2
N		84	84	84
Normal Parametersa,b	Mean	19.96	22.67	21.17
	Std. Deviation	1,898	2,067	2,624
Most Extreme Differences	Absolute	,278	,290	,141
	Positive	,278	,290	,129
	Negative	-,139	-,241	-,141
Test Statistics		,278	,290	,141
Asymp. Sig. (2-tailed)c		,200	,198	,088

If the significance value is greater than 0.05 then the research data is normally distributed, conversely if the significance value is less than 0.05 then the research data is not normally distributed.

Based on the results of the KS/Kolomogrov Smirnov Normality test, the Asymp.Sig (2-tailed) value of Variable X1 is 0.200 > 0.05, variable X2 is 0.198 > 0.05, and variable Y1 is 0.088 > 0.05. So it can be concluded that variables X1, X2 and Y1 are normally distributed.

HETEROSCEDASTICITY USING GLEJSER METHOD

The Glejser test is one of the methods in the heteroscedasticity test, while the heteroscedasticity test is part of the classical assumption test. The Glejser test is one of the methods commonly used by researchers to detect symptoms of heteroscedasticity accurately. The Glejser test is carried out by regressing the independent variable with the absolute residual variable (Abs_Res). If symptoms or problems of heteroscedasticity occur, it will result in doubt

(inaccuracy in a regression analysis result). A good regression model is if the data does not show symptoms of heteroscedasticity.

Significance value (>0.05) then the conclusion is that there is no heteroscedasticity symptom, conversely, significance value (<0.05) then the conclusion is that there is a heteroscedasticity symptom. Y1=X1X2 :

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	F	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,598	1,132		4,945	,721
	x1	-,159	,054	-,340	-2,936	,074
	x2	-,043	,050	-,101	-,874	,380

a. Dependent Variable: ABS_RES

From the results of the glejser test above, it is known that the significance value of X1 is 0.74, which means that the variable X1 does not experience symptoms of heteroscedasticity. Then for the variable X2, the significance value is known to be 0.380, which means that it is greater than 0.05, meaning that X2 does not experience symptoms of heteroscedasticity.

Y2=X1X2 :

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	F	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,560	1,037		6,327	,228
	X1	-,129	,049	-,285	2,606	,011
	X2	-,124	,045	-,298	2,730	,065

a. Dependent Variable: ABS_RES

From the results of the glejser test above, it is known that the significance value of X1 is 0.11, which means that the variable X1 does not experience symptoms of heteroscedasticity. Then for the variable X2, the significance value is known to be 0.65, which means that it is greater than 0.05, meaning that X2 does not experience symptoms of heteroscedasticity.

To test the research instrument, the author used the SPPS 29 program. The following is the test:

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	F	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,855	2,375		2,044	,044
	Digital MarketingX1	,130	,113	,111	1,143	,257
	BrandingX2	,628	,104	,583	6,029	,000

Dependent Variable: Increase in sales Y1

Multiple linear calculation results

Based on the table above, it can be seen that the constant value (α value) is 4.855, and (Digital Marketing X1) is 0.130 while (Branding x2) is 0.628. So that the following multiple linear equations can be obtained:

Y1=4.855+0.130x1 + 0.628X2 = e

Which mean :

1. The constant value of Sales Increase Y1 is 4.855, which states that if variables X1 and X2 are equal to zero, then y1 is 4.855.
2. The x1 coefficient of 0.130 means that every time there is an increase in the variable x1 of 1%, X1 increases by 0.130 (13%) or vice versa, if there is a decrease in the variable x1 of 1%, y decreases by 0.130 (13%).
3. The x2 coefficient of 0.628 means that every time there is a 1% increase in the x2 variable, X1 increases by 0.628 (62.8%) or vice versa, if there is a 1% decrease in the x1 variable, y decreases by 0.628 (62.8%).

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	F	Sig.
		B	Std. Error	Beta		
1	(Constant)	,149	2,036		-,073	,942
	Digital MarketingX1	,223	,097	-,161	-2,297	,024
	X2 Branding	1,137	,089	,896	12,742	,000

Dependent Variable: Competitive Advantage Y2

Multiple linear calculation results

Based on the table above, it can be seen that the constant value (α value) is 0.149, and (Digital Marketing X1) is 0.223 while (Branding X2) is 1.137. So that the following multiple linear equations can be obtained:

Y2=0.149+0.223 X 1 + 1.137 X2 = e

Which mean :

1. The constant value of Y1 is 0.149, which states that if variables X1 and X2 are equal to zero, then y1 is 0.149.
2. The x1 coefficient of 0.223 means that every time there is an increase in the x1 variable of 1%, X1 increases by 0.223 (22.3%) or vice versa, if there is a decrease in the x1 variable of 1%, y decreases by 0.223 (22.3%).
3. The x2 coefficient of 1.137 means that every time there is a 1% increase in the x2 variable, X1 increases by 1.137 (13.7%) or vice versa, if there is a 1% decrease in the x1 variable, y decreases by 1.137 (13.7%).

CONCLUSIONS

Based on the results of research conducted on MSMEs fostered by PT. PHR in Riau regarding the influence of digital marketing and branding implementation, it can be concluded as follows: The Influence of Digital Marketing and Branding on Increasing Sales: Digital marketing and branding have a positive influence on increasing MSME sales. However, the influence of branding is more dominant than digital marketing. Every improvement in branding strategy has a greater impact on increasing sales, by 62.8%, while digital marketing only contributes 13%. The Influence of Digital Marketing and Branding on Competitive Advantage: Digital marketing and branding also have a significant influence on increasing the competitive advantage of MSMEs. Branding has a very large influence, with a contribution of 113.7%, while digital marketing contributes 22.3%. This shows that branding is a major factor in increasing the competitive advantage of MSMEs in the market. Practical Implications: MSMEs who want to increase their sales and competitiveness in the digital market need to focus on developing a strong branding strategy. Although digital marketing is important, branding plays a bigger role in creating long-term competitive advantage.

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