

Digital Marketing Channel Optimisation and Application of Search Engine Advertising (SEA) and Social Media Advertising for SMEs

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Abstract— Internet and Web 2.0 have changed the old ways of marketing into something more efficient and effective. It also helps to create more engagement by the consumers. In this paper, the author tried to optimise the use of digital marketing and also creating a strategy to build exposure through digital channel for an SME called Ultimate Education. Ultimate Education is an SME that is working in English Course Industry specifically in IELTS preparation. Field observation, In-Depth Interviews, and Surveys were conducted to be able to optimise the use of digital marketing, specifically Instagram, and to create exposure building strategy through Search Engine Advertising (SEA) and Social Media Advertising.

Purpose— The study on this paper aimed to increase sales and to create exposure of the SME.

Design / Methodology / Approach— The methodology used in this paper is business coaching, with Ultimate Education as the subject of the research. Primary data was obtained from in-depth interview and field observation. The secondary data was obtained from the SME's financial report, database, internet and management books. Qualitative methods were used to analyse the data.

Findings— The study shows that SMEs especially Ultimate Education, did not understand how to optimize the use of their digital marketing channel and how to increase their exposure with SEA and Social Media Advertising. Meanwhile, their target market usually finds information with search engine and social media. This leads to lack of awareness of Ultimate Education in the market.

Research Limitations / Implications— The results of the study only can be used for SMEs with similar target market with Ultimate Education and SMEs that has digital marketing channel as their media of promotion.

Originality / Values— This study provides detailed information about Ultimate Education and the competitive landscape of English Course Industry in Indonesia.

Keywords— Advertising, Digital Marketing, Digital Media Channel, Business Coaching, Search Engine Advertising, Social Media Advertising, Social Media Marketing.

1 INTRODUCTION

THE crisis that occurred in Indonesia in 1997, quite shook the Indonesian economy. This awakened the economic people to learn by keeping a close watch on economic development that truly has a solid structure and can withstand any conditions (Suci, 2017). In the monetary crisis that took place from 1997 to 1998, only the small and medium enterprises (SMEs) sectors were able to survive. According to the Central Bureau of Statistics, in this situation, the number of SMEs in Indonesia were stable and kept rising and absorbed 85 million to 107 million workers until 2012.

Therefore, the role of SMEs is quite large for Indonesia's national economy. There are 59.2 million business units or as many as 99.9% of SMEs in Indonesia today (Yasmin, 2018). In addition, SMEs in Indonesia absorb 97% of the national workforce (Putra, 2018). With the growing number of SMEs in Indonesia in recent years, Indonesian SMEs have con-

tributed 60.34% to Indonesia's gross domestic product (GDP). Which concluded that SMEs have become an important part of the Indonesian economy that the government should continue to maintain and give close attention to.

Not all successful SMEs run perfectly and did not meet any disturbance during the process of building their success. To improve their business capabilities, before succeeding in the market, they have to go through many complex conditions with several indicators that are interrelated with one another. These weaknesses include the lack of capital both in terms of the total number of capital and source of capital, lack of ability of the employers to manage and organize, and limited marketing capabilities. Moreover, there are already many competitors in the market which already within a highly saturated market and also the economic condition was pressuring the SMEs with all the regulations which narrowing the busi-

ness scope.

In the English language course industry, there are 4,424 English language courses located in Indonesia. With large number of English language courses, Ultimate Education as an IELTS preparation class institution feels challenged to enter into a wider market. In addition to competing with each other, Ultimate Education also has to compete not only with fellow IELTS preparation classes but all English language courses in the country.

With the rising number of scholarships for Indonesian students, such as LPDP (Lembaga Pengelola Dana Pendidikan) that will increase the number of scholarships from 2,550 students in 2017 to 5,000 students in 2018, the need for IELTS preparation classes is also increasing. Many business players are starting to enter the industry and become competitors for Ultimate Education. The increasing number of English language preparation class institutions in Indonesia, making competition more difficult than before. Since mid-2018, the number of registrants entering Ultimate Education has been reduced due to intense competition. The data is as shown below.

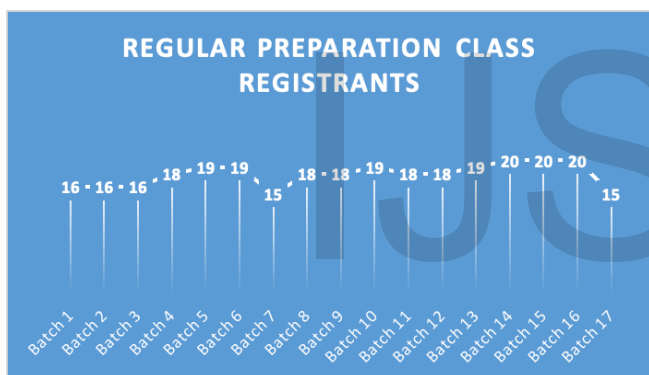


Figure 1.1 Regular Class Student Registrants of Ultimate Education
(Source: Ultimate Education Database)



Figure 1.2 Intensive Class Student Registrants of Ultimate Education
(Source: Ultimate Education Database)

At the end of the year, it should be the time for scholarships openings for new semester of the following year. For example, in the United Kingdom, most deadlines for bachelor degrees are closing in January 2019. Which means before that, prospective students must begin preparing for their IELTS test to be accepted in the university (Complete University Guide UK, 2018). However, it can be seen from the data on both charts regarding the number of registrants are decreasing, and this makes Ultimate Education feel that they must add their marketing channels by further highlighting their competitive advantage that is superior to their competitors in the Indonesian market, especially in Jabodetabek (Jakarta, Bogor, Depok, Tangerang, and Bekasi) region.

Currently, what Ultimate Education has done is promoting their business with the use of Instagram and Facebook accounts by displaying contents that mentioning programs that will run soon, benefits obtained by students, and sometimes they also do user engagement by making questions about English. Even though they already have a social media account, the Instagram feed structure is still not properly organised and the use of social media, especially Instagram, is still not optimized.

That way, to further highlighting their value, Ultimate Education feels the need to use a marketing channel that can reach more people but does not cost a lot of money. Therefore, Ultimate Education feels that using digital marketing such as Social Media Ads and Search Engine Advertising is needed to increase their exposure to the target market they are trying to reach.

2 FRAMEWORK

In order to do the analysis of Ultimate Education, this study divided the analysis into five parts which are, market opportunity analysis, marketing mix analysis, internal analysis, SWOT analysis, and GAP analysis. The framework analysed is as discussed below.

2.1 Market Opportunity Analysis

To analyse the opportunity of Ultimate Education in the market, 3Cs framework was used:

- Context Analysis
During the context analysis, the author used PESTLE (Political, Economic, Socioeconomic, Technological, Legal, and Environment) analysis to understand what are the external factors that the company has no or limited control over which may affect the business. Changes in some factors may impact the industry as a whole which also impacting the creation of competitive advantage to compete in the market.
- Competitor Analysis

Understanding the competitor will be very important for a business. Hence, competitor analysis will be so much helpful for building strategies. Porter's Five Forces Analysis will be conducted to understand how is the current condition of the industry.

- Customer Analysis

Knowing the customers of the business should help the company to understand what are their needs and wants and help on creating communication strategies. This section will be conducted by using 5Ws Analysis (Who are our current and potential customers? What do customers do with our products? Where do customers purchase our products? Why do customers select our products? And why potential customers do not purchase our products?) and also Segmenting, Targeting and Positioning (STP) Analysis.

2.2 Marketing Mix Analysis

Marketing Mix Analysis was conducted to analyse all marketing aspects that is used by the company to reach their targeted market. The analysis starts from analysing the products of the company, the pricing strategy, the promotional mix, the place of selling and the distribution. Because the subject in this paper is a service business, extended marketing mix is used and adding on analysing the people, the service process and also the physical evidence the company provides.

2.3 Internal Analysis

Internal analysis was carried out to identify and analyze the benefits of resources from companies for the company's business. Internal analysis was also conducted to see the competitiveness of companies based on internal conditions.

- Value Chain Analysis

The analysis was conducted to find out the activities carried out by the company to create value that can be enjoyed by customers.

- Fishbone (Cause and Effect) Analysis

Fishbone (Ishikawa) diagram is a model for searching correlations between events (effects) with several causes found in the company. The structure of Ishikawa's diagram can help companies to think systematically. This technique is usually used by manufacturing companies, but nowadays it is also often used by service companies (Wirtz & Lovelock, 2016).

- Flower of Service Analysis

Flower of service analysis is an analysis that analyzes core services offered by companies and also supporting services for core services themselves (Wirtz & Lovelock, 2016). In the flower of service analysis, supporting services are divided into two, facilitating supplementary services and enhancing supplementary services. For facilitat-

ing, the concern is grouped into several aspects, such as information, order-taking, billing, and payment (Wirtz & Lovelock, 2016). Whereas for enhancing, the aspects are consultation, hospitality, safekeeping, and exceptions.

- Business Model Canvas (BMC) Analysis

Business Model Canvas (BMC) is an analytical tool created by Osterwalder and Pigneur (2010) which is used to describe business models in a framework which includes the way companies create, deliver, and capture the values or principles of the company. Osterwalder and Pigneur (2010) divide the business model into 9 canvas that tells people who read it will understand in broad outline what process and activities are being undertaken by the business. The 9 blocks include value propositions, customer segments, channels, customer relationships, revenue streams, key resources, key activities, key partners, and the last cost structure.

2.4 SWOT Analysis

In running a business, to determine the business strategy that you want to use to achieve maximum business performance, companies must analyze their internal strengths and weaknesses. In addition, companies must also analyze their external opportunities and threats that occur in the industry they live in.

2.5 GAP Analysis

GAP analysis is a tool used to identify differences between actual conditions and expected ideal conditions, to then determine what steps need to be taken to move from the actual conditions to ideal conditions.

3 METHODOLOGY

Data collection for the implementation of business coaching was carried out on Ultimate Education using a qualitative approach. With a qualitative approach, researchers immediately take research data centered on organization, business, economics, and others, and this approach is done by collecting data through several research methods (Greener, 2008). The data collected in this study is divided into two, namely primary and secondary.

Primary data was obtained directly from the object of research, namely Ultimate Education. The primary data collection carried out in this study was in-depth interview and also observation. According to Myers (2013), in-depth interviews are a method of extracting extensive data from people in any situation and role. In addition, by conducting in-depth interviews, interviewees can use their own language in expressing their opinions, not because they are forced by the

interviewer. The job of the interviewer is simply to hear, suggest, encourage, and give direction to interviewee (Myers, 2013).

When taking primary data with in-depth interviews, it was conducted with Mr. Jimmy who acted as the owner of Ultimate Education that had been established since 2017. Interviews were conducted so that researchers could find out the reasons and motivations of the owners in running this business, and also in addition to obtain relevant data for this business coaching activity. In addition to Mr. Jimmy, a freelance employed by Mr. Jimmy named Retta was also interviewed to find out about the process of the business so far and also asked some operational problems that usually occur during the business process.

The next method used in primary data collection in the implementation of business coaching is observation. Observation activities are when researchers collect data about research objects using ways of interacting with people who and observe them in their natural state (Myers, 2013). Observations made on Ultimate Education are intended to understand the real learning environment of Ultimate Education, to find out how the learning system is, and also how the service takes place during the preparation classes. In addition, observations were also made to further explore the data provided by the owner, Mr. Jimmy, about the SME's business process.

The next data collected was secondary data, where the data were collected through journals, scientific articles, books and other trusted sources. Secondary data is used to strengthen the information and knowledge gained in the education industry business and also to find the best method in helping researchers to solve SME problems.

4 FINDINGS

After the analysis was done it was found that the problem for Ultimate Education was lack of promotional activities.

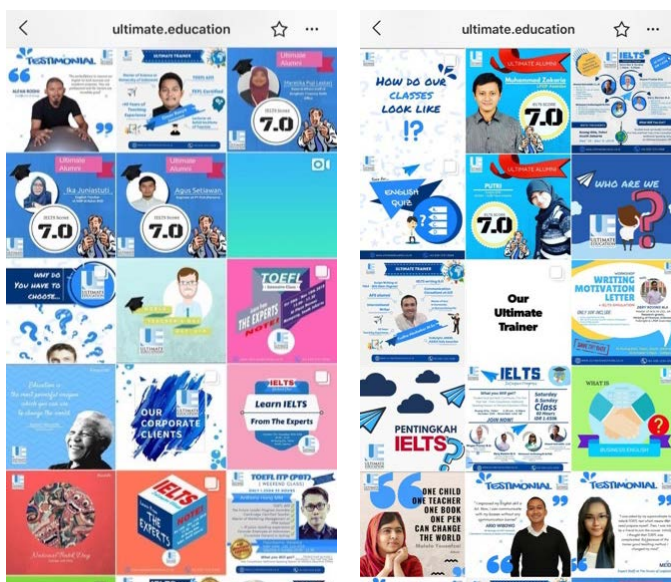


Figure 4.1 Instagram Feed before Optimization
Source: Instagram (2018)

- Marketing Mix Analysis**
After all aspects from marketing mix was analysed, the aspect that need to be improved the most is the promotional activities. Ultimate Education only did promotion through their Instagram while they did not have the proper structure to create the Instagram as the promotional channel. Moreover, the strategy to increase exposure was also not used. Hence, the potential students were not reached and the number of registrants were decreasing.
- Fishbone Analysis**
The problem that became the concern of Ultimate Education was the decreasing number of registrants. After fishbone analysis was done, it was found that the communication strategy of Ultimate Education was not optimised which made their awareness in the market was not felt by their potential customers.
- Business Model Canvas (BMC) Analysis**
With all the nine aspects analysed, consistent with another analysis, the channels used by Ultimate Education is not yet optimised since the website is not updated by the owner, the Instagram, where they mostly did their promotion activity, was also did not properly organised. Hence, the digital marketing channel should be improved.
- SWOT Analysis**
Before they can handle the threats, moreover the opportunities, they should able to tackle their weaknesses first. During the analysis, it was found that the weakness Ultimate Education has is their lack of budget that leads to minimum marketing activities. Hence, internet marketing or digital marketing was supposed to be optimised because they are the most affordable promotional channel for SMEs.

5 CONCLUSIONS AND RECOMMENDATION

Based on the analysis carried out on the condition of Ultimate Education, by implementing Business Coaching activities, it can help the main problems faced by Ultimate Education, namely the decrease in the number of registrants. It can be concluded that the promotion channel carried out by Ultimate Education is still not optimized. With that fact, it is necessary to optimize the promotion channel and also increase exposure strategies for Ultimate Education.

In that matter, the author tries to assist Ultimate Education to optimise the use of digital marketing channel by creating a planogram for Ultimate Education that could make the Instagram feed more structured and organised which lead to clearer message that company could deliver to their target market.

8	310	10
9	70	6

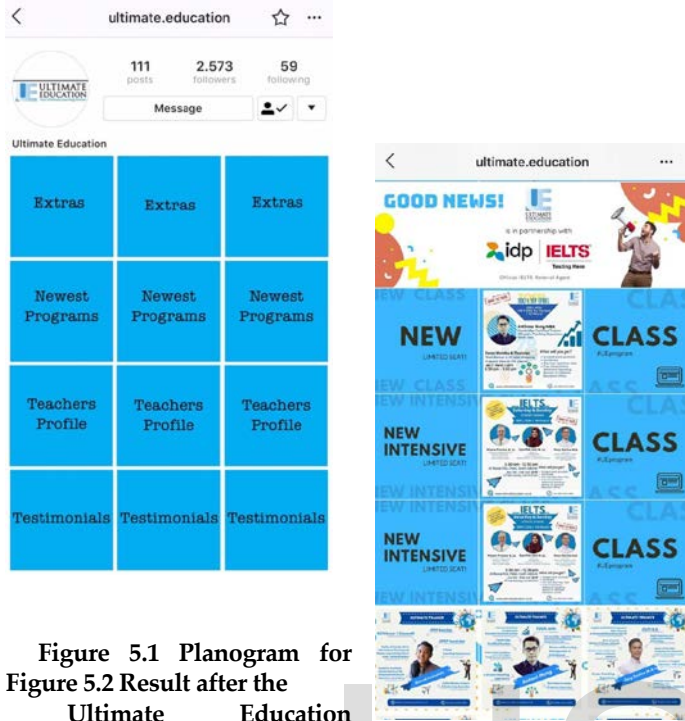


Figure 5.1 Planogram for Figure 5.2 Result after the Ultimate Education Optimization

After following the planogram suggested, the Instagram feed will look like Figure 5.2 with better structured and more strategized rather than before. Moreover, with the new structure, it could tell a story about what actually Ultimate Education’s value that they want to deliver. The data collected after the optimization was as seen in Table 4.1, where the customer engagement on Instagram platform increased significantly which means more people are interested on following Ultimate Education’s Instagram. It could be seen by the number of followers of Ultimate Education were increased from 1.982 followers to 3.376 followers in 2 months.

Table 5.1 The Engagement of Each Post After Social Media Optimization

Post	Likes	Comments
1	254	13
2	311	16
3	433	24
4	922	11
5	65	4
6	401	12
7	842	16

After the Instagram feed was optimized, the author was also assisting the owner of Ultimate Education to create a strategy to build exposure by using search engine advertising and also social media marketing through Google Ads and Instagram Ads. The advertisement is as seen in Figure 5.4 and Figure 5.5.



Figure 5.4 Display of Ultimate Education’s Instagram Ads



Figure 5.5 Display of Ultimate Education’s Google Ads

After using Instagram Ads and Google Ads, the performance of Ultimate Education’s Instagram and Website were increased. It can be seen from Table 5.2, where it shows the results of Instagram Ads Analytics and also Table 5.3 where it is the result from the usage of Google Ads. As it can be seen, the number of profile visit from the ads was very high, the number of people who followed, called and intended to register for a class after the Ads. From Google Ads it can be seen from the Click-Through-Rate (CTR) where it shows 11.69% from “kursus ielts” keyword, which is very high. Usually for SMEs the CTR they could get is

only 2-3%.

Table 5.2 Instagram Analytics from Instagram Ads

People Reached	Saved	Likes	Comment	Followed	Profile Viewed	Web Clicked	Call	Hrs
27,066	86	803	7	44	413	19	4	144
4,349	5	46	2	3	38	-	-	22

Table 5.3 Analytics from Google Ads

Campaign	Clicks	Impr.	CTR	Avg. CPC	Cost
Kursus IELTS	88	753	11.69%	IDR1,402.65	IDR123,433.00
IELTS Preparation Jakarta	10	199	5.03%	IDR1,484.90	IDR14,849.00

From both table above it can be concluded that the exposure of Ultimate Education has increased and it creates more awareness of their brand. The owner was very satisfied from both social media optimization and also the application of Instagram Ads and Google Ads.

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