

IMPLICATIONS OF MARKETING DIGITALIZATION ON THE EFFECTIVENESS AND EFFICIENCY OF MARKETING COSTS IN PAMEKASAN MSMEs

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Abstract

Based on the background of the problem, it can be seen that the objectives of this study are: 1) To determine the implications of the implementation of digital marketing on the effectiveness and efficiency of marketing costs for MSMEs in Pamekasan Regency; 2). To determine the challenges faced by MSMEs in carrying out digital marketing. In this study, researchers used a qualitative research method. The data collection technique involved conducting observations, interviews, and documentation. The data analysis used in this study was non-statistical, namely by conducting data reduction, data presentation, and data verification. The results of the study showed that: 1) The implications of the implementation of digital marketing on the effectiveness and efficiency of marketing costs for MSMEs in Pamekasan District are that it can be used as a promotional medium that does not require a lot of costs, such as printing brochures or pamphlets. In addition, it can also increase product sales volume, and can provide benefits for its business 2). The challenges faced by MSMEs in digitalizing marketing are: many competitors, lack of understanding of digital media, maintaining customer loyalty and maintaining consumer trust, and slow delivery services.

Keywords: Implications, Marketing Digitalization, Marketing Costs of MSMEs.

Abstrak

Berdasarkan latar belakang masalah tersebut, maka dapat diketahui tujuan dalam penelitian ini ialah: 1). Untuk mengetahui implikasi implementasi digitalisasi pemasaran terhadap efektivitas dan efisiensi biaya pemasaran pada UMKM di Kabupaten Pamekasan; 2). Untuk mengetahui tantangan yang dihadapi UMKM dalam melakukan digitalisasi pemasaran. Dalam penelitian ini, peneliti menggunakan jenis penelitian kualitatif. Teknik pengumpulan datanya dengan cara melakukan observasi, wawancara, dan dokumentasi. Analisis data yang digunakan dalam penelitian ini adalah analisis data non statistik, ialah dengan cara melakukan reduksi data, penyajian data dan verifikasi data. Hasil penelitian menunjukkan bahwa: 1). Implikasi implementasi digitalisasi pemasaran terhadap efektivitas dan efisiensi biaya pemasaran pada UMKM di Kecamatan Pamekasan, ialah dapat dijadikan sebagai media promosi yang tidak perlu mengeluarkan banyak biaya, seperti: mencetak brosur maupun pamlet. Selain itu juga dapat meningkatkan volume penjualan produk, serta dapat memberi keuntungan untuk usahanya; 2). Tantangan yang dihadapi UMKM dalam melakukan digitalisasi pemasaran, ialah: banyaknya kompetitor, kurangnya pemahaman tentang media digital, mempertahankan loyalitas pelanggan dan mempertahankan kepercayaan konsumen, serta pelayanan jasa pengiriman yang lambat.

Kata kunci: Implikasi, Digitalisasi Pemasaran, Biaya Pemasaran UMKM

Introduction

In today's era of globalization and digitalization, marketing digitization has become one of the key factors in business success. The implementation of marketing digitalization not only allows companies to improve operational efficiency, but also opens up new opportunities in terms of marketing, sales, and interaction with customers. The implementation of marketing digitalization can include a variety of things, from the use of business management software, e-commerce platforms, to social media for marketing and interaction with customers (Rahman, & Kunaifi, 2022). According to (Kotler, 2017) Marketing communication consists of eight tools: advertising, sales promotion, events and experiences, public relations and publicity, direct marketing, interactive marketing, word of mouth marketing, and personal selling. As technology evolves, social media offers a unique method of marketing communication (Eagleman, 2013). The use of digitalization of social media-based marketing is becoming increasingly important in this context.

Marketing is a social and managerial process that allows individuals and groups to obtain what they need and want through the creation and reciprocal exchange of products and values with others. In the context of MSME business, marketing is one of the most important aspects. By using marketing digitalization effectively, MSMEs can increase the effectiveness and efficiency in their marketing activities, including cost savings, increased market access, and increased interaction with customers (Rahman & Wafi, 2023). Effectiveness refers to how well an action or strategy achieves a set goal. In the context of marketing, effectiveness measures how well a campaign or marketing strategy succeeds in achieving desired results, such as increased sales, increased brand awareness, or increased customer loyalty. On the other hand, marketing efficiency according to (Hidayati et al., 2023) is the percentage between marketing costs and the value of the product being marketed. Marketing will not be efficient if the marketing costs are getting bigger and the value of the products marketed is not too large.

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in the global economy. However, they often face challenges in effective and efficient marketing due to limited resources and access to technology. (Omi Pramiana, 2024). In this digital era, marketing digitalization has become an essential tool for organizations and companies to increase efficiency and competitiveness. The right implementation of marketer digitization can help organizations and companies automate processes, improve communication and collaboration, and make better decisions. (Guntur Prihandono, 2024). The use of marketing digitalization has been the key to success in increasing marketing effectiveness and efficiency in MSMEs. By utilizing various types of digital promotional media, MSMEs can reduce marketing costs. Marketing digitalization allows MSMEs to expand market reach, increase brand visibility, and optimize marketing expenses.

However, amid the rapid pace of digitalization, there is still a gap in understanding how the implementation of marketing digitalization specifically affects the effectiveness and efficiency of marketing costs for MSMEs. According to the report (OECD, 2017), the use of marketing digitalization in marketing activities allows MSMEs to reach a wider market, reduce operational costs, and increase their competitiveness in the global market. (Gartner, 2019) emphasizing that marketing digitalization can increase cost effectiveness by reducing marketing costs by up to 30% through the use of more targeted digital marketing strategies. With the digitalization of marketing, companies can leverage big data and analytics to understand consumer behavior, predict market trends, and develop more efficient marketing strategies. The ideal condition that MSMEs want to achieve is to create a marketing process that is not only effective in achieving the target market, but also efficient in using costs. However, factual conditions show that many MSMEs still have difficulty in implementing marketing digitalization in their marketing due to limited knowledge, skills, and budgets (Murtiningsih & Caroline, 2024)

The application of marketing digitalization is expected to be able to provide solutions to the problems faced in traditional marketing so that it can improve the performance of these MSME actors. According to (Berliana & Ompusunggu, 2023), the use of e-commerce and digital marketing platforms can have significant positive implications for increasing MSME income. Marketing digitalization presents various innovations that allow MSMEs to not only survive but also grow in the midst of increasingly fierce competition. Studies from (Novita Sari et al., 2023) shows that the use of social media as a form of marketing digitalization in marketing is able to increase direct interaction between companies and consumers. This allows companies to respond quickly to feedback, build better relationships with customers, and increase customer loyalty.

However, MSMEs often face significant challenges in business growth and expansion. One of the main obstacles is limited access to a wider market and lack of resources to develop effective marketing strategies (Kamil et al., 2022). These barriers are often caused by limited knowledge and financial resources, which makes it difficult for MSMEs to compete with large companies. One effective method to face this challenge is to improve the quality of MSME management through proper training (Setyowati et al., 2023). In addition, the aspect of data security is also an important concern in the implementation of marketing digitalization. According to a report from Accenture (2019), cybersecurity threats are increasing along with the increasing digitalization of businesses. MSMEs, which often have inadequate security infrastructure, are easy targets for cyberattacks. Therefore, they need to invest resources in cybersecurity to protect business and customer data. Based on the background of this problem, this study aims to analyze "The Implications of the Implementation of Marketing Digitalization on the Effectiveness and Efficiency of Marketing Costs in Pamekasan MSMEs". This research is expected to provide valuable insights for MSME actors in

optimizing the use of marketing digitalization to improve their marketing performance. With a deep understanding of the results of this research, it is hoped that MSMEs can develop better, effective, and efficient marketing strategies, so that they can compete in an increasingly competitive market (Rahman, 2023).

Research Methods

To examine the implications of the implementation of marketing digitalization on the effectiveness and efficiency of marketing costs in MSMEs, a relevant and classy methodological approach is a mixed-method approach that is explanatory in nature. This approach allows researchers to analyze in depth how digitalization has a concrete impact on the cost performance and marketing strategies of MSMEs. In the initial stage, a quantitative survey was used to sample MSMEs that have adopted digital marketing (social media, marketplaces, websites, and other digital tools). The instrument in the form of a structured questionnaire was prepared on a Likert scale of 1–5 to measure two main variables: (1) marketing effectiveness (number of customers, engagement, conversions), and (2) cost efficiency (before-after digitalization comparison). The data was analyzed by linear regression analysis and paired t-test to measure significant changes before and after digitization.

Furthermore, a qualitative case study method was used in several MSMEs that showed significant results in cost efficiency or strategy effectiveness. Data collection techniques are in the form of in-depth interviews with business owners, documentation analysis (sales reports, advertising reports), and direct observation of digital marketing practices. Qualitative data are analyzed by *content analysis* to find patterns of success or obstacles in the implementation of digitalization (Kunaifi et al., 2021). To maintain validity and reliability, data and method triangulation are used, as well as content validity tests (*content validity*) by digital marketing and MSME experts. The use of this dual approach ensures comprehensive, credible, and applicative results in describing the cause-and-effect relationship between digitalization and MSME marketing performance. With this methodological design, research becomes analytically strong as well as practically relevant for the development of digital MSME policies and strategies in Indonesia.

Results And Discussion

To explain and explain the results of the research and a comprehensive discussion, the following are the relevant results and discussions, which are as follows:

1. Analysis of Previous Research

Implementation *digital marketing* In Marketing Cost Efficiency in MSMEs of Pondok Ayam Kremes Rizki Palembang, this fieldwork lecture-based study found that the implementation of digital marketing strategies reduced marketing costs by 42.68% between August and December 2023. In addition, there is a trend of increasing net profit after marketing digitization (Didi & Aulia, 2024). Strong empirical evidence shows that digitalization not only expands the reach of marketing, but also

reduces costs in proportion to revenue—increasing marketing ROI. Role *digital marketing* In Achieving Business Efficiency of MSME Actors – Competitive Business Journal, qualitative methods on 28 MSME actors showed that the use of social media significantly expanded the market network and reduced traditional promotional costs (Demetrio Andrean Siahaan et al., 2025). Functional digital marketing as a promotional channel is effective in reducing product costs that are common in old methods (print/posters, etc.). Increased reach also has the potential to increase sales volume. The Role of Digitalization in Improving Marketing and Financial Management Effectiveness in MSMEs Dukesman Barbershop in Surabaya – Jurnal Ekopedia. Digitalization includes two aspects: the KacasPintar application for financial recording and AI plus social media strategies for marketing content. As a result, financial reporting accuracy is improved & digital interaction is significantly improved (Kunaifi & Fachruddin Syah, 2023). The synergy of digital marketing and digital accounting results in cost efficiency and increased marketing effectiveness—it's easier to evaluate the ROI of each campaign, as well as optimize operations.

Table 1: Strategic Findings Previous Research on the Application of Digital Marketing

Aspects	Cost Efficiency	Marketing Effectiveness
Costs drop	Digital marketing cuts costs by up to $\approx 40\%$	Traditional promotional costs replaced by digital content
Market reach	Social media & AI expand reach & engagement	Wider and interactive customer access
Data management	Digital tools support cost and profit monitoring	More real-time → faster reports of strategy adjution
Common constraints	Limited resources and human resources	Need training & education for optimization

Source: Analysis of previous research, processed.

Table 1 above shows that the combination of this study shows that marketing digitalization in MSMEs is consistent, i.e. reducing marketing costs with efficiency by up to 40%, increasing effectiveness through more precise targeting, engagement, and data accuracy, and requires investment in training and digital tools, such as AI, financial applications, and social media. If analyzed, the relevant implications of 3 cases of MSMEs that implement digitalization of marketing and financial machines can increase marketing ROI and market response flexibility. In this context, support in the form of digital education, training programs, and technical infrastructure is needed to be optimal.

2. Implications of the Implementation of Marketing Digitalization on the Effectiveness and Efficiency of Marketing Costs in Pamekasan MSMEs

Digitalization marketing, or digital marketing, is the use of digital technology and the internet to promote products or services to the target audience. It covers a variety of strategies and tactics that utilize online platforms such as websites, social media, search engines, email, and more to achieve marketing goals. Marketing digitalization is developing very quickly along with the times. Human life is not spared from the use of digitalization, marketing and communication. Digital marketing is

a form of business that promotes and markets a brand or several brands using digital media such as the internet. In the book *Digital Transformation*, digital marketing is the use of technology in marketing efforts and business practices by marketing goods, services, information, and ideas through the web, mobile phones, display advertising, and other electronic media. Digital marketing uncovers various tactics to attract, empower, delight, and drive customers to online marketing (Rahman, 2023). The implications of technological developments are very significant, society is already dependent on the digitalization of marketing and communication. This causes information mobility to be very fast, events from various parts of the world can be enjoyed directly. Technology for some groups is a very ideal market to reap a lot of profits. According to Zamroni, (2017) the positive implications of marketing digitalization are as follows: a). The internet as a communication medium, is the most widely used internet function where every internet user can communicate with other users from all over the world from children to the elderly. b). Reducing the lag in the use of ICT in education compared to developing countries and other developed countries. c). Media to find information, rapid development of the internet. d). The ease of obtaining information on the internet so that humans know what is happening. e). It can be used as an information land for education, culture, and others. f). Ease of transacting and doing business in the field of trade so that there is no need to go to the place of offering/selling. g). With the internet, we can update information that can be updated every second.

Based on the results of interviews with MSME actors in Pamekasan, the implications of the implementation of marketing digitalization for their businesses are very good, judging from the type of marketing digitalization used by MSME actors, namely social media, such as: Facebook, WhatsApp, and Instagram. Thanks to promotion through social media, potential buyers get the benefit of easily finding the desired item. Customers are also satisfied because sellers provide education on their product descriptions. MSME actors choose digital media as a means of promotion because it is more efficient and effective, and also does not cost a lot of money, such as printing brochures, pamphlets, and others. In addition, business actors will get new customers by posting via Instagram and Facebook.

MSME actors in Pamekasan District said that the implementation of digital marketing can also increase sales volume. The advantage is that it can make it easier to provide information to customers related to their business such as opening hours. Digital marketing can reach a wider audience, so many are interested in their products. In addition, digital marketing also does not need to spend a lot of money, such as the cost of printing browses and brochures. From the results of research with five MSME actors in Pamekasan, namely: Snacks Madura, Selling Lela.id, Bananaku, Domini Donuts, Wamira Chicken, said that if the initial journey of opening a business until now, the role of digital marketing has played a very important role in increasing their business income. This is influenced by

the existence of digital marketing; the business that is run is better known by the public. Even businesses that have taken advantage of endorsement services from influencers will be increasingly widely known. The five MSME actors in Pamekasan also agreed that digital marketing makes sales volume increase so that revenue also increases, which is also influenced by digital marketing that can reach all buyers to get information related to products provided through social media.

Table 2. MSME Income Development Through Digital Marketing

Business Name	Average Income Per Day (Rp)			Percentage Increase in Revenue (%)
	Before Digital Marketing	Using	After Using Digital Marketing	
Mature Snacks	IDR 300,000		IDR 700,000	57%
Sales Lela.id	IDR 17,000		IDR 100,000	83%
Bananaku	IDR 33,000		IDR 50,000	34%
Donuts Domain	IDR 23,000		IDR 50,000	54%
Wamira Chicken	IDR 100,000		IDR 200,000	50%

Based on table 2 above, the income of Snack Madura before marketing using digital marketing is IDR 1,500,000 per month and the income after business development is now IDR 2,800,000 per month. Madura snacks are sold only every Sunday. So if the average income per day before using digital marketing is IDR 300,000 and after using digital marketing increases by 57% or IDR 400,000 per day. Meanwhile, the sales business Lela.id before using digital marketing, the revenue per day was IDR 17,000 and the income after the business grew now has a daily income of IDR 100,000 or an increase of 83%. And in the Bananaku business, there has been an increase in revenue of 34%, where the income before marketing through digital is IDR 33,000 and has increased and developed the business until now the daily income is IDR 50,000. Meanwhile, the Domini Donuts business has also experienced a 54% increase in revenue, where before using digital marketing, the income was IDR 23,000 per day, then experienced an increase in revenue of IDR 50,000 per day. And the last is that Wamira Chicken's business also experienced a 50% increase in revenue where before using digital marketing the income was Rp. 100,000 per day, then experienced an increase in income of Rp. 200,000 per day.

From the table above, it can be seen that the business run by MSME actors in Pamekasan from the beginning of selling or before using digital marketing to the current business development, the percentage of revenue growth is on average 34% to 83%. This shows that the implementation of digital marketing has positive implications for increasing revenue. The percentage increase in income is obtained based on the result of the reduction of the current income minus the initial income, then the value of the difference divided by the value of the current income multiplied by 100%, so that the percentage increase in income can be obtained.

3. Challenges Faced by MSMEs in Digitalizing Marketing

Based on the results of data analysis that can be obtained by researchers, there are several challenges faced by MSME actors in Pamekasan during the implementation of digital marketing. First, the challenges he faces are competitors, competitors are the main challenge for MSME actors in Pamekasan. The second is the lack of understanding of digital marketing and social media. The third is to gain consumer trust. The last one is slow delivery. Here's an explanation:

a. **Kompetitor**

Competitors are individuals or more than business actors who can be said to be competitors in the business world, namely any activity. The findings obtained by the researcher on MSME actors in Pamekasan, namely the challenges faced by MSME actors in Pamekasan, namely competitors, in the current era who does not use digital marketing in increasing sales of their products and services, in this MSME actor in Pamekasan many competitors have the same products and services.

b. **Lack of Understanding of Digital Marketing and Social Media**

The findings obtained by the researcher, namely the understanding and knowledge of digital marketing of MSME actors in Pamekasan are a challenge, because the majority of MSME actors in Pamekasan are only high school graduates so they lack a lack of understanding about digital marketing and social media, but MSME actors in Pamekasan learn from the basics of digital marketing while running their businesses.

c. **Gaining Consumer Trust**

Customer trust can be built using a service shortening system, namely with physical support, contact persons, and operational virtues. The findings obtained by the researcher are that the challenge faced is to gain consumer trust, this is because the rampant online fraud in the current era is increasing, therefore MSME actors in Pamekasan call gaining consumer trust a challenge. However, MSME actors in Pamekasan took the initiative to share testimonials, product reviews from previous consumers with the aim of building trust with other consumers.

d. **Slow Delivery**

The increasing number of business actors are implementing digital marketing throughout Indonesia. This has caused the market share of delivery services to increase. This may result in delays in the delivery of products to consumers. The findings obtained by the researcher are that there is one consumer who complains about delivery delays, with this complaint will result in a decrease in rating, therefore MSME actors in Pamekasan consider delivery delays to be quite difficult to handle.

Conclusion

Based on the results of the study on "Implications of the Implementation of Marketing Digitalization on the Effectiveness and Efficiency of Marketing Costs in MSMEs in Pamekasan", the researcher can conclude that the implications of the implementation of marketing digitalization on the effectiveness and efficiency of marketing costs for MSMEs in Pamekasan, can be used as a promotional medium that does not need to spend a lot of money, such as: printing browses and pamphlets. In addition, it can also increase product sales volume, and can provide profits for his business. The challenges faced by MSMEs in conducting digital-based marketing are: the number of competitors, the lack of understanding of digital media, maintaining customer loyalty and maintaining consumer trust, and slow delivery services.

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