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Implementation of Marketplace Digitalisation and Marketing Strategies to Increase Turnover at DOMIKIDS Children's Clothing Convection Sales Jeruklegi, Cilacap

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ABSTRAK

This research examines the digitisation and marketing strategies implemented by MSME Domikids, a children's clothing sales company in Jelkureggi, Cilacap Regency, to overcome the challenges of declining sales and limited product promotion in the market and social media. The focus of the support was on the development of operational digitalisation and the development of an optimal marketing strategy, including collaboration with local influencers and the use of children's influencers. Findings showed that marketplace digitalisation, optimisation of product descriptions, use of high-quality photos, and utilisation of advertising features through the Shopee platform had a significant impact on increasing sales by 25%. Marketing strategies utilising local influencers also proved effective in increasing product awareness and building consumer trust. This research contributes to enriching the literature on the implementation of digital and marketing strategies in MSMEs, especially in the context of children's clothing convection in Indonesia. The significance of this research highlights the importance of collaborating with influencers and utilising targeted incentives to improve employee motivation and company competitiveness in the digital era.

Keywords: MSMEs, marketplace digitalisation, influencer marketing, sales turnover, marketing strategy, Domikids.

1. Introduction

Small and medium enterprises (MSMEs) have a strategic role in Indonesia's economic development. MSMEs not only serve as an engine of economic growth but also provide employment for the majority of Indonesia's population. Based on data from the Ministry of Cooperatives and Small and Medium Enterprises (2022), MSMEs contribute more than 60% of Indonesia's gross domestic product (GDP) and absorb more than 97% of the country's labour force. These figures show how important MSMEs are in maintaining the stability of a country's economy, especially in the face of global challenges such as economic recession and increased competition in the global market (Kemenkop UKM, 2022).

In the Industry 4.0 era, digitalisation is no longer just an option, but a necessity for MSMEs to remain competitive and relevant in an increasingly dynamic market. Digital transformation allows MSMEs to improve operational efficiency, expand market reach, and improve competitiveness through data-driven marketing strategies (Amin, 2019). Although many MSMEs are aware of the importance of digitalisation, implementing digital marketing strategies is still a big challenge for most MSMEs, especially those that lack resources and technical knowledge (Setiawan & Wibisono, 2020).

Domikids, an MSME established in 2017 in Jerkuregi, Cilacap, is a clear example of this challenge. Domikids has shown great potential in the local market as a convection company that focuses on children's clothing production. However, Domi Kids has experienced a decline in sales in recent years due to the lack of optimisation of its digital marketing strategy. This problem is further compounded by high operational costs and increasing competition in the e-commerce market, making it difficult for DomiKids to maintain market share amidst the rapid digital transformation.

In this context, it is important for Domikids to develop an effective digitalisation strategy. Utilising marketplaces such as Shopee or leveraging social media as a promotional tool can be a strategic solution to increase product awareness and boost sales. According to Hidayat and Nugroho (2021), optimising product descriptions and using attractive images on e-commerce platforms are proven to increase customer attraction and sales conversion. In addition, collaborating with local influencers who have loyal followers can increase consumer trust and expand market reach at a lower cost than traditional advertising methods (Lou & Yuan, 2019).

This support and intervention through digital marketing strategies is expected to help Domikids overcome its constraints and strengthen its competitive position in the market. In addition, the use of performance-based incentives for employees is also an important aspect to maintain team motivation and productivity in an MSME environment where resources are generally limited (Locke & Latham, 2019). Therefore, this study analyses how the implementation of digitalisation and appropriate marketing strategies can transform Domi Kids' business dynamics and improve sales performance and operational efficiency in an increasingly competitive market.

This research aims to better understand the application of digitalisation in the context of MSMEs and assess the effectiveness of digital-based marketing strategies implemented by Domikids. Therefore, this research is expected to serve as a reference for other MSME players who face similar challenges in optimising business potential through digital transformation.

2. Literatur Review

2.1 Digitalisation in MSMEs

Digitalisation of small and medium enterprises (MSMEs) is one of the important aspects in improving their competitiveness in the global market. According to Amin (2019), digitalisation can be one of the key factors that help MSMEs compete more effectively. Marketplace platforms such as Shopee allow MSMEs to expand their market reach and increase sales by efficiently connecting their products to a wider range of consumers.

Setiawan and Wibisono (2020) also emphasise that digitalisation can improve the operational efficiency and competitiveness of MSMEs. The application of digital technology enables faster business processes, better access to information, and the use of data for more informed decision-making, reducing operational costs and increasing profitability. It can be concluded that digitalisation plays an important role in optimising the performance and competitiveness of MSMEs. By utilising marketplace platforms such as Shopee, MSMEs can expand their market reach and reach wider consumers more efficiently. In addition, digitalisation can also help MSMEs improve operational efficiency through process automation and data-driven decision-making, which ultimately increases productivity and profitability. Therefore, the adoption of digital technology is a strategic step that MSMEs must consider in order to remain competitive in an increasingly dynamic global market.

2.2 Marketing Strategy with Influencers

Influencer marketing strategies have become one of the most effective approaches in today's digital marketing world. Influencer marketing is the use of highly influential people on social media to promote products and services to an audience. According to Sudha and Sheena (2017), collaborating with influencers increases engagement and improves consumer trust in a brand. This is because audiences are more likely to trust reviews from people they follow over traditional adverts.

Influencer marketing can be categorised into different types based on the number of followers an influencer has: Examples: mega-influencer, macro-influencer, micro-influencer, nano-influencer. Each type has advantages and disadvantages depending on the target market they are trying to reach. For example, micro-influencers often have a higher level of interaction with their audience compared to mega-influencers, despite their narrower reach (De Veirman, Cauberghe, & Hudders, 2017).

Lou and Yuan's (2019) research shows that influencer marketing is not only effective in increasing brand awareness, but can also influence consumer purchasing decisions. Social media users tend to trust the recommendations of influencers they follow because they have an emotional connection and the impression that the influencer has more knowledge or experience of the recommended product.

This strategy is also effective in bringing Micro, Small and Medium Enterprises (MSMEs) products to a wider market. Local influencers with loyal followers help MSMEs reach a more specific audience at a lower cost than traditional advertising campaigns. According to a study by Glucksman (2017), utilising local influencers can increase brand credibility and make products more relevant in the eyes of consumers.

2.3 Use of incentives as needed and job positioning as needed

The use of targeted incentives is an effective strategy to increase employee motivation and performance. Locke and Latham (2019) stated that incentives that are tailored to employee needs can increase employee engagement at work so that they have a positive impact on individual and team performance. This is in accordance with goal motivation theory which states that setting specific goals and providing relevant incentives can improve employee performance (Locke & Latham, 2019).

For small and medium enterprises (MSMEs), the provision of targeted incentives is even more important because MSME workers often have multi-functional roles and greater work flexibility. According to research conducted by Noe et al. (2020), the use of incentives tailored to the individual needs of employees can increase company loyalty and reduce turnover, which is a major challenge for small and medium enterprises.

In addition, job positioning according to employees' expertise and needs also plays an important role in optimising productivity. Robbins and Judge (2021) state that placing employees in positions that match their expertise can increase work effectiveness, reduce errors, and increase job satisfaction. In the MSME environment, proper positioning allows for optimal utilisation of human resources, which in turn can help companies achieve their business goals more efficiently.

Target-based incentives can also help MSMEs achieve sales targets and strengthen their competitiveness in a competitive market. According to a study conducted by Aguinis et al. (2021), incentives that focus on specific results or performance can encourage employees to work harder and achieve better results. This study shows that incentives that are structured and based on achieving specific targets tend to be more effective in increasing employee productivity than general incentives..

3. Methodology

3.1 Research Design

This research uses a descriptive qualitative approach with a case study method to deeply understand how marketing strategies and digitalisation affect the performance of Domikids MSMEs. A descriptive qualitative approach was chosen because it allows researchers to explore complex phenomena in a natural context, especially related to human behaviour and perception (Creswell, 2018). Case studies were used as they are suitable for analysing specific situations in a real-world context, namely Domikids MSMEs, with a focus on the implementation of marketing and digitalisation strategies that have been implemented (Yin, 2018).

This design aims to generate an in-depth understanding of the dynamics and challenges Domikids faces in optimising sales and resource management through digital strategies. The case study allowed the research to comprehensively explore various aspects of Domikids' business processes, including interactions between employees and how marketing decisions are made.

3.2 Data Collection Technique

Data were collected through a combination of techniques, namely in-depth interviews, observations, and documentation studies, designed to obtain rich and relevant information about the operational and marketing processes at Domikids..

- Primary data was obtained through in-depth interviews with the owner of Domikids and several key employees directly involved in the marketing and operational processes. These in-depth interviews utilised a semi-structured format, which allowed flexibility in exploring further information regarding their perceptions, challenges and marketing strategies. Field observations were also conducted to understand the day-to-day interactions between employees and existing business processes.

- Secondary Data, Secondary data was obtained from Domikids' internal documents, including sales reports, financial reports, and digital performance analyses. These documents provide quantitative insights into sales trends, the effectiveness of marketing strategies, as well as the budget allocations that Domikids has implemented. Document analysis helps in confirming and validating findings from primary data (Bowen, 2009).*3.3 Analisis Data*

The data was analysed using a thematic analysis approach to identify the main themes that emerged from the collected data, especially those related to digitalisation and marketing strategies at Domikids. Thematic analysis was chosen because of its ability to organise qualitative data into thematic patterns that describe phenomena in a structured way (Braun & Clarke, 2006). Proses analisis dilakukan secara iteratif, melalui beberapa tahap:

- Data Familiarisation: The researcher deeply examined the interview data, observations, and documents to understand the context and content of the data.
- Coding: Data were segmented into relevant units of information, which were then coded according to emerging concepts or themes.
- Theme Identification: Relevant codes were grouped into larger themes that reflected key aspects of Domikids' digitalisation and marketing strategies.
- Theme Review: The identified themes were evaluated and refined to ensure consistency and congruence with the original data.
- Theme Definition and Naming: The resulting themes were interpreted and named according to the meaning they represent.

This thematic analysis was conducted iteratively to ensure the validity and reliability of the research results, so as to provide an accurate picture of the implementation of marketing and digitalisation strategies at Domikids.

4. Results and Discussion

4.1 Implementasi Digitalisasi Marketplace

The implementation of marketplace digitalisation has been proven to have a significant impact on increasing sales, as experienced by Domikids. After implementing a digitalisation-based marketing strategy, Domikids managed to increase sales turnover by 25% on the Shopee platform (Domikids internal data, 2024). The strategies used include product description optimisation, the use of high-quality product photos, and the utilisation of promotional features provided by Shopee.

Research shows that product description optimisation and attractive visualisation play an important role in attracting consumer interest and increasing sales conversions (Hidayat & Nugroho, 2021). The use of clear and attractive product images can increase visual appeal and accelerate the consumer purchasing decision process on e-commerce platforms (Susanto & Rahmawati, 2020).

In addition, the promotional features offered by marketplaces such as Shopee, such as discounts, cashback, product advertisements and flash sales, also have a major impact in encouraging increased product visibility and attracting new consumers (Wijaya & Putri, 2022). Thus, the use

of this promotional feature is one of the effective strategies in increasing sales for MSMEs in the digital era.

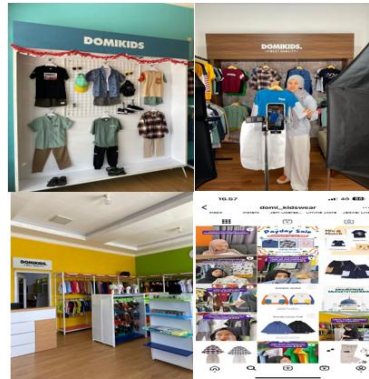


Figure 1: sales using the shopee application

4.2 Influence of Collaboration with Local Influencers

In implementing a marketing strategy using local influencers in Cilacap who have more than 10,000 followers, Domikids managed to significantly increase product visibility. This collaboration with local influencers proved to be effective in reaching a wider audience, especially in the target market area. This strategy is in line with the findings from a study by Sudha and Sheena (2017), which stated that collaboration with influencers can increase engagement and build consumer trust in brands. In addition, the use of children influencers in the promotion of Domikids products has successfully attracted interest from young mothers, which is the company's main target. This is in line with research by De Veirman, Cauberghe, and Hudders (2017), which showed that micro-influencers or influencers with fewer but more engaged followers can create higher levels of engagement with their audiences.

According to Lou and Yuan (2019), messages delivered by influencers who are considered credible by the audience can significantly influence consumer purchasing decisions. This suggests that Domikids' use of children influencers is effective in creating an emotional connection with young consumers, who tend to trust recommendations from people they see as “trusted” or relatable. The implementation of this strategy is also supported by Glucksman's (2017) study, which emphasises that local influencers can increase the credibility and relevance of products to audiences in their region, thus helping MSMEs like Domikids to penetrate more competitive markets more cost-efficiently than traditional marketing methods.



Figure 2: collaboration with local influencers

4.3 Employee Incentive Effectiveness

The use of target-based incentives is one of the effective strategies in improving employee motivation and performance. Locke and Latham (2019) stated that incentives that match the needs of employees can increase their involvement in work, thus having a positive impact on the achievement of individual and team performance. This is in line with goal motivation theory which states that setting specific goals and providing relevant incentives can encourage improved employee performance (Locke & Latham, 2019).

In addition, job positioning according to employees' skills and needs also plays an important role in optimising productivity. Robbins and Judge (2021) stated that placing employees in positions that match their expertise can increase work effectiveness, reduce errors, and increase job satisfaction. In the MSME environment, proper positioning allows for optimal utilisation of human resources, which in turn can help companies achieve their business goals more efficiently.

Target-based incentives can also help MSMEs achieve sales targets and strengthen their competitiveness in a competitive market. According to a study conducted by Aguinis et al. (2021), incentives that focus on specific results or performance can encourage employees to work harder and achieve better results. This study shows that incentives that are structured and based on achieving specific targets tend to be more effective in increasing employee productivity than general incentives.



Figure 3: Employee Incentive Effectiveness

5. Conclusion

This research shows that marketplace digitalisation and the right marketing strategy play an important role in improving Domikids' business performance. Through digitalisation approaches such as product description optimisation, quality visualisation, and the use of promotional features on the Shopee platform, Domikids managed to significantly increase sales turnover. In addition, marketing strategies with local influencers and the use of children influencers proved

effective in increasing product visibility, expanding market reach, and building consumer trust, especially from young moms. The use of target-based incentives and job positioning according to employee expertise also had a positive impact on team motivation and productivity. These strategies not only helped Domikids achieve its sales targets but also improved overall operational efficiency. The study underscores the importance of digital technology adoption and innovative marketing approaches for MSMEs amidst the growing competition in the e-commerce market.

Going forward, Domikids is advised to continue exploring other marketplace platforms, increase engagement with audiences on social media, and strengthen employee incentive strategies. The implementation of new technologies and the utilisation of data analytics in marketing decision-making will be strategic steps in ensuring Domikids' business sustainability and growth in the dynamic digital transformation era.

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