

## Feasibility Study of Digital Administration and Digital Marketing of SMEs Products at The Investment Gallery of Manado State Polytechnic

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### Abstract

The challenges for SMEs in Indonesia are growing, especially in terms of competing in an increasingly competitive and dynamic market. One of the efforts that SMEs can undertake to enhance their competitiveness is by leveraging digital technology in managing their businesses, from administrative systems to digital marketing activities. This research aims to conduct a feasibility study of digital administration and digital marketing systems for SME products, with the research location is the Investment Gallery of the State Polytechnic of Manado, which serves as a showcase and sales platform for local SMEs' flagship products, managed by the Marketing Laboratory of the Manado State Polytechnic. This research was conducted using a survey method involving respondents from SMEs participating in the Manado State Polytechnic Investment Gallery. The collected data were analyzed using both quantitative and qualitative descriptive analysis. The observational results indicate that the majority of SMEs participating have knowledge of digital technology, but only a small portion have implemented it in their businesses. In this context, the use of digital administration and digital marketing systems can help SMEs optimize their administrative processes and enhance efficiency in managing their businesses. Additionally, the use of digital technology can assist SMEs in expanding their markets and increasing their sales. Despite the significant benefits of using digital technology in SMEs, there are still some challenges to overcome, such as the limited technological knowledge of SME owners. Therefore, the implementation of digital administration and digital marketing systems for SMEs requires a suitable approach to ensure optimal benefits.

### Keywords

*Feasibility Study, Digital Administration, Digital Marketing, SMEs, Manado State Polytechnic Investment Gallery*

## INTRODUCTION

The digitalization of economic activities has become an inevitability today, where digital technology has eliminated the barriers of distance and time that were often obstacles in economic activities. The digital economy brings forth significant opportunities and potential to be harnessed, one of which is the potential for sustainable job growth, both in the present and in the future. Digital technology enables everyone to compete to be the best in their respective fields and to continuously expand their horizons limitlessly. This also applies to small and medium-sized enterprises (SMEs), as the demand for digitalization becomes increasingly crucial to enhance their businesses and ensure they are not left behind by technological advancements, thus enabling them to remain competitive in their ventures. Currently, mastery of digital technology has become one of the key assets for enhancing the competitiveness of a business.

SMEs must undergo digital transformation in every aspect of their business, including digitalization in administrative and marketing activities. Digital transformation in SMEs should extend to fundamental administrative activities such as correspondence, record-keeping, and document management. Through digitalization, all data related to operational business activities will be stored and organized systematically, making it easy to access and utilize to support the growth and development of the business.

In terms of digital technology, everyone wants to experience the convenience and efficiency it offers. Several key aspects of digital administration can be benefited by digital technology including improving data storage and retrieval efficiency, automation of all forms of generated data, and, of course, enhancing the quality of services. These are often overlooked by business owners, who commonly underestimate the importance of digital administration in supporting their businesses.

Effective business administration will have an impact on improving other operational activities such as marketing. Nowadays, marketing activities are closely linked to digital technology. Generally, SMEs utilize digital technology in their marketing processes to expand their market share for the products they sell. This utilization includes the use of online marketing media, which can lead to growth and increased sales of marketed products, enabling business owners to maximize profit potential. Achieving substantial monthly profits is undoubtedly one of the biggest dreams for every entrepreneur because money is the lifeblood of business.

As for the alignment of digital administration with digital marketing, it is expected to help SMEs optimize their administrative processes and improve efficiency in managing their businesses. The use of digital technology can also assist SMEs in expanding their markets and increasing their sales. Undeniably, concurrent knowledge related to these two aspects is still relatively scarce among business owners. Observations show that the majority of participating SMEs have knowledge and experience with digital technology, but only a small portion has implemented it in their businesses. However, despite the significant benefits of using digital technology in SMEs, there are still some challenges to overcome, such as investment costs and

the limited technological knowledge of SME owners. Therefore, the right approach is needed to implement digital administration and marketing systems for SMEs to provide optimal benefits.

This article will discuss a research study aimed at examining the extent of the impact of operating digital administration and digital marketing on business owners. This research will explore various strategies for the effective use and utilization of digital administration and digital marketing to enhance the effectiveness and efficiency of business operational activities. This research is expected to provide a comprehensive solution to address the challenges faced by SMEs in delivering excellent customer service.

The chosen partners to support the research concept and serve as research samples are SME owners who market their products at the Investment Gallery of the State Polytechnic of Manado. The products offered are diverse, including culinary items, Manado-themed souvenirs, fashion, and more. These products have been well-received by various groups, including official visitors, who often conduct site visits to shop for various products available at this location, yet the students and all campus citizens. Therefore, this research will contribute to enhancing the competitiveness, sales, and services of SME owners at the Manado State Polytechnic (Polimdo) Investment Gallery. (Calibri 12).

## **LITERATURE REVIEW**

### ***The Concept of Digitalization***

According to Asaniyah (2017), the definition of digitalization is "a process of changing the medium from print to electronic form." This aligns with the opinion of Marilyn Deegan in Mustofa (2018), who interprets that "digitalization is the process of converting all forms of printed or other document presentations into digital form." In this context, all documents, including audio, video, and others, are transformed into digital form to minimize risks.

### ***Business in the Digital Era***

In this digital economy era, the efforts to fulfill scarce human needs in the present time are carried out by utilizing information technology devices, more specifically, by using internet facilities. Business activities through the internet transform internal and external relationships to create value and exploit market opportunities driven by new regulations known as the connected economy (Drobik in Karneli, 2014).

The phenomenon generally accepted means that traditional factors of production, namely capital and labor, are no longer the primary determinants of economic strength (Saturnino et al., 2021). Here are some business activities that can be conducted through the internet, commonly known as digital business, such as: E-Business, Paperless Office, E-Commerce, and Online Trading.

### ***Administration in Business Activities in the Digital Era***

The field of administration, as a decision-making process in an organization, involves the activities related to how an organization processes and analyzes information. Initially, the advancement of information technology focused on data, including data collection, storage, transmission, and

presentation. However, today's technology advancement places more emphasis on the information contained within the data. Furthermore, the use of administration with the aid of technology can integrate all the processes within an organization to produce faster and more organized output.

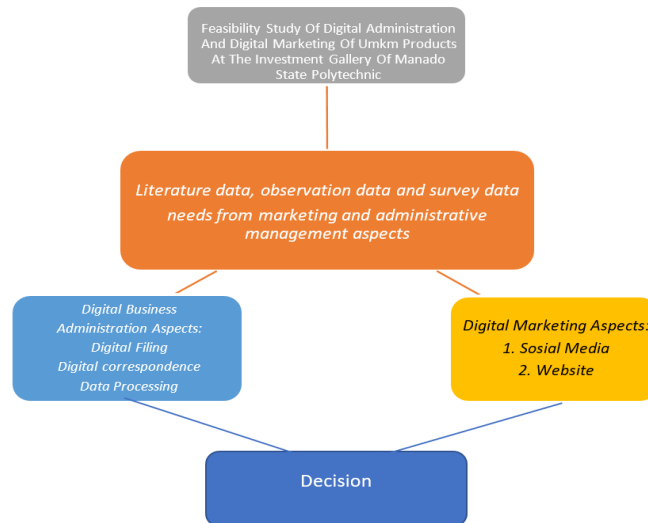
**Digital Marketing**

According to Wati (2020), Digital Marketing is a general term for marketing goods or services that are targeted, measurable, and interactive using digital technology. The primary goal of digital marketing is to promote a brand, shape preferences, and increase sales traffic through various digital marketing techniques. Other terms for digital marketing include online marketing or internet marketing. Digital marketing is essentially similar to traditional marketing, but what sets it apart are the tools used. According to Wati (2020), the types of Digital Marketing include: Website, Social Media Marketing, Search Engine, Email Marketing, and Online Advertising.

**Feasibility Study**

A feasibility study, also known as a feasibility analysis, is an in-depth examination of a business or project that is to be undertaken to determine whether it is viable or not. It involves a comprehensive investigation of the data and information related to the endeavor, followed by measuring, calculating, and analyzing the research findings using specific methods (Aldy, 2017). There are five objectives or reasons why a feasibility study should be conducted before starting a business or project: Avoiding Loss Risks, Facilitating Planning, Facilitating Work Execution, Facilitating Supervision, and Facilitating Control (Karneli, 2014).

**Feasibility Study Thinking Flow**



**Figure 1. Feasibility Study Thinking Flow**  
*Compiation Sources by Researcher, (2023)*

**METHODS**

The strategy used in this research is the survey method. Where this research chooses quantitative and qualitative analysis. Quantitative analysis in this research aims to examine the extent of the implementation of Digital Administration and Digital Marketing by SME actors at the Manado State Polytechnic (Polimdo) Investment Gallery. It uses data collected from questionnaires administered to SME owners at the Manado State Polytechnic (Polimdo) Investment Gallery. The measurement of Digital Administration and Digital Marketing variables used by the author to analyze the data is done using a Likert scale. On the other hand, Qualitative Analysis in this research aims to examine the impact of the implementation of Digital Administration and Digital Marketing by SME actors at the Manado State Polytechnic (Polimdo) Investment Gallery. Qualitative analysis uses data collected from stakeholders, including gallery managers, consumers, and the institution's leaders at Manado State Polytechnic (Polimdo). The qualitative data collection technique in this research uses interviews, where this technique involves face-to-face interaction with the interviewees, but a list of questions can also be provided in advance to be answered at a later time.

**RESULT AND DISCUSSION**

To support quantitative analysis, a total of 15 respondents who agreed to participate in the study were selected for data collection through questionnaires and interviews. This is based on the sample criteria used, which include being actively registered users of the investment gallery for buying and selling transactions, maintaining stock inventory, and having no product returns to SME owners in the last 3 months. Meanwhile, to support qualitative analysis, 6 primary informants were selected as sources of information, including institution leaders at Manado State Polytechnic (Polimdo), lab administrators, consumers, and SME owners.

In general, the quantitative data obtained have adhered to the applicable statistical principles, as evidenced by:

- a. All items related to Digital Administration were declared valid with a calculated r-value (average) of 0.689 compared to the table r-value of 0.514. Similarly, all items related to Digital Marketing were also deemed valid with a calculated r-value (average) of 0.888 compared to the table r-value of 0.514.

**Table 1. Validation Test of Digital Administration**

Validity test of Digital Administration			
Question item	Stat. Product Moment	Validity	description
1	0.514	0.691	Valid
2	0.514	0.666	Valid
3	0.514	0.796	Valid
4	0.514	0.632	Valid
5	0.514	0.823	Valid
6	0.514	0.531	Valid

*Data Processing by Researcher (2023)*

**Table 2. Validation Test of Digital Marketing**

Validity test of Digital Marketing			
Question item	Stat. Product Moment	Validity	description
1	0.514	0.948	Valid
2	0.514	0.921	Valid
3	0.514	0.945	Valid
4	0.514	0.738	Valid

*Data Processing by Researcher (2023)*

- b. For both Digital Administration and Digital Marketing data, they were found to be reliable, with Cronbach's alpha values of 0.837 (Digital Administration) and 0.868 (Digital Marketing). In other words, statements were considered reliable if the Cronbach's alpha coefficient exceeded 0.6.

**Table 3. Reliability Test Digital Administration and Digital Marketing**

Variable	Cronbach's Alpha	Validity	description
1	0.837	6	Reliable
2	0.868	4	Reliable

*Data Processing by Researcher, (2023)*

- c. Based on the descriptive statistical table above, data processing through descriptive statistical analysis using Excel for Digital Administration and Digital Marketing variables showed a normal distribution with standard deviations of 3.4 and 3.2, respectively. Therefore, the data used met the criteria for quantitative analysis.

**Table 4. Descriptive Statistic Test**

Descriptive Statistic	Digital Administration	Digital Marketing
	Mean	19.8
Standard Error	0.879	0.838
Median	18	17
Mode	18	17
Standard Deviation	3.405	3.248
Sample Variance	11.6	10.6
Kurtosis	-0.836	-1.480
Skewness	0.685	-0.585
Range	11	9
Minimum	15	9
Maximum	26	18
Sum	297	217
Count	15	15

*Data Processing by Researcher (2023)*

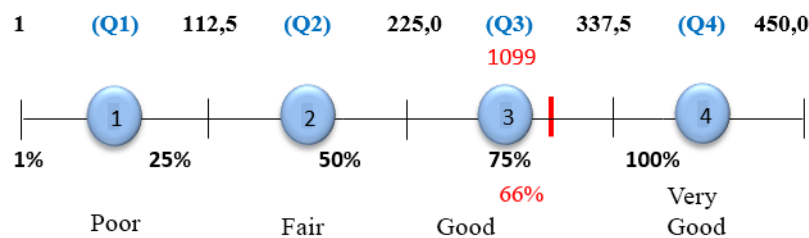
Meanwhile, the implementation of Digital Administration for SME owners can be observed through Total Score analysis. Respondents' answers regarding Digital Administration fell between quartiles 2 and 3, indicating a moderate level or in 66%. This suggests that there is still a 34% gap that needs attention and improvement. The data shows that digital administrative

systems are not widely used by SME owners in the Manado State Polytechnic (Polimdo) Investment Gallery. Specifically, the adoption rates for digital archiving, digital correspondence, and data processing are only 13%, 40%, and 6%, respectively.

**Table 5. Digital Administration Implementation by SME in Galeri Investasi Politeknik Negeri Manado**

No	SME Owner	Product Name	Digital Administration Implementation		
			Digital archiving	Digital Correspondence	Data Processing
1	Mykselin Tadameng	D&D Florist		Gmail, google drive, whatsapp	
2	Ardon Fridolin Honga	Kartika	Google drive	Gmail, whatsapp	
3	Karen Maramis	Pengulet			
4	Juliet Makinggung	Kaos Souvenir		Gmail, whatsapp	
5	Imanuel Tumangkeng	Minuman Herbal		Gmail, whatsapp	
6	Wayan Sudana	Kripik Upi			
7	Novael Birda	Gantungan Kunci			
8	Teguh Bagus Saktiawan	Teguh AuG Store			
9	Joko Darman	Braclet			
10	Sutikno Sutjipto	PT Coco Teguh Indonesia			
11	Fuad Ahmadi	Ahmadi Top Up			
12	Rizky Ahmad	Ahmad Store			
13	Mayriana Kalali	Hattop			
14	Adelaida Joroh	The Galeri		Gmail, whatsapp	
15	Mauren Ransun	Herbs	Googgle Drive	Gmail, google drive, whatsapp	Spreadsheet

*Data Processing by Researcher (2023)*



**Figure 2. Digital Administration Implementation Total Score**

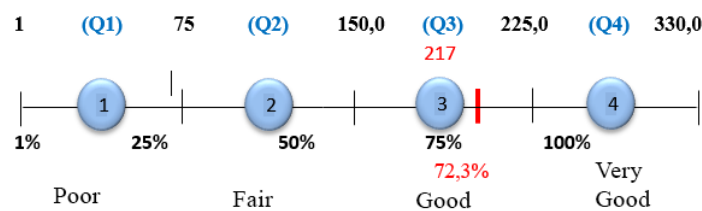
*Data Processing by Researcher, (2023)*

The implementation of Digital Marketing for SME owners can also be seen through Total Score analysis. Respondents' answers regarding Digital Marketing also fell between quartiles 2 and 3, indicating a moderate level is 72,3%. This suggests that there is still a 27.7% gap that needs attention and improvement. Among the respondents, 75% of SME owners use social media as an online marketing tool, while only one question related to the website received a low score. This indicates that digital marketing systems are being used but not optimally by SME owners in the Manado State Polytechnic (Polimdo) Investment Gallery.

**Table 6. Digital Marketing Implementation by SME in Galeri Investasi Politeknik Negeri Manado**

No	SME Owner	Product Name	Digital Administration Implementation	
			Social Media	Website
1	Mykselin Tadameng	D&D Florist	Facebook	
2	Ardon Fridolin Honga	Kartika	Facebook, Instagram, youtube	
3	Karen Maramis	Pengulet	Facebook, Instagram, tiktok	
4	Juliet Makinggung	Kaos Souvenir	Facebook	
5	Immanuel Tumangkeng	Minuman Herbal	Facebook, Instagram	
6	Wayan Sudana	Kripik Upi	Facebook, Instagram	
7	Novael Birda	Gantungan Kunci	Facebook, Instagram	
8	Teguh Bagus Saktiawan	Teguh AuG Store	Facebook, Instagram, tiktok	
9	Joko Darman	Braclet		
10	Sutikno Sutjipto	PT Coco Teguh Indonesia		
11	Fuad Ahmadi	Ahmadi Top Up		
12	Rizky Ahmad	Ahmad Store		
13	Mayriana Kalali	Hattop	Facebook, Instagram, youtube, tiktok	
14	Adelaida Joroh	The Galeri	Facebook, Instagram, youtube, tiktok	
15	Mauren Ransun	Herbs	Facebook, instagram	

*Data Processing by Researcher (2023)*



**Figure 3. Digital Marketing Implementation Total Score**

*Data Processing by Researcher (2023)*

Based on qualitative analysis, the impact of Digital Administration, as revealed through interviews with SME owners, has not significantly affected their operational activities. They face challenges, including a lack of detailed knowledge about managing digital administration. Nonetheless, some SME owners have made efforts to manually record income and expenses through books or Excel software. While this may reduce administrative efficiency, it also results in suboptimal administrative systems for these business owners. However, a few SME owners have started using digital archiving tools like Google Drive and digital correspondence through email.



Based on qualitative analysis, the impact of Digital Marketing, as observed through interviews with the investment gallery managers, indicates that the use of digital marketing by individual SME owners is still not optimal. They are urged to expand their market penetration with a target sales increase of 0.05% for each product. Expanding the available digital marketing options, such as a website, is suitable for SME owners in the Manado State Polytechnic (Polimdo) Investment Gallery. Additionally, according to consumer interviews, product range and pricing need to be adjusted by SME owners. Equally important, based on feedback from the institution's leaders at Manado State Polytechnic (Polimdo), there are opportunities to target a broader market through partnerships that facilitate SME owners in offering their products online to the global market, including foreign tourists.

Overall, the feasibility analysis of the digital administration and digital marketing systems is deemed feasible. While not all aspects were deemed feasible, many other aspects indicate that these systems are suitable for implementation. This is supported by the fact that some SME owners are already using digital archiving tools like Google Drive and digital correspondence through email. Furthermore, SME owners have an adequate digital marketing system, especially on social media platforms. Therefore, a platform should be created to accommodate these practices.

## CONCLUSION

- a. In terms of the implementation of digital administration systems, SME owners in the Manado State Polytechnic (Polimdo) Investment Gallery have already started using them, but it is limited to digital archiving tools like Google Drive, digital correspondence via email, and data processing software like MS Excel.
- b. In terms of the implementation of digital marketing systems, 75% of SME owners in the Manado State Polytechnic (Polimdo) Investment Gallery use social media as an online marketing tool.
- c. Digital administration systems by SME owners in the Manado State Polytechnic (Polimdo) Investment Gallery has not yet had a significant impact on their operational activities. This is due to a lack of detailed knowledge about digital administration management.
- d. Digital marketing systems by SME owners in the Manado State Polytechnic (Polimdo) Investment Gallery is not yet optimal, but these owners are encouraged to expand their market share through collaboration with Manado State Polytechnic (Polimdo), and there is a need for expanding available digital marketing options, including a website.
- e. Overall, the feasibility analysis of digital administration and digital marketing systems is considered feasible, with some notes for improvement.

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