

Improving Financial and Digital Marketing Performance in T-shirt Screen Printing SMEs

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Abstract

Micro, Small and Medium Enterprises (MSMEs) have an important role in the pace of the Indonesian economy, especially in creating jobs, driving economic growth and advancing the industrial sector. In order to move the pace of the economy to further development, it is necessary to use digital media to respond to increasingly uncontrollable technological developments. The use of digital technology-based marketing concepts gives hope for MSMEs to develop into economic powerhouses. The development of digital technology allows MSMEs to market their products online so that they become more effective and efficient. This research aims to describe the effect of digital marketing on the financial performance of one of the MSMEs in Sumberejo Lumajang village. This research is qualitative research using structured interview methods, in-depth interviews and observation. The research results show that the use of digital marketing makes marketing broader, increases sales, and can increase income, thereby affecting financial performance.

Keyword: Digital Marketing, Financial Performance, MSMEs, Screen Printing

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) have a strategic role in a country's economy (Lianardo et al., 2022), driving economic growth, creating jobs, and advancing the industrial sector (Syukri & Sunrawali, 2022), and encourage equitable and fair economic growth (Octaviana & Ramadhani, 2021). As we know, currently MSMEs have developed which are driven by young entrepreneurs. As reported by (Santika, 2023) on the databoks.katadata.co.id page, it is known that 1,606 of Gen Z were born in 1997-2012 and became MSME entrepreneurs, while the number of millennials was 34,361. This shows that the younger generation has an important role in economic growth through their creativity (Cahyaningati et al., 2022).

The younger generation has an important role in economic growth with a wealth of creativity (Cahyaningati et al., 2022), through implementing creative ideas they will be able to open bridges to entrepreneurship (Zu'amah, 2009). This has a positive influence and effect on the economy and society, one of the most important influences is the provision of employment opportunities (Hertati et al., 2021). The young generation and MSMEs are the keys to Indonesia's future economic growth. MSMEs as support for the economy in remote or rural areas, where villages are the initial place for the development of creative economic industries (Fitriyani & Rahayu, 2023).

The role of MSMEs in encouraging improved financial performance must be supported by digitalization, one of which is through digital marketing (Syukri & Sunrawali, 2022). Digital transformation is an important factor in improving the financial performance of MSMEs. It is hoped that the younger generation, who are considered more familiar with digital usage, will be able to increase the expansion of their businesses to the international arena. The convenience and advantages provided by information technology will be able to encourage the performance of

MSMEs to improve further. It is impossible to avoid digitalization, MSMEs that want to maintain their existence must be able to take advantage of digital developments and advances (Syukri & Sunrawali, 2022).

The existence of MSMEs must always be considered amidst the onslaught of technology and increasingly unstable business competition. The ability of MSMEs to face the impact of global competition needs to be considered further so that they remain able to survive for the sake of the stability of the Indonesian economy (Syukri & Sunrawali, 2022). Digital marketing is a factor in the success of MSMEs in marketing the products they produce. Increasing effective digital marketing strategies enables MSMEs to spread their wings to all corners of the country. Syukri and Sunrawali (2022) also revealed that internet use can increase sales of products produced by MSMEs so that it will improve the finances of MSMEs themselves. The success of MSMEs in facing market challenges and improving the quality of the products produced will make MSMEs successful and develop quickly. Wardhana (2015) in his research proved that digital marketing strategies have an effect of up to 78% on the competitive advantage of MSMEs in marketing their products.

In particular, MSMEs contribute greatly to GDP which can reach 61.97% of national GDP (Gross Domestic Product) or 8.5 trillion in 2020. In addition, MSMEs absorb a lot of labor, reaching 97% of the business world's absorption capacity in 2020. 2020 (Alexander, 2023). MSMEs support the economy in rural areas, including Sumberejo Lumajang village which has great potential for the development and growth of young entrepreneurs. Through information technology and the internet, new opportunities have been opened for MSMEs, especially for screen-printed t-shirt businesses in Sumberejo Village, to develop their business. E-commerce platforms, social media and digital marketing services are tools that can help access global markets more easily.

Developments in the digital marketing business that are currently underway, almost all promotional methods are carried out using digital marketing, including virtual reality (a digital marketing strategy that can be used by a company to promote its product or brand), Instagram Stories (digital promotion via video). or product photos introduced on Instagram stories). Through digital media, MSMEs offer the opportunity to streamline product marketing and relationships with consumers to increase consumer loyalty.

METHOD

The research was conducted using the case study method with in-depth interviews as an analytical tool which is expected to provide an in-depth picture of digital marketing in improving the financial performance of one of the young entrepreneurs in the screen printing business in Sumberejo village, Lumajang. To obtain in-depth information, this research was designed using exploratory research. The same method was used by Teixeira and Rocha (2009); Svirina and Anand (2021); Bloomfield et al. (2021); Mukasa et al. (2023). Exploratory case studies are used to obtain in-depth information about the problem to be solved. Exploratory case studies can explore and capture meaning and information comprehensively (Brata et al., 2022).

The sample in the research was young entrepreneurs in the screen-printed t-shirt business "Tabriiz Media" in Sumberejo village, Lumajang. The data collection technique uses purposive sampling which refers to research (Abusafia et al., 2018), where purposive sampling means taking samples that adequately answer the research objectives (Ojo, 2022), In this case, the informant is the owner of the Tabriiz Media screen-printed t-shirt business. The informants interviewed in this research are presented in the following table:

Table 1. Informant Data

Number	Informant	Information
1.	Dwie	Business Owner
2.	Tsa	Financial department

Source: data diolah

RESULTS AND DISCUSSION

Micro, Small and Medium Enterprises (MSMEs)

MSMEs are productive businesses owned by individuals or business entities that meet the criteria for micro businesses. One business sector that can develop and be consistent in the national economy is the development of micro, small and medium enterprises. MSMEs are a good place to create jobs, and the increase in the amount of knowledge possessed by MSME players related to online marketing is one sign of how developed MSMEs are (Octaviana & Ramadhani, 2021).

MSMEs are labor intensive and do not require certain requirements such as education level, employee expertise or skills, and relatively low business capital and simple technology. In terms of the number of businesses, job creation and national economic growth as measured by GDP, MSMEs continue to play an important role in improving the Indonesian economy (Jefri & Ibrohim, 2021). MSMEs are potential businesses for economic development in Indonesia, so they are required to maximize and explore the existing potential for developing the people's economy as part of its implementation (Jasri et al., 2022). This development will certainly be faster if it is supported by digital marketing implemented by business actors.

The t-shirt screen printing business was chosen because t-shirt fashion has become a choice for the younger generation and is popular with all ages because its shape is comfortable to wear anywhere. The choice of screen printed t-shirt business was also based on the mushrooming of screen printed t-shirt businesses in the Lumajang area. Apart from that, Tabriiz Media as a research informant has great potential to improve its business through digital marketing. So that the hope of this service can be realized, namely that partners will be able to increase production, marketing, and compete and exist in the following years.

Financial performance

Financial performance is a company's operational and investment activities by increasing the role of financial intermediaries, such as angel investors, venture investors and creditors who can contribute to encouraging small business growth and product market innovation (Daud et al., 2022). Financial performance can also be expressed as the results obtained from various activities carried out within the available financial resources. Financial performance can be seen through the results of financial report analysis or financial ratio analysis. In analyzing financial performance, the analysis requires a concept or aspect that can describe the company's financial data. Financial performance is an achievement achieved by a company in a certain period in describing the company's level of excellence (Farida & Setiawan, 2022).

Pemasaran Digital

The term "Digital Marketing" refers to the marketing strategy of products and services that rely on digital platforms. In general, this can be interpreted as the incorporation of digital technology in business operations to attract customer attention, support brand growth, retain customers, and increase sales significantly (Pascucci et al., 2023). Digital Marketing is a dynamic technological framework in which organizations collaborate with consumers and other related parties to develop, create and maintain value from the products and services provided. So digital marketing is currently a medium that is very popular with the public (Jasri et al., 2022).

Digital marketing, also called digital marketing, is now called marketing 4.0. Marketing 4.0 is a marketing approach that combines interactions between businesses and customers both online and offline. Digital interactions are not enough for a digital economy. The offline touch really makes a difference, even in an increasingly internet-connected world. Marketing 4.0 also combines substance and style. Although, as technology trends change rapidly, brands need to be more flexible.

Implementation of Digital Marketing

Digital marketing has a very significant impact on the financial performance of MSMEs (Arumsari et al., 2022). Several ways that MSMEs can implement digital marketing strategies are through social media (Trena et al., 2023). This is in accordance with the implementation of appropriate strategies in digital marketing carried out by the leadership of Tabriiz Media, conveyed by business actors that:

- a. "The application of digital marketing that we have carried out so far is WA stories, Facebook, Instagram, and utilizing the TikTok application, which is currently more popular and liked by young people..." (Dwie)
- b. "That's right, it seems like TikTok is now being loved by the younger generation... and that really helps us, to carry out promotions in an effective and efficient way." (Tsa)

Apart from knowing about social media applications, business actors must also be required to understand the right strategy for the business they are running (Jasri et al., 2022), because many failures are caused by business actors not mastering digital marketing strategies (Wiradharna et al., 2022). The strategies implemented by Tabriiz Media business actors to support digital marketing include:

- a. "To increase marketing through social media, what we usually do is update the latest designs, do it live, and sometimes we give things like that, discounts... yes, something like that." (Dwie)
- b. "Updating the latest designs, usually through samples of t-shirts that we have screen printed. Yes... it's funny and unique like that... it suits market interests, okay?" (Tsa)

Not only are they required to understand marketing strategies, business actors must also know the trends that are developing in society so that the products they produce are always looked at and in demand by consumers. It was stated that apart from marketing strategies, business actors also conveyed the following:

- a. "We don't just update, we also monitor... what is currently popular and trending in society... so from there, we try to express the latest ideas." (Dwie)
- b. "Yes, monitoring is really necessary because we can't be careless... We know that the demands of society or consumers change very quickly... so we must always monitor trends that are developing in society." (Tsa)

Marketing through digital media has a huge impact and benefits on MSMEs (Satriadi et al., 2022; Siregar et al., 2023; Syukri & Sunrawali, 2022). This is in accordance with what business actors conveyed that:

- a. "The use of social media nowadays really helps us in marketing, we can expand marketing throughout Indonesia without having to go to that place, kaaaan..." (Tsa)
- b. "That's right, through digital marketing... we are really helped because we are able to introduce the products we produce to a wide reach throughout Indonesia." (Dwie)

MSMEs really feel the various advantages of using digital marketing. However, apart from these advantages, the use of digital marketing also has several disadvantages (Munaldi & mutiara, 2022). Some of the obstacles that business actors have experienced are:

- a. "At the start of running a business through digital media, of course... you will definitely experience several obstacles, such as technology that may not be up to par, internet that is not fast enough, and a lack of understanding how to promote well." (Dwie)
- b. "It's all business... Whatever it is, when you start a new activity you will definitely experience several obstacles and problems. However, we keep trying, keep learning, learning and learning, don't forget to balance it with prayer too... yes, bismillah, that's enough, thank God we can continue until now." (Tsa)

Improved Financial Performance after Implementing Digital Marketing

The latest technology really supports MSMEs in carrying out their tasks effectively and efficiently so that they can reduce expenses when running a business using conventional marketing (Jasri et al., 2022). Evidence of the benefits of digital marketing has been felt by MSME players so that they are able to increase their finances (Jayanti & Karnowati, 2023). Tabriiz Media business actors also felt improvements in financial performance as follows:

- a. "After we implemented digital marketing, yes... we did feel an increase in finances. Even though at the beginning it was confusing and a bit difficult to adjust, yes... but now we can feel the benefits. Although maybe it still doesn't feel very big." (Dwie)
- b. It's true, yes, the financial improvement that we feel. It definitely has quite a big influence... I hope it will be smooth sailing in the future." (Tsa)

MSMEs currently have to think about how to carry out marketing with a low budget, high impact strategy. The power of the digital era encourages business actors to think about how to retain the

consumers they already have in addition to acquiring new customers. Digital media provides benefits for small businesses with low budgets, but has a huge impact. Rozinah and Meiriki (2020) said that through digital marketing MSMEs are able to market the products they have produced, expand market share and reduce promotional costs. Business actors also stated that:

- a. "Yes, we have experienced quite a lot of improvement. Not only have our finances improved, but our marketing has also become broader now. "We can market products easily, with a low budget but marketing to remote areas of Indonesia." (Tsa)
- b. "Essentially, now we can minimize our expenses... so that we can use our finances for more important needs, which usually required quite a lot of money for marketing alone. But nowadays, marketing has become very easy through the use of digital media." (Dwie)

Digital marketing makes it easier for consumers to find out and recognize MSME products and can follow the latest developments offered by MSMEs (Rozinah & Meiriki, 2020). Through social media, consumers can quickly find out about price changes, promotions and the emergence of new products that are popular with the public. This makes consumers more active and interested, thereby increasing the number of buyers. The convenience offered through digital marketing is greatly felt by business actors, which is conveyed as follows:

- a. "Now it's really easy, it's like there are live events like that. So we can always provide updated information to consumers. So consumers will be more or less interested in buying." (Dwie)
- b. "It cannot be denied that the benefits of digital marketing have had a huge effect on us. Currently, we are able to enjoy conveniences so that we are able to increase our income" (Tsa)

The easy process offered through digital marketing has an impact on all activities in MSME business activities to increase income (Jasri et al., 2022). These results also confirm that digital marketing provides many benefits in the marketing process, reducing costs and increasing financial performance. Proper use of digital media by MSME players will increase their competitive ability amidst business competition. It can be concluded that digital marketing is one of the media that needs to be used by MSME business actors because it is able to reach a wider range of consumers (Rozinah & Meiriki, 2020).

CONCLUSION

The era of digitalization requires everyone to care about and be technologically literate, including Micro, Small and Medium Enterprises (MSMEs). MSME players need the right information technology to be able to grow and compete in the global market (Rozinah & Meiriki, 2020). Many MSME players have felt the benefits of digitalization, including marketing through digital media.

Digital marketing has had a huge impact on MSME players, especially for Tabriiz Media owners, to expand marketing to all corners of the country. Through digital marketing, MSMEs can minimize costs so they can use finances for even greater business development. Based on the results of interviews conducted with the leadership of Tabriiz Media, it can be concluded that there is an influence between the use of digital media for marketing on increasing income so that it also influences financial performance.

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