

## THE INFLUENCE OF TRAINING AND DIGITAL MARKETING ON THE GROWTH OF SMES IN NIAS

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### ABSTRACT

The purpose of this study is to prove the effect of training and digital marketing on the growth of SMEs. The research design uses the SEM-Partial Least Square (PLS) approach. Data were obtained from 115 SME respondents. Hypothesis testing uses the Bootstrap method. The results of this study prove that training has a positive and significant effect on the growth of SMEs where the more often SME actors receive training, the higher the income they will get. This means that the better the training shown to SME business actors, the more it will increase business growth. Digital Marketing has a positive and significant effect on the growth of SMEs where this proves the hypothesis is accepted. Of course, these findings show how Digital marketing can affect the growth of SMEs so that it is hoped that Business Actors will be able to build their Digital marketing in order to get maximum income.

**Keywords:** Digital Marketing and Growth of SMEs, Training,

### INTRODUCTION

Entrepreneurial skills are very necessary. Entrepreneurship can not only be understood as the ability to open your own business. But more broadly, entrepreneurship can be interpreted as a momentum to change mentality, mindset and socio-cultural change. The definition of entrepreneurship itself is the ability to see and assess business opportunities (opportunities) and the ability to optimize resources and take action and be highly motivated in taking risks in order to make their business a success. An entrepreneur is someone who is able to see opportunities, dares to take opportunities and is able to realize these opportunities. Such abilities are very relevant for everyone who wants to succeed in the world of work. In addition, successful entrepreneurs have many positive characters such as being creative and innovative, daring to take risks, resilient in facing challenges, and honest with themselves and others. In the midst of increasing economic pressures and increasingly narrow job opportunities, entrepreneurship is considered the most effective way to revive the economic life of the community. For this reason, Indonesia needs to seriously prepare for the birth of a generation of entrepreneurs because these entrepreneurs will be the driving force behind Indonesia's economic development. Becoming a reliable entrepreneur requires high entrepreneurial motivation. According to Herawaty (2010), entrepreneurial motivation is a person's attention, pleasure, and willingness to carry out independent business activities based on the abilities, strengths, and skills they have. This entrepreneurial motivation will direct and encourage individuals

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to run and build their own businesses. With high entrepreneurial motivation, individuals not only focus on the profits obtained but also on satisfaction in entrepreneurship. However, this is less common in MSME actors, especially housewives in Klambir V village. This can be seen from the results of interviews with several MSME actors, where they only do their business as a side income. In fact, this income is not enough to finance their lives. This is because they do not have the knowledge and motivation to develop their businesses. One way to increase a person's knowledge and motivation is through entrepreneurship training. As a discipline, entrepreneurship can be learned and taught, so that every individual has the opportunity to appear as an entrepreneur. Even to become a successful entrepreneur, having talent is not enough, but you must also have knowledge of all aspects of the business you will pursue. Training is an activity designed to develop human resources through a series of identification activities, assessments and planned learning processes. This is done through efforts to help develop the skills needed to carry out tasks, both now and in the future. This means that training can be used as a means to improve organizational performance problems, such as effectiveness, efficiency and productivity.

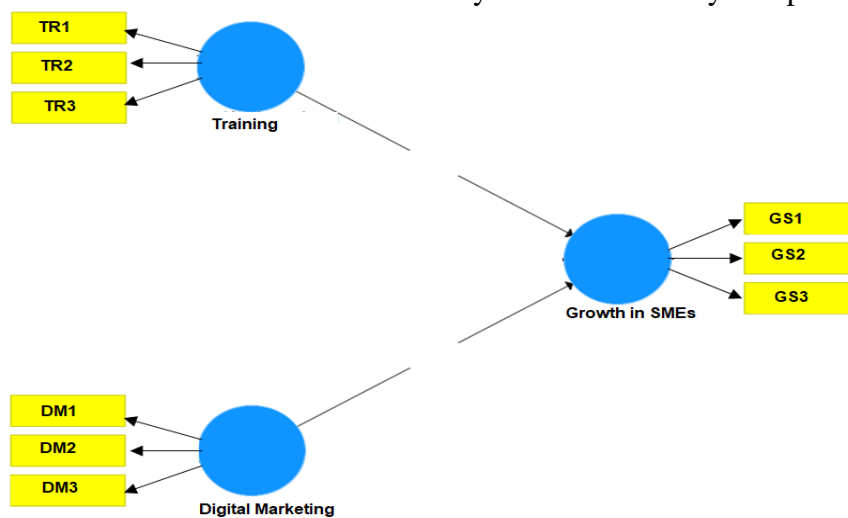
Entrepreneurship and digital marketing training is one of the most important steps to build and develop the Indonesian economy. One of the fundamental problems that has been a major challenge for the Indonesian nation until now is the problem of economic development. In fact, national development. In this case, the problem faced by the Indonesian nation is that along with the increase in human resources, it actually results in an increase in unemployment. The view of society that relies more on diplomas than exploring their potential is considered to be the cause of the hampering of economic development in society, therefore, to build the Indonesian economy, the role of successful entrepreneurs in their businesses is increasingly felt. The role of entrepreneurs is increasingly important in building the Indonesian economy, because development will be more successful if supported by entrepreneurs who are successful in their businesses. Entrepreneurship is a potential for development, both in terms of quantity and quality of the entrepreneurs themselves. In order to face the era of free trade, we are challenged not only to prepare Human Resources (HR) who are ready to work, but also to be able to prepare and open new jobs. Opening and expanding new jobs is a very urgent need. In an effort to open new jobs, entrepreneurship training is needed for several components of society. In fact, entrepreneurship training will not run well without management, because basically human capabilities are limited (physical, knowledge, time, and training) while needs are unlimited. Seeing the developing reality. Marketing through social media is an effort to promote a product brand using electronic media/digital media that has the potential to reach consumers in a timely, personal, and relevant manner. The main purpose of marketing through social media is to attract customers and allow marketers and customers to interact through the use of electronic media by marketers to promote products or services to the market (Yasmin et. al., 2015). The type of marketing through social media includes many techniques and practices contained in the internet marketing category, such as social media marketing, content marketing, branding, web design and others. The increasingly complex needs of society for information, social media can be used as a marketing medium to support business activities and facilitate and strengthen the

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function of communication to the public (Suryani, 2014). The benefits of marketing through social media for companies and SMEs include being able to easily connect with consumers online, higher sales conversions for targeted consumers, more efficient marketing costs, being able to serve consumers in real time and the potential for increased sales power for SMEs (Handajani, et al., 2019). With the form of marketing through social media that utilizes people's knowledge of technology, it is hoped that it can increase the market share of product sales to be wider. One indicator of increasing welfare of MSMEs is increasing sales turnover, one way to achieve which is by maximizing marketing strategies through social media (Hapsoro et. al., 2019). More creative product marketing methods using technology media are expected to increase sales access and access to higher income for micro-businesses in general, and especially for micro-businesses in Desa Di Nias. This research on MSMEs in Desa Di Nias aims to (1) identify problems and obstacles in MSME products; (2) introduce and educate how to market products through the use of digital marketing media to increase market share and reach consumers more widely. By increasing understanding and raising awareness for business actors about products and digital marketing, selling power can be increased through sales methods that are responsive to consumer needs. In the future, business actors can independently use marketing methods through social media to support product sales so that they can increase market share and income for MSMEs so that they can be financially independent.



**Figure 1. Conceptual Framework**

H1: Training has an effect on the growth of SMEs in Nias.

H2: Digital marketing has an effect on the growth of SMEs in Nias.

### METHOD

This research was conducted on SMEs in the Village of Nias Regency, North Sumatra Province, Indonesia. The population in this study were business actors totaling 115 respondents. Sampling was carried out using quota sampling, namely 115 respondents. The data analysis technique used was Structural Equation Modeling-PLS (SEM-PLS) analysis. All tabulation and data management used SMART-PLS software. Hipotesis Testing ( $\gamma$  and  $\lambda$ ) conducted using the Bootstrap resampling method with a minimum

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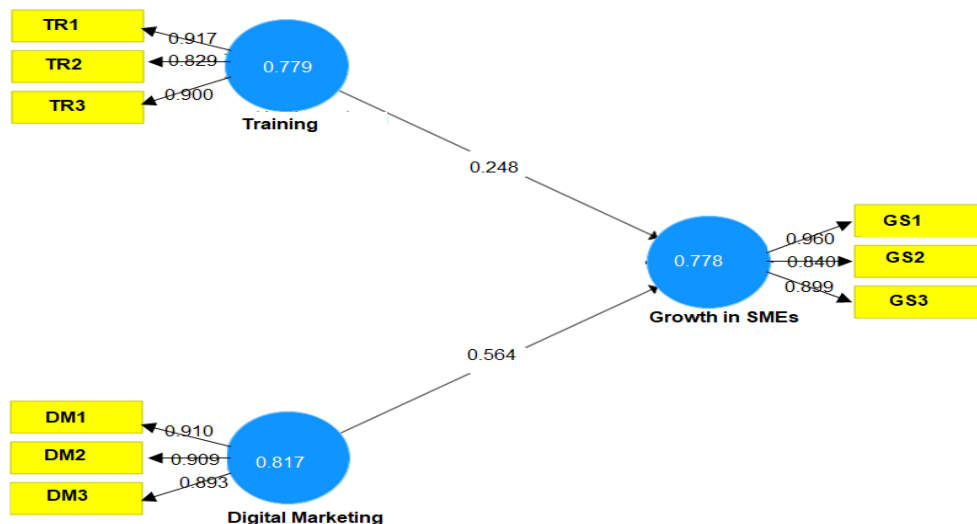
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number of bootstraps of 115 and the number of cases must be the same as the number of observations in the original sample.

- The statistical hypothesis for the inner model is:  
 $H_0 : \gamma_i = 0$  (the i-th exogenous variable is not significant)  
 $H_1 : \gamma_i \neq 0$  (the i-th exogenous variable is significant)
- The hypothesis for the outer model is:  
 $H_0 : \lambda_i = 0$  (the i-th indicator is not significant)  
 $H_1 : \lambda_i \neq 0$  (i-th indicator is significant)

P testing with t-test statistics as follows : If the t statistic obtained is greater than the critical z value at 2 tails, including 1.65 (at a significance level of 10%), 1.96 (at a significance level of 5%), and 2.58 (at a significance level of 1%), then it can be concluded that the path coefficient is significant and vice versa.

### RESULTS



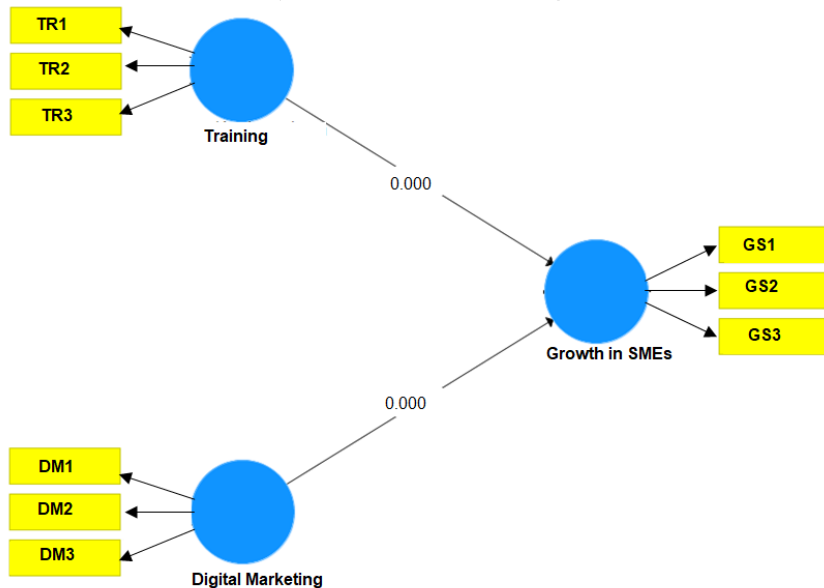
**Figure 2. Loading Factor**

The results of processing using SmartPLS can be seen in Table 4.3. The outer model value or correlation between constructs and variables has met convergent validity because the indicators have loading factor values above 0.60 so that they are worthy of being continued in the following analysis.

**Tabel 1. Composite Reliability**

	Cronbach...	rho_A	Composi...	Average ...
Growth.....	<b>0.942</b>	<b>0.942</b>	<b>0.958</b>	<b>0.851</b>
Training.....	<b>0.888</b>	<b>0.893</b>	<b>0.931</b>	<b>0.817</b>
Marketing...	<b>0.857</b>	<b>0.866</b>	<b>0.913</b>	<b>0.778</b>

Based on table 2, it can be concluded that all constructs meet the reliable criteria. This is indicated by the composite reliability value above 0.70 and AVE above 0.50 as recommended criteria.



**Figure 3. Borstiping Test**

1. The Influence of Entrepreneurship Training on the Growth of Village SMEs in Nias  
 From the graph, the calculated t value of 5.977 is greater than the t table of 1.977 with a probability of t, namely sig 0.000, which is smaller than the significance limit of 0.05. This means that the Entrepreneurship Training variable (X1) has a significant effect on the Growth of UKM products in Nias.
2. The Influence of Digital Marketing on the Growth of Village SMEs in Nias  
 From the graph, the calculated t value of 6,682 is greater than the t table of 1.977 with a probability of t, namely sig 0.000, which is smaller than the significance limit of 0.05. This means that the Digital Marketing variable has a significant influence on the Growth of UKM products in Nias (Y).

## DISCUSSION

The test results provide empirical evidence that Entrepreneurship Training has a positive and significant effect on SME Growth, which proves that the hypothesis is accepted. This means that the better the Entrepreneurship Training shown to SME business actors, the better it will increase the Growth of SME Business Actors. The results of this study are consistent with the findings of Pradipta, Surya, and Suprapti's (2013) research which explains that SMEs have consistently shown strength in maintaining business growth rates and job creation over the years. The ability of SMEs to learn and acquire knowledge is a crucial step that ultimately determines whether SMEs can advance to the next level of development (Pradhan et al., 2018). The adoption of productive entrepreneurship training in SMEs can change the shape and nature of their businesses worldwide. With this study, researchers provide an overview of training and SMEs in previous studies with a systematic mapping study approach. The ability of participants to use marketing applications is still less than optimal so that special training is needed. In

addition, there is a lack of innovation from participants in coming up with creative ideas in finding new products and marketing them. From these results, it can be concluded that there is still a need for socialization and tiered training for novice entrepreneurs about finding new products and marketing them that can improve their economy. The test results provide empirical evidence that Digital marketing has a positive and significant effect on SME Growth, which proves that the hypothesis is accepted. Of course, these findings show how Digital marketing can affect SME Growth so that it is hoped that Business Actors will be able to build their Digital marketing so that SME Growth Business Actors can be increased. The results of this study are consistent with the theory of Schurr and Ozanne (1985) which explains that Digital Marketing is caused by three beliefs - integrity, benefits, and ability - namely a hope of one party that the words, promises, or statements of the other party can be relied on. Customer Digital Marketing is a fundamental long-term determinant of Business Actors' behavior (Lee et al, 2011). Therefore, Business Actors' purchase intentions are influenced by Business Actors' Digital Marketing (Harris and Goode, 2010). Previous literature suggests that customer Digital Marketing is a determinant of Business Actors' purchase intentions (Schlosser et al., 2006). If buyers have Digital Marketing experience with sellers, they will have increasing purchase intentions. Thus, Business Actors' Digital Marketing is an antecedent of business growth (van der Heijden et al, 2003). Previous research shows that Business Actors' Digital Marketing will have a positive effect on Business Growth (Schlosser et al., 2006). Marketing activities are carried out intensively using digital media, starting from product promotions or offers to product sales. Digital marketing makes it easy for business people to monitor and provide all the needs and desires of potential consumers. Digital marketing also makes it easy for potential consumers to be able to search for and obtain product information just by browsing cyberspace. Buyers are now increasingly independent in making purchasing decisions based on the results of their searches anytime and anywhere. Digital marketing can reach everyone wherever they are without geographical or time limitations. Digital marketing is facilitated by various channels. Digital marketing channels generally consist of websites, search engine optimization (SEO), search engine marketing (SEM), email marketing, social media marketing (SMM), content creation, digital advertising, mobile marketing, viral marketing, affiliate marketing, online public relations (PR Online), digital media, and web analytics (Bala & Verma, 2018; Chaffey & Ellis-Chadwick, 2019).

## **CONCLUSION**

The results of this study prove that training has a positive and significant effect on the growth of SMEs where the more often SME actors receive training, the higher the income they will get. This means that the better the training shown to SME business actors, the more it will increase business growth. Digital Marketing has a positive and significant effect on the growth of SMEs where this proves the hypothesis is accepted. Of course, these findings show how Digital marketing can affect the growth of SMEs so that it is hoped that Business Actors will be able to build their Digital marketing in order to get maximum income.

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