IMPLEMENTATION OF DIGITAL MARKETING STRATEGIES IN EFFORTS TO IMPROVE SUSTAINABLE BUSINESS PERFORMANCE

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Abstract
The increasing use of social networks and the way their users communicate with companies on the Internet has given rise to new business models based on two-way communication between companies and Internet users. This study aims to find a model for implementing digital marketing strategies in an effort to improve sustainable business performance. In addition, this study is also to describe the digital marketing strategy carried out by MSME business actors. This research is a combined research (mix methods). Data was collected through questionnaires and in-depth interviews. Furthermore, quantitative data were analyzed to find a structural equation modeling (SEM) model, while qualitative data were analyzed descriptively. The research results confirm that digital marketing strategies can improve sustainable business performance. Digital marketing strategies are widely used by MSME business actors. These include presence on major social media platforms as well as email, SMS, search engine optimization and messaging apps such as Telegram, Facebook Masengger, Instagram and Whatsapp.
Keywords: *Digital Marketing Strategy, Sustainable Business Performance*

A.   INTRODUCTION

MSMEs must develop new strategies that can keep up with industry developments. This needs to be done so that the business is occupied and can compete with newcomers who are already using advanced technology. Because not a few business actors have been forced out of business as a result of not innovating and looking for more creative business strategies. MSME business actors must start actively learning and making innovations related to technology. Several studies, among others, concluded that in industrial changes, humans elaborate with information systems and technology, the main goal is to improve the quality of human resources.(da Silveira et al., 2021; Fan et al., 2021; Ritz et al., 2019; Siagian et al., 2021). This is also supported in researchDong et al., (2020)AndZhao et al., (2021)which states that the use of digital in entrepreneurship will provide many positive benefits for the Entrepreneurship Strategy, and can provide many conveniences in carrying out entrepreneurial activities, such as ease of accessing information, expanding networks and also for communicating.

The development of the digital economy has become a major force in transforming business activities, especially in the marketing process(Santoso, 2020). One of the methods used for today's business competition is marketing through social media marketing such as Whatsapps Business, Instagram Business, Lineat, and Facebook Business which were originally used for communication, but gradually used as professional applications in business. Apart from social media marketing, in digital marketing there are marketplaces such as bukalapak, shopee, tokopedia, etc. The same thing was also stated byOlson et al., (2021)which states that digital marketing itself is an activity in the world of marketing that includes branding a product using various web-based media such as blogs, websites, email, Adwords, or social networks. While the results fromFaling and Biesbroek (2019)AndZhao et al., (2021)that digital marketing is not only about internet marketing, but also about using the digital world that can have a positive impact on companies. Through technological developments, many business people are starting to leave traditional marketing models and switch to modern marketing based on digital technology

because they are considered more effective and can reach consumers widely in various situations and conditions.(Olson *et al.*, 2021)

Within this digital ecosystem, there are various online campaigns and sustainable business models that have emerged in the last few decades as the basis for new digital marketing strategies(Kang et al., 2019; Saura et al., 2020)In general, this new technique for exploiting resources. This digital business model is based on collecting and extracting data from various information sources on the Internet such as user-generated content (UGC) or content derived from digital strategies such as from ElectronicWord of Mouth (eWOM).(Saura et al., 2020)

This study is to find models for implementing digital marketing strategies in an effort to improve sustainable business performance. In addition, this study is also to describe the digital marketing strategy carried out by MSME business actors.

B. RESEARCH METHODS

This study uses a mixed research approach (Mixed methods), namely by combining quantitative and qualitative research. Quantitative research uses a descriptive survey method. To learn more about the people in the study population, a questionnaire was used as the data collection method. The research instrument was adopted fromLi et al., (2020). The survey was conducted using a google form/document whose link was given to MSME business actors in Makassar City. Each respondent was given a 5-point Likert scale to rate their agreement or disagreement, with 1 indicating strongly disagree and 5 indicating strongly agree. The sampling technique used convenience sampling to select respondents from various MSMEs in Makassar City. There were 150 total questionnaires that were distributed, but those that were returned and after going through a data filtering process such as blank data, or incomplete answers. Thus, 100 data were obtained. The collected data were then analyzed using SPSS and AMOS Version 25 software. Summary statistics, such as the mean and standard deviation, were calculated for the study variables as part of the descriptive statistics. Data reliability was measured by Cronbach's alpha. Use of structural equation modeling (SEM) for hypothesis testing. Furthermore, researchers also explored these quantitative results by conducting interviews with respondents using the snowball sampling method. then the interview data will be checked for validity using the data source triangulation technique. The next step, qualitative data was analyzed in three stages, namely data reduction, data presentation and conclusion(Miles et al., 2014).

C. LITERATURE REVIEW

By using digital, MSME business actors can reach potential customers via the internet(Agostini et al., 2020). So the growth, productivity and competitiveness of small businesses all depend on their use of digital technology. Small and Medium Enterprises (SMEs) that use digital and social media marketing have a better chance of expanding their customer base and retaining it(Taiminen & Karjaluoto, 2015). Due to its complexity, digitization is an effective tool for SMEs(Wonglimpiyarat, 2015)because it streamlines the process of communication and collaboration with customers. To achieve goals such as targeting specific demographics, eliciting desired emotions from consumers, and enabling sales, digital platforms have become a vital tool for modern marketing organizations.

Online advertising is essential for any company looking to expand their customer base and name recognition(Gupta et al., 2016). Digital marketing has outgrown the prevalence of more conventional advertising channels. Digital marketing through social media channels allows small businesses to compete with larger ones implementing new and inexpensive consumer communication tactics. Faling and Biesbroek (2019) and Zhao et al. (2021) study that digital marketing is not only about internet marketing, but also about using the digital world which can have a positive impact on companies. Therefore, the hypothesis in this study is as follows;

H$_1$: The implementation of digital marketing strategies has a positive and significant effect on sustainable business performance

D. RESULTS AND DISCUSSION
QUANTITATIVE DATA
The following is the demographic profile of the respondents

Table 1. Profile of respondents

Variable		Percentage
Gender	Man	65
	Woman	35
Age	< 24 years	5
	25-30	30
	31 - 35	25
	36 - 40	21
	> 40 years	19
Business Type	Service	15
	Food and Drink	45
	Fashion	15
	Other	25

Based on table 1 shows that the respondents were more dominated by male sex 65% compared to 35% female. In terms of age, the majority of respondents aged between 25-30 years as much as 30%. While the type of business that the respondents are involved in is mostly the type of food and beverage business as much as 45%. Table 2 presents a variable description of the Implementation of Digital Strategy and MSME Business Performance.

Table 2. Variable Description

	Average	Baku Devi	SD	KB
Digital Strategy Implementation	4,273	0.562	1,000	-
MSME Business Performance	4,059	0.600	0.810	1,000

Based on table 2, it shows the average score of implementing Digital Strategy = 4.273 with a standard deviation = 0.562. While the average score of MSME Business Performance = 4,059 with a standard deviation = 4,059. This shows that the implementation of digital strategy and MSME business performance are categorized as good. Table 3 presents an analysis of statistical accuracy.

Table 3. Statistical Accuracy Analysis

Variable	Items	Std Loading	SE	t-value	CR	AVE
Implementation of Digital Marketing Strategy	SEM3	0.737	0.600	15,901	0.745	0.919
	SEM2	0.764	0.061	15,842		
	SEM1	0.700	0.056	14,234		
	SM3	0.720	0.068	14,664		
	SM2	0.757	0.068	15,369		
	SM1	0.753	0.059	15,297		

	MM3	0.764	0.063	15,447		
	MM2	0.756	0.059	15,238		
	MM1	0.689	0.071	15,211		
Sustainable Business Performance	SP1	0.659	0.810	11,765	0.705	0849
	SP2	0.644	0.084	11,791		
	SP3	0.700	0.112	11,905		
	BS1	0.757	0.100	12,605		
	BS2	.757	.109	12,550		
	BS3	.623	.117	10,632		

Table 3 shows the composite reliability (CR) for each dimension: 0.745 and 0.705 respectively. This score exceeds the CR 0.7 criteria(Hair, 2010; Kline, 2005), so it can be said that there is good consistency in the model. In addition, the average variance extract (AVE) for each dimension is 0.919 and 0.849. This score corresponds to the standard score of 0.5(Fornell & Larcker, 1982)

### Assessment of the suitability of the research model
Based on the AMOS Structural Equation Modeling (SEM) analysis, it shows that the assessment of the fit of the model with the maximum likelihood method. The results show that the good-of-fit (GFI) score = 0.989, the adjusted goodness of fit index (AGFI) score = 0.985, the comparative fit index (CFI) index score = 0.983, the incremental fit index (IFI) score = 0.986, and the root mean square error of approximation (RMSEA) = .049. Because the GFI, AGFI, CFI, and IFI scores are greater than 0.90, the RMSEA is less than 0.05, according toHair (2010) and Kline (2005), onemight say proper total Goodness-of-fit

Structural Equation Modeling (SEM for Hypothesis Testing
The theoretical model investigated in this study contains dependent (exogenous) and independent (endogenous) variables. In Table 4, it is clear that digital marketing strategies have a direct effect on sustainable business performance. The value of the effect of digital marketing strategy directly affecting sustainable business performance is 0.810 ($\beta = 0.46$, t = 8.567p <0.01), this reaches a significant level.

Table 4 Hypothesis Testing

		Business Performance	
Digital Marketing Strategy	Direct Influence	β	t-value
		0.810	8,567
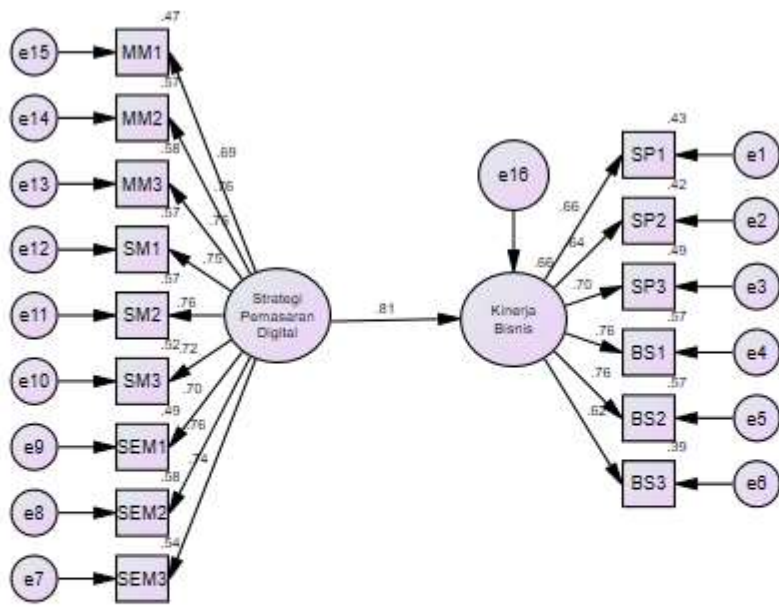
Fitness Indexes
1. GFI=.989
2. CFI=.983
3. IFI=.986
4. RMSEA=.049

Figure 1. SEM models

Digital marketing strategies used by several MSMEs include mobile, social media, and search engines. The results show that the sales performance of MSMEs has increased significantly after implementing the digital marketing strategy. This study confirms the results of other investigations.Li et al., (2020)see how different forms of digital marketing—email, social media, mobile, and the web—affect business results. These results indicate that the performance of MSMEs can be influenced by digital marketing in general, and the goals of digital marketing can be achieved. The results obtained confirm several studies which state that digital marketing can have a positive impact on companies(Faling & Biesbroek, 2019; Zhao et al., 2021).

QUALITATIVE DATA

Implementation of Digital Marketing Strategy in Increasing Sustainable Business Performance

Business performance can be improved by updating marketing strategies, one of which is digital-based. As stated by WH

> "I always update my marketing strategy by posting products on WA, Facebook, Instagram...."

In addition to using ready-made social media, AP created its own online site. As stated below

"In addition to social media, we have also created our own online site, namely a blog so that we can provide more information to customers."

Business actors generally utilize social media such as WhatsApp, Telegram, Instagram, Facebook and marketplaces such as Shopee, Lazada and others. These digital media are considered easier, cheaper and more effective.

New business models that focus on using sustainable strategies in corporate social identity and marketing strategies are emerging(Minton et al., 2012). With these technological developments, the concept of sustainability becomes related not only to the environment, but also to sustainable development, the types of resources used by companies and the technology and tools used by companies.(Saura et al., 2020)

The internet has become a tool for the sustainable growth of many companies including MSMEs. Therefore, MSME business actors need to adjust their business models in selling their products and services. Even business actors allow for global shipping through an increasingly massive and global e-commerce strategy(Azar & Ciabuschi, 2016). This new business model is based on how Internet users behave on social networks, which also involves analysis of user-generated content and the tools that users use(Dumitriu et al., 2019)

The digital marketing strategies most used by companies are those related to search engine optimization, search engine marketing, social media marketing, programmatic advertising and influencer marketing, among others(Olson et al., 2021).Digital marketing techniques are increasingly being used equipped with algorithms that analyze how users feel about how companies share their messages over the Internet.

E. CONCLUSION

Digital marketing strategies are widely used by MSME business actors. These include presence on major social media platforms as well as email, SMS, search engine optimization and messaging apps such as Telegram and Whatsapp. According to interviews with micro, small and medium business owners, none of them use all these platforms simultaneously in digital marketing. It can be said that Facebook, WhatsApp, and Instagram are the most used social media platforms today. This study has also confirmed that implementing digital marketing strategies can improve sustainable business performance among MSMEs.

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