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Digital marketing: does it impact on increasing the profit of MSMEs in Aceh?

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ABSTRACT

Modern market/consumer-oriented marketing concepts, or the marketing revolution manifested as an online marketplace, evolved in tandem with the rise of the internet. This study aims to develop knowledge by verifying whether the concept of using Digital Marketing in MSMEs in Aceh can increase operating profit. The methods used in this study are descriptive and explanatory research methods; the research is carried out to obtain a description, a systematic, factual and accurate picture of the facts, properties and relationships between the variables studied. This research method wants to get general answers about cause and effect by analyzing the factors causing phenomena in the concepts raised in this study; data will be collected by distributing questionnaires to MSME actors in the field. To obtain the results of this study, the data will be processed using statistical tools, namely simple linear regression. The results of this study show that using Digital Marketing in marketing its products can expand the market to increase the sales onset of MSMEs, so increasing sales will increase company profits. From the results of the research, it can be concluded that the increase in operating profit of which is influenced by the use of digital marketing by MSME players.



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Introduction

Digital or online advertising has experienced phenomenal growth since its establishment in 1994 (Silviana, 2020). The Internet has become the fastest-growing advertising medium this decade(Sinclair, 2016). In line with the development of the internet, a new understanding of the marketing paradigm emerged in the form of modern market/consumer-oriented marketing concepts or a marketing revolution in the form of an electronic marketplace (Hsb et al., 2022). In the business context, the internet has a transformational impact that creates a new paradigm in business, in the form of Digital Marketing. If it used to be known as the traditional business interaction model that is face-to-face (Komarudin et al., 2021). So now, the interaction model has developed towards everyday interactions based on electronics or faceless e-commerce, namely Business To Business (B2B), Business To Customer (B2C) and Customer To Customer (C2C), with the final target of serving Segment Of One(Wahyu, 2022).

With the development of today's technology-driven world, social networking sites have become a path where retailers can expand their marketing to a broader range of consumers (Singh & Singh, 2018). One of the main challenges marketers have to face is to know how to persuade someone and how to make a way to be attractive and retaining potential customers. This problem can be easily solved by creating or allowing customers to interact or talk about them through digital media. Through this research, researchers will focus on and talk about the importance of digital marketing for customers and marketers. Channels such as social networks or social media and blocks have allowed merchants to accessa large audience with whom they can share their opinions and product reviews (Agung, 2022).

Digital Marketing is one of the marketing strategies that is generally used to promote goods and services to customers by utilizing various distribution channels (Yasmin et al., 2015). Through social media, buyers can get information anytime and anywhere they need it. With the large number of social media users increasing daily, it opens up opportunities for SMEs to develop their market in the palm of a smartphone. Digital marketing is a result of evolutionary marketing. The evolution occurred when companies used digital media channels for marketing (Jucan et al., 2013). Digital media channels can be addressed and allow continuous, two-way, and personal conversations between marketers and consumers. Furthermore, digital marketing is the practice of promoting products and services using digital distribution channels. Digital marketing is also referred to as e-marketing and includes digital or online advertising, which sends marketing pesan to customers (Irawan, 2020). Sampe et al. (2022)research findings show that MSMEs can survive in the midst of the Covid-19 pandemic by implementing digital marketing knowledge gained from seminars, training and talk shows. The results of data analysis by Baharuddin et al. (2022) show that the three indicators that are used as a measure in analyzing Marketing Performance Improvement through Digital Marketing show very good results.

The Sales Level is the net sales of the company's earnings statement(Veronica, 2015). Net sales are obtained through the proceeds of sales of all products (line products) over a certain period and sales results achieved from market share, which is a potential sale that can consist of groups of buyers over a certain period (Santoso, 2022). Furthermore, volume sales are goods that are sold in the form of money for a certain period and in it have a good service strategy(Putra, 2017). Sales is defined as the effort made by man to deliver goods to those in need in exchange for money according to the price formed by mutual consent (Rifai et al., 2018). Following the research background described, several problems arise in the research to be carried out. Specifically, research questions were asked to formulate several problems, including the impact of using Digital Marketing in increasing Business Profits in Micro, Small and Medium Enterprises (MSMEs) in Aceh.

Method

The research method is a descriptive method and an explanatory research method; explanatory research is research conducted to obtain a description, a systematic, factual and accurate picture of the facts, properties and relationships between the variables studied(Mahendra, 2015). This research method wants to get a fundamental answer about causation by analyzing the causal factors of the occurrence of phenomena in the concepts raised in this study.

Research Design

This research is a survey study. Survey research is also called Cross-Sectional. The survey research design was carried out with the aim of obtaining information from respondents through the sample studied.

Population and Research Samples

Population

Population is a generalized area consisting of objects/subjects that have certain qualities and characteristics set by the researcher to be studied and then drawn conclusions (Fathurahman, 2022). The population in this study was taken from all MSMEs in Aceh Province.

Sample

The sample is the part of the population that is expected to be able to represent the population in the study. This study used a simple random sampling method through random or random sampling methods (Ghayab et al., 2016).

Research Variables and Definition of Research Operationsoanal

Research Variables

The variables studied in this study are divided into two large groups or large variables, namely: 1) Independent variables. An independent variable in this study is the Use of *Digital Marketing* (X); 2) Dependent variables. The dependent variable in this study is Operating Profit (Y).

Definition of Operational Research

Operational definitions are operational constraints used to run the variable-variables to be studied.

Table	1.	Variable	Operations
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Variable	Definition	Indicators
Digital Marketing (X)	Digital Marketing is the practice of	1. Website
According to Ryan and Jones (2012)	promoting products and services	2. SEO
	using digital distribution channels.	3. PPC Advertising
		4. Affiliate Marketing and
		Strategic Partnership
		5. Online PR
		6. Social Network
		7. E-mail Marketing
		8. Customer Relationship
		Management
Operating Profit(Y)	Operating profit is a profit that has	1. Revenue/Sales
According to Cashmere (2015)	been reduced by costs that are the burden of the company in a certain	2. Expenses/Fees
	period including taxes	

Data Analysis

The data obtained are further analyzed through a simple linear regression analysis we can make a model of those variables that have the influence of variable X on variable Y. the relationship between the variables in the regression analysis is causality or causality. A simple linear regression analysis model can be described as follows:

$$Y = a + bx + e \tag{1}$$

Ket:

Y = Dependent variable or responsea = constant or Intercept

bx = Regression coefficient or *slope*

e = Residual or *error*

Data Testing

Validity Test and Reliability Test

Validity Test

The validity test aims to test whether each question item has actually revealed the factor or indicator you want to study. The higher the validity of a measuring instrument, the more precise the measuring instrument hits the target. The validity test is calculated by comparing the calculated r-value (correlateditem total correlations) with the table r value. If r counts > r table, then it is declared valid, and if r counts < r table then it is declared invalid.

Reliability Test

The reliability test measures a coesioner which is an indicator of a variable. To measure reliability using statistical tests is Cronbach alpha (α). Reliability tests can be carried out jointly on all items or items of questions in the research questionnaire. If Cronbach's Alpha Value > 0.60, then the questionnaire or questionnaire is declared Reliable or Consistent. If Cronbach's Alpha value < 0.60 then the questionnaire or questionnaire is declared unreliable or inconsistent.

Results and Discussions

In this section, the results of research on the Impact of using Digital Marketing in increasing Business Profits in Micro, Small and Medium Enterprises (MSMEs) in Aceh are presented, then the research will be described in several parts, namely:

Questionnaire Rate of Return

The dissemination and collection of questionnaires to/from respondents was carried out by visiting MSMEs directly, using postal services (mail surveys, using the services of surveyors and using electronic mail (e-mail) and Whatshap Group. A summary of the return rate of the questionnaire is presented on the following tabel.

Chat is obtained has entered into the good category, with a return rate of up to 78% because with a respondent's 30% interest rate, it is included in the good category, for the number of respondents reaching 81

respondents also belongs to the good category because respondents greater than 30 and less than 500 are adequate sample sizes in most studies.

Table 2. Questionnaire Rate of Return Recapitulation

Units of analysis	Number of Questionnaires distributed		Questionnaire Back		% Back	
MSMEs	Entity	Respondents	Entity	Respondents	Entity	Respondents
100	100	100	78	81	78	81

Profile of Unit analysis, observation, research respondents

Furthermore, based on the results of the distribution of questionnaires, it can be seen that the demographic profile of respondents in MSMEs in 2022 which describes the characteristics of respondents regarding gender, age, educational background, and length of service. The characteristics of these respondents can be seen in the following table:

Table 3. Respondent Profiles in Some Characterizations

Gender	Frequency	Percentage
Man	20	24.69
Woman	61	75.31
Unidentified	0	0
Age		
30- 40 years	37	45,67
41-50 years	36	44,44
> 50 years	8	9.87
Unidentified	0	0
Recent education		
Sd	3	3,70
Junior	8	3,87
Sma	31	38.2 7
D3	19	23,45
S1	20	24,69
Unidentified	0	0
Educational Background		
Accountancy	2	2.46
Non-Accounting Economics	17	20,98
Non-Economic	52	64,19
Unidentified	10	12,34
Length of Business		
> 5 years	50	61,72
5- 10 years	22	27,16
11-20 years	7	8,64
>20 years	1	1.23
Unidentified	1	1.23

Descriptive Analysis

Digital Marketing

Digital marketing is measured in 8 (eight) reflective indicators and operationalized into 8 (eight) statement items. The following is a recapitulation of the average respondent's assessment score against each dimension of the digital marketing variable.

When viewed from the average response score of respondents, digital marketing run by MSMEs in The Region is in the good category. The same thing when viewed based on the indicators of the majority of questions is good. In points 1 and 2, precisely the answers given by the respondents are actually in the very good category. From an average score of 4.02 for digital marketing, it is known that the minimum average answer for respondents is 3. 68 while the maximum average is at 4. 39.

Table 4. Recapitulation of Rata-Rata Skor Jawaban Responden on ariabel VDigital Marketing

No.	Dimension	Average Score	Category
1	Website	4.29th	Excellent
2	Search Engine Optimation (SEO)	4.39	Excellent
3	Paid Search Click-Free Advertising (PPC Advertising)	3.99	Good
4	Affiliate Marketing and Strategic Partnership	4.10	Good
5	Public Relations Online (Online PR)	3.97	Good
6	Social Network	3.68	Good
7	E-mail Marketing	3.76	Good
8	Customer Relationship Management	4.05	Good
	Digital Marketing	4.02	Good

Operating Profit

Operating profit is measured through 2 (two) ininthe kator and min each indicator is reflected into 4 (four) statements. The following is a recapitulation of the average respondent's assessment score against each in the variable kator of operating profit.

Table 5. Recapitulation of Rata-Rata Skor Jawaban Responden on ariabel VO perating Profit

No.	Dimension	Average Score	Category
1	Income	3.66	Good
2	Expenses/ Fees	3.47	Good
	Operating Profit	3.56 pm	Good

When viewed from the average response score of respondents, the operating profit on MSMEs is in the good category. The same thing when viewed based on the inthe kator of operating profit which is also good. From an average score of 3.56 for operating profit, it is known that the minimum average is 3.47 while the maximum average is at 3.66.

Reliability Validity Test

Validity Test

The Validity Test is used to test the extent to which the accuracy of the measuring device can use the concept of symptoms and the measured event. The Validity Test is used to measure the validity or not of a questionnaire, for a questionnaire it can be said to be Valid if a statement or item on the coesioner is able to reveal something that the questionnaire will measure. In the validity test, it is calculated by comparing the value of r of the table, if r calculates the > of r table, then the indicator of the research variable can be said to be Valid. The table r value for n = 95 is 0.1680. The following is a table of validity test results using *IBM SPSS V.13* applications.

Table 6. Variable Questionnaire Instrument Validity TestUse of Digital Marketing (X1)

Question Items	Validity Value (r-Count)	Sig.
Item 1	.822**	0,0
Item 2	.869**	0,0
Item 3	.926**	0,0
Item 4	.844**	0,0
Item 5	.766**	0,0
Item 6	.726**	0,0
Item 7	.791**	0,0
Item 8	.802**	0,0

Source: Primary data processed in 2022

In table IV.10 above, it is explained that all questions of the Digital Marketing Use variable (X_1) show valid numbers. Marked by the presence of a star number or indicates a significant number for each question item.

Table 7. Validity Test of The Instrument Questionnaire Variable Operating Profit (Y)

Question Items	Validity Value (r-	Sig.
	Count)	
Item 1	.921**	0,000
Item 2	.921**	0,000
Item 3	.950**	0,000
Item 4	.859**	0,000
Item 5	. 821**	0,000
Item 6	.934**	0,000

Source: Primary data processed in 2022

In table IV.11 above, it is explained that all the question items of the Operating Profit variable (X₂) show valid numbers, this is indicated by the presence of a star number or showing a significant number for each question item. Based on testing from processing data using the SPSS (*Statistical Product Standard Solution*) computer program *version 13*, it was obtained to calculate r count > the value of r table by 0.1680. So, all the indicators andri of this research variable show a significant valid number.

Reliability Test

Reliability Test is a tool for measuring a questionnaire that is an indicator of a variable or construct. A questionnaire is said to be reliable or reliable if one's answer to the statement is consistent or stable over time. The reliability test in this study is to use the calculated value of cronbach's alpha, if the value of the Cronbach's alpha count result >0.600 Reliability is acceptable. Testing of the reliability for each variable obtained the following data:

Table 8. Variable Questionnaire Instrument Reliability Test X

Variable	Calculate Value of Cronbach's Alpha		Information
Use of Digital Marketing (X)	0,888	Reliable	

Source: SPSS processed data 2022

The results of the reliability test in tabel IV.12 above show that the variables in this study have a cronbach's Alpa coefficient (α) which is greater than 0.600 so that it can be said that all the concepts of measuring each variable from the questionnaire are reliable.

The Impact of Using Digital Marketing on Operating Profits

The use of digital marketing is hypothesized to affect operating profits. The following are presented the significance test results of the hypothesis through statistical hypotheses as follows:

 H_0 : $\gamma = 0$ The use of digital marketing does not affect operating profit

 H_1 : $\gamma = 0$ The use of digital marketing affects operating profit

Table 9. Test Results of The Use of Digital Marketing Against Operating ProfitCoefficients

Туре		Unstandardized Coefficients		Standardized Coefficients	t	Sig	Collinearity Statistics	
		В	Std. Error	Beta			Tolera	VIF
1	(Constant)	-24,194	12,983		1 061	066	nce	
1	(Constant) Digital	.129	,852	.020	-1,864 ,151	,066 .880	,530	1,887
	Marketing	,127	,032	,020	,131	,000	,550	1,007

Dependent Variable: operating profit Source: SPSS processed data 2022

Based on the spss processed data above, an explanation was obtained that the use of digital marketing received a t test statistic = 0.151 with a significance value of 0.880. The coefficient of the t test results shows a significance value of 0.880, which is greater than 0.10. Fort the resulting count is 0.151 while the t of the table is 1.291. Because the calculated value of t is smaller than the tablet (0.151 < 1.291), it can be concluded that the use of digital marketing affects operating profit.

The study was conducted on MSMEs in Aceh by distributing questionnaires as many as 100 questionnaire packages and questionnaires responded by respondents as many as 81 questionnaires. When viewed from the average response score of respondents, digital marketing run by MSMEs in The Region is in the good category. From an average score of 4.02 for digital marketing, it is known that the minimum average answer for respondents is 3. 68 while the maximum average is at 4. 39. Respondents from this study are female with an average age of 30 to 50 years, the level of education of the majority of high schools is equal, the length of business has been running for less than 5 years. Based on the Validity test obtained that all research variables are valid. Based on the Reliability test against all variables can be categorized as Reliable. The result of the Multicollinearity test against the variables used is that there is no multicollinearity natar variables. Based on the normality test, the data used in the study are normally distributed. Between the variables used in this study there is a correlation that is being. Based on the certification test, it can be concluded that there is an impact on the use of digital marketing that will affect the resulting operating profit. The results in line with research by Baharuddin et al. (2022) show that the three indicators that are used as a measure in analyzing Marketing Performance Improvement through Digital Marketing show very good results.

Conclusions

Based on the results of the research and discussion above, it can be conclude that the study was conducted on MSMEs in Aceh by distributing questionnaires as many as 100 questionnaire packages and questionnaires responded by respondents as many as 81 questionnaires. Respondents from this study are female with an average age of 30 to 50 years, the level of education of the majority of high schools is equal, the length of business has been running for less than 5 years. Based on the Validity test obtained that all research variables are valid. Based on the Reliability test against all variables can be categorized as Reliable. The result of the Multicollinearity test against the variables used is that there is no multicollinearity natar variables. Based on the normality test, the data used in the study are normally distributed. Between the variables used in this study there is a correlation that is being. Based on the certification test, it can be concluded that there is an impact on the use of digital marketing that will affect the resulting operating profit.

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