

Increasing Strategies Sales MSMES Product of XBAG Malang Digitally Through E-Commerce

Buyung Adi Dharma¹, Sudarmiati²

Faculty of Economics and Business, Universitas Negeri Malang, Indonesia

Corresponding Author; buyung.adi.fe@um.ac.id, sudarmiati.fe@um.ac.id

ABSTRACT

The purpose of this study is to understand the digital marketing strategies used by the e-commerce project "XBAG MALANG" to increase sales. This study was conducted using qualitative methods and survey materials. Data are collected through interviews, observations and discussions. The targets are the owners and employees of "XBAG MALANG". The study reveal result that "XBAG MALANG" equipment by using marketing strategies of digital such as branding, marketing and customer service. However, current SEO optimization, product differentiation, positioning and customer management strategies are ineffective. "XBAG MALANG" digital marketing strategy always faces financial and human constraints. Therefore, in order to learn good ideas and increase sales, XBAG MALANG recommends improving people's digital business knowledge and skills, using new technologies and analyzing customers.

Keywords:

e-commerce,
digitalization,
xbag malang

INTRODUCTION

With the development of fashion trends in the current era of globalization, bag products are one of the products that are in demand by various circles of society. This has encouraged the growth of bag MSMEs in various regions, including in Malang City which is known as the center of the handicraft industry including bags that are quite famous in Indonesia, the rise of local MSMEs producing these bags has led to intense competition between business actors, they are required to be able to promote their products optimally to excel compared to competitors (Wahyuni Mustika et al., 2022). As a product that is needed in the daily lives of various consumer segments ranging from students, students, to workers, the demand for bag products from local MSMEs is expected to continue to increase the bag industry in Indonesia is growing at an average of 10% per year (source: idxchannel.com, August 2023). Therefore, bag MSME business actors need to improve the digitalization of marketing strategies and the quality of product innovation to compete gain a wider market share and increase sales of their products. Micro, Small, and Medium Enterprises (MSMEs) are one of the economic sectors that has an important role in the Indonesian economy, the MSME sector contributes 61% of Rp. 9,580 trillion to the Gross Domestic Product (source ekon.go.id, August 2023). However, MSMEs also face various challenges, one of which is increasingly fierce competition in the digitalization era. One of the local MSME products that implement digital marketing strategies through e-commerce is XBAG Malang, XBAG Malang is a brand of bag products originating from Bandung City, this brand was founded in 2018 by Rizki FA. XBAG MALANG focuses on the production of men's & women's bags, XBAG Malang products are known for their simple, minimalist, and fashionable designs. The types of bags offered by XBAG Malang include sling bags, backpacks, waist bags, tote bags, handbags, and multifunctional bags. Some specific bag models have waterproof features and special compartments for laptops and certain items. The price of XBAG Malang bags is quite affordable, ranging from Rp15,000 to Rp65,000 depending on the model and size.

To increase sales, XBAG MALANG implements a digital marketing strategy by utilizing e-commerce platforms such as Shopee, Lazada, Tokopedia, and TikTok Shop. Some of the digital marketing strategies implemented by XBAG MALANG in e-commerce include utilizing paid advertising features, video content, live streaming, attractive product photos, promotions, and discounts to increase visibility. In addition, XBAG Malang also utilizes social media such as Instagram for advertising.

Table 1. Bag Sales Data of XBAG MALANG 2023

Month	Sales (Pcs)	Percentage	Description
January	804	-	-
February	965	6,10%	Up
March	830	-25,29%	Down
April	987	93,57%	Up
May	1023	53,87%	Up
June	1100	87,20%	Up
July	1110	81,14%	Up
August	967	-10,51%	Down
September	800	-14,44%	Down
October	906	6,02%	Up
November	987	8,53%	Up
December	874	-7,07%	Down

Source: XBAG MALANG Sales Data 2023

Based on Table 1, it is known that in January 2023, sales of XBAG Malang bags reached 804 pcs, this figure is the baseline sales of XBAG Malang bags for 2023. In February, sales increased by 6.10% compared to January to 965 pcs. However, in March, sales declined sharply by -25.29% compared to February to 830 pcs. The decline in sales reversed in April, where there was a 93.57% surge in sales compared to March to 987 pcs. The upward momentum of sales continued significantly into June, where an increase of 87.20% was recorded compared to May to 1100 pcs. This was the highest sales peak in 2023. After reaching its peak, sales declined in August - 10.51% compared to July to 967 pcs. The decline continued until September -14.44% compared to August to 800 pcs. Starting in October, sales again increased slightly by 6.02% compared to September to 906 pcs. The increase again occurred in November at 8.53% compared to October at 987 pcs. But at the end of the year, December to be precise, sales fell again -7.07% compared to November to 874 pcs. The ups and downs in sales of XBAG Malang products are suspected to be because MSME players of the XBAG Malang brand have not maximized their marketing strategies, especially in terms of digitalization. To know the real cause of the decline in sales of XBAG Malang products and find the right solution for MSME actors so that sales of XBAG Malang products increase through the digitalization of marketing strategies.

According to (Brennen & Kreiss, 2015) (Radiansyah, 2022) digitalization is the increased use of data and digital technology in various fields that enable transformation and the creation of new added value for industry and society. In addition, the application of digital technology can support increased operational efficiency through automation, the use of data analysis for better decision-making, and

the utilization of digital platforms to improve communication and interaction with consumers (Lesnussa et al., 2023).

According to (Robert M Grant, 2015) in (Tresna et al., 2023), a strategy is a plan to allocate resources to create a profitable project. Meanwhile, according to (Sofyan Assauri, 2004) in (Yacub and Mustajab, 2020), work is human activity to meet needs through exchange or work copy. In conclusion, marketing strategy is the company's activity of identifying customer dissatisfaction and needs, measuring and forecasting the size of the business and potential profit, then deciding on business plans and creating, developing and marketing them. products based on business needs (Musyawarah and Idayanti, 2022). This statement is based on (Tjiptono, 2016)'s (Saribu and Maranatha, 2020) view that business strategies are simple plans for the company to achieve its goals of increasing the competitive advantage of the target market in which it operates. One indicator of success is growth in sales, which can be defined as increasing the number of products or services the company successfully sells to customers over time, whether by increasing sales of all products or expanding the business. (Basu Swastha and Irawan, 2004: 241) (Sudrartono, 2019). At the same time, (Sendianto, 2021) points out that sales are one of the important and decisive business activities for the company to achieve its goals, that is, to make profits that will ensure the survival of the company.

According to (Deni Apriadi, 2017) (Susilowati et al., 2022), e-commerce is the process of buying and selling services and electronic products through the use of computer business through the Internet and other technologies. By using e-commerce, MSMEs can reach a wider market and thus have the opportunity to increase sales of their products. According to (Setiawati and Widyartati, 2017) (Putri et al., 2022), the use of technology for businesses is very important for the development of micro, small and medium-sized enterprises and online marketing strategies. It has the effect of increasing the sales of micro, small and medium-sized businesses and is beneficial. Additionally, the strategy (Trulline, 2021) states that the development of e-commerce systems for small and medium-sized businesses aims to change their culture, which is still based on purchasing products, and switch to online shopping to increase sales of micro and small businesses. To advertise, market and sell products through the website in order to provide Internet services to medium-sized businesses and users that are not limited by place and time. Customers can shop anytime, anywhere. In other words, using online marketing strategies like e-commerce can help MSMEs increase sales of their products as they can reach more customers in today's digital age. It is based on this foundation (Solihat and Sandika, 2022) that e-commerce sales for MSMEs include faster purchasing, creating store and product lists, reducing costs, advertising and marketing, customer convenience, no price range restriction, product and price comparison, customer /faster response to business requests and more payment options.

METHOD

This research adopted a qualitative method (Sugiyono, 2020) Qualitative research is a research method for examining natural things, in this method, the researcher is the instrument and the data collection process occurs by triangulating, that is, combining different data. To collect. . Technically, data analysis is inductive, meaning that conclusions are drawn from the data collected, while qualitative findings

refer to a topic rather than a generalization. Curriculum is a type of curriculum that is an investigative and descriptive study that includes and analyzes the results of the site (Harahap, 2020). Gain a deeper understanding of the digital marketing strategies used by XBAG Malang MSMEs on their e-commerce platforms to increase sales of their packaging products. The study was conducted at the XBAG Malang office and production facility in Malang city from January to February 2024.

(Sugiyono, 2019) A population is a generalization of a field or many things that includes objects or elements with a number and characteristics that researchers decide to examine and draw conclusions from. The subjects of this study are the owners and entrepreneurs of XBAG Malang MSME. According to Sanifah Faiza (Setiawan and Sisilia, 2020), the correct model for the model to be good or informative is as follows:

1. Those who master or understand something through the learning process, in this case, 1 owner of UMKM XBAG Malang who has long experience running a business so that it is expected to provide in-depth information.
2. Those who are still involved in the activities under study, in this case, 3 marketing staff of XBAG Malang who routinely design and implement digital marketing strategies.
3. Those who have free time are asked for information, in this case, the owner and marketing staff of XBAG Malang who are not busy at work.
4. Those who convey information as it is according to the facts, in this case, the informants chosen must be objective.

With a total of 4 people consisting of 1 owner of MSMEs XBAG Malang and 3 marketing staff. The sample selection criteria are those who have an active role in designing and implementing XBAG Malang's digital marketing strategy on the e-commerce platform. The research procedure starts from the preparation stage, data collection, data analysis, data interpretation, and conclusion drawing. Data collection was conducted through in-depth interview techniques, observation of digital marketing activities, and documentation of sales data and digital marketing activities of XBAG Malang. In-depth interviews were conducted using interview guidelines containing questions related to XBAG Malang's digital marketing strategy in e-commerce. The results of the data analysis were interpreted to answer research questions related to XBAG Malang's digital marketing strategy in several marketplace.

RESULTS AND DISCUSSION

According to an interview with the owners of MSME XBAG Malang, MSME) E-commerce platform is one of the best products for small and medium-sized businesses in the digital age. The owner of the store said that we offer beautiful pictures and the best products on the e-commerce platform. Images show the design, features or other details of the bag to attract online buyers. In order to promote its bags in the digital environment, XBAG Malang produces video content such as product introductions, user manuals or product details, as well as product images.

XBAG Malang utilizes promotional features in e-commerce such as paid advertisements to increase the visibility of its products and provide special offers and affiliate programs. Based on an interview with the owner, advertising is used with a budget of up to 10 million per month especially during large promotional programs such as the 11.11 sale. In addition, XBAG Malang also utilizes promotions and discounts to attract potential buyers. According to the marketing staff, promotions are

carried out with consideration of seasonal trends and certain events to get maximum results. In addition, XBAG Malang also conducts live streaming on the e-commerce platform, "live streaming allows potential buyers to see the product directly while interacting with us".

Distribution of XBAG Malang to customers is done through e-commerce platforms. As a store owner, customers can order items from Shopee, Lazada, or Tokopedia and then have them shipped via logistics services like JNE. Businessmen added that thanks to e-commerce, products can be distributed to many areas and cover a wide area.

Looking at the interview results, XBAG Malang has implemented the best strategy in digital marketing, but there are still obstacles such as human and financial constraints and fierce e-commerce competition. In addition, according to the author's analysis, XBAG Malang's product content and promotion in e-commerce is quite interesting, but it has not yet reached the best level in terms of SEO optimization, content diversity and promotion frequency. Customer review management is also considered unresponsive.

According to the author's analysis, the marketing strategy of digital used by XBAG Malang on its e-commerce platform did not achieve much success, so the sales changed. This is consistent with research results (Sirodjudin and Sudarmiatin, 2023), which indicate that barriers to e-commerce for MSMEs include lack of knowledge about digital marketing optimization and limited resources.

The results of interviews with the owners and marketing staff of XBAG Malang also show that they face internal constraints such as limited human resources and capital to compete optimally in e-commerce. According to (Sentoso et al., 2023), limited resources are a challenge for MSMEs in implementing digital marketing strategies. Therefore, XBAG Malang needs to increase HR capacity and knowledge related to digital marketing to design and implement strategies more optimally in e-commerce. In addition, it is necessary to adopt the latest digital marketing technology and analyze consumer data for targeted decision-making to increase product sales sustainably.

Discussion

The findings from the case study of MSME XBAG Malang demonstrate the multifaceted approach the business has taken to leverage e-commerce platforms for its marketing and distribution needs. To contextualize these findings within broader theoretical and conceptual frameworks, we can examine them through the lenses of digital marketing theories, resource-based view (RBV) of the firm, and the Technology Acceptance Model (TAM).

1. Digital Marketing Strategies

XBAG Malang employs various digital marketing strategies, including the use of high-quality images, video content, live streaming, and paid advertisements. These strategies align with the Integrated Marketing Communications (IMC) theory, which emphasizes the importance of cohesive and synergistic use of different marketing channels to deliver a consistent message and achieve greater marketing effectiveness (Schultz et al., 1993). The use of images and videos for product promotion is particularly effective in the digital age, where visual content significantly enhances consumer engagement and conversion rates (Scott, 2015).

However, the challenges faced by XBAG Malang, such as limited SEO optimization and content diversity, suggest a need for a more refined approach to

digital content creation and management. SEO optimization is crucial for improving visibility on e-commerce platforms, aligning with the principles of search engine marketing (SEM) which focuses on increasing website traffic through organic search engine results (Chaffey & Ellis-Chadwick, 2019). By enhancing SEO practices, XBAG Malang could achieve higher rankings on search results, thus attracting more potential buyers.

2. Resource-Based View (RBV)

The constraints faced by XBAG Malang, including limited human resources and financial capital, can be examined through the Resource-Based View (RBV) of the firm (Barney, 1991). RBV suggests that a firm's competitive advantage is derived from its unique resources and capabilities. In this context, XBAG Malang's current human and financial resources limit its ability to fully exploit digital marketing opportunities. To overcome these constraints, it is essential for XBAG Malang to invest in building its internal capabilities, particularly in digital marketing expertise.

Training and development programs focused on digital marketing skills can enhance the firm's ability to create and execute more effective marketing strategies. Moreover, strategic partnerships or collaborations could provide access to additional resources and knowledge, helping XBAG Malang to mitigate its internal limitations and compete more effectively in the e-commerce space.

3. Technology Acceptance Model (TAM)

The adoption of e-commerce platforms by XBAG Malang can also be analyzed using the Technology Acceptance Model (TAM), which posits that perceived usefulness and perceived ease of use are fundamental determinants of technology adoption (Davis, 1989). The positive impact of e-commerce on XBAG Malang's distribution capabilities highlights the perceived usefulness of these platforms in reaching a broader customer base. However, the challenges in managing customer reviews and optimizing digital content indicate areas where the perceived ease of use might be lacking.

Improving the usability of e-commerce tools and platforms for the business could involve providing training to staff on how to effectively manage customer interactions and optimize content. Additionally, adopting advanced digital marketing technologies, such as data analytics and customer relationship management (CRM) systems, can help XBAG Malang make more informed decisions based on consumer data, enhancing the overall effectiveness of their marketing strategies.

CONCLUSION

Based on the research results, it can be concluded that XBAG Malang MSME Company uses digital marketing strategies through e-commerce, such as photo and video content optimization, using marketing and paid advertising, media streaming and digital consumer products features. However, the techniques used are still not good in terms of SEO optimization, content selection, advertising frequency and customer management. In addition, the implementation of XBAG Malang's digital marketing strategy still faces internal challenges such as human and financial constraints. Therefore, in order to effectively use the eight digital marketing and continuous sales of XBAG Malang, it is necessary to make people competent and digital business, use new technologies and analyze customers. Some suggestions can be given, for example, XBAG Malang needs to participate in employee training, especially in the field of digital business. It is also necessary to conduct regular evaluations and market

research to gain new insights from customers and form the basis for creating a digital marketing plan. It is also recommended that XBAG Malang consider partnering with some influential people or communities to expand digital advertising. Other strategies that can be used include increasing content in the form of beautiful images and videos, increasing advertising frequency through the use of ads and informational materials, innovating based on the latest digital marketing trends, and using web or social media data for analysis. . Further analysis of consumer behavior towards consumer behavior. It is hoped that through continuous business analysis and research and using these strategies, XBAG Malang will be able to improve the results of its digital business on e-commerce platforms to have knowledge and satisfaction, make it last important and increase the sales of its luggage. Future researchers can use different methods to conduct research to examine the relationship between digital marketing strategies and sales growth of small, medium and micro businesses in depth and more.

Reference

- Aryasatya, O., Wulandari, M. D., Kartika, E. S., Ramadhani, A., Alfaruq, S., A Akbar, M., & Akbar, S. T. (2023). Pemanfaatan E-Commerce Untuk Meningkatkan Daya Jual Umkm Lokal Desa Karangdiyeng Kecamatan Kutorejo Kabupaten Mojokerto. *Prosding Patriot Mengabdi*, 2(1), 691–700.
- Harahap, N. (2020). *Penelitian Kualitatif*. Wal Ashri Publishing Medan Sumatera Utara.
- Lesnussa, R., Pramarta, V., Carlof, C., Putri, D. R., & Desara, M. M. (2023). Strategi Pengembangan Kapabilitas Organisasional Dalam Era Digital Fokus Pada Adaptasi Dan Inovasi. *Journal of Management and Creative Business*, 1(3), 101–114.
- Musyawahar, I. Y., & Idayanti, D. (2022). Analisis Strategi Pemasaran Untuk Meningkatkan Penjualan Pada Usaha Ibu Bagas di Kecamatan Mamuju. *Jurnal Ilmiah Ilmu Manajemen*, 1(1), 1–13.
- Putri, A. P., Hetami, A. A., Fourqoniah, F., Andriana, A. N., Ardiyani, M., Salsabila, S., Muniroh, U. T., Riandani, R., Mulyani, E., Yasshyka, A., Listiana Putri, A., & Indah Rahmalia, S. (2022). Pelatihan Digital Marketing untuk Mencapai Optimalisasi Strategi Pemasaran pada UMKM. *Jurnal Pengabdian Kepada Masyarakat Nusantara (JPkMN)*, 3(2), 828–839.
- Radiansyah, E. (2022). PERAN DIGITALISASI TERHADAP KEWIRAUSAHAAN DIGITAL: TINJAUAN LITERATUR DAN ARAH PENELITIAN MASA DEPAN. *Jurnal Ilmiah Manajemen Bisnis Dan Inovasi Universitas Sam Ratulangi (Jmbi Unsrat)*, 9(2), 828–837.
- Saribu, T. D., & Maranatha, G. E. (2020). PENGARUH PENGEMBANGAN PRODUK, KUALITAS PRODUK DAN STRATEGI PEMASARAN TERHADAP PENJUALAN PADA PT. ASTRAGRAPHIA MEDAN Holfian. *JURNAL MANAJEMEN*, 6(1), 1–6.
- Sendianto, S. (2021). ANALISIS PENGARUH PROMOSI TERHADAP TINGKAT PENJUALAN PRODUK BESERTA PERAMALAN PENJUALANNYA (STUDI KASUS PADA PT. ASKOTAMA INTI NUSANTARA). *ALIANSI Junral Manajemen & Bisnis*, 16(2), 85–94.
- Sentoso, A., Lady, Lady, Christini, J., Sandra, N., Clarissa, F., Tina, T., & Vivianti, W. (2023). PENGAPLIKASIAN ALAT PEMASARAN DIGITAL TERHADAP UMKM NURUTO. *Jurnal Ilmu Manajemen Saburai*, 9(1), 67–74.

- Setiawan, R., & Sisilia, K. (2020). ANALISIS PROFIL KONSUMEN UNTUK PENGEMBANGAN APLIKASI FUTSAL MENGGUNAKAN PENDEKATAN DESAIN PROPOSISI NILAI. *Jurnal EMBA : Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 8(1), 62–74.
- Sirodjudin, M., & Sudarmiatin, S. (2023). Implementasi Digital Marketing Oleh UMKM Di Indonesia : A Scoping Review. 2(2), 20–35. <https://doi.org/10.58192/ebismen.v2i2.783>
- Solihat, M., & Sandika, D. (2022). E-commerce di Industri 4.0. 16(2), 273–281.
- Sudrartono, T. (2019). Pengaruh Segmentasi Pasar Terhadap Tingkat Penjualan Produk Fashion Usaha Mikro Kecil. 10(1), 55–66.
- Sugiyono. (2019). Metode Penelitian Kuantitatif Kualitatif dan R&D. Alfabeta Bandung.
- Sugiyono. (2020). Metode Penelitian Kuantitatif Kualitatif dan R&D. Alfabeta Bandung.
- Susilowati, E., Rusfian, E. Z., Sulaiman, S., Juminawati, S., & Sudrartono, T. (2022). Pelatihan Pengoptimalan Marketplace Untuk Peningkatan Omset Umkm Industri Tas. *Community Development Journal: Jurnal Pengabdian Masyarakat*, 3(3), 1553–1558.
- Tresna, P. W., Rivani, R., Nirmalasari, H., Sukmadewi, R., & Novel, A. J. N. (2023). DIGITALISASI MELALUI MEDIA SOSIAL SEBAGAI STRATEGI UMKM KABUPATEN PURWAKARTA PADA ERA NEW NORMAL. *Kumawula : Jurnal Pengabdian Kepada Masyarakat*, 6(2), 303–308.
- Trulline, P. (2021). Pemasaran produk UMKM melalui media sosial dan e-commerce. *Jurnal Manajemen Komunikasi*, 5(2), 259–279.
- Wahyuni Mustika, R. G., Aripahara, G., & Aulia, R. (2022). Perancangan Strategi Promosi Umkm Tas " Labuse ". 8(5), 3690–3702.
- Yacub, R., & Mustajab, W. (2020). ANALISIS PENGARUH PEMASARAN DIGITAL (DIGITAL MARKETING) TERHADAP BRAND AWARENESS PADA E-. 12(2), 198–209. <https://doi.org/10.17509/manajerial.v19i2.24275>