

## The Role of Digital Marketing in Increasing the Income of UMKM Alam Tani Hydrofarm in Kudus

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### ABSTRACT

**Background.** This research was conducted due to the acceleration of globalization which has driven the rapid development of digital technology, providing opportunities for businesses to enter the digital marketing market. Therefore, UMKM Alam Tani Hydrofarm can increase their income through digital marketing strategies.

**Purpose.** The purpose of this research is to understand the role of digital marketing in increasing the income of UMKM Alam Tani Hydrofarm in Kudus

**Method.** This study uses a qualitative descriptive approach, which aims to provide facts and data regarding the effect of digital marketing on the income of UMKM Alam Tani Hydrofarm.

**Results.** The results of this study indicate that digital marketing implemented by UMKM Alam Tani Hydrofarm has a significant impact. These UMKM actors can continue to develop their business while meeting consumer needs through digital marketing strategies. The transition to purchasing through digital marketing will also facilitate market expansion for UMKM. Current technological developments optimize the potential of UMKM and promote sustainable growth. Social media and e-commerce platforms are important means of increasing UMKM sales.

**Conclusion.** Through analysis of the research results and discussions presented above, it can be concluded that Micro, Small and Medium Enterprises (MSMEs) play an important role in expanding employment opportunities and act as a driving force amidst the slowdown in the Indonesian economy. Apart from that, MSMEs also need to adopt innovation in utilizing digital technology to attract more consumers, which will have an impact on increasing product demand. The marketing strategy used needs to always be updated according to developing trends in society.

### KEYWORDS

Digital Marketing, Hydrofarm, UMKM Alam Tani

### INTRODUCTION

In the age of technological digitalization, the time has come for UMKM to get support in developing their businesses beyond city limits and even at the international level. In the context of the Indonesian economy, UMKM have a very important role in creating new jobs, and it is hoped that they can continue to develop to help overcome the slowdown in Indonesia's economic growth (Graham dkk., 2020). In addition, UMKM need to adopt innovations in the application of digital technology to increase their consumer base, which in turn will UMKM Alam Tani. Hydrofarm has been established since 2019,

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started by the owner named Muhammad Rifan who is currently carrying out research on hydroponic farming. This is how this business started, when the first experiment was successful in planting hydroponic kale and then replacing it with hydroponic lettuce several years later (Y. Li dkk., 2020). The reason for this change was because hydroponic kale was simpler and easier than hydroponic lettuce at that time. At first, this business did not implement digital marketing, so sales were made directly or offline. Apart from that, one of the obstacles in this UMKM is limited land at the start of its establishment, which results in limited agricultural production. However, demand from customers continues to increase because they already have loyal customers, and that is why Alam Tani Hydrofarm UMKM have not yet adopted digital marketing (Velazquez-Gonzalez dkk., 2022).

Alam Tani Hidrofarm UMKM are still rarely found, with a planting method that uses corks with the addition of water and plant seeds which is different from conventional planting that uses soil. However, it is unfortunate that these UMKM have not implemented a digital marketing strategy to sell their products online. In fact, in the current era, UMKM should have adopted digital marketing to increase income (Yaseen dkk., 2019). Through digital marketing, access to information for consumers becomes easier, enabling them to obtain product information from companies marketed via digital platforms. This provides an opportunity for UMKM entrepreneurs to understand their target customer. Therefore, this is the reason why this research emerged, because there is interest in exploring this (Sadeghi dkk., 2021).

The expected goal of this research is to make it easier to attract consumers and potential consumers quickly. In the current era, technology and the internet have been widely accepted by society, thereby helping entrepreneurs develop their business and read all kinds of developments and changes that occur through online media, so that UMKM businesses can adapt to all changes that occur from competitors. contribute to increasing demand. This shows the need for creativity and innovation in product marketing strategies to remain relevant in the online business world and build customer trust (Chen dkk., 2020).

A very important role in driving economic growth and development lies in Micro, Small and Medium Enterprises (MSME), both in developing countries such as Indonesia and in developed countries. In Indonesia, UMKM also play a crucial role in overcoming the problem of unemployment (Tikno & Amelia, 2019). The development of UMKM has turned them into a source of business growth and employment opportunities. Current economic growth must be balanced with the readiness of UMKM players to face the increasingly developing digital era (Lubis dkk., 2022).

Innovation from the internet is currently experiencing rapid growth and has an impact on various aspects of the lives of individuals and community groups. By implementing digital marketing, communications and transactions can be carried out directly and instantaneously, and also have global reach. The number of individuals using message-based social media platforms continues to increase, opening up opportunities for many entrepreneurs to develop their market through the smartphone devices they hold (Clarke & Unsworth, 2020).

Every effort to implement promotions and marketing strategies using digital marketing sometimes encounters obstacles. especially in the early stages which can be a tough challenge due to a lack of understanding from the audience (Cuesta dkk., 2020). Starting from interactions on social media, obstacles to content that must be interesting, production location constraints that may not be optimal, to problems that arise when customers receive products online (Tsai dkk., 2020). This condition has an impact on the uncertainty of Hydrofarm UMKM daily income, which experiences fluctuations. However, not only that, the impact of marketing and promotion through digital marketing also has important value, because through the digital marketing platform,

Hydrofarm UMKM businesses are able to grow and compete effectively in the market. The comparison between previous research and current research is as follows:

First, research conducted by Suprayogi (2019) in his research entitled "Implementation of Digital Marketing to Increase the Income of Local UMKM in Pemokolan Village, Ciamis Regency, West Java," used a descriptive approach with qualitative methods (Jain dkk., 2021). Data was obtained through direct interviews. Although this research has similarities with previous studies in analyzing the use of digital marketing to increase UMKM income, both use the same research methods (Kubayi & Larkin, 2019). However, the difference lies in the research focus. Previous studies focused more on the effectiveness of implementing digital marketing in UMKM with limited knowledge about digital marketing, with the internet being used as a tool to increase income. Meanwhile, this research emphasizes the role of digital marketing in increasing UMKM income without considering the level of knowledge about digital marketing (Lakshmanan dkk., 2020).

The second research was conducted by Harto, Nur, and Rahmawati (2019). The next research was conducted by Harto, Nur, and Rahmawati (2019) with the title "Application of Internet Marketing to Increase UMKM Income." This research involves the transfer of knowledge through training, mentoring and outreach to introduce modern marketing concepts via the internet. Even though it has similarities with previous research in analyzing the use of digital marketing to increase UMKM income, the difference is the research method. Previous studies used a knowledge transfer approach, while this research relies on a qualitative approach (An & Oliver, 2021).

The third research, carried out by Ocvanny and Mustikawati (2019) "Application of Digital Marketing to Increase the Income of Flower Traders in Sidomulyo Village, Kota Baru" concluded that digital marketing increased the income of flower traders by 189%. This research shows that digital marketing strategies are more profitable (Oyebode dkk., 2020). Although it shares similarities with previous studies in focusing on the role of digital marketing to increase business revenue, the difference lies in the research method. Previous research only interviewed 32 flower traders, while this research involves interviews with various UMKM from various sectors in Banda Aceh City (Siregar & Razali, 2022).

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## RESEARCH METHODOLOGY

This research applies a descriptive qualitative research approach, where the author observes the situation in the field related to digital marketing at the UMKM Alam Tani Hydrofarm. Documentation activities are also carried out, including searching for journals and articles that have been published via the internet (Palamar & Acosta, 2020). In collecting data, this research used interview techniques and literature studies related to the research topic. Interviews were conducted with three MSME informants, including traders, community members and customers (Exenberger dkk., 2021).

Describe the methods and types of research used in the research. In carrying out the research, the population size, sample size, research instruments, indicators and analytical tools that will be used are also described. Describe the steps and approaches that will be taken in carrying out research (Guest dkk., 2020).

## RESULT AND DISCUSSION

Based on the results of interview interactions and field monitoring carried out by researchers, it can be explained the impact of digital marketing which clearly influences the increase in income of UMKM Alam Tani Hydrofarm Kudus. In the context of this research, conclusions were found regarding the role of digital marketing in increasing the income of UMKM Alam Tani Hydrofarm Kudus. Muhammad Rifan as the owner or business owner of Alam Tani Hydrofarm has not used digital marketing in marketing his products. The following is a narrative of the results of the interview (Mehnert dkk., 2023).

"It started with my business, which was established in 2019 when I did research and at that time I had not used digital marketing until now because in the hydroponic system it is better to retain old customers, so we focus more on old customers, while we don't focus on new customers. because our production capacity is limited, with these limitations we can target what we can achieve, originally we could expand our business with digital marketing (Mavromihales dkk., 2019). But for now our production capacity is limited, so we are only focusing on customers for now, so why haven't I used digital marketing? because in Kudus, according to my observations, on average the marketing system is still offline, it's different, in cities like Sayur Box or Sayurku, they already use digital marketing. However, around Kudus, Pati, Jepara, no one uses digital marketing, so the competition between sellers is maintaining what What is maintained, for example, is to maintain customers to stay with us and not move elsewhere. How to prevent customers from moving is by improving quality, quantity and trust. The development of this business is also increasing and developing as evidenced by the fact that we are expanding our production capacity from year to year even though we do not use digital marketing, which initially made hydroponics from styrofoam and then we have a garden of around 10,000 or more planting holes (Chatzara dkk., 2019). When there is a decrease in the number of market demands, we can overcome this by resting several installations to reduce production capacity, for example, if there is already a lot of demand,



the capacity is full, while the current income, thank God, can meet daily needs and is even more possible to expand the garden again. In this business there are obstacles which are more towards the season because the season can affect the amount of demand, then to be consistent in this business we need motivation, need self-confidence, have a commitment to customers. If this is not implemented by ourselves, it can affect the continuity of our business in the future and also affect trust." Sarmiati has been a loyal customer since the opening of this UMKM business, here are the results of her interview. "I have been subscribing to Mr. Rifan's lettuce since 2019 because I also opened a catering business which uses lettuce. The reason I still subscribe here is because the quality of the lettuce here is quite good and the owner is very friendly (Blanco Cano & García-Martín, 2021).

## CONCLUSION

Through analysis of the research results and discussions presented above, it can be concluded that Micro, Small and Medium Enterprises (UMKM) play an important role in expanding employment opportunities and act as a driving force amidst the slowdown in the Indonesian economy. Apart from that, UMKM also need to adopt innovation in utilizing digital technology to attract more consumers, which will have an impact on increasing product demand. The marketing strategy used needs to always be updated according to developing trends in society.

The application of digital marketing in the realm of agricultural UMKM has a significant impact on their income and makes it easier for them to market agricultural products. Based on these findings, UMKM players who have not yet implemented digital marketing in their marketing efforts are expected to consider adopting this strategy to increase their income. In addition, it is hoped that they have the ability to operate digital devices, such as smartphones, in order to advance their business. Adoption of digital marketing provides greater opportunities for UMKM to compete and remain relevant in the current digital marketing era.

## AUTHORS' CONTRIBUTION

Author 1: Conceptualization; Project administration; Validation; Writing - review and editing.

Author 2: Conceptualization; Data curation; Investigation.

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