Digital Marketing for SMEs Cidokom Village Plant Cultivation Group

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ABSTRACT

The application of a digital strategy needs to be considered for owners, in this case, SMEs. Especially during a pandemic l, which makes various kinds of business activities have a hard time. This study aims to find out how high the use of digital strategies in SMEs is and how to implement them. This study identifies a digital strategy implementation model consisting of five phases that are "Passive acceptance," "Connection," "Immersion," "Fusion," dan "Transformation.".

1. INTRODUCTION

Digital technology offers Small and Medium Enterprises (SMEs) business opportunities and significant competitive capabilities. This thing can change the business function of SMEs, assist SMEs in promoting products, improve communication with customers, increase competitiveness, and support growth (Harrigan et al., 2011; Kitchen, 2017; Peltier et al., 2012). Some previous studies have discussed the supporting and inhibiting factors in the digitization of SMEs. (Cenamor et al., 2019; Li et al., 2016) This shows that the trust culture and attitudes from SMEs owners are essential for developing knowledge in the adoption of information systems (IS). Furthermore, the supporting role of digital capabilities, networks, and platforms also supports the adoption of information systems in SMEs. Meanwhile, some previous studies have shown that the information system inhibiting factors are poor planning, lack of understanding of the value of digital technology and business performance, also dependence on external information technology sources (Cenamor et al., 2019; Wang & Rusu, 2018).

Although there has been a lot of literature that has identified the factors that can increase or inhibit the digitalization of SMEs, research on how SMEs can take advantage of their potential through the implementation of digital strategy and business is still limited (Kamariotou et al., 2018; Mohd Salleh et al., 2017). This is a gap that SMEs management must be aware of because the alignment between information system strategies, including digital information systems, and business strategies impacts company performance (Renaud et al., 2016). This could be due to insights from the studies conducted with large companies that may not generalize to SMEs.

Digital Strategy Implementation is a process of adaptation and change that demands continuous feedback between business and digital technology (Li et al., 2016). Digital Strategy Implementation aims to change behavior from not using technology to using technology. However, the implementation of this digital strategy is not going well (Iannacci et al., 2019).

To explore the relationship between things that are related to business and digital technology, we use the dynamic capability as a theoretical view. Dynamic capabilities focus on changes in the organization that can help analyze and explain how the company changes the resources and behavior of each member as a result of external pressures (Arndt & Pierce, 2018). This encourages companies to be aware of the need for change and take advantage of current opportunities so the companies will make changes (Daniel et al., 2014). Therefore, the view of dynamic capabilities to see the application of digital in SMEs is relevant.

Given that the research about digital strategy implementation in SMEs is still limited, this research aims to expand the theory in identifying the combination of dynamic capabilities related to





different technology usage patterns. So we research digital strategy implementation in SMEs Cidokom Village Plant Cultivation Group to determine whether these SMEs are carrying out practices that allow them to take advantage of digital technology.

Theoretical Background

Digital Strategy Implementation

Although there are inconsistent results, whether the information systems strategy should adapt to the business strategy, develop together with the business strategy or become a challenge in adjusting the business strategy. However, implementing the desired information systems strategy has a positive impact on business performance (Renaud et al., 2016). On the other hand, implementing information technology assets with an ever-changing business flow is difficult. This means that implementation must be considered a continuous process and requires constant adjustment (Li et al., 2016).

Yeow et al. (2018) propose a digital strategy implementation model consisting of three phases: exploration, development, and extension. Some consider implementing digital strategy as something that the organization "does" rather than something that the organization "owns" (Karpovsky & Galliers, 2015). Therefore, it can be considered that the application of digital strategy is progressive, which continues the process to a higher level. Hence, it reflects that the use of technology is increasingly being used. (Iannacci et al., 2019).

In recent years, it can be seen that organizations are developing in line with the improvement of information technology (Iannacci et al., 2019). Li et al. (2016) also argue that digital strategy is a dynamic adjustment between business needs and information technology (including digital). Therefore, it can be concluded that the digital strategy implementation is a continuous process of adaptation and change because currently, the application of digital strategy is ongoing and continues to develop and change according to business needs.

Some previous literature highlights the critical role of individuals or small groups in implementing digital strategies (Li et al., 2016; Morgan-Thomas, 2016; Orlikowski & Scott, 2015). So it can be said that the implementation of digital design is influenced by individuals and small groups, their willingness to take risks, their curiosity, and open-mindedness in using digital technology (Day, 2011; Grant et al., 2014; Jones et al., 2014).

Digital Strategy Implementation on SMEs

Understanding the implementation of information and business strategies within the company is essential because digital technology is a vital factor in SMEs management (Spinelli et al., 2013; Street et al., 2018). Research on applying information systems strategies in SMEs is limited and usually focuses on models developed by large companies (Mohd Salleh et al., 2017; Wang & Rusu, 2018). Meanwhile, empirical results on large companies cannot be applied in the context of SMEs. This is because several factors affect the implementation of information systems strategies, such as environmental, technological, and organizational aspects that exist in large companies but are not appropriate when applied to small companies (Kitsios & Kamariotou, 2019).

One of the characteristics of SMEs, such as the tendency to improvise in decision making, can help implement digital strategies (Libaers et al., 2016). Then SMEs are also known to be flexible and agile, so they tend to be more effective and adapt to a changing environment (Spithoven et al., 2013). These characteristics enable SMEs to implement digital strategies. Despite having suitable features, SMEs also have obstacles, such as financial problems and instability of information technology systems (Nieves, 2016; Sirén & Kohtamäki, 2016; Wang & Rusu, 2018). These characteristics harm the alignment of digital strategies in SMEs.

Furthermore, research on how digital leadership in SMEs can encourage alignment between business needs, information systems, and innovation is still limited (Li et al., 2016). This opens the opportunity to conduct further research on performance and strategy implementation in SMEs (Mohd Salleh et al., 2017).

Dynamic Capability to Test the Digital Strategy Implementation in SMEs

Dynamic capability is a way to assess digital strategy implementation by considering the

organization's capabilities when implementing technology that allows organizations to conduct behavior change analysis and resource allocation (Arndt & Pierce, 2018). Dynamic capabilities can explain the actions taken within the organization to effect relevant changes because the implementation of digital strategy is multi-functional, and each function cannot be considered separately (Bharadwaj et al., 2013; Yeow et al., 2018). Dynamic capabilities are very appropriate for evaluating digital applications in SMEs because each individual's role in this organization must be flexible (Gao & Hafsi, 2015; Peltier et al., 2012). Adeniran & Johnston (2016) found that the dynamic capabilities positively impact the utilization of information technology, which helps SMEs generate long-term profits.

Dynamic capabilities include sensing, seizing, and reorganizing (Yeow et al., 2018). *Sensing* is the ability to detect a change and learn quickly. Environmental factors that include the organizational context are crucial to compiling an information systems strategy because change can present both opportunities and threats (Marabelli & Galliers, 2017). *Seizing* is how the organization can seize all the existing opportunities to optimize these opportunities (Teece, 2016). Last, *reorganizing* is a change in the company's processes and routines in utilizing resources in new ways (Yeow et al., 2018).

Digital Strategy Implementation is a process of adaptation and change in the relationship between digital assets and business strategy. SMEs need to understand how to adapt and integrate technology with business functions to improve their competitiveness.

Concept	Definition		
Digital Strategy	The process of adapting to changes between the		
Implementation	company's digital technology strategy and business		
_	strategy. This is an ongoing process that requires		
	constant adjustment.		
SMEs	SMEs means businesses run by individuals, households,		
	or small business entities.		
Dynamic Capability	The company's ability to integrate, build, and reconfigure internal and external competencies to cope with a rapidly changing environment.		
Sensing	Ability to detect changes and learn quickly		
Seizing	The organization way to seize all the opportunities that		
-	exist so that it can optimize these opportunities		
Reorganizing	The ability to change processes and company routines,		
	utilize resources in new ways, access further resources		
	to fill previously identified gaps, and release resources		
	to create optimal combinations.		

Table 1.	Concept and	definition
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2. METHOD

This research aims to build an understanding of digital strategy implementation in SMEs. This research uses qualitative methods to obtain complete information about the phenomena that occur in the field, in this case, the SMEs of Cidokom Village Plant Cultivation Group. The research data were collected using in-depth interviews, observation, and documentation study. Interviews were conducted with all members of Cidokom Village Plant Cultivation Group SMEs. Interviews were conducted to collect comprehensive information on informants who were considered to know about plant cultivation. Besides that, Observations were made on the object of research, and documentation studies were conducted on several documents related to Cidokom Village Plant Cultivation Group SMEs.



Fig. 1. Research Model

Data Analysis

The data analysis techniques include data display, data reduction, and conclusion/verification. Data reduction was conducted by sorting out relevant data and focusing on the important things. So, the reduced data will provide a clearer picture of the object under study.

Data display is done by systematically understanding and compiling the data obtained so that an overview of the problem or situation that will be studied is obtained. The presentation of data in qualitative research is usually in the narrative text, so it can be easier to understand what happened and design further work based on what has been understood.

Conclusion/verification is the process of drawing conclusions that are new findings that have never existed before. Results can be in the form of a description or description of an object which, after being researched, becomes apparent.

Data Validity Test

In every research, standards are needed to assess the truth of the research results. In qualitative research, the measure of trust is seen from the validity of the data. Qualitative research is declared valid if it has a degree of confidence (credibility), transferability, dependence, and confirmability (Edwards-Jones, 2014). The credibility test is carried out by triangulation which includes persistence of observations and extension of remarks in research and member checks. Transferability test is carried out by compiling research results in a detailed, clear, systematic, and reliable manner so that readers can understand the research results. The dependability test is carried out by examining the fundamental research. A Confirmability test means testing the study results associated with the research process being carried out. If the research is following the process of research, then the research has met the standard.

3. RESULTS

Our findings identify the stages of digital strategy implementation, consisting of five phases.

Phase 1 Passive acceptance

The limited use of digital technology characterizes this phase, and it can be seen from the SMEs of the Cidokom Village Plant Cultivation Group. They feel that they can achieve sales targets without

the use of digital technology. When we asked some sources, they all said that they did not use digital technology, such as promotion using Instagram, Facebook, etc.

We also asked why SMEs of the Cidokom Village Plant Cultivation Group finally felt that they needed to use the digital strategy. They explained that this pandemic caused sales of ornamental plants to decrease.

In this first phase, there is no use of digital strategy—however, just the feeling to make a change that resulted from the declining sales.

Phase 2 Connection

This phase represents progress from the previous phase in which digital strategies began to be used. In this phase, SMEs of the Cidokom Village Plant Cultivation Group are starting to use digital technology such as social media.

Several sources said that some started to promote using their own Instagram and Facebook accounts. This is due to the threat felt during this pandemic and as a result of changes in consumer behavior that currently likes to be at home and want to shop online.

In this second phase, we see developments from the first phase. SMEs of the Cidokom Village Plant Cultivation Group started trying to implement the use of digital strategies by making their members do promotions on social media. So, information dissemination about ornamental plant products can be widespread.

Phase 3 Immersion

This third phase is marked by the increasing use of digital technology and the interdependence between business and technology. SMEs of the Cidokom Village Plant Cultivation Group show changes in the use of digital technology is from the use of members' social media accounts to Cidokom Village Plant Cultivation Group official accounts. These SMEs are also expanding their relationship with other SMEs cultivating ornamental plants to increase their collection of ornamental plants.

In this phase, SMEs of the Cidokom Village Plant Cultivation Group believe that business strategies can benefit these SMEs, so they start implementing this digital strategy to become part of their business.

Phase 4 Fusion

This fourth phase is marked by using digital strategies (social media) that are used to perfect business goals. In this phase, the use of digital strategy can be seen. Unlike the previous phase, the use of digital strategy to support business strategy is now used as a sense of needs between business and digital strategy.

In the fourth phase, digital strategies are increasingly being developed. For example, develop digital skills for certain employees to be familiar with implementing sales with digital strategies.

Phase 5 Transformation

This fifth phase is marked by the use of digital strategies that have been used side by side with SMEs ' operations in their activities. SMEs, which initially did not use a digital strategy, are now coexisting with a digital strategy. This is due to current conditions, which make operations complex if SMEs do not use a digital system. Imagine if these SMEs had to sell offline, it would be very difficult because many people do not leave their house and stay at home.

These five phases are following the results of research from Canhoto et al. (2021). The implementation phase of this digital strategy, if achieved, can quickly anticipate signs of change in the business world and become an innovation for SMEs.

4. DISCUSSION

The implementation phase of this digital strategy, starting from the first phase, made us believe that SMEs can implement digital technology even though initially SMEs had little or no intention to advance towards more intense use of technology (Iannacci et al., 2019). This is because there are factors that make SMEs feel that they have to implement a digital strategy. In the case of SMEs Cidokom

Village Plant Cultivation Group, this is due to a pandemic that makes ornamental plant cultivation difficult to survive.

In this phase, dynamic capability components such as sensing, seizing, and reorganizing have a role but not much impact. Sensing has a role in making SMEs aware of the importance of digital strategy, and seizing aims to make SMEs think of ways to survive while reorganizing is not visible yet because SMEs Cidokom Village Plant Cultivation Group has not made any changes.

The second phase, "Connection," has a difference from the first phase. The second phase is marked by the start of changes in using technology. We got information from several sources that they have started using social media to market their products. However, the use of this technology has not been fully implemented because not all employees can use social media. In this phase, "reorganizing" begins to be felt; although it is small, changes are already being made.

Three-phase "Immersion," We received information from informants that they felt the use of digital strategies had the potential to support their business. This phase can also be considered as an intermediary from not initially using a digital strategy to assessing the possible benefits of implementing this digital strategy. In this phase, reorganizing begins to develop and continues to grow in the next phase.

The fourth phase, "Fusion," is a stage that familiarizes with the use of digital strategies for SMEs. After experiencing the benefits of implementing a digital strategy from the third phase. Then in the fourth phase, SMEs Cidokom Village Plant Cultivation Group decided to involve the use of this technology as a support in achieving business goals.

The fifth phase is "Transformation." In this phase, the implementation of the digital strategy has really been carried out. This can be seen from how SMEs Cidokom Village Plant Cultivation Group in implementing their digital strategy. These SMEs, who initially tried to use social media as marketing media, became continuously monitoring the use of this social media. These SMEs also conduct training for their members so that all members can operate the social media users. With this technology, SMEs Cidokom Village Plant Cultivation Group also get more benefits. As an example, they get a relationship with other ornamental plant cultivation SMEs, so they can exchange information or help in filling the shortage of ornamental plant species. These SMEs demonstrate their readiness to enable these SMEs to compete with larger direct or indirect competitors. Implementing this digital strategy also creates a new culture. From initially having no desire to use technology, I finally became using technology.

5. CONCLUSSION and SUGGESTIONS

This research was conducted to find out whether SMEs Cidokom Village Plant Cultivation Group engages in practices that enable them to take advantage of digital technologies. In our study, we identified dynamic capability components that are sensing, seizing, and reorganizing that are related to digital strategy alignment.

This research also helps expand digital strategy knowledge in several ways. First, our study gives a new nuance to the object in the previous research. So, this research provides insight into the formation of attitudes and behavior at the beginning of digital strategy alignment activities, activities that adapt to technology, and the potential that results from implementing digital strategies when they are implemented.

Second, although our research focuses on SMEs, the results may be relevant for using digital strategies in larger organizations. For example, when it detects that a business unit is in the Passive acceptance phase, it can inform the organization about the following steps, such as providing funding or implementing better risk-reducing practices.

Finally, our research answers several questions. For example, our findings support the view that a lack of planning can hinder the development of digital strategies in SMEs and explain how leadership also encourages the use of digital strategies in SMEs.

This research can be used as a reference that provides new insights for future research, which this research certainly has limitations, so it's hoped that it can be improved in future research. The limit in this research is the object of research that is only SMEs of the Cidokom Village Plant Cultivation Group. Meanwhile, we know that there are quite several SMEs in Indonesia, which makes the results of this study cannot be used as a basis for representing other SMEs because not necessarily other SMEs implement digital marketing or apply but with different methods.

Therefore, future research can be carried out on larger SMEs objects. For example, research on digital strategy implementation for SMEs in West Java, etc.

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