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**The Influence of Digital Literacy on Marketing Performance
(Survey on Handicraft Entrepreneurs in Rajapolah, Tasikmalaya)**

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ABSTRACT

This study aims to analyze the influence of digital literacy on marketing performance in handicraft entrepreneurs in Rajapolah, Tasikmalaya. Small and medium enterprises (MSMEs) in the handicraft sector are experiencing various challenges, including low digital literacy which has an impact on marketing performance. This study uses a quantitative method with a causal associative approach. Data collection was carried out through a survey using a questionnaire distributed to 50 small and medium enterprises (MSMEs) handicrafts in Rajapolah, Tasikmalaya. A simple regression analysis shows that digital literacy has a significant effect on improving marketing performance. The results of this study give implications that increasing digital literacy can help MSMEs in expanding the market, increasing competitiveness, and improving marketing performance. It has been proven to increase their promotional effectiveness and market competitiveness, which ultimately has an impact on business growth. This research highlights the importance of digitalization strategies to improve the marketing performance of MSMEs in the handicraft sector.

Keywords: Digital Literacy, Marketing Performance, Small and Medium Enterprises (MSMEs)

1. Introduction

Small and medium enterprises (MSMEs) have an important role in the Indonesian economy, especially in creating jobs and improving people's welfare, with the number reaching 99% of all business units. In 2023, MSME business actors will reach around 66 million. The contribution of MSMEs reached 61% of Indonesia's Gross Domestic Income (GDP), equivalent to IDR 9,580 trillion. MSMEs absorb around 117 million workers (97%) of the total workforce.

Table 1. MSME Data 2018-2023 in Indonesia

Year	2018	2019	2020	2021	2022	2023
Number of MSMEs (Million)	64,19	65,47	64	65,46	65	66
Growth		1,98%	-2,24%	2,28%	-0,70%	1,25%

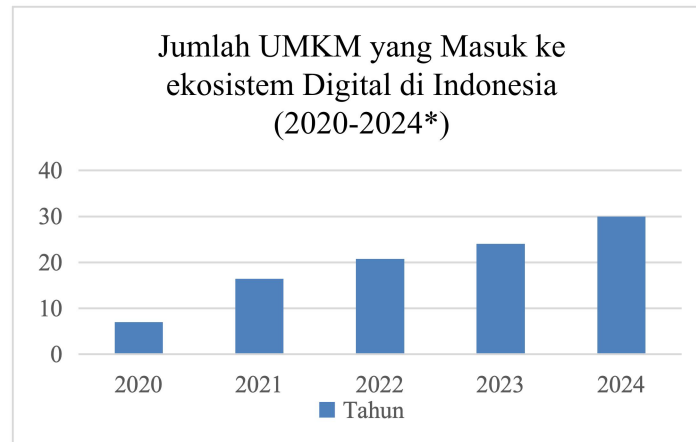
Source: Indonesian Chamber of Commerce

Among the various MSME sectors, handicrafts are one of the sectors that have great potential both in terms of cultural and economic value. Rajapolah, located in Tasikmalaya, is one of the

famous handicraft centers in Indonesia. Handicraft products from the region, such as woven and other products made from natural ingredients, have promising local and global appeal.

Quoted from the Indonesian Chamber of Commerce, he believes that the challenges that will be faced by MSMEs in the future and must be overcome by all stakeholders related to innovation and technology, digital literacy, productivity, legality or licensing, financing, branding and marketing, human resources, standardization and certification, equitable distribution of coaching, training, and facilitation, as well as superior databases. Currently, the Indonesian Chamber of Commerce and the Indonesian government are encouraging the improvement of the performance of domestic MSMEs through the implementation strategy of digitalization to increase competitiveness and become a global and export-oriented player.

Table 2. Number of MSMEs Entering the Digital Ecosystem in Indonesia



Source: Indonesian Chamber of Commerce

However, in the rapidly growing digital era, the challenge for MSMEs such as in the Rajapolah Tasikmalaya area lies not only in the quality of their products, but also their ability to utilize digital technology to improve their marketing performance. Digital literacy is a key factor here. Digital literacy certainly involves how a person has a high understanding of technology, in this case, digital literacy has many functions in a business context, including as a contributor to improving the quality of human resources, helping in the transition to digital marketing, empowering entrepreneurs, increasing competitiveness, creating capabilities to adapt new technologies, and of course very important in the business transformation process (S. Sulistiyawati and N. Samatan, 2021). Understanding and skills in the use of information and communication technology can help MSMEs promote their products more effectively, reach a larger market, and increase their competitiveness.

Based on some literature that the author reads, over time, the Rajapolah Tasikmalaya craft center now continues to experience a decline, this is in line with the fact in the field that many entrepreneurs close their shops due to various factors, namely not being able to face the increasing competition between traders, tight price competition. In addition, the same type of goods in each store makes the purchase alternative to other stores. A downward trend has occurred since the last five years. The slump in turnover clearly forced traders to reduce the number of handicraft purchases from artisans so that the performance of craftsmen declined drastically.

One of the main challenges faced by MSMEs in the handicraft sector in Rajapolah Tasikmalaya is limited access to a wider market. Many MSMEs still rely on traditional marketing techniques such as local exhibitions and direct sales to customers. This limits their market reach and makes it difficult to compete with artisans from other regions who have started using digital platforms to promote and sell their products. In addition, the limited use of digital technology makes it difficult to use social media, e-commerce, and other digital marketing strategies that can reach consumers outside the region or even internationally.

Another problem lies in the lack of digital literacy skills of MSME actors. Many artisans in Rajapolah Tasikmalaya do not fully understand how to use digital technology effectively to market their products. This low level of digital literacy causes marketing innovations such as the use of SEO, paid advertising on digital platforms, and the management of interesting content on social media to be delayed. As a result, poor marketing performance hinders business growth. In addition to limited market access and low digital literacy, another challenge faced by handicraft MSMEs in Rajapolah Tasikmalaya is the lack of understanding of branding strategies and product image management. Many MSMEs are still focused on the production side without paying attention to the importance of building a strong brand. In the digital context, branding plays an important role in differentiating products in the midst of a highly competitive market.

Several research results have proven that there is a significant role between digital literacy and marketing performance (Hamsal, 2021), (Muhamad Tsani et al, 2022), and (Septia Anggi, 2022) showing that there is a positive relationship between digital literacy and marketing performance, then research according to (Ita Athia et al, 2022) shows that there is no positive and significant relationship between digital literacy and marketing performance, (Yohanes Demu, 2023) shows that there is no positive and significant relationship between digital literacy and marketing performance, and (Elizabeth Marsh, 2018) shows that there is no positive and significant relationship between digital literacy and marketing performance.

Therefore, this study aims to analyze the impact of digital literacy on the marketing performance of Rajapolah Tasikmalaya handicraft MSMEs and provide recommendations to overcome these problems. Based on some of these studies, it can be seen that the results of the study still provide different conclusions, therefore it is necessary to conduct further research to explain the causal relationship between digital literacy and marketing performance.

2. Literature Review

2.1 Digital Literacy

Technological advances have encouraged awareness of digital literacy to continue to increase rapidly along with the development of the times. This concept was first introduced by Gilster (1997) as the capacity to interpret and utilize information from various sources and formats through computer technology. According to MediaSmarts (2018), digital literacy or e-literacy is a concept of "multi-literacy" that refers to the ability to access, analyze, evaluate, and produce media. Digital skills can be categorized based on three main principles: use, understands, and create.

Using digital media refers to the use of computers and the Internet at a basic level (such as accessing browsers, web, email, and other digital media) and at a higher level (such as using online databases). Understanding is the ability to critically contextualize digital media to determine the benefits and make the right decisions regarding the use of digital media.

Meanwhile, creating is the ability to create content and communicate effectively through digital media, using images, audio, video, and other digital formats to interact with the target audience. Then according to (Wibowo, 2021), digital literacy is interpreted as the ability to understand and use information from various formats, emphasizing the critical thinking process when dealing with digital media rather than technical competence as a core skill in digital literacy, and emphasizing the critical evaluation of what is found through digital media rather than the technical skills needed to access the digital media. Meanwhile, according to (Martin and Grudziecki, 2006), Digital literacy is the awareness, attitude, and ability of individuals to use digital tools and facilities appropriately to identify, access, manage, integrate, evaluate, analyze, and synthesize digital resources, build new knowledge, create media expressions, and communicate with others, in the context of certain life situations, in order to enable constructive social actions; and to reflect on this process. Better digital literacy encourages critical thinking skills by evaluating information from digital media so that it can improve marketing performance (Pamungkas, Mulyanto, & Andriyani, 2022).

2.2 Marketing Performance

Marketing performance is one of the main indicators of a company's success in implementing an effective marketing strategy. This includes various aspects such as achieving sales targets, increasing market share, customer satisfaction, and profitability. In today's digital era, marketing performance is also influenced by the company's ability to utilize information technology and social media to reach consumers more widely and effectively. According to Narver and Slater (1990), marketing performance measurement can be done based on the success of new products, sales growth, and annual profit or net profit. Marketing performance is influenced by various factors, such as marketing mix and market orientation (Julian & O'Cass, 2002). The success of a company can be measured by its ability to generate profits (Syam et al., Citation 2016). A business is said to be successful if it can make the most of its profits from an increasingly large market share (Veenraj & Ashok, Citation 2014). An increase in market share will increase sales. Increased sales will have a direct impact on sales performance. Product quality and service quality must receive maximum attention from companies so as to generate maximum profits (Beuk et al., Citation 2014; Liang et al., Citation 2018; Paramita et al., Citation 2018). Marketing performance is more concerned with the ability to make a profit as a measure. The success of marketing is also reflected in the fact that the product meets consumer expectations. Based on sales growth, number of buyers, and profits achieved

3. Research Methodology

The type of research used in this study is causal associative research with quantitative techniques. According to Suliyanto (2018:15), the associative method is a research that aims to analyze the relationship or influence between two or more variables. The location of the research was carried out in Rajapolah Tasikmalaya, West Java, Tasikmalaya. The population in this study is all Rajapolah Tasikmalaya Handicraft MSME actors. The data collection technique in this study uses a questionnaire distributed using a google form. Thus, respondents will be easier and more flexible in filling out questionnaires. In addition, using the google form is expected to make it easier to disseminate the questionnaire so that the research can be achieved optimally. The data analysis technique used in this study uses a simple regression analysis technique, chosen because

it can directly conclude one dependent variable (Y) and one independent variable (X). Then to facilitate data analysis, researchers use *IBM SPSS software* Version 26.

4. Results and Discussion

The respondents in this study consisted of 50 small and medium enterprises (SMEs) in the handicraft sector located in Rajapolah, Tasikmalaya, West Java. Among these business owners, 54.2% are men, which indicates a slight dominance of men in ownership in the industry. Regarding the duration of business operations, 45.37% of these SMEs have been operating for a period between one and five years. On the other hand, 52.52% of businesses have been in operation for more than five years, which highlights most of the more established companies. A small fraction, 2.1%, has been in operation for less than a year, reflecting newcomers to the market.

4.1 Validity and Reliability Test Results

Table 1. Validity Test Results

Variable	Indicators	r calculate	Sig	α (0,05)	Ket.
Digital Literacy (X)	Item 1	0,964	0,000	0,05	Valid
	Item 2	0,852	0,000	0,05	Valid
	Item 3	0,893	0,000	0,05	Valid
	Item 4	0,948	0,000	0,05	Valid
	Item 5	0,956	0,000	0,05	Valid
	Item 6	0,927	0,000	0,05	Valid
	Item 7	0,970	0,000	0,05	Valid
	Item 8	0,950	0,000	0,05	Valid
	Item 9	0,968	0,000	0,05	Valid
	Item 10	0,962	0,000	0,05	Valid
Marketing Performance (Y)	Item 1	0,954	0,000	0,05	Valid
	Item 2	0,822	0,000	0,05	Valid
	Item 3	0,879	0,000	0,05	Valid
	Item 4	0,930	0,000	0,05	Valid
	Item 5	0,944	0,000	0,05	Valid

Based on table 1, it shows that all the statement stamps used to measure the variables used in this study have a $\text{sig} < 0.05$ so that it can be said that the entire indicator is valid to be used as an instrument in the study or the questions used in the study can be used to measure the variables studied.

Table 2. Reliability Test Results

Variable	Cronbach Alpha Count Value	Information
Digital Literacy (X)	0,987	Reliable
Marketing Performance (Y)	0,915	Reliable

Based on table 2, it shows that all variables have a *cronbach alpha* coefficient above 0.60 so it can be concluded that the variable measurement items and questionnaires are reliable.

4.2 Normality Test

Table 3. Normality Test (Kolmogorov-Smirnov)

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		50
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.46905472
Most Extreme Differences	Absolute	.123
	Positive	.121
	Negative	-.123
Test Statistic		.123
Asymp. Sig. (2-tailed)		.058c

Based on table 3, the output of the normality test in the table above, it is known that the significance value of 0.058 is greater than 0.05, so it can be concluded that the data is normally distributed.

4.3 Simple Linear Regression Analysis

Table 4. Results of Simple Linear Regression Calculation

Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.155	.206		5.605	.000
	x	.473	.006	.996	82.477	.000

Based on table 4, the results of the simple linear regression calculation above can be found to be the simple linear regression equation as follows:

$$Y = 1.155 (\alpha) + 0.473 (X) + e$$

Model the regression equation means:

Constanta (α) = 1.155 means that if digital literacy is constant or fixed, then marketing performance is 1.155.

The regression direction coefficient/ β X1 = 0.473 (positive value) means, if digital literacy increases by one (1) unit, marketing performance will also increase by 0.473 or 47.3%.

4.4 Hypothesis Test (T-Test)

Table 5. Hypothesis Test Results (T-Test)

Independent Variable	T	Significance
Digital Literacy	82,577	0,000

Based on table 5, the results of data processing using *IBM SPSS (Statistical Package for Social Science)* version 26 were obtained, the t-count value $>$ the t-table ($82.477 > 1.677$) and the significance value of $0.000 < 0.05$ were obtained. So it can be concluded that "Digital Literacy Has a Positive and Significant Effect on Marketing Performance", meaning that the higher the level of digital literacy carried out, the higher the marketing performance will increase.

After conducting data analysis, the next step is to discuss the results of the data that has been obtained about the influence of digital literacy on marketing performance. Testing of the hypothesis that the influence of digital literacy on marketing performance is proven. This can be seen from the output results of IBM SPSS version 26 with regression analysis of variables that show a correlation coefficient (R) with a positive value (0.996) and a calculated value of digital literacy variables (82.577) greater than the table t at a significant level of 5% (1.677). The results of this study show that the influence of digital literacy has an effect on marketing performance, so it can be concluded that digital literacy has a positive and significant influence on marketing performance. This means that the better the application of digital literacy in Rajapolah handicraft MSMEs, Tasikmalaya, West Java, the marketing performance will also increase.

6. Conclusion

This study aims to determine the influence of digital literacy on the performance of the program. Based on the research that has been carried out with the explanation of the research results that have been shown above, it can be concluded that the results of this study show that there is a positive and significant influence between the influence of digital literacy on marketing performance which is shown through the regression coefficient value of positive value (0.473) meaning, if digital literacy increases by one (1) unit, marketing performance will also increase by 0.473 or 47.3%, the value of the correlation coefficient (R) was positive (0.996), the results of the t-test found that the $t_{cal} > t_{table}$ ($82.577 > 1.677$) and the significance value were smaller than 0.05 ($0.000 < 0.05$). This means that the better the digital literacy in Rajapolah handicraft MSMEs, Tasikmalaya, West Java, the better the marketing performance.

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