



# Funnelling Strategy of Digital Marketing for developing incubator Business Ecosystem MSEs in Cirebon City

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**Abstract.** The increasing use of the internet and social media in Indonesia has driven the importance of optimal utilization of digital marketing to enhance sales. Although micro, small, and medium enterprises (MSMEs) are relatively small, they are crucial in advancing Indonesia's economy. Digital marketing through social media provides complex information in the form of analyzable metrics to improve marketing efforts. The primary objective of marketing is to increase the likelihood of people purchasing a product or recommending it to others. It is important to establish good relationships among the elements within the business ecosystem to achieve this goal, including large companies, startups, MSMEs, suppliers, distributors, customers, and other stakeholders. In order to create a healthy, cooperative, competitive, and mutually beneficial business ecosystem, the presence of a business incubator that provides resources, mentorship, training, networking, and a supportive environment is necessary. This research was conducted using a survey method with a sectional approach, involving a sample of 38 MSMEs in the city of Cirebon. Currently, word-of-mouth marketing strategies are no longer adequate for MSMEs, thus requiring strategies to create a creative community. MSMEs have expressed their readiness to compete in the era of digital marketing.

**Keywords:** Funneling, Strategy, Digital Marketing MSMEs, Incubator Business Ecosystem

## 1 Introduction

The increasing internet and social media usage in Indonesia necessitates optimizing digital marketing to increase sales, with Micro, Small, and Medium Enterprises (MSMEs) playing a crucial role in the country's economy [1]. MSMEs are flexible, contribute to job creation, reduce unemployment, alleviate poverty, and boost Gross Domestic Product (GDP) [2]. However, despite having these advantages, MSMEs require improvements in funding, business management, and administrative control [3]. Therefore, domestic MSMEs must devise strategies to enhance their competitiveness in a rapidly evolving environment. Utilizing the Internet as a promotional tool is a promising option for increasing MSME income, given the extensive Internet usage in

Indonesia. Digital marketing, which encompasses online channels such as social networks, can revolutionize the development of MSMEs by leveraging e-commerce applications, enabling direct interaction with consumers, and expanding marketing reach. Social media, in particular, serves as a powerful gateway for MSMEs due to its broad audience reach and real-time feedback, which assists in strategic decision-making and building customer loyalty [4].

Digital information technology offers numerous advantages for Indonesian MSMEs, including increased income, job opportunities, innovation, and global competitiveness [5]. However, they face unique challenges due to the informality of their marketing techniques, which differ from traditional approaches. Digital word of mouth, facilitated by bloggers and social media, enhances brand image and online sales, relying on trust and effective communication [6]. In the digital marketing landscape, various promotional dimensions form the marketing mix, such as websites, SEO, PPC search advertising, affiliate marketing, online PR, social networking, email marketing, and customer relationship management. However, succeeding as an entrepreneur involves overcoming challenges like a lack of experience, limited resources, market uncertainty, and managing relationships with various stakeholders while navigating risks and uncertainties [7]. Digital marketing is a valuable tool for business incubators to promote their programs, attract potential entrepreneurs, and create collaborative ecosystems for knowledge exchange and innovation. Integrating offline and online sales channels through omnichannel marketing offers a competitive advantage, catering to the evolving behaviour of omnichannel customers who rely on technology and access to information [8]. Ultimately, these strategies contribute to the growth and sustainability of MSMEs and Indonesia's economic development in the digital era.

## **2 Methods**

### **2.1 Research Object Study**

MSMEs that use digital marketing in marketing need more profound knowledge. This article provides insight into the use of digital marketing. It examines the factors that facilitate or hinder the adoption and use of digital marketing by MSMEs around the city of Cirebon.

### **2.2 Population, Sample and Sampling Technique**

The population in this study is the MSME community living around Cirebon, totalling 38 people from various products and services. This MSME actor has fulfilled the requirements of a business actor who runs a business using digital marketing. They are already familiar with digital marketing and understand the knowledge of digital marketing. The sampling technique used is the saturated sampling technique. Saturated sampling is a sampling technique that does not require a selection procedure in advance but uses personal assessment from research [9]. So that the sample of this research is 38 business people (MSMEs).

### 2.3 Research Design

This study uses a survey method using a cross-sectional approach. The cross-sectional survey studies the dynamics of the correlation between the aspects measured by the steps of the approach, observation or collection of relevant literature. The instrument used is a questionnaire with a scale of 5. The questionnaires were distributed via Google form to MSMEs in Cirebon.

### 2.4 Data Analysis

The data were analyzed using a quantitative descriptive approach. The data is processed to calculate the average and frequency of each measured aspect. The calculated data is then presented as percentage tables and diagrams.

## 3 Result and Discussion

### 3.1 Result

The rise of technology, particularly social media, has opened significant opportunities for the trading industry. Small-scale enterprises (MSMEs) have harnessed social media for their digital marketing endeavours, capitalizing on their existing knowledge. Building a sustainable marketing platform/community through digital marketing requires early development. This article assesses MSMEs' digital marketing knowledge and experience by distributing questionnaires via Google Forms in Cirebon City. The survey yielded responses from 38 SMEs, and the data analysis is presented in **Table 1** and **Table 2** below.

**Table 1.** Descriptive Statistics of MSME Response

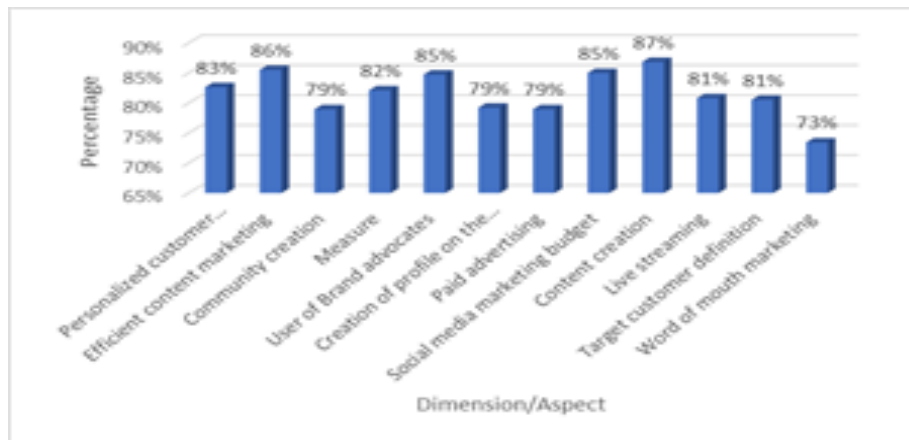
<b>Statistik</b>	<b>Score</b>
Mean	97,8684
Median	97,5
Mode	108
Standard Deviation	10,808
Sample Variance	116,820
Kurtosis	0,368
Skewness	-0,477
Range	44,000
Minimum	73
Maximum	117

The data results based on the measured aspects/dimensions are also calculated to determine the average response to these aspects. The results of the average aspects are shown in **Table 2**.

**Table 2.** Average Aspect

No.	Aspect	Average
1	Personalized customer experience	4,132
2	Efficient content marketing	4,276
3	Community creation	3,947
4	Measure	4,105
5	Users of Brand advocates	4,237
6	Creation of a profile on the relevant channel	4,066
7	Paid advertising	3,947
8	Social media marketing budget	4,250
9	Content creation	4,342
10	Live streaming	4,039
11	Target customer definition	4,026
12	Word-of-mouth marketing	3,671

The collected data are also grouped based on aspects/dimensions to calculate the percentage of each of these aspects. The result of calculating the percentage of each aspect/dimension can be seen in the **Error! Reference source not found.** below.

**Fig. 1** Aspect Percentage

The research findings highlight several impactful aspects of digital product marketing. Firstly, personalized customer experiences have a significant influence, scoring 83% with an average rating of 4.132. Efficient content marketing also proves highly effective, with an impressive score of 86% and an average rating of 4.276. Creating communities of consumers in specific groups shows a strong impact, garnering a score of 79% with an average rating of 3.947. Additionally, displaying discounted prices across e-commerce platforms, websites, and social media attracts consumer attention significantly, scoring 82% with an average rating of 4.105. Brands play a robust role in attracting and retaining consumers, earning a score of 85% with an

average rating of 4.237. Lastly, creating unique and relevant profiles for offered products also exerts a strong influence, scoring 79% with an average rating of 4.066.

Placement of paid advertisements across various online platforms, including websites, e-commerce, social media, and purchase/delivery apps, significantly reduces promotional costs (score: 79%, average: 3.947). MSMEs benefit greatly from allocating a substantial social media marketing budget, increasing income (score: 85%, average: 4.250). Crafting attention-grabbing content is pivotal for boosting sales of MSME products, scoring 87% with an average rating of 4.342. Live streaming on one's platform rapidly enhances sales and introduces products directly to e-commerce platform followers. Defining the target customer is also impactful, scoring 81% with an average of 4.026. Lastly, word-of-mouth marketing through direct recommendations remains an effective means of product introduction, scoring 73% with an average rating of 3.671.

### **3.2 Discussion**

Customer experience is vital for enhancing product quality and performance. Effective content presentation creates sales opportunities, especially for MSMEs. Business incubators equip MSMEs with digital marketing skills to compete in the digital era, covering management, marketing, finance, and strategy. MSMEs can use digital marketing to tailor strategies and engage customers. Providing a platform for feedback fosters loyalty, reduces costs, and boosts sales[10]. Measuring interest via views, likes, and comments is crucial. Brands and trademarks shape brand image and loyalty, with social media marketing enhancing trust and customer loyalty[11].

Paid advertising efficiently targets specific markets. Social media's accessibility has a significant impact on buying and selling. Consistent content posting on social media showcases product quality and builds trust[12]. Live streaming boosts sales and introduces products to e-commerce followers[13]. Building trust and loyalty is vital for customer retention[11]. Word-of-mouth marketing effectively boosts MSME sales[14]. Incubators offering digital marketing training help MSMEs reach a wider audience, contributing to their success in Indonesia[10].

## **4 Conclusion**

Research findings show that digital marketing benefits multiple stakeholders by expanding consumer reach and disseminating targeted product information. Fostering positive seller-consumer relationships fosters a healthy business ecosystem. Knowledge of digital marketing is attainable through incubators and training programs. Key digital marketing aspects encompass Personalized Customer Experience, Efficient Content Marketing, Community Building, Measurement, User Advocacy, Profile Creation on Relevant Channels, Paid Advertising, Social Media Budgeting, Content Creation, Live Streaming, Target Customer Definition, and Word-of-Mouth Marketing. These elements synergize to drive digital marketing success and boost MSME sales and

profits. With the right strategies, MSMEs can effectively engage potential consumers, elevate satisfaction, and nurture enduring customer relationships.

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