



## Development of Digital-Based Marketing Methods (Meta Ads) to Increase MSME Sales

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### Article Info

#### Article history:

Received 29 August, 2024

Revised 7 September, 2024

Accepted 24 October, 2024

#### Keywords:

Meta;

Ads;

Increase;

Sales;

UMKM

### ABSTRACT

The growth of MSMEs in developing areas, especially Palu City, continues to increase and some have failed so that they have to close their businesses. This failure can be caused by several factors, including limited budget for marketing, making it difficult to compete with large companies in terms of promotion and advertising. The difficulty in gaining sufficient visibility in a crowded and competitive market is often a factor in MSMEs sinking among larger and better-known competitors, making it difficult to reach and attract the attention of the right target market. Another factor is due to the lack of knowledge of MSME actors about modern marketing skills, such as the use of social media platforms and other digital marketing tools. This study aims to explore the effect of using meta ads on increasing sales of Micro, Small, and Medium Enterprises (MSMEs) in Palu City, so that they can have the right target market. This study will use a mixed method approach by combining quantitative and qualitative design methods with a sample size of 30 samples divided into two groups using ads marketing and conventional marketing. Bivariate data analysis using paired t-test showed that marketing through Meta Ads has a significant positive effect on the income of MSME actors compared to conventional marketing. Most respondents have proven that advertising is needed to attract consumers and that the use of social media, especially Meta Ads.

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## INTRODUCTION

The role of MSMEs is very important for the Indonesian economy, namely contributing to Indonesia's Gross Domestic Product (GDP) by more than 60% or around IDR 8,573 trillion each year. Data from the Coordinating Ministry for Economic Affairs of Indonesia in 2022 stated that 97% of the total Indonesian workforce or 116 million people are absorbed by MSMEs. In 2022, the number of MSMEs that have registered their businesses on the OSS platform has reached 8.71 million units throughout Indonesia. In Central Sulawesi, the number of MSMEs from 2020 (25,185 MSME units) to 2022 (29,706 MSME units) continues to increase [1].

The development of the digital world is increasing from year to year [2], so that MSME business actors can take advantage of this digitalization era as an effort to increase sales and income. Reflecting on the Covid-19 pandemic, many local MSME actors experienced a period of decline in the first two years of the

Covid-19 pandemic, namely in 2020-2021, this was because marketing carried out by MSMEs was limited to the old marketing methods (offline). Based on a survey by UNDP and LPEM UI involving 1,180 respondents, MSME actors obtained results that during the pandemic more than 48% of MSMEs experienced problems with raw materials, 77% decreased income, 88% experienced a decrease in product demand, and even 97% of MSMEs experienced a decrease in asset value. This certainly provides a picture of increasingly tight competition, especially in terms of obtaining and maintaining a significant market share. Therefore, MSME actors are required to utilize digitalization technology to increase their sales [3].

The decline in sales is not only caused by the quality of products or services offered by MSMEs but is caused by many interrelated factors. The availability of raw materials, processing and management also play an important role in the decline in sales. The use of digital media, including social media advertising, has become one of the most effective marketing strategies for MSMEs to increase visibility and reach potential customers. According to data from we are social, social media users in January 2024 in Indonesia reached 139.0 million social media users, equivalent to 49.9% of the total population [1].

Social media is an effective strategy for increasing sales.[4]. Marketing carried out using offline media tends to spend 20% more of the business capital costs compared to marketing carried out through online media which only takes 4% of the business capital to achieve the same marketing target of 100%. This is supported by the results of Andhyka's research (2024) which states that social media has a positive and significant effect on purchasing decisions for Pato Donuts in Palu City.[5]. One of the tools often used in digital marketing is meta ads or meta ads. Meta ads are ads created using meta data, such as internet user behavior, demographics, and preferences, to target the right audience.

This study aims to explore the influence of the use of meta ads on increasing sales of Micro, Small and Medium Enterprises (MSMEs) in Palu City.

## RESEARCH METHODS

This study uses a research design mixed method by combining quantitative and qualitative design methods. The quantitative method is carried out with a quasi-experimental approach with a pre and post design where UMKM actors are divided into experimental groups by implementing meta ads marketing strategies and controls using conventional marketing methods. Furthermore, the results of the data obtained will be measured and compared the sales of the two groups before and after the experiment on 30 respondents. The statistical analysis used to test the significance of the difference in sales between the two groups uses descriptive and inferential statistical analysis. The significance test of the difference in sales between the experimental and control groups uses regression analysis to evaluate the factors that influence the effectiveness of meta ads. While qualitative conducted by interviewing UMKM actors who have been educated using meta ads. Furthermore, exploring their experiences, challenges, and perspectives in implementing digital marketing strategies.

## RESULTS AND DISCUSSION

### Respondent characteristics

The characteristics of respondents in this study include demographic factors such as age, gender, experience in the business field and type of business marketing. Based on the data collected, as seen in table 1.

**Table 1.** Frequency distribution of MSME actors based on characteristics in the Palu City area

Age	Frequency (f)	Percentage (%)
24-46 Years	30	100.0
Amount	30	100.0
Gender	Frequency (f)	Percentage (%)
Man	20	66.7
Woman	10	33.3
Amount	30	100.0
Business Experience	Frequency (f)	Percentage (%)
< 3 Years	19	63.3
≥ 3 Years	11	36.7
Amount	30	100.0
Types of Marketing	Frequency (f)	Percentage (%)
Meta Ads	15	50.0
Conventional	15	50.0
Amount	30	100.0

Source: Primary Data, 2024

Table 1 shows that the average UMKM actor is in the productive age range (24-46 years), in line with other studies stating that the Productive Age population is the population in the age range of 15-64 years [6]. Age affects the length of time working which is related to a person's experience in their workplace. The longer a person works, the more experience they collect, and the higher their level of experience and skills [7].

Where the majority of respondents in this study were men with varying business experience. Length of business is the time that has been lived by MSME entrepreneurs [8]. Length of business can affect a person's knowledge in the field they are working in, including financial capabilities [9]. Productive age and business experience can provide an advantage for respondents in understanding and utilizing digital technology such as Meta Ads. This can affect the results of the study, because age and experience often correlate with the level of technology adoption and innovation in marketing.

**Factors That Affect Marketing Success Using Meta Ads**

In this study, interviews and questionnaires were conducted regarding success factors using Meta Ads as shown in Table 2.

**Table 2** Frequency Distribution Factors Affecting Marketing Success Using Meta Ads

1	Advertising is Needed to Attract Consumers	91.33% of respondents agreed that advertising through Meta Ads helps increase consumer interest. 8.67% of respondents stated that other factors such as product quality and service are also important.
2	Product Needs for Advertising on Social Media	87.33% of respondents stated that their products require advertising on social media to reach a wider market, especially through Facebook and Instagram.
3	Relevance of Ads Utilization to Life	90% of respondents agree that Meta Ads are relevant to consumers' daily lives, as its high usage on social media makes advertising more effective than conventional marketing.
4	The Influence of Advertising on Purchasing Decisions	84% of respondents agree that Meta Ads influence consumers in making purchasing decisions, especially through attractive visuals and messages.
5	Increase in Number of Consumers After Using Ads	94% of respondents experienced an increase in the number of consumers after using Meta Ads, because more targeted ads reached new consumers.
6	Advertising Frequency and MSME Revenue	90.67% of respondents stated that the more often they advertise their products, the higher their revenue. Consistent advertising frequency increases brand awareness and sales.
7	Meta Ads as a Consumer Motivator to Purchase	92.67% of respondents felt that Meta Ads were effective in encouraging consumers to purchase, thanks to the targeting and retargeting features that direct consumers to make purchases.
8	The Influence of Ads on Purchasing Habits	88.67% of respondents stated that Meta Ads influence consumer habits in purchasing products, especially if the product frequently appears on the consumer's timeline and is relevant to their preferences.
9	Consumer Motivation in Purchasing Products	92% of respondents agree that Meta Ads help motivate consumers to purchase through creative, engaging ads, and special promotions or discounts.

Source: Primary Data, 2024

Table 2 shows that most respondents agree on the importance of advertising in attracting consumers and Meta Ads are effective in reaching a wider audience. This is in accordance with the research of Yakub and Mustajab, that Instagram and Facebook have a positive influence on Brand Awareness partially [10]. Many respondents also felt an increase in the number of consumers after using Meta Ads. The frequency of advertising has been shown to contribute to increased revenue, indicating that consistency in marketing is very important. In addition, respondents indicated that emotional factors in advertising can motivate purchasing decisions.

**MSME actors before and after intervention**

**Table 3** Average Income of MSME Actors before and after using conventional marketing and meta Ads

Types of Marketing		N	Mean	t	p value
Meta Ads	Before	15	53.133.333.33	-2,931	0.011
	After		58.033.333.33		

Conventional	Before	15	51,500,000.00	-1,575	0.138
	After		53.763.333.33		

Source: Primary Data, 2024

Table 3 shows the T-test analysis using paired t-test obtained a significance value in the marketing group using Meta Ads, namely  $p = 0.011$  ( $p < 0.05$ ), indicating a significant increase in income before and after using marketing using meta Ads with an average increase in income of Rp 4,900,000. While in conventional marketing there was no difference in income before and after the intervention ( $p = 0.138$ ).

MSME Actors Before and After Intervention Analysis shows that the use of Meta Ads resulted in a significant increase in revenue, with a  $p$  value  $< 0.05$ . The average increase in revenue of IDR 4,900,000 illustrates the effectiveness of digital marketing strategies compared to conventional marketing. Meanwhile, conventional marketing did not show a significant change in revenue, indicating that MSME actors may need to adapt to more modern marketing methods to achieve growth. The government and policy makers should conduct mass promotion programs to disseminate information about the various uses of technology and its contribution to developing better organizational performance. Organizing special training programs for MSME capacity building can successfully achieve motivation for MSMEs to use technology. Ensuring easy access to technology by providing loans, grants, and subsidies is important<sup>[11]</sup>

## CONCLUSION

This study reveals that marketing through Meta Ads has a significant positive impact on the income of MSMEs compared to conventional marketing. Most respondents have proven that advertising is needed to attract consumers and that the use of social media, especially Meta Ads. Meta Ads is the key to reaching a wider market. The increase in the number of consumers and the resulting income shows that MSMEs who adopt digital marketing strategies are able to compete in today's market. Therefore, MSMEs are advised to continue to explore and implement digital advertising as part of their marketing strategy. This study also provides a strong basis for the development of policies and training programs that better support MSMEs in using digital marketing tools. A more in-depth, structured, and practical training program will equip MSMEs with comprehensive knowledge and skills in utilizing modern marketing tools, so that they can increase business visibility and achieve higher sales targets and help MSMEs build strong brands.

## SUGGESTION

This study is limited by a short time frame, while digital marketing such as Meta Ads usually requires a longer implementation period to show significant results. In a short period of time, it is difficult to see substantial changes in MSME sales, especially since Meta Ads requires periodic adjustments to marketing strategies. As a result, the expected output may not have been fully achieved at the planned time, and the long-term analysis of the impact of Meta Ads on MSMEs may still be temporary and inconclusive.

One of the biggest challenges is the low responsibility of MSME actors who are research respondents. Some MSMEs do not provide adequate feedback, especially regarding the evaluation of the performance of the Meta Ads campaign. The lack of involvement and active participation from MSMEs means that the data obtained is not always complete or representative. This causes the analysis of the effectiveness of digital marketing to be limited, and the conclusions drawn may be less in-depth or accurate. The lack of responsibility also has an impact on the development of more comprehensive strategy recommendations for MSMEs.

These obstacles make the achievement of research outputs not entirely in accordance with the promises made. Limited data collection and lack of time and responsibility of respondents caused difficulties in obtaining accurate results related to the impact of Meta Ads on increasing MSME sales. As an adjustment, the study focused more on initial exploratory analysis, by suggesting further research for a longer period so that more definitive and comprehensive results can be achieved.

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