

DIGITAL MARKETING STRATEGY OPTIMAZATION TO BOOST SALES REVENUE DURING PANDEMIC COVID-19 AT PT. SW INDONESIA

^{1*}Eko Riwayadi, ²Anna Wulandari

^{1,2}Master Management Program/Economic and Business Faculty, Pelita Bangsa University,
Cikarang, Bekasi

Author's email: ¹eko.riwayadi@mhs.pelitabangsa.ac.id; ²anna.wulandari@pelitabangsa.ac.id

*Corresponding author: ¹eko.riwayadi@mhs.pelitabangsa.ac.id

Abstract

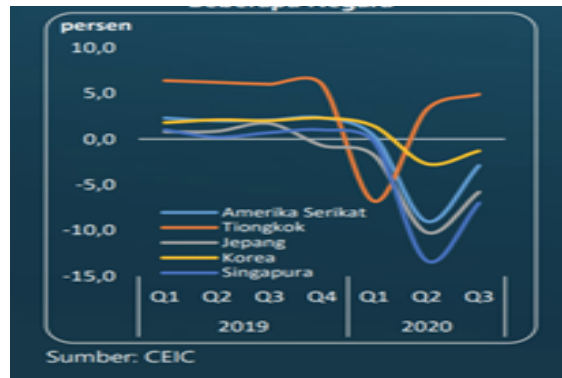
The COVID-19 pandemic has ravaged the life and economy of the world, including Indonesia. United States, South Korea, Japan, and Singapore economies contracted 2.9 percent, 1.6 percent, 1.6 percent, and 5.8 percent in Q3 2020 YoY. The Indonesian economy also contracted 3.5 percent YoY in the third quarter of 2020. Entrepreneurs racked their brains to implement the best strategy to lead the company to continue to run and survive the shocks of the Covid 19 storm. The business strategy to increase sales revenue by optimizing Digital Marketing is one of the strategic choices taken by PT. SW Indonesia to increase sales revenue. This study aims to explore detail about marketing strategies by optimizing digital marketing to increase sales revenue. This qualitative descriptive research uses observation and interview methods. Five important informants selected to obtain prominent information and data. This study succeeded in finding novelty in detail about digital marketing involvement to increase sales revenue, namely marketing costs, product quality and visual creativity. If the company competently manages those three prominent aspects precisely, the company will win the competition in the e-commerce business. In the end, the company will increase sales revenue with easy. Several studies only examine the usefulness of digital marketing but do not examine how to increase sales revenue by optimizing digital marketing in more detail. This study succeeded in finding novelty in more detail related to digital marketing involvement to increase sales revenue, namely marketing costs, product quality, and visual creativity.

Keywords: Strategy, Digital Marketing, Sales Revenue

1. INTRODUCTION

The COVID-19 pandemic that began in the fourth quarter of 2019 has shaken the world. The normal business life that had been going on for many years experienced a tremendous disruption. There are business markets such as malls, restaurants, hotels, tourist attractions, and others forced to close. As a developed country, the United States' economy has also not escaped the onslaught of the pandemic COVID-19. The United States economy contracted 2.9 percent YoY in the third quarter of 2020, better than the second quarter of 2020, which contracted by 9 percent YoY. The economies of South Korea and Japan also contracted 1.6 percent and 5.8 percent YoY in the third quarter of 2020. Similarly, China and

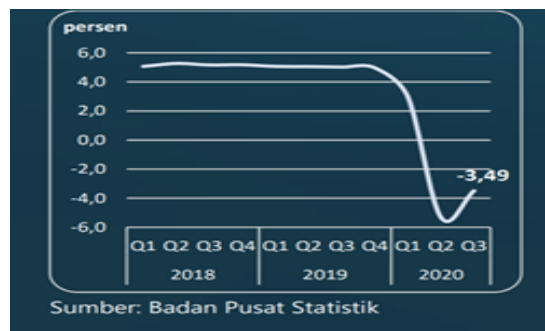
Singapore also contracted by 7 percent and 4 percent YoY in the third quarter of 2020.(Bappenas.go.id, 2020).



Sumber: (Bappenas.go.id, 2020)

Figure 1: Economic growth of several countries

In Indonesia, economic growth has also decreased drastically due to the widespread COVID-19 pandemic. Indonesia's economic growth contracted 3.5 percent YoY in the third quarter of 2020(Bappenas.go.id, 2020).



Sumber: (Bappenas.go.id, 2020)

Figure 2: Indonesia's Economic Growth

All entrepreneurs think hard to formulate and implement the best strategy in order to survive, return and win in business competition.

PT. SW Indonesia establishes in early 2019, hit by the COVID-19 pandemic. Just like a newborn baby, the company faced with such a challenging situation to survive in the shock of economic uncertainty. Digital marketing strategy is one of the options in the hope of reaping the cake of trade by running an online business. These are numerous individuals who got to work from home inevitably on limitations outside the houses that the government has executed to curb the spread of the widespread COVID-19.(Hadi & Zakiah, 2021; Hardilawati, 2020).

However, implementing a digital marketing strategy is not as easy as turning the hand palm, considering PT. SW Indonesia is still newly established. Many obstacles arose from all resources, either human resources, products, infrastructure, experience, and others. Social media platforms and marketplaces can use as marketing tools. Social media such as Instagram, Facebook, YouTube have proven to be reliable as marketing tools (Suryani, 2014). Likewise, marketplaces such as Tokopedia, Blibli, Shopee are a few of the marketplaces that are widely used by the public and entrepreneurs to market their products (Trulline, 2021).

Marketing activities in any sector require costs. Marketing cost is the main topic in the company to increase sales revenue. Entrepreneurs and economists are very familiar with the economic principle who says that expenditure must be minimal and income have to be maximize (Kemenkeu.go.id, 2018). This principle will only work if an accurate strategy is implemented to achieve optimum company income.

In line with the disruption of the world economy and Indonesia in particular, PT. SW Indonesia is also experiencing tremendous pressure in doing business. The 2021 financial budget of 45.45 billion is still minus 12.55 billion, even though there are only two months left of the 2021 book closing. To pursue this financial budget requires very persistent efforts by continuing to carry out short-term strategies to win buyers, especially using platforms e-commerce and social media.

Description	Actual	Budget	Variance	% Var.
OPERATING REVENUE				
Total OPERATING REVENUE	32,895,156,652.63	45,445,613,544.00	-12,550,456,891.37	▼-27.62 %

Source of data: data processed from PT. SW Indonesia

Table 1: Financial Budgeted vs Actual Achievement Sept 2021

In this study, we will discuss the optimization of marketing strategies using digital marketing at PT. SW Indonesia. This study aims to reveal the details of the marketing strategies by optimizing digital marketing to increase sales revenue. This research is supposed to find novelty in specific about digital marketing involvement to increase sales revenue.

2. LITERATURE REVIEW

2.1. Strategy

Strategy is a step that results from decisions that are oriented to achieve company goals through various stages. These stages are formulation, implementation and evaluation. The choice of the best strategy must consider the company's internal and external factors so that the strategies will function precisely (Riwayadi et al., 2021).

The company continues to strive to meet the budgets set by Top Management. The right strategy is required for the company to achieve those budgets set. Strategy is a large-scale plan that needs a long-term orientation and consistently interacts with a very competitive business environment to achieve company objectives. All companies, both large and small, really need the right strategy. The focus and emphasis on the form of strategy is only a minor thing that distinguishes strategy in large companies and small companies (Adhi et al., 2020; Riwayadi et al., 2021; Sulistiani, 2014).

2.2. Marketing

Carrying out marketing activities is carrying out activities to convey and expand information about products. Marketing activity is an activity to spread product information, process approach, and introduce the product to attract potential customers' attention (Oktaviani & Rustandi, 2018). By doing intensive marketing, the community as potential consumers will be affected and get to know the products offered (Ade Priangani, 2013; Rusdi, 2019).

Marketing is an activity that integrates product, price, promotion and place. If all these aspects synergize well, the maximum sales turnover will be achieved (Mamonto et al., 2021).

2.3. Digital Marketing

Since the starting of industry 3.0 at the end of the 20th century and continuing to industry 4.0, the development of the digital world is rapidly moving. Digital marketing as the product of industry 4.0 is a process of introducing, expanding information about products through the internet (Oktaviani & Rustandi, 2018).

Marketing by utilizing digital technology is one of the perfect solutions. Maximizing digital technology for marketing purposes by making offers or advertising, determining the ideal price, understanding the competition, seeing innovation and increasing the reach of the marketing area (Riwayadi et al., 2021; Sulistiani, 2014; Sutiarkoro, 2017).

2.4. Social Media Marketing

Social media is an online tools basis where users can easily interact with others, share information, and share their works in a virtual world (Cahyono, 2016). Social media is a new tool in the modern era that allows humans to interact wherever they are. Social media can be used for many activities, of course, for activities that are good and to build human civilization (Purwana et al., 2017; Puspitasari et al., 2019; Qurniawati, 2018).

Social media marketing is a way of offering goods and services through social media channels to offer and promote companies and products for sales. Marketing using social media will complement the type of marketing that has been in effect for a long time, namely by using traditional web media such as television ads, email and other online advertising campaigns. (Qurniawati, 2018; Rahadi & Zaniel, 2017).

2.5. Market Place

Marketplace like a traditional market, is a place or place to conduct marketing activities and virtual product purchases that bring together sellers and buyers who then carry out buying and selling transactions (Febriyantoro & Arisandi, 2018; Purwana et al., 2017; Puspitasari et al., 2019).

In the end, to win the cake of competition in the business world, the right strategy is needed. With the birth of the digital era, one of the marketing strategies by doing digital marketing is the right action. So that if the digital marketing strategy is optimally implemented, it will generate maximum sales revenue.

3. RESEARCH METHODS

This study uses a qualitative descriptive method by using data collection techniques through interviews and observations to obtain primary data from PT. SW Indonesia. Some secondary data from BPS and Bapennas (National Development Body in Indonesia) utilizes as supporting data in this study. Qualitative research is a kind of research that focuses on understanding social and economic problems based on fact conditions and not engineering. Qualitative research is conducting with using a constructive, naturalistic, and interpretative approach (Mulyanto & Wulandari, 2019).

Qualitative research is research that tends to be natural, which means there is no manipulation. It is because the data obtained are qualitative and not quantitative. The data acquisition does not use measuring tools, for example, scales, tests, and others. Qualitative research is so-called natural because it is natural, as it is, no lapse, no manipulation, without being regulated by experiment or testing (Rahmat, 2009; Wahidmurni, 2017). Qualitative

research is natural, different from quantitative research, which is positivism. Positivism places the position that truth is absolute and only one and is the same for all that is obtained from the surrounding environment, while naturalism places the position that truth is not only one absolute. The truth is very complex and no single theory can catch it because it follows the development of the situation and conditions and the era (Prasanti, 2018; Rahmat, 2009; Wahidmurni, 2017).

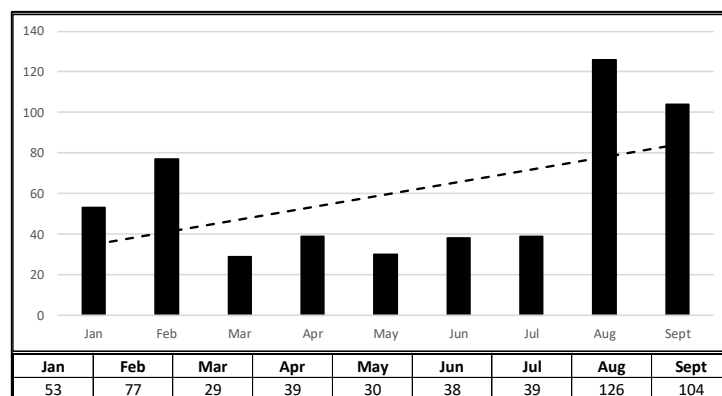
This research is suitable to apply in PT. SW Indonesia to see crystal clear what strategies have been done and what will implement to develop the company. By doing so, the company will know the best strategies in digital marketing to optimize sales revenue.

The researcher used the purposive sampling technique to determine the criteria for informants in this research. Informant criteria are essential to obtain remarkable information in qualitative research. The informants in this study were (1) Chief Executive Officer (CEO) of PT. SW Indonesia as informant one, (2) Sales and Marketing Director as informant two, (3) Marketing Officer as informant three, (4) Visual Graphic Designer as informant four and (5) Finance officer as informant five.

4. RESULTS AND DISCUSSION

4.1 Marketing Cost

To maximize marketing activities required costs. Digital marketing also requires a fee so that the products advertised can reach optimum social media users or marketplace users as many as possible. These digital marketing costs usually include advertising costs (advertising costs), promotion costs (promotion costs), and influencer costs (influencer costs). The results of observations at PT. SW Indonesia during January to September 2021 has allocated digital marketing costs as follows:



Source: data processed from PT. SW Indonesia in million rupiahs

Table 2: Monthly Digital marketing costs

The First Informant explained that in the last two months, the company increased digital marketing costs with intending to increase sales revenue. Increasing marketing costs is very important so that the marketing team can be more creative in developing digital marketing strategies to attract as many customers as possible.

The Second Informant explained that the digital marketing costs utilized to participate in promotions or campaigns held by the marketplace. Advertising costs purposes

as a booster to reach social media users and marketplace users, and customers. In a flow chart, marketing costs will be distributed and shown in the image below:

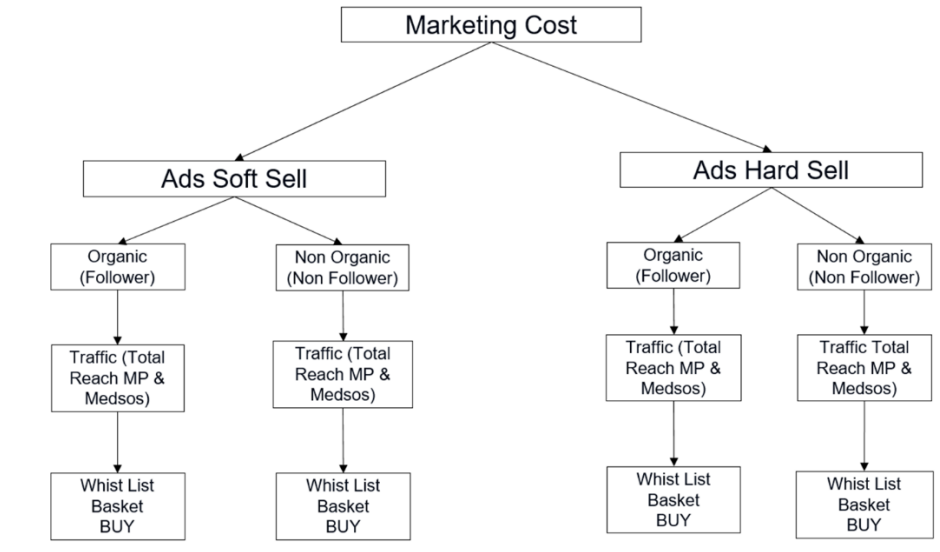


Figure 3: Sequence of the use of digital marketing costs

Marketing costs distribute into two advertising channels, namely soft sell and hard sell. Furthermore, each soft sell and hard sell will address potential organic and non-organic customers. Prospective organic customers are potential customers who have followed (followers) social media and PT. SW Indonesia marketplace, while non-organic prospective customers are potential customers who have not become followers. From all data entered and absorbed by social media and marketplaces will get the quantity of how many reaches in social media users and marketplace. The company will subsequently know how many potential customers enter the products offered into the whist list and or basket. Finally, it will discover how many potential customers decide to buy the products offered.

According to **The Fifth informant** during January to September 2021, the total marketing costs that have been disbursed by the company, as shown in table 1, can be seen in more detail as follows:

Digital Marketing Cost Detail	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Advertising Cost	-	24,898	-	16,000	-	5,000	-	11,000	-
Printing Cost	7,100	20,345	11,330	843	6,190	12,084	788	538	8,400
Modeling Cost	-	300	4,500	-	6,850	-	-	8,700	8,000
Sample Cost	4,239	2,780	3,989	2,896	827	2,482	2,482	2,482	2,482
Consumables Cost	1,416	-	-	-	4,330	-	-	-	537
IG Ads Cost	1,575	4,020	2,703	6,842	4,399	9,560	13,577	19,869	36,988
Youtuber Cost	-	3,000	-	-	-	-	-	-	-
KOL Cost	18,012	2,599	-	4,123	-	-	9,944	25,166	5,188
E-Commerce Tokopedia Cost	2,727	2,727	5,454	5,636	6,444	7,272	12,727	32,727	36,363
E-Commerce Shopee Cost	1,363	1,090	1,818	2,272	1,318	1,363	-	454	454
E-Commerce Blibli Cost	454	-	-	454	-	454	-	-	-
Videography and photography Cost	17,000	16,000	-	-	-	-	-	26,000	6,082
Total	53,886	77,759	29,794	39,066	30,358	38,215	39,518	126,936	104,494

Source: data from PT. SW Indonesia in million rupiahs

Table 2: Breakdown of marketing costs

The Third Informant, an executor of digital marketing cost negotiates with several marketplaces such as Tokopedia, Shopee, Blibli, and social media such as Instagram,

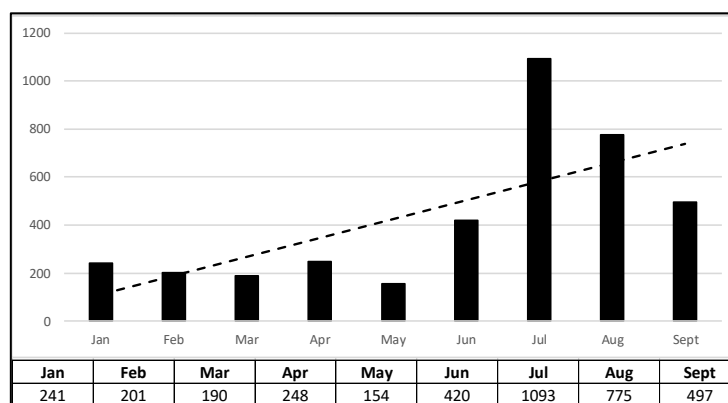
Facebook, and YouTube. According to the third informant, there are a lot of promotions offered by the marketplace and social media to optimize outreach to the marketplace and social media users. The increases in marketing costs that the company disburses greatly help the third informant work to be more active in promoting the products of PT. SW Indonesia.

The Fourth Informant explained that in addition to increasing digital marketing costs to reach as many potential buyers as possible, the visual appearance displayed on social media and market places is the foremost important. Creativity in making digital visualizations plays a dominant role so that potential buyers will have to engage in clicking and viewing the products offered.

The results of interviews and observations of company data show that an increase in marketing costs will not automatically increase sales revenue because there will be other factors that influence it, namely digital marketing visualization. The creativity in displaying visualizations in marketplaces and social media plays a very significant role.

4.2 Sales Revenue

The data from the observation until the end of September 2021, the company's sales are as follows:



Source: data processed from PT. SW Indonesia in million rupiahs

Table 3: Monthly Sales Revenue

Monthly sales revenue is very volatile, so it is very hard to do a proper analysis of whether the digital marketing strategy that has been implemented has worked optimally or not. It is shown that the higher the marketing costs, the higher the sales. But the situation is not always linear. From the observations in January total marketing cost was 53 million rupiahs while the sales revenue result was 241 million rupiahs and in February 2021, with a marketing cost of 77 million rupiahs, only achieved 201 million rupiahs in sales revenue.

According to **The Second Informant**, the rise and fall of sales through marketplaces and social media, especially during this pandemic, is caused by many factors. The results of the interview with second informant said that among the causes of declining in e-commerce sales were (1) people's purchasing power decreased due to decreased income as a result of the COVID-19 pandemic, (2) cheaper competitor prices for similar products, (3) limited marketing costs, and (4) do not or have not used the well-known KOL. Out of the four main causes, only the second, third and fourth points are very likely to be managed and pursued, while the factor of people's declining purchasing power as a result of the COVID-19 pandemic is beyond the company's ability to handle it.

The First Informant stated that PT. SW Indonesia plans to continue to increase marketing costs and at the same time provide several promotions and discounts as well as carry out a campaign for prizes to welcome the end of the year. **The Fourth Informant** gave a clue strategy information at the end of the year by distributing bonuses such as the following flyer:



Source: flyer from and own by PT. SW Indonesia

Figure 4: Giveaway flyers to increase sales

CONCLUSION

The disruption to the business world caused by the COVID-19 pandemic is very severe and has hit the business world deeply. Entrepreneurs have been working hard to formulate the best strategy to increase sales revenue. Entrepreneurs will continue to develop and implement their best strategies to survive and win the business competition again. Product sales as a dominant source to increase the company's revenue experience many challenges. Marketing costs, product quality, and visual creativity are the three main digital marketing strategies that can provide a massive contribution to increasing sales revenues.

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