

Customer Relationship Management and Utilization of Digital Marketing Media as a Strategy for Increasing the Marketing Performance of MSMEs (Micro, Small and Medium Enterprises)

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Abstract - The conditions of the Covid-19 Pandemic since the beginning of 2020 have been followed by policies limiting community activities and strict controls that paralyzed almost all sectors of the community's economy and decreased trade. This condition affects developments in the micro, small, and medium enterprises (MSMEs) sector. This study, which took a purposive sampling of MSME managers in the Surabaya area and its surroundings, explains the tactical steps taken by MSME entrepreneurs to maintain and develop their business through customer relationship management which is supported by the use of digital marketing media. The research data were collected through a questionnaire, and an analysis of the mean difference test was carried out through the paired t-test, which proved that the probability of sales volume using digital marketing media was greater than conventional marketing media; the level of consumer response to MSMEs when using digital marketing media is greater than the use of conventional media; the intensity of interaction between MSME marketers and consumers who utilize digital marketing media is higher than conventional media; and opportunities for MSMEs to promote and offer back to consumers who use digital marketing media are greater than when using conventional media. It can be concluded that the implementation of the customer relationship management strategy directly affects marketing performance, and CRM which is supported by the use of digital marketing media has an effect on marketing performance. This study found that there are obstacles to using digital media as marketing media, namely the skills and abilities of MSME managers in designing products and designing digital marketing media features.

Kata Kunci: *Customer Relationship Management, Marketing Media, Increasing MSMEs*

Introduction

Miller and Matthew (Rana, 2021) examine trading conditions during the new normal as a wake-up condition after the world economic crisis which later became popular to describe the consequences of the global recession and the COVID-19 pandemic. In the life of a new normal society, all aspects that feel abnormal are turned into normalcy because of the pressure of the situation that forces them to change. Besides the meaning and concept of the new normal, it is a necessity that the world community is being forced to adopt and change behavior that was not usual before the COVID-19 era. The applied behavior is not just a response in a short time due to the COVID-19 Pandemic but rather an adaptive response over a long period of time. Likewise behavior in business management to consumer behavior in every industrial sector, including businesses at the smallest level such as Micro, Small and Medium Enterprises (MSMEs), which are one of the production activities to spur the rate of growth, movement and development of the economic sector (Soetjipto, 2020).

The business group that is included in the MSME category is the small to medium industrial group in Indonesia (Chasanah, Jahroh, and Dewi, 2021), this group is an industrial institution that is in a dominant position because it has a large number. According to the Central Statistics Agency (BPS) report, the number of MSMEs until 2019 reached 64,194,057 units or 99.9% of all industrial units in

Indonesia. When viewed from these data, it can be illustrated that MSMEs are able to make a major contribution in accelerating the pace of the economy, and become part of the community's source of income and the most optimal provider of employment opportunities (Soetjipto, 2020).

Purwana, Rahmi, and Aditya (2017), stated that conceptually, digital marketing is the use of marketing media that can reach a wider area such as television, radio and the internet where these media are able to provide detailed information about a company's products. Digital marketing is seen as being able to reach every consumer, in various locations and for any time that can be done at any time (Hendrawan, et., al, 2019). The implementation of digital marketing is far superior to the use of conventional marketing media, where time and location are limited, as well as promotional reach which is limited to shop visitors who display business product displays. Each of the marketing media used as a strategy in marketing certainly has a different impact on MSME marketers. In addition to efforts to survive the downturn in the economy and trading business, entrepreneurs optimize customer relationship management as a strategy that can help maintain sales. Kotler and Armstrong (2016), explain customer relationship management (CRM) is a modification and learning pattern of consumer behavior on a regular basis that is carried out in every interaction process, provides action on customers and creates good relationships between customers and companies. Researchers such as Hadinata, and Aprillia (2021), and Nandya, and Permana (2021), have proven that CRM is a practical strategy for defending companies from a downturn due to competition, and decreased purchases due to the socio-political system.

In the initial research, the researcher conducted a survey of relations managing MSME businesses with regard to CRM strategy and use of digital media. Like MSMEs in Surabaya and Sidoarjo, East Java, which are examples, an explanation was obtained that during the Pandemic period there was a decrease in sales turnover. The informant explained that there was an increase in sales turnover when MSMEs changed their marketing strategy with a CRM strategy that was supported by the use of digital media. The following data is an overview of several years before the pandemic (before optimally implementing CRM and digital media), as shown in the following table.

Table 1. Comparison of monthly average sales volume

Product Type Sold	Average Revenue (in 10 Million Rupiah)				Explanation
	2019	2020	2021	2022	
Packaged Foods	6,7	1,6	1,8	5,24	18 MSMEs
Musical and Sports Instruments	2,6	0,8	1,22	2,17	3 MSMEs
Carpentry Tools	12,5	5,6	6,6	8,43	14 MSMEs
Café and Resto	18,4	6,54	5,72	14,28	15 MSMEs
Agro business	7,8	2,8	7,4	8,2	8 MSMEs
Fashion & accessories	28,13	11,24	9,62	17,26	16 MSMEs
Profitability (average in months)	48	17,34	22,74	38,32	74 MSMEs
		0,64	-0,31	-0,69	

Source: Preliminary survey in Februari 2023 (processed by researchers)

Table 1 can provide an illustration that there has been a decrease in MSME turnover from before the Covid Pandemic and during the Covid Pandemic to 69%, which in the early to mid-2020 period most MSMEs still relied on conventional marketing, and from interviews with business actors it is known that many MSME managers and product marketers do not know much about the use of digital marketing promotional media other than social media such as Facebook fanspage, Instagram, and some marketing media but do not understand how to use professional and paid digital marketing media. Some MSME managers who are trying to change conventional marketing patterns to digital have attended several digital marketing courses and training, and some have even paid employees who specialize in managing digital marketing media. As long as the use of digital media at the end of 2020 until the end of 2021 has an effect, and from the general ledger report a significant increase is obtained, and the average increase in turnover reaches 31% which is still in a pandemic atmosphere, while in 2023 there has been an increase of 69%.

Helmalia and Afrinawati's research (2018); Bamini, et.,al (2018); Setyorini, Nurhayati, and Rosmita (2019); Hendrawan, et., al (2019); Papadopoulos, Baltas, Balta (2020); Dwivedia, et.,al (2021); and Chasanah, Jahroh, and Dewi (2021), provide an overview of the probability as the effect of using digital marketing media after business actors and marketers change their marketing patterns and leave conventional marketing models. The increase in turnover after MSME managers changed their marketing strategy and began to utilize digital marketing media is what is considered interesting to study, especially aspects such as how the effect is felt directly by MSME business actors. For this reason, this research is considered important to be carried out to analyze and create an overview of the process of changing marketing media to digital as an effort to maintain business continuity, and the impacts that can be taken directly by MSME managers during the Pandemic period. In addition, a customer relationship management approach is used, namely a system for managing company relationships with customers specifically so that the company's value is better in the eyes of customers. The company's goal of managing relationships with customers is to obtain relationship equity, which means that each customer can become a lifetime consumer and can be discounted (Kotler and Keller, in Hermawan, 2018). According to Kalakota and Robinson (Rahmawati, Kusniawati, & Setiawan, 2019), the customer management system aims to grow a more in-depth business in terms of increasing the company's consumer value and adding customers.

The implementation of a customer relationship management strategy supported by the use of digital technology as a marketing medium is classified as very effective. Digital marketing or online marketing is a marketing strategy that is applied to introduce products so that they reach consumers more quickly and on time (Diez, Blanco, & Prado, 2019). Nowadays, almost most of the buying and selling transactions for goods and services have used digital marketing media (Dwivedia, et.al, 2021; Gillpatrick, 2019), with the aim of making it easier for consumers or marketers to introduce products and transactions. This study aims to examine and analyze customer relationship management strategies and the use of digital media and their impact on marketing performance, which means an increase in MSMEs to reach a wider market. Because until now there are still many MSMEs in Indonesia who still use conventional media as a marketing tool compared to using digital media as a marketing tool (Soetjipto, 2020; Supriyono, 2020).

Methods

This study took 74 managers of micro, small and medium enterprises (MSMEs) by purposive sampling, namely small business actors who have a maximum net capital of 50 million rupiah and does not include land and buildings where the business is located; have a maximum annual turnover of 300 million rupiah by employing between 1 and 20 people (UU No.20 of 2008, concerning Micro, Small and Medium Enterprises). As a supporting condition for purposive sampling, MSME managers will begin to change their marketing strategy in 2020 from using offline media to digital or online media.

This study collected primary data through questionnaires that were given directly to MSME managers and observation and document literacy was carried out from the MSME ledger in the form of sales reports to support data deemed relevant. Questionnaire data was prepared using an attitude scale model, and the data were analyzed through descriptive analysis and hypothesis testing through paired t tests. The analysis uses the Paired Samples T-Test because the sampling in this study is the same subject (Sugiyono, 2020).

Result

MSMEs as one of the pillars of the economy, are classified as fully supported by the government through various empowerment programs and capital assistance (Fadhilah & Pratiwi, 2021). The empowerment program apart from spurring growth and increasing production also develops product marketing capabilities, which so far MSMEs have seen as difficult to develop (Soetjipto, 2020). One of the factors that becomes an obstacle in marketing MSME products is an ineffective strategy and the use of conventional media (Helmalia & Afrinawati, 2018; Fadhilah & Pratiwi, 2021; Chasanah, Jahroh, & Dewi, 2021). The marketing process and marketing strategies for

MSME products from 2018 to 2020 still use conventional media (Fadhilah, & Pratiwi, 2021), and small businesses still use digital marketing media (Papadopoulos, Baltas, & Balta, 2020).

Through the primary data collected, it can be seen that the marketing media used by MSMEs before 2020 were mostly still using conventional media. Even though in 2018 some of the MSMEs have tried to use online facilities such as Facebook social media, managers do not know much about technical matters using digital marketing media. There are several MSME managers who have attended digital marketing courses and training, but have not fully been able to practice digital marketing to market their products, and most MSME managers are still focused on digital media systems, websites and bloggers which are considered complicated and managers feel unaccustomed to using internet technology. .

The results of this study found that 30% of MSME managers still use conventional media in marketing, such as brochures, banners and participate in exhibitions, and 20% of MSME managers still use brochures, distribute business cards, place advertisements in local and regional print media, and utilize SMS. blast. According to the explanation of the MSME manager and from the analysis of the ledger document data, it is also known that conventional marketing costs are relatively large, namely included in the variable cost of up to 5% of the value of the cost of goods sold. In addition, there is fixed cost financing for marketing and sales employees with at least 2 (two) employees with a salary according to the regional minimum wage.

The process of changing conventional marketing media to digital was mostly carried out after the Pandemic period which forced all MSME managers to survive and strengthen marketing and sales. Then digital marketing is the alternative that gives the most hope. For this reason, efforts are being made to take online courses and training on digital marketing, and hire specialized employees to manage online marketing with a WFH (work for home) work pattern.

Table 2. Use of Digital Marketing Media (since 2021)

Types of Digital Marketing Media	Freq.	%
1. Local TV & Google Ads. (Paid)	9	12
2. Social Media & Online Group Community (Free)	16	22
3. Social Media & Marketplace (Free)	13	18
4. Marketplaces (Paid)	19	26
5. Marketplace (Free) & Group Community	10	14
6. Social Media (Facebook, Instagram, Twitter, & Blog) (Free)	7	9
Sum of respondents	74	100

Source: Research Questionnaire (data processed)

Table 2 provides an overview of the use of digital media as a marketing medium by MSMEs. The transition process from conventional media to digital media is usually carried out in stages, starting with experimenting since 2017 through social media. The process of change was slow, and the peak was in the early 2020s when almost half of MSMEs experienced difficulty surviving and almost went bankrupt. So digital marketing is an alternative that gives hope to survive and increase sales after falling during the Pandemic period. Table 2 data also illustrates that the use of digital media as a marketing strategy by MSME managers still seems incomplete or there is still an element of trial and error by utilizing free social media, social media and promotions through groups on social media and Whatsapp (22%). Nonetheless, 26% of MSME managers use paid marketplace media and 12% of MSMEs use paid Google Ads which is relatively a bit complicated but has greater reach. Table 4 provides an overview of some MSMEs that still use a lot of free digital media, and this can reflect the readiness of MSMEs to make changes to marketing strategies that are still not very stable and tend to experiment. The reason for using free digital marketing media is not entirely to try or hesitate with digital marketing media, but according to the MSME managers' acknowledgment that social media and community groups are effective enough to promote their business products, so MSME managers feel they don't need to use the media yet. Paid digital marketing.

When compared to the use of conventional marketing media with digital marketing media, which can be directly felt by MSME managers since mid-2020, it can be seen as follows.

Table 3. Analysis of Marketing Media Utilization with Consumer Behavior

	Marketing Media	Mean	Mean Difference	SD
Response Rate	Conventional Marketing	11,531	14,687	3,786
	Digital Marketing	17,844		
Interaction	Conventional Marketing	12,675	14,658	2,687
	Digital Marketing	16,459		
Return Offer	Conventional Marketing	11,758	14,769	5,489
	Digital Marketing	22,634		
Sales Volume	Conventional Marketing	3,231	3,235	1,214
	Digital Marketing	5,242		

Source: Research Questionnaire (data processed)

The response rate of buyers through conventional marketing and digital marketing has a greater difference in the average online marketing than conventional marketing. This illustrates that the buyer's response is greater or has intensity and increases when MSMEs use digital marketing compared to conventional marketing. The interaction between sellers or MSMEs with prospective buyers or consumers and customers shows that the average digital marketing is greater than conventional marketing, meaning that the average interaction intensity per day between MSME managers and consumers has increased. Likewise, repeat offers to the same consumers, both those who have made purchases and those who have never made purchases, which shows that digital marketing has a much greater level of opportunity than marketing through conventional media. The average differential value can explain that there is an opportunity to re-offer to prospective buyers with a much greater reach compared to re-offering to prospective buyers through conventional media with a very short reach. In addition, the impact that was directly felt by MSME managers was on sales volume, which this condition was felt after income dropped dramatically during the Pandemic, where sales decreased by more than 50% with a marketing process that utilized conventional media. Sales volume has increased again after MSME managers switched to digital marketing media and are carried out intensively with greater frequency and duration and relatively much cheaper costs than conventional ones. In this case MSME managers benefit from saving promotional costs and there is an increase in sales as an effect of increasing response, intensity and opportunity to offer back to the same consumers.

Table 4. CRM Strategy Analysis on Marketing Performance

Customer Relationship Management	Sales Volume ^a		Marketing Area Expansion ^b	
	2021	2022	2021	2022
Customer identification	3,14	3,22	24%	27%
Customer attraction	2,82	3,12	27%	38%
Customer retention	2,86	2,86	8%	12%
Customer development	2,34	3,38	19%	26%

Source: Research Questionnaire (data processed)

Explanation

- Average in 10 Million Rupiah)
- % Increase in the number of sales areas
-

The CRM strategy data table for each indicator shows a change in terms of sales volume in 2021 by 2022 an average per month reaching 1.42 or 14,200,000 rupiah, and expansion of marketing areas which reaches 25% of the total marketing area for 1 year.

Table 5. CRM Inferential Analysis with Marketing Performance

Customer Relationship Management (CRM) Indicators	Marketing Mean Performance Value		T test value	Sign.
	CM	DM		
Customer identification	1,17	3,22	4,867	0,000
Customer attraction	1,84	3,28	4,742	0,000
Customer retention	2,64	2,88	1,168	0,065
Customer development	2,92	3,46	2,422	0,002

Source: Research Questionnaire (data processed)

Conventional marketing (CM) and digital marketing (DM) from the customer identification aspect obtained a value of $t = 4.867$ at $p = 0.000$ ($p < 0.05$) which means that there is a significant difference between customer identification when using conventional marketing and digital marketing. In the aspect of customer attraction (namely in the form of a company's efforts to provide evidence of its ability so that customers or prospective customers are interested and interested in the products offered) the value of $t = 4.742$ is obtained at $p = 0.000$ ($p < 0.05$) which means that there is a difference in customer attraction when the use of conventional media with digital in the marketing process. Likewise in the aspect of customer development, namely empowering customers to be involved in marketing products and companies providing adequate facilities for customers who help carry out marketing and acquire new customers, the value of $t = 2.422$ is obtained at $p = 0.002$ ($p < 0.05$) which means there is a change in customer development between using conventional media and digital media in the marketing process. However, in the customer retention aspect, namely maintaining a harmonious relationship by providing separate facilities or prizes, so that customers remain committed even though there are many competing products that offer a probability value of more than 5% ($p > 0.05$) so that in this aspect there is no difference between using conventional media and digital media in the marketing process.

Then from the results of the analysis of the mean different test above, a different test is then carried out which illustrates the influence of CRM and the use of conventional media on marketing performance, as follows.

Table 6. Summary of Hypothesis Testing

Paired Sample t test	Mean	SD	T value	Sig.
CRM on Sales Volume	-1,435	0,876	-16,278	0,000
CRM on Marketing Expansion	-11,187	3,501	-32,123	0,000
Digital media on Sales Volume	-13,176	2,586	-47,768	0,000
Digital Media om Marketing Expansion	-12,187	4,941	-33,852	0,000

Source: Research Questionnaire (data processed)

The results of the hypothesis test analysis show that CRM on MSME sales volume after using digital marketing media is -16.278 at $p = 0.000$ ($p < 0.01$), which means that there is a very significant effect of CRM on sales volume after using digital marketing media. Negative values indicate that sales volume after using digital marketing media is greater than conventional marketing media. The CRM value is -32.123 with $p = 0.000$ ($p < 0.01$) which means that there is a very significant effect of CRM on expanding the marketing area after using digital marketing media. Negative values indicate that CRM after using digital marketing media is greater than conventional marketing media.

The results of the analysis of hypothesis testing on the variable use of digital marketing media show that the MSME sales volume obtained a value of -13.176 at $p = 0.000$ ($p < 0.01$) which means

that there is a very significant effect of marketing media on sales volume after using digital marketing media. Negative values indicate that sales volume after using digital marketing media is greater than conventional marketing media. The value of marketing media is -12.187 with $p=0.000$ ($p<0.01$), which means that there is a very significant effect of marketing media on expanding the marketing area after using digital marketing media. Negative values indicate that digital marketing media is bigger than conventional marketing media.

In table 6 it is also known that the effect that can be seen from a change in marketing strategy using conventional marketing media with dominant digital marketing is the interaction aspect between MSME managers and consumers who are larger, as well as the level of consumer response to higher product promotions through digital media. Furthermore, the magnitude of the influence of CRM and the use of digital marketing media on marketing performance is as follows.

Table 7. Calculation of Effective Contribution Value

Relationship between variables	r_{xy}	r^2	%
CRM with Sales Volume	0,502	0,252	52,2
CRM with Marketing Expansion	0,813	0,660	66
Digital media with Sales Volume	0,657	0,432	43,2
Digital Media with Marketing Expansion	0,918	0,843	84,3

Source: Research Questionnaire (data processed)

The value of the coefficient of determination shows that CRM has a value of 0.522 which means that CRM is able to make an effective contribution of 52.5% to the increase in sales volume. The coefficient of determination value of 0.660 indicates that CRM is able to make an effective contribution of 55% to marketing performance in the aspect of marketing area expansion. The coefficient of determination for the use of digital marketing media is 0.432, which means that the use of digital media in marketing is able to make an effective contribution of 43.2% to marketing performance in terms of sales volume. The coefficient of determination value of 0.843 indicates that the use of digital marketing media is able to make an effective contribution of 84.3% to marketing performance in the aspect of expanding the marketing area. From the analysis of calculating the coefficient of determination, it shows that the use of digital marketing media contributes the most to marketing performance compared to the CRM strategy.

Discussion

The results of the analysis of hypothesis testing have proven that CRM as a strategic step influences marketing performance, both directly and moderated by the use of digital marketing media. It can be said that Customer Relationship Management (CRM) is one of the company's strategies to retain customers. The Customer Relationship Management (CRM) program is implemented to win the hearts of customers, by allocating all available resources within the company, in order to achieve customer satisfaction as practiced by MSME entrepreneurs in Surabaya and its surroundings which are classified as effective. Marketing performance as studied in this study is the value of gross profit (turnover) and the expansion of marketing areas.

Customer retention programs and marketing performance improvement are one of the main cores of customer relationship management (CRM) activities, improving the quality of customer service and marketing relationships. Gronroos (2016), explains that the company's paradigm and way of thinking is no longer dominated by how to get new customers, but rather how to retain old customers. The characteristics of services that are different from tangible goods, as stated by Kotler and Armstrong (2016), cause consumers' assessment of the quality of these services to be obtained based on experience and trust gained through promotion, price, personnel, and physical and environmental instructions at the place where the service transaction is made. done.

CRM, which is supported by the use of the right marketing media, such as during the industrial era 5.0, is a digital marketing media that is proven to be able to provide convenience and smoothness for various businesses, both in the field of selling goods or services (Nandya, & Permana, 2021). The

benefits of a CRM strategy supported by digital marketing media are also felt directly by entrepreneurs at all levels, from giant-level companies to small businesses (Dwivedia, et., al, 2021; Papadopoulos, Baltas, & Balta, 2020). Several marketing studies have analyzed and proven that marketing using digital media is very relevant, effective, and very economical and can increase sales volume (Gillpatrick, 2019; Nuseir, 2017; Setyorini, Nurhayati, & Rosmita, 2019). Thus, this research analysis has also tested and proven that the use of digital marketing media can increase sales volume and maintain marketing during a pandemic. The results of this study are also consistent with several studies reported by Fadhilah and Pratiwi (2021); Rudyanto (2018); Kembang, Mahmud, and Samsumar (2021) that digital marketing media is very effective for supporting other marketing strategy approaches in increasing sales volume.

The results of this study also note that the value of the coefficient of determination proves the magnitude of the contribution value of the use of marketing media to marketing performance. The effectiveness of using digital marketing media as a promotional medium is a concern for many digital media users, both in the form of communication tools and computers. Users of internet digital channels relatively frequently visit promotional sites, and internet users are classified as frequent visitors who have even seen product promotions offered several times. Likewise in Soetjipto's research report (2020); Hardilawati (2020); Sulasih and Adawiya (2020); and Rana (2021), who concluded that there is a need for changes in marketing strategy for small and medium entrepreneurs, especially the use of marketing media that is more capable of accessing many audiences, fast, easy and interactive. This means that optimizing CRM in utilizing digital marketing media will be able to improve marketing performance (Junusi, 2020; Rizaldi & Hidayat, 2020).

The use of digital media as an instrument that supports the implementation of CRM strategies in the marketing process by MSME entrepreneurs is able to overcome distance and time constraints between potential customers and sellers which are easy to solve (Soetjipto (2020). Cheng (Erkişi & Boğa, 2019), stated that in nowadays the tendency of people to shop online is to buy goods or services online, even so the relationship between buyers and traders during the communication and transaction process must be well maintained and of good quality. Online shopping activities are Business to Business (B2B) and Business to Consumers (B2C), namely the consumptive shopping process because this shopping activity is a transaction process that is used by consumers themselves and is not resold (Erkişi & Boğa, 2019).

Changes in marketing strategy with a CRM approach and the use of digital marketing media by MSMEs are developments from traditional marketing models. Traditionally marketing is a promotion and sales process that is carried out using offline communication media and entrepreneurs do not pay much attention to important aspects of their consumers, such as consumer identity, consumer reactions, retaining and developing consumers as is the case in the marketing process using digital media (Novita, Herwanto, & Nurchaeran, 2019). There has been a change in marketing strategy by utilizing digital media, of course, accompanied by CRM as a marketing communication pattern that is seen as effective in retaining customers, especially customers of MSME products since 2020 (Mulyono, 2021), after the rise of internet media and ease of communication, many business actors like MSMEs change their marketing media which is then referred to as e-marketing (Aurinawati, 2019).

Chavey, el al, (Fantini, Sofyan, & Suryana, 2021), argues that an effective marketing strategy for growing sales volume and expanding market area is an effective strategy for survival is marketing that utilizes media that can facilitate access and promotion as well as the ability of entrepreneurs interact with customers as a strategy. Shimp (2020); and Benjamin (2021), explained that the use of digital media as a marketing instrument must be supported by CRM in order to be able to grow growth market share in small business units. Aurinawati (2019); and Kembang, Mahmud & Samsumar (2021), argued that the ability of MSMEs to deliver their various products is currently carried out through two models of approach, namely CRM which is used offline and online in finding buyers, offering products by face to face as much as possible may attract buyers in person or online (audio-visual). Other marketing models utilize digital marketing media known as online marketing, however, there are still MSMEs and large companies that use two marketing methods, namely conventional and digital (Abiemanyoe & Depari, 2021).

The results of data analysis taken from observations and documents of MSME business actors in this study also provide an illustration that not all social media can have a significant impact on the

sales of MSME products, this is due to various factors. Especially the types of non-staple products during the Covid Pandemic, but the types of secondary needs such as work equipment and goods related to interests and sports were still able to survive and experienced an increase in sales after making changes to the use of marketing media. Problems that hinder sales growth in this study are also relatively influenced by limited human resources to utilize digital technology as a marketing medium, especially the ability to manage social media content as a means of promoting and selling MSME products. Another factor that can have an impact on the constraints on increasing sales volume is the limited knowledge and skills of MSME managers in product design, packaging design, and designing social media so that it has an attractive and more interactive appearance. Abiemanyoe & Depari Research (2021); and Hendrawan, et., al (2019) who stated that business managers who are still starting to use digital marketing media still tend to spend their time using the media as social communication activities with friends and sharing current information.

The use of social media as a marketing instrument by MSME managers is still not optimal to be used as a digital business marketing medium (Prabowo, 2018; Setyorini, Nurhayati, & Rosmita, 2019; Gillpatrick, 2019; and Aurinawati, 2019). This is caused by the limited skills of MSME managers to manage content and organize applications available in digital marketing features. In addition to the limited skill factor of MSME managers, which has the potential to become an obstacle in utilizing digital marketing media to boost sales, there are network problems in marketing media between paid and unpaid or free. The use of digital marketing media between paid and free ones, of course there are differences in the way of working in displaying MSME profiles, the reach in sharing information, the intensity of appearance or display and the ease of communicating on the same media site (Dwivedia, et.,al, 2021; Papadopoulos, Baltas, & Balta, 2020). Utilization of digital marketing media as a joint marketing tool supported by optimizing CRM will eventually become something that is able to bind people's activities, because CRM itself, which is carried out with the help of social networks, is a communication tool that is able to establish relationships emotionally (Blazheska, Ristovska, Gramatnikovski, 2020; Rizaldi & Hidayat, 2020). In the business sector, consumer involvement is included in the strategy of maintaining and paying attention to customers through optimizing the CRM strategy which is seen as capable of sustaining business and increasing business results. The most effective promotional media and consumer relations at present are still digital marketing media (Sulasih & Adawiyah, 2020).

Conclusion

The results of this study prove that a customer relationship management strategy can be an effective strategy to maintain and improve marketing performance, especially in SMEs. Optimizing the CRM strategy will be more effective if it is supported by communication media that can connect entrepreneurs and consumers, namely digital marketing media such as social media, which from various studies has been proven to be able to improve marketing performance. Analysis of testing the differences between conventional media and digital marketing media on marketing performance, both from the aspect of sales volume and the expansion of marketing areas, obtained a negative value with a probability indicating that there is a very significant difference, the use of digital marketing media is more able to have a better impact than conventional marketing media in increasing marketing performance of MSME products. It can be concluded that the CRM strategy has a significant effect on marketing performance, as well as the use of digital media can have a significant effect on the marketing performance of MSME products in Surabaya and its surroundings.

Recommendation

Changes in the use of conventional media to digital marketing media carried out by MSME managers apart from aiming to increase sales volume and expand marketing areas, the most important thing is as strategic steps to defend their business from bankruptcy during the Pandemic. Utilization of online marketing media is supported by increasing the ability of managers to use customer relationship management (CRM) strategies. So it is known that the process of changing the marketing strategy, MSME managers have proven the direct benefits of CRM strategies and the use of digital marketing media, for this reason it is recommended that MSME entrepreneurs can improve CRM

capabilities in the marketing communication process and maintain relationships with customers, and are advised to improve skills in the field of digital technology as a promotional tool and more attractive transactions.

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