

Implementation of Digital Marketing Transformation as A Marketing Strategy for use Improving Competitiveness in Amanu Building Materials Store

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ABSTRACT

Digital business transformation in Indonesia is growing rapidly, along with the advancement and utilization of technology in all aspects of life and increasingly tight business competition. This opens up opportunities for Amanu building materials stores to use it in marketing their goods. The purpose of this study is to identify and analyze the importance of implementing digital marketing as an effective marketing strategy for Amanu building materials stores to increase their competitiveness in the market. This study is expected to help building materials stores improve their visibility, efficiency, and marketing effectiveness and build better relationships with consumers. This study uses qualitative methodology, critical discussion from the author's perspective, and support for literature searches, citations, expert opinions, and previous findings on the subject. The results show that digital advertising increases sales of Amanu building materials stores. In addition, this study shows that although there are many benefits that can be obtained from the use of digital advertising, Amanu building materials store business actors are often faced with various challenges. The author hopes that Amanu building materials stores can continue to innovate and develop their businesses without ignoring technological developments. The government is also expected to be a complement to encourage various efforts that have been made by building materials store entrepreneurs to increase their competitiveness.

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1. Introduction

Information technology in the last few years has experienced quite rapid development. From time to time technological progress continues to develop, starting from the era of modern technology, agriculture, industrial technology era, information technology era, and communication and information technology era. This development has various impacts on the lives of society, nation and state, every individual is interested in using and utilizing each of these developments. During that time, a platform was found that allows people around the world to connect with each other called social media. Today, Whatsapp, Facebook, Twitter and Instagram and several marketplace platforms such as

Shopee, Tokopedia, Alibaba, Lazada, Blibli.com, Buka Lapak and others are the social media that have experienced the most rapid development. In addition, e-commerce platforms and mobile applications have changed the way people shop and interact with brands and products. Consumers can now make purchases online, access services virtually, and communicate directly with businesses through social media.

Digital business transformation in Indonesia is growing rapidly, along with the advancement and utilization of technology in all aspects of life and increasingly tight business competition (Maisaroh & Muslikhah, 2024). Therefore, digital transformation encourages the business world to continue to innovate and launch new products so as not to be eroded by time. Digital transformation can be defined as the use of digital technology in various aspects of modern society that go far beyond digital literacy and competence, this is related to the company's ability to successfully implement new technologies and procedures to improve their business operations (Angelia Putriana, 2023).

Based on data released by the Coordinating Ministry for Small and Medium Enterprises (Kemenkopukm), the number of entrepreneurs in Indonesia who are transforming into digital businesses is increasing from year to year (Maisaroh & Muslikhah, 2024). The trend of business digitalization is still dominated by marketing. Several marketing digitalization practices can be observed, such as creating online stores, and conducting promotions in the form of videos or images through digital platforms. Regarding the use of online stores, based on the annual report made by the Coordinating Ministry for Small and Medium Enterprises (Kemenkopukm) in 2021, it was stated that MSMEs have so far entered several digital platforms to market their products, such as social media (40%), instant messaging (38%), e-commerce (13%), and using ride hailing (5%). Based on these data, it can be seen that the use of social media is more widely used by entrepreneurs, considering that social media is easier to operate, and the consumer reach is also wider.

Existing studies often focus on technical aspects such as the use of social media *orecommerce*, but have not yet studied in depth the internal and external challenges faced by building materials stores in adopting a *strategymarketing* such as: 1. Limited human resources and technology 2. Lack of understanding of the benefits of digitalization 3. Customer perceptions of online shopping for building materials.

Wardhana, (2015) stated that based on a survey from BPS, various weaknesses and problems faced by entrepreneurs were identified based on their priorities, namely: (a) lack of capital, (b) difficulties in marketing, (c) tight business competition, (d) difficulties with raw materials, (e) lack of production techniques and expertise, (f) lack of managerial skills (HR) and (g) lack of knowledge in management issues, especially in the fields of finance and accounting.

Previous research has shown that there are several factors that challenge the digital transformation process at the small business level, namely the lack of infrastructure support, especially high-speed internet, technological knowledge gaps, the level of awareness of knowledge, use, and benefits of digital business, and effective integration of digital technology in business processes (Kergroach, S., Bianchini, 2021; Rupeika-Apoga, R., et al., 2022; Telukdarie et al., 2022). Therefore, the right strategy is needed for the digital business transformation process to have a positive impact on the company's achievements (Schwertner, 2017).

Wardhana, (2015) stated that building material stores are one of the important business sectors in Indonesia because they have an important role in economic growth in Indonesia. However, there are still many building material stores that have not implemented information technology, especially using social media and do not understand how big the benefits and roles of using social media are.

Besides, there are not many penandresearch that assesses the effectiveness of a strategy *digital marketing* that have been set by local building material stores, both in terms of increasing sales, customer loyalty, and operational efficiency. Therefore, there are gaps in research such as: 1. Understanding the readiness and challenges of building material stores in digital marketing transformation 2. Analysis of effective digital marketing strategies that are in accordance with the characteristics of the building material store business 3. Evaluation of the impact of digital marketing transformation on the performance of the building material store business.

This opens up opportunities for the Amanu building materials store located on Jalan Raya Kadipaten, Wiradesa, Pekalongan Regency to implement a digital transformation strategy in marketing their goods. This study is expected to help the Amanu building materials store in increasing the visibility, efficiency, and effectiveness of their marketing and building better relationships with consumers. Marketing activities that utilize sophisticated digital technology are often referred to as digital marketing. Digital marketing includes integrated and interactive marketing that facilitates interaction between market intermediaries, potential consumers, and producers (Ranjani et al., 2024). Based on the introduction that has been explained above, the formulation of the problem that will be discussed in this study is how are the benefits of implementing digital marketing in increasing power in the Amanu building materials store? The purpose of the formulation of the problem above is to determine the benefits of digital marketing in increasing competitiveness in the Amanu building materials store.

2. Literature Review

Digital Business Transformation

Digital transformation of business makes entrepreneurs develop and use innovative technologies and business models to gain competitive advantage, while at the same time reviewing the costs incurred, benefits and associated threats (Ranjani et al., 2024) By digitizing business processes in the online environment, companies seek to increase the value offered to customers in the context of increasing demand for better products and services and the internationalization of markets.

Digital business transformation will provide benefits for achieving organizational goals both in the short and long term (Chouaibi et al., 2022; Guo & Xu, 2021). Successful organizations must leverage strategy, culture and leadership to harness the potential of digital business transformation. Many companies without a clear strategy are trapped in a focus on technology rather than on customers when conducting transactions. nsdigital formation, so that they actually fail to achieve the goals of the digital transformation process (Schwertner, 2017). Therefore, companies need toyikapi wisely embrace technological changes and data integration to achieve successful digital business transformation.

Westerman et al., (2014) explained that there are nine elements or areas of change that may occur when a company decides to undertake a digital transformation. The following are the elements or areas of change: 1. Transformation of consumer experience, from direct purchases to online purchases. 2. Transformation of operational processes from manual services to digital services. 3. Digitalization of processes by using automation throughout the operational process. 4. Employee empowerment, considering that with digitalization employees must master new skills in the digital field, so companies must empower employees both through training and other learning. 5. Transformation of business models, from conventional offline to online businesses. 6. Digital business modification, namely modifying existing businesses into digital businesses, while maintaining the old

business. 7. Digital globalization. 8. Creating new digital businesses. 9. Changes in structure and business organization stem.

Digital Marketing Objectives

Digital marketing allows companies to use the internet to achieve certain communication goals (Firmansyah, 2021). One of the main purposes of using a website is to provide complete and detailed information about the company's products (Firmansyah, 2021). A business such as a building materials store can interact with customers in various ways with digital marketing.

One of the best ways to get comprehensive information is through the internet. Businesses with limited advertising budgets can benefit from digital marketing because it offers a greater opportunity to increase consumer awareness than traditional media. Companies use digital marketing to conduct market research and gather data on competitors, target customers, and marketing issues.

Utilization of Digital Marketing

In following the digitalization trend, business actors must have new capabilities such as utilizing digital marketing. Some businesses are gradually shifting from conventional marketing systems to modern marketing. Ease of communication and transactions are the mainstay of digital marketing to be accessed worldwide in real time which helps someone to see and make it easier to get information related to products on the internet so that it gives consumers convenience in the decisions they will make to order and compare each product. (Harahap et al., 2021) There are at least four benefits of digital marketing for running a business, including reaching a wider market, saving costs, as a means to increase sales, and being a good means of connecting producers and consumers (Tresnawati & Prasetyo, 2022).

Digital Marketing

The term digital marketing has evolved from initially only covering product and service marketing activities using digital-based channels to a broader understanding that includes the entire process from acquiring consumers, building consumer interest, advertising products, maintaining good relationships with consumers to increasing sales (Sulaksono & Zakaria, 2020). According to the American Marketing Association (AMA), the definition of digital marketing is an action or activity, starting from the process of creating products or services, promoting and delivering marketing messages to consumers and various other interested parties by utilizing the use of digital technology (Kannan & Hongshuang, 2016). Meanwhile, Sawicky (2016) defines digital marketing as an exploration of the use of digital technology to create communication channels to potential consumers in order to achieve goals from the company by effectively fulfilling consumer needs. (Mavilinda et al., 2021).

Digital marketing is a new breakthrough in marketing products online through the internet system (Purwana et al., 2017). Digital marketing strategy is a marketing strategy designed by utilizing digital technology to reach consumers, analyze consumer behavior, promote products and increase product sales. (Nuslih Jamiat 1 & Cahyadi Supyansuri 2, 2020).

Marketing Strategy

The best way to plan a business is to use a marketing strategy. Marketing companies can use various strategies to fight competition, including product, price, location, and advertising. According to Tulli and Kahle, marketing strategy is an important tool to achieve company goals by making market entry and creating sustainable competitiveness. Marketing is an important process, and to meet today's social needs, strategies and techniques must be continuously updated. Marketing strategy is one way to win the advantage on going competition for companies producing goods or services.

This strategy can be used as one of the bases used in preparing a comprehensive business plan. The increasing competition faced by the Amanu building materials store, so it must have a marketing strategy to face the competition. The Amanu building materials store must pay close attention to marketing during the process of determining the right marketing strategy to penetrate the market. Moreover, in conditions of increasingly tight competition like today, MSMEs themselves will face challenges to capture market share. (Jayanti Mandasari et al., 2019).

Marketing Strategy Concept

According to many marketers, customer satisfaction is the most important component of any concept in a marketing strategy. Digital marketing is a technique for managing a diverse digital presence, such as websites, smart applications, and social media. The features of electronic media commonly used for digital marketing are: 1. Social Media Marketing Social media can not only be used as a marketing tool, but can also be used to increase competitiveness by conveying information about the goods and services to be marketed. This aims to attract customer interest and response before they decide to make a purchase. Marketing of building material store products can be done on several social media, such as: 2. Instagram is a photo sharing application that has developed into one of the most effective marketing tools for selling products. 3. *Marketplace* (shopee, tokopedia, lazada) is an online market that has an online shopping display so that the display is more attractive and easy to use for shopping. *Timelinemarketplace* which is real-time makes it easy to connect with other social media. 4. Facebook is a social media that offers features for business accounts and marketplace features that are increasingly open, making buying and selling transactions easier. In addition, Facebook is easy to use and has an adsense feature that allows building material stores to market their goods 5. Tiktok is a newer website. Since the pandemic, this social media platform has a graph that is very high in interest. Tiktok also provides a marketplace feature that is easy for every user to access.

Competitiveness

The ability of a company to create competitiveness against its competitors is an important component that makes it superior in the market. Porter (2000) describes competitiveness as the ability or advantage to compete in a particular market. According to Anantan and Lena Ellitan (2007), company competitiveness is the ability of a business unit to provide more value to its products than its competitors, and that value does provide benefits to customers. Continuous development in all lines of the organization, especially in the production industry, ensures competitiveness. The author defines competitiveness as the ability of a company to do a better job than its competitors, resulting from their ability to produce more beneficial value for customers. Pratama and Ony (2020) said that the competitiveness of MSMEs can come from access to capital, service quality, innovation, marketing strategy, and human resource management. HR management is also important to increase their competitiveness. (Simamora et al., 2021)

Digital transformation is the main foundation in developing digital marketing strategies in the modern era. Through digital transformation, building material stores can integrate technology into their business processes, from operational automation to utilizing customer data for more targeted marketing decision making. The implementation of effective digital marketing, such as the use of social media. E-commerce, and digital advertising, is possible because of the support of digital transformation. Furthermore, structured and integrated digital marketing can increase market reach, strengthen customer relationships, and accelerate response to market needs. Thus, digital transformation and digital marketing synergistically contribute to increasing the competitiveness of

building material stores because they allow them to be more adaptive, responsive, and superior in offering value to customers compared to competitors.

Problem

The purpose of this study is to help Amanu building materials store in implementing digital marketing to help increase sales. However, there are several problems that occur, namely: 1. There are no special employees for social media who are adequate in carrying out promotions. 2. Inadequate knowledge of internet promotion in increasing existing business results. 3. The products sold are large and heavy items. 4. Lack of expertise in editing promotional content. 5. Lack of training for employees on digital marketing aspects. 6. Minimal employee creativity and innovation.

3. Method, Data, and Analysis

A method is a set of steps or methods used to solve a problem that is found. This study was conducted to discuss the influence and strategy of digital marketing comprehensively (Zhu and Gao, 2019:33). This is because the use of digital marketing is one of the developments in marketing techniques that will continue to develop into the right strategy in marketing products (Christina, Fenni, and Roselina, 2019:59). The type of data used is secondary data collected from the internet, in the form of articles, books, and journals (Ode et al., 2020). In this study, the author uses a qualitative research method, critical discussion from the perspective of several building material shop owners yang is part of the Central Java and Yogyakarta building materials shop association group with 57 members, as well as support for literature searches, citations, expert opinions, and previous findings on the subject. The data sources obtained by researchers are not only basic data obtained from previous research in scientific articles, but also theories that discuss how well marketing strategies use digital marketing.

4. Result and Discussion

Indonesia is home to 139.0 million social media users as of January 2024, equivalent to 49.9 percent of the total population. 96% of internet users in Indonesia have used e-commerce. According to a survey by the Central Statistics Agency (BPS) in March 2024, 29.45% of young Indonesians aged 16-30 years used the internet to search for information on goods/services.

In this case it can be concluded that the use of social media is a strategy that cannot be ignored. Platforms such as *marketplace*, Facebook, Instagram, and TikTok allow Amanu building materials store to reach a wider audience at a relatively low cost.

The general condition of the readiness of retail building material stores to transform into digital businesses can be explained by several factors, such as organizational management, products, knowledge, infrastructure, and markets. Organizational management is one of the important factors when an organization is going to transform digitally. In terms of organizational management, the average building material store business still implements business management with simple management. There is no organizational structure, job description, and job specification, so that management is still centered on the owner, and there are multiple tasks as a result of the lack of human resources. Related to human resources, there are few personnel involved in the business. Most building material store managers have minimal knowledge in running a business, and minimal knowledge about technology and digital business transformation. Several concrete examples can be described such as being able to operate a cellphone, laptop, or even further not being able to access social media other than "whatapps", so that the use of the telephone is limited to communicating

either by calling directly or sending messages. Actors who can already operate social media well also still have difficulty creating content on social media, or increasing the use of social media for business. If the building materials store business will transform into a digital business from the HR conditions, it must prepare employees or administrative positions that specifically have the ability to operate digital devices to run its business. However, one positive thing that building materials store business actors have is that they have high motivation to develop. This is evident from their willingness to learn, and enthusiasm in participating in mentoring programs to digitize one of the business processes they are undergoing. Digital business transformation requires adequate technological infrastructure readiness. One thing that must be there is an internet network and devicestHP orkcomputers to operate digital businesses. Building material shop business actors in Central Java and Yogyakarta, until now, are still constrained by the lack of infrastructure Supporters. Some areas, especially in remote rural areas, have few internet networks and their effectiveness is weak. As a result, it is often an obstacle for digital business actors to operate their businesses.

The products sold by building material stores are varied, of good quality and according to market standards at prices set by retailers. The level of service quality is still lacking, even though one of the strengths of the service business is in service. In addition, the level of product innovation is still low. Product innovation is one of the keys to business success when entering the digital business. The digital-based building material store business market is currently growing rapidly. Triggered by the pandemic conditions several years ago, changing consumer purchasing behavior from offline to online purchases. In addition, the positive perception and experience of consumers towards online businesses has further increased the uncertainty of the digital business world. It's just that these conditions are also captured by other business actors, so now many businesses are switching to digital businesses. Identification of conditions and problems that have been carried out in building material stores in general, data on internal and external conditions of building material stores related to readiness to transform into digital businesses is obtained. These internal and external conditions are then grouped into strengths and weaknesses for internal factors, and opportunities and threats for external factors. The SWOT analysis is based on a summary of conditions and problems that generally occur in the Amanu building materials store business. Based on these conditions, it can be seen that the readiness of the Amanu building materials store business in digital business transformation. Digital business transformation can provide many opportunities for innovation, especially in the Amanu building materials store. Industry 4.0 technology provides broad opportunities for the building materials sales sector to increase competitiveness. The building materials store that is likely to be the winner of this change. building materials store of tencan implement digital transformation faster than companies because they can develop and implement new Information Technology structures from scratch more easily (Sari et al., 2023). Table 1 is a summary of the Amanu building materials store SWOT Analysis matrix to determine the store's readiness in transformation digital business.

Tabel 1. SWOT Analysis

No.	STRENGTH	WEAKNESS
1.	Complete, varied products and quality	Business organization design is still very
2.	Affordable price Simple	Technology knowledge and awareness are still low
3.	High motivation in business development	Knowledge and awareness to move towards digital business still low
4.		Support infrastructure (HP, Computer is still low)

5.		There are no special employees to manage digital accounts
6.		Low ability to create digital content

No.	OPPORTUNITY	THREAT
1.	Number of potential buyers in the area shop	Unhealthy competition among building materials shop business actors
2.	Positive consumer perceptions regarding online-based businesses	There are many similar business actors on a large scale who have resources
3.	High demands from consumers for	Intensive promotion by similar businesses in in the area Amanu building materials shop business digitalization
4.	Fluctuating supplier prices	Wide open digital business opportunities in the digital market

Source: Data Processing Results, 2025

By utilizing digital marketing optimally, Amanu building materials stores can increase their competitiveness in facing the Industry 4.0 era. Although digital marketing has great potential to help Amanu building materials stores increase their sales and business growth, Amanu building materials stores often face challenges in implementing digital marketing strategies. According to Wibowo & Sitorus, (2022), some of the challenges that are often faced in implementing digital marketing include:

a. Limited Resources

One of the main challenges faced by the Amanu building materials store in implementing digital marketing is limited resources, both in terms of financial, manpower, and technology. Such as limited promotional funds, no special staff focused on digital marketing, limited time to manage social media accounts, limited product content assets sold and no clear target market online.

b. Lack of Knowledge regarding Digital Marketing

Lack of knowledge and understanding of digital marketing is also a challenge for Amanu building materials store in implementing digital marketing strategies. c. Tight Competition in the Online Market Amanu building materials store also has to compete with other businesses in the increasingly tight and challenging online market. There are many big businesses entering the online market, and Amanu building materials store may have difficulty attracting customers from this tight competition.

Technology-based digital marketing provides opportunities for small and medium enterprises (SMEs) to grow and become part of Indonesia's economic revival. Therefore, it is important to spread knowledge and training about the importance of digital marketing. In addition, a lot of literature is needed to help MSME actors to at least get to know which can then implement digital marketing in their business. (Anugrah et al., 2022).

5. Conclusion and Suggestion

In this digital era, competition between building material shop business actors will always exist and if they still use conventional methods, Amanu building material shop will lose out to other building material shop business actors who already use digital marketing. This is proven that building material shop business actors can apply digital marketing to market its products in order to increase sales and competitiveness. In digital marketing, Amanu building materials store business must recognize and understand the target audience and it is also important to conduct comprehensive market research to

find out their preferences, online behavior, and needs. It is also important to create a strong content strategy, because quality and relevant content is the key to digital marketing. The benefits or implications of this study are expected to increase insight, information, and knowledge to interested parties and can conduct further research related to digital marketing whose relationship has not been discussed in this study.

The author hopes that building material store business actors can continue to innovate and develop their businesses without ignoring technological developments. Because basically, information technology will continue to increase without any limits. The role of the government is also expected to be complementary to encourage various efforts that have been made by entrepreneurs to increase their competitiveness. With a conducive business climate created by the government, it will make it easier for entrepreneurs to increase their competitiveness, both the competitiveness of the company and the competitiveness of the products produced.

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