

## THE INFLUENCE OF E-COMMERCE DIGITAL MARKETING IN DEVELOPING LOCAL BRANDS IN INDONESIA (STUDY AT PT. BUKA LAPAK.COM Tbk)

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### ABSTRACT

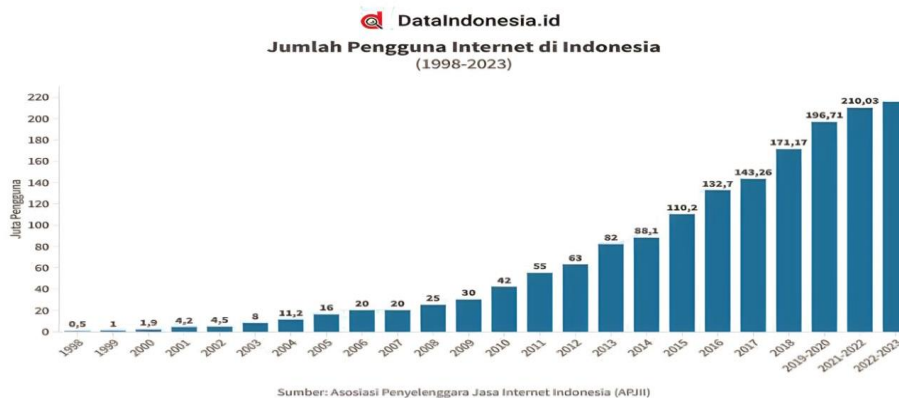
The internet is something that is familiar to the ears of the Indonesian people. Internet usage in Indonesia from year to year has increased very significantly. From the survey results of the Indonesian Internet Service Providers Association (APJII), internet users in Indonesia for the 2022-2023 period have reached 210.63 million people. This number increased compared to the 2021-2022 period of 2.67%, namely 210.03 million users. This journal discusses the influence of e-commerce digital marketing in developing local brands in Indonesia. The research methods used in this study are qualitative, descriptive and literature studies. The ability to master digital marketing is very important in building a brand and also in marketing products. No wonder nowadays many foreign brands and local brands are starting to follow the development of the times, cooperation between local e-commerce and local brands will have a very good impact on both parties.

**Keyword :** *Social Media Marketing, Digital Marketing, Marketing communication, Marketing Public Relations (MPR), E-Commerce.*

### INTRODUCTION

#### Background

The internet is something that is familiar to the ears of the Indonesian people. The use of internet in Indonesia from year to year has increased very significantly. From the survey results of the Indonesian Internet Service Providers Association (APJII), internet users in Indonesia for the 2022-2023 period have reached 210.63 million people. This number increased compared to the 2021-2022 period of 2.67%, namely 210.03 million users.



Electronic commerce or e-commerce is payment, buying, selling, marketing of goods and services through modern electronic systems such as the internet, television, or other computer networks. In e-commerce, sales, purchasing, and marketing activities all use the internet. E-commerce itself is part of e-business, where the scope of e-business itself is broader, not only commerce but also includes business partner collaboration, customer service, job vacancies, and others.

The rapid development of technology, the digital world, and the internet has an influence on the world of marketing. Marketing trends in the world are shifting from conventional or *offline* to digital or *online*. This digital marketing strategy is considered better because it can make it easier for potential buyers to obtain all kinds of information about products and make transactions. Digital marketing is a marketing strategy for products or services that use digital media and the internet. Digital media includes communication channels such as internet networks, telephones, and television. The goal of digital marketing is to reach target customers efficiently, personally and relevantly. Digital marketing utilizes technological advances to boost product sales from a brand. Digital marketing, which usually consists of interactive and integrated marketing, facilitates interaction between producers, market intermediaries, and potential customers. On the one hand, digital marketing makes it easier for business people to monitor and provide all the needs and desires of potential customers, on the other hand potential customers can also search and get product information just by browsing cyberspace so as to facilitate the search process. Buyers are now more independent in making purchasing decisions based on results his search. Digital marketing can reach all people wherever they are without any more geographical or time numbers.

The use of data and information to improve company performance has become a topic of discussion in the field of Knowledge Management (KM). This happens because KM is considered to play an important role to increase the value of business collaboration within the company. The use of data-based technologies such as robotics, artificial intelligence, and digitalization allows customers to obtain personalized service and optimize the company's business processes at the same time. In another discussion, the use of KM in business is believed to influence the decision-making process rationally, which in turn can improve organizational performance. This is because KM allows collaboration between various disciplines supported by the use of information technology in various forms and the company's ability to continue to learn to optimize existing business processes so as to give birth to new and better knowledge. The company's ability to understand customer needs is one of the important factors that affect organizational performance. Without a thorough understanding of customer desires and company conditions, business owners will make decisions using their intuition.

PT Bukalapak.com Tbk (BUKA) is an Indonesian e-commerce company established in 2010. Its main purpose is to support small and medium-sized businesses to open online ventures, and it has expanded to support smaller, traditional family-owned businesses. In 2018, the company became the fourth unicorn startup in Indonesia, reaching a valuation of USD 1 billion. In 2021, this e-commerce managed 13.5 million merchants. Local brands are also the main thing today that is often developed by the government with several things done in order to get a benefit between the government and also local brands in developing their products. Local brands actually have an extraordinary problem that comes from a competition between local brands and also outside brand in marketing their products, the defeat of local brands lies in the lack of branding and prices that are quite soaring. Digital marketing is also a very worthy thing to be developed by local brands by collaborating with several e-commerce in developing products and marketing them to all parties. This is what makes the use of e-commerce can actually provide a good footprint for everyone, including local brands and MSMEs. So it's no wonder that some brands are currently starting Following the development of the times by marketing its products through social Media Ecommerce.

### Problem Statement

Based on the background description of the problem above, the background made by the researcher is:

1. How is the use of digital marketing in developing local Indonesian brands through the marketplace?
2. How PT. Bukalapak.com Tbk (BUKA) developing local Indonesian brands?

### Research Objectives

Based on the formulation of the problem mentioned above, the research objectives that can be taken are:

1. To find out how to use digital marketing in developing local Indonesian brands through the marketplace.
2. To find out how PT. Bukalapak.com Tbk (BUKA) develops local Indonesian brands.

### Research Methods

The research methods used in this study are:

1. Descriptive qualitative

Descriptive qualitative is a research method that uses descriptive data in the form of written or spoken words to examine objects, conditions, or phenomena naturally or really. Qualitative descriptive analysis techniques aim to understand problems, context, complexity, and subjectivity using text, audio, or visual data sources. The result of descriptive qualitative is factual and accurate empirical information

2. Literature Study

Literature study is a method of collecting data carried out by looking for theoretical references that are relevant to the problem or case under study. Literature studies can use written documents, photographs, drawings, and electronic documents that can support the writing process. The literature study aims to solve the problem by tracing the sources that have been made before

## THEORETICAL FOUNDATION

- **Social Media Marketing**

More and more companies are turning to using social media as part of marketing practices. Social media marketing is a medium to monitor and facilitate consumers to interact and participate in positive engagement with the company and its brand (Dave Chaffey, 2016). Social media marketing is also revealed by (Alhadeed, 2017), where as the use of social media sites to carry out marketing activities in general that can display interesting content so that it can attract the attention of the audience and trigger them to spread these contents which will help companies expand their reach. According to As'ad, 2014 there are dimensions of social media marketing, which are as follows:

- 1) Online Communities: The use of social media to build community relationships.
- 2) Interaction There is interaction by adding or inviting others through social media which can create communication with each other.
- 3) Sharing of Content Media exchange of information and also receive content using social media.
- 4) Media Accessibility Social media can be accessed easily, the cost is more affordable and does not require skills to access it.
- 5) Credibility The company conveys clear information to consumers so as to build an emotional connection.

- **Digital Marketing**

Digital technology has changed the way humans communicate, act, and make decisions. Marketing activities cannot be separated from the influence of digital technology. The term digital-based marketing (digital marketing) has evolved from the beginning of goods and services marketing activities that use digital channels to a broader understanding, namely the process of acquiring consumers, building consumer preferences, promoting brands, nurturing consumers, and increasing sales. Sawicky (2016) defines digital marketing as the exploitation of digital technology used to create a channel to reach potential recipients to achieve company goals through meeting more effective consumer

needs. Digital marketing is also defined as marketing activities that use internet-based media (Wardhana, 2015). The internet is quite an influential tool for business.

- **Marketing communication**

Marketing communication can be defined as marketing activities using a number of communication techniques that aim to provide information to the audience so that the company's goals are achieved, namely an increase in income for the use of services or purchases of products offered.

- **Marketing Public Relations (MPR)**

Marketing public relations (MPR) is Public Relations in the context of marketing, furthermore marketing public relations helps complement and support the achievement of marketing objectives of a product and service. According to Soemirat and Ardianto, public relations tools and figures that are often used to support marketing and sales targets of a business are called marketing communications or marketing public relations.

- **E-Commerce**

According to Laudon and Laudon in Shabur Miftah Maulana et al (2015: p3) ecommerce is a process of buying and selling products electronically by consumers and from company to company with computers as intermediaries for business transactions. The medium that can be used in e-commerce activities is the World Wide Web (WWW). Sanusi, Anuar, en Anggalia Wibasuri. 2015., in his research linking e-commerce with the empowerment of entrepreneurial attitudes, namely: The results of this activity are:

- (1) increasing entrepreneurship group of SMEs;
- 2) meningkatnya ability groups in business planning (business plan);
- 3) increasing the ability of a business group Sinar Alam in conducting business operations;
- 4) increasing network (networking) business cooperation; and
- 5) business group Sinar Alam models serve as a model entrepreneur development of SMEs groups based society empowerment.

The classification of e-commerce is generally carried out based on the nature of the transaction. According to Laudon and Laudon in Shabur Miftah Maulana et al (2015: p3), the classification of e-commerce is divided as follows:

1. Business to Consumer (B2C)
2. Business to Business (B2B)
3. Consumer to Consumer (C2C)
4. Peer to Peer (P2P)
5. Mobile Commerce (M-Commerce)

According to Meier and Stormer in Shabur Miftah Maulana et al (2015: p3), the mechanism of trade in the e-commerce system is explained through the value chain in e-commerce as follows:

1. *E-Products dan E-Services*
2. *E-Procurement*
3. *E-Marketing*
4. *E-Contracting*
5. *E-Distribution*
6. *E-Payment*
7. *E-Customer Relationship Management*

## RESULTS AND DISCUSSION

- **Competition of local brands and outside brands in ecommerce**

In Indonesia, the competition between local brands and foreign brands is very tight, making Indonesians feel hesitant to choose which brand they will buy and use. But now even though local brands are almost able to compete with foreign brands, but still foreign brands remain the main choice because the prices offered by local brands are almost similar to foreign brands but the

quality is still better local brands. The competition of these well-known brands is common and has happened for a long time, but unfortunately this competition is often still won by foreign brands that have better quality. Even some people prefer used local brand instead of buying local brands even though the price is the same.

Competition between local brands also occurs in several ecomerces where local and foreign brands sell their products at various prices ranging from hundreds to millions. The competition of these brands in getting customers certainly has different strategies, but somehow local brands always imitate external products without creating innovations that attract customers, which ultimately makes people choose more outside brands in quality and also prices are very appropriate. Things like this actually make local brand marketing very minimal buyers because many people feel that some local brands set prices quite expensive even to the price to compete with foreign brands which actually have more advantages, but uniquely, local brands can still compete in product marketing both through social media and ecommerce.

- **The Role of Open Lapak in Supporting Local Brands in Indonesia**

Just like other ecommerce, of course, Buka Lapak is an online shopping application that sells fresh products needed by the community. But the role of these ecomerces is very large considering how currently the club of a brand can be marketed well. But actually, no one can manage how to open stalls in collaborating with local brands, but these local brands should get a more special place in the midst of competition between local and foreign brands. Like shope for example where they provide features where customers can buy local products, it is contained in the local shope love feature. Things like this can provide enough impact for local brands to compete with other outside brands. Thus, it can be interpreted how important an e-commerce is in helping local brands compete in promoting their products to audiences with some help from some ecommerce features. Open a stall that actually has a great power should be able to provide the best thing for local brands in promoting their products, with this, it can be ascertained that local brands will provide the best thing because with the help and support of several parties will help local brands to exist in promoting their products abroad.

- **The Influence of Digital Marketing on Competition between Local Brands and Outside Brands**

Technology is getting more sophisticated, of course, humans must also be smarter in using technology because currently technology is the main thing that must be mastered by humans, especially in promoting their products. Because of the increasingly advanced times, it is not surprising that today we are faced with a very unique amount of creativity, so it is not surprising that now business people are starting to follow the times in selling the products they sell. The influence of digital marketing is a major factor that has a major impact on the main MSMEs. E-commerce is currently one of the solutions for MSMEs, especially local brands, to sell their goods without having to rent a shop or maybe buy a building. With the existence of e-commerce, it will have a very extraordinary impact on MSMEs. Because the increasing number of new brands entering Indonesia will make it more difficult to sell goods because the possibility of most likely problems such as no one will buy local products will certainly be very likely. These local products will be able to compete if they get good access to their cooperation with several parties. Because local brands will actually provide the best quality if they get benefits and some good cooperation.

## CONCLUSION

So from all the discussion in this journal, a conclusion can be drawn that the ability to master digital marketing is very important in building a brand and also in marketing products. No wonder nowadays many foreign brands and local brands are starting to follow the development of the times, cooperation between local e-commerce and local brands will have a very good impact on both parties.

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