

Search Engine Optimization (SEO) Usage and Investment Feasibility Analysis of Digital Marketing (Google Ads)

Niken Andrianti Malfian

Abstract – This thesis discusses marketing strategies run by trainers to increase sales and customer awareness in Ryzn Embroidery. Ryzn Embroidery is one of MSMEs (Micro, Small and Medium Enterprises) that provide sales of embroidery and patches in Komplek PIK Pulogadung, East Jakarta. To find the constraints experienced by Ryzn Embroidery, the trainer conducts field observation, interviews with the owner, and investment feasibility analysis in conducting digital marketing strategy (Google Ads). Then these data become the reason of marketing strategies that will be applied in Ryzn Embroidery by trainer.

Purpose – This study aims to increase sales and customer awareness in Ryzn Embroidery.

Design / Methodology / Approach – Business Coaching. The study subjects were Ryzn Embroidery, Primary Data obtained through In-Depth Interview and Observation, while Secondary Data through Ryzn Embroidery management, internet, and management books. Results from the data above are then analyzed using Qualitative Methods.

Findings – This study shows that Ryzn Embroidery do not know how to conduct digital marketing strategy in order to optimize their website where 100% of their customers finds them through it. As a result many people are not aware of the products and services provided by Ryzn Embroidery.

Research Limitations / Implications – The results of this study can only be used by Ryzn Embroidery and other similar Workshop in Komplek PIK, Pulogadung, East Jakarta.

Originality / Value – This study provides a detailed description of the condition of Ryzn Embroidery and its competitors, as well as an overview of the embroidery industry in Indonesia.

Keywords: Search Engine Optimization, Capital Budgeting, Investment Feasibility, Digital Marketing.

Paper Type – Research Paper

1. Introduction

Micro, Small and Medium Enterprises (MSMEs) are one of the government's efforts to encourage economic growth, according to Bank Indonesia (BI) (2017) the contribution of MSMEs can encourage economic growth of up to IDR 850 trillion per year in Gross Domestic Product (GDP). According to the Central Statistics Agency (BPS) (2016), the contribution of MSMEs to the economy reached 61.41% with the absorption of employment of almost 97% of the total national workforce from the number of MSMEs which reached 60 million units.

The importance of overcoming obstacles and maximizing the potential of MSMEs is not only to contribute to GDP. MSMEs also play an important role as providers of employment and drivers of economic growth. The magnitude of the application of MSMEs in the absorption of labor plays an important role in reducing unemployment in Indonesia, especially the workforce absorbed by MSMEs is the majority of the population with low education.

The world has entered an era where the phase of digitalization began to spread to all aspects of life. Conventional methods are slowly changing into modern ways that uphold the value of effectiveness and efficiency. Indonesia as one of the countries with the most population in the world also experienced this phenomenon more or less in the last 10 years.

According to the Indonesian Internet Service Providers Association (APJII), data on internet users in 2017 increased to 143 million people, or around 51% of the total population of Indonesia. It shows that there are still many Indonesian people who have not been exposed to the digital world, one of which is the MSME business. Digital power can basically be used as a driving force for MSME businesses in Indonesia so that it can encourage the creation of markets that will indirectly increase revenues from every MSME business. In addition, MSME businessmen can also be more innovative and creative in the creation of products and / or services in order to meet market demand.

Digitizing MSMEs has become a vital thing in utilizing the technological advances that are so rapid nowadays. Increasing the use of digital economic power

can help local MSMEs open up markets and widen potential demand. For example, the transaction value of Go-Food only for martabak reaches approximately 500 billion rupiah in a year. Unfortunately, only less than 5% of Indonesia's local MSMEs have utilized the digital power. Digitizing MSMEs is an urgent matter to do. Therefore assistance and training for MSMEs needs to be carried out so that this process runs smoothly.

One of the MSMEs faced with this problem is Ryzn Embroidery, which operates in the Pulogadung Small Industry Center under the auspices of UPK PPUMKMP Pulogadung, East Jakarta. Ryzn Embroidery is engaged in the manufacture of embroidery patches, which currently have direct sales systems to customers with mainly millennial and community market segments. So far the marketing area of Ryzn Embroidery is only in the Jakarta and surrounding areas. Ryzn Embroidery's short-term target is to develop a website that is already owned to attract the market so that it is expected to increase sales. This is because 100% of orders that come from customers now come from customers who found Ryzn Embroidery through the website. While currently searching with search engines, the Ryzn Embroidery website, www.bordiranku.com, is on page 5, so a marketing strategy is needed so that Ryzn Embroidery's website can grow and attract more customers such as using search engine optimization (SEO). Search engine optimization (SEO) is a process of organizing content from a website so that it is easily found by internet users and prospective customers who are looking for content that is relevant to the website (Ryan, et al, 2009). For the long-term target Ryzn Embroidery is owning a brand where in this case Ryzn Embroidery needs to acquire more customers so as to increase brand awareness. Ryzn Embroidery's short-term target is to develop a website that is already owned to attract the market so that it is expected to increase sales. This is because 100% of orders that come from customers now come from customers who found Ryzn Embroidery through the website. While currently searching with search engines, the Ryzn Embroidery website, www.bordiranku.com, is on page 5, so a marketing strategy is needed so that Ryzn Embroidery's website can grow and attract more customers such as using search engine optimization (SEO). Search engine optimization (SEO) is a process of organizing content from a website so that it is easily found by internet users and prospective customers who are looking for content that is relevant to the website (Ryan, et al, 2009). For the long-term target Ryzn Embroidery is owning a brand where in this case Ryzn Embroidery needs to acquire more customers so as to increase brand awareness.

Based on the problems faced by Ryzn Embroidery, the digital marketing strategy through Google Ads is the main focus for solving Ryzn Embroidery's problems to make it easier for customers to find the Ryzn Embroidery website. Google Ads is one of the dimensions of digital marketing, namely pay per click advertising, where the advertising system is done by buying internet search results pages based on key words and sentences chosen and used by internet users and potential customers on search engines (Ryan, et al, 2009). Therefore, digital marketing budgeting is needed and also an investment analysis of digital marketing activities. The budgeting will be carried out with some assumptions about the conditions Ryzn Embroidery expects in developing the business through the digital marketing strategy.

2. Framework

- MSME Internal Analysis
 - o MSME Profil
 - o Organizational Structure of Ryzn Embroidery
 - o Business Process of Ryzn Embroidery
 - o Business Canvas Model Analysis
A strategic management and lean startup template for developing new or documenting existing business models. It is a visual chart with elements describing a firm's or product's value proposition, infrastructure, customers, and finances.
 - o Segmentation, Targeting, and Positioning (STP) Analysis
A process, in which groups of buyers within a market are divided and profiled according to a range of variables, which determine the market characteristics and tendencies. The processes of segmentation, targeting and positioning are parts of a chronological order for market segmentation.
 - o Marketing Mix Analysis
The marketing mix is a crucial tool to help understand what the product or service can offer and how to plan for a successful product offering. The marketing mix is most commonly executed through the 7 P's of marketing: Price, Product, Promotion, Place, People, Process, Physical Evidence.
- MSME External Analysis
 - o Porter's Five Forces Analysis

A tool for analyzing competition of a business. It draws from industrial organization (IO) economics to derive five forces that determine the competitive intensity and, therefore, the attractiveness (or lack of it) of an industry in terms of its profitability.

- o Strengths, Weaknesses, Opportunities, dan Threats (SWOT) Analysis

The process of improving the overall success of a project by evaluating the internal strengths and weaknesses of a company, while also reviewing the external opportunities and threats that the company may face.

- MSME GAP Analysis

Involves the comparison of actual performance with potential or desired performance. If an organization does not make the best use of current resources, or forgoes investment in capital or technology, it may produce or perform below its potential.

3. Methodology

The research subject is a business unit in the form of a public workshop in Pulogadung, East Jakarta, named Ryzn Embroidery. Ryzn Embroidery is engaged in the manufacture of embroidery patches, which currently have direct sales systems to customers with mainly millennial and community market segments. Ryzn Embroidery's customers are a person, community, or company that needs embroidery services for souvenir needs or merchandise from small to large scale. And for the main source of Ryzn Embroidery are Mr. Nyoman and Mrs. Riza, as the owner of Ryzn Embroidery, and their three staffs. In the implementation of Business Coaching there are two types of data used for the purpose of analysis, data used adaah Primary Data and Secondary Data. For Primary Data obtained through In-Depth Interview and Observation, while the Secondary Data consists of Internal Data from Ryzn Embroidery and External Data from various sources.

- In-Depth Interview

The first meeting was held in February 2018 at UPK PPUKMP Pulogadung, East Jakarta with Mr. Nyoman, as Ryzn Embroidery Owner, the contents of this meeting are the first and shortest introductions. The second meeting until the fifth meeting is conducted on March - July 2018 with Mrs. Riza, who is also Ryzn Embroidery Owner.

The topic of discussion at the second meeting - the fifth about the actual condition and problem identification of Ryzn Embroidery, their targets, the introduction of all employees of Ryzn Embroidery, and their business process. The next meeting, which is the implementation session, are in August-December period is done with Mrs. Riza, with the start of upgrading and optimize their website by using search engine optimization (SEO).

- Observation

Through observation, the coach observes the staff, the conditions in the field, and the process of business activities that exist in Ryzn Embroidery. Coach does not ask any questions or communicate with the party being observed, but by noting all the information and events that exist when the business owner and his staff are engaged in business activities and serving customers directly.

- Internal Data

Internal data used in this study is organizational data, financial data, and customer data in 2018. In the financial data can be seen Ryzn Embroidery's expenses that will be the data of feasibility study in digital marketing strategy (Google Ads).

- External Data

External data used in business coaching is a book of management, marketing books, finance books, and government regulations related to the MSMEs. Management, marketing, and finance books are used to provide the theoretical foundation that will be used to analyze the Ryzn Embroidery and solve problems. Government regulations are used to provide data of MSMEs' tax regulation.

Malhotra (2010) revealed that the purpose of qualitative research, among others, is to describe, discuss and explain the meaning or purpose of a pattern that arises from the results of interviews / data retrieval. In qualitative research methods there are three steps that can be used to analyze data, namely:

- Data reduction

Selecting and sorting the data to be processed based on the results of data collection has been done previously. The data that has been selected is then summarized and sharpened, while the unused data is ruled out.

- Data Presentation

At this stage existing data is created visual interpretation into diagrams, charts, graphs, or matrices.

- Taking Conclusions and Data Analysis
At this stage has been obtained conclusions or summaries of data that has been processed to then make adjustments to the problems and objectives of Business Coaching that is being done.

4. Findings

- Business Model Canvas (BMC) Analysis
Ryzn Embroidery's relationship with the number of communities and companies is a positive thing to maintain the frequency of customer arrivals. But Ryzn Embroidery just has one and only channels that brings them customers, which is their website that had not been upgraded and optimalize to make them get more customers. And Ryzn Embroidery also just targeted their market just in Jakarta, Bogor, Depok, Tangerang, and Depok area, where by their website they could reach customers from all over Indonesia.
- Segmentation, Targeting, dan Positioning (STP) Analysis
Ryzn Embroidery already provides good service quality, but only targeting and focusing on customers who are located in Jakarta, Bogor, Depok, Tangerang, and Depok area. This will have a negative impact when there are competitors elsewhere that offer much better service from Ryzn Embroidery.
- Marketing Mix Analysis
From all aspects of marketing mix of Ryzn Embroidery, promotion aspect becomes the main thing to be improved. This is due to the lack of promotional activities conducted by Ryzn Embroidery which they do not even have website administrator to manage their website where 100% of their orders are come from there. Promotion activities are the responsibility of the owner as the manager directly from Ryzn Embroidery.
- Strengths, Weakness, Opportunities, dan Threats (SWOT) Analysis
Ryzn Embroidery should focus first on their weaknesses before moving on to threats let alone opportunities. One of them is no budgeting to run any marketing strategies. This gives the impression that Ryzn Embroidery is just waiting for the arrival of customers and does not even try to attract customers to come.

In determining and developing marketing strategies in the form of activities Ryzn Embroidery to increase sales and customer awareness, the coach departs from field observation using various marketing analysis tools and interviews with the owner which concludes that the sales are still stagnant, and even tend to decrease. The minimal promotional activities and the absence of a team that handles the marketing aspects in Ryzn Embroidery could be said as the major problem of the decreased.

For that coach try to assist companies in implementing digital marketing activities through optimizing websites that are already owned by the use of search engine optimization (SEO) so that the products offered can be better informed to the target market. The author along with Ryzn Embroidery do keyword searches that are most related to Ryzn Embroidery products to be used in SEO implementation through titles or title tags containing optimized keywords, URLs containing optimized keywords, alt images containing optimized keywords, and beginning paragraphs that contains keywords that are optimized on the website. From the use of SEO, Ryzn Embroidery has returned to the first page of the search page through Google using the keyword "bordir komputer" which is the most used keyword in the Ryzn Embroidery business industry based on the Google Keyword Planner. However, to maintain Ryzn Embroidery's position on the first page of Google search, it also requires the use of Google Ads.






<input type="checkbox"/> Keyword (by relevance)	Avg. monthly searches	Competition	Top of page bid (low range)	Top of page bid (high range)
<input type="checkbox"/> jasa bordir	590 	Medium	IDR678	IDR2,295
<input type="checkbox"/> bordir komputer	3,600 	High	IDR646	IDR1,487
<input type="checkbox"/> bordir	5,400 	Low	IDR645	IDR1,574
<input type="checkbox"/> jasa bordir komputer	390 	Medium	IDR753	IDR1,799
<input type="checkbox"/> harga bordir	320 	High	IDR726	IDR1,803

Figure 6.1 Keyword Search Data that is Relevant with the Embroidery Industry
(Source: Google Keyword Planner, 2018)

5. Conclusion



Figure 6.2 Keyword Search Data "Bordir Komputer" on Google.com
(Source: google.com, 2018)

By that case, to provide an illustration for companies in implementing Google Ads digital marketing activities, which has been discussed will be Rp. 1.500,- per click for 24 clicks, the authors along with Ryzn Embroidery do budgeting in three scenarios, namely optimism, moderation, and pessimism because Ryzn Embroidery initially did not have budgeting related to the digital marketing activities that will be carried out. From the future budgeting, it is expected to provide an overview for Ryzn Embroidery companies in carrying out their activities so that there is no overbudget.

Table 6.1 Digital Marketing Sales Target

Year	Optimistic	Moderate	Pessimistic
	Total Sales	Total Sales	Total Sales
1	Rp 576,000,000	Rp 528,000,000	Rp 501,600,000
2	Rp 604,800,000	Rp 554,400,000	Rp 524,172,000
3	Rp 635,040,000	Rp 582,120,000	Rp 547,759,740
4	Rp 666,792,000	Rp 611,226,000	Rp 572,408,928
5	Rp 700,131,600	Rp 641,787,300	Rp 598,167,330

Therefore, to support the decision in carrying out digital marketing activities, after making a projection of profit and loss and cash flow, then an investment analysis is also conducted to determine the feasibility of investing in digital marketing activities to be carried out. Both scenarios, which are optimistic and moderate, provide an assessment that digital marketing investment is feasible. This can be

seen in the NPV, IRR, PI, and discounted payback period values that meet the requirements for investment feasibility. Whereas, in the pessimistic scenario states that digital marketing investment is not feasible to run. NPV, IRR, PI, and discounted payback period values do not meet investment eligibility requirements. However, based on Customer Lifetime Value (CLTV) calculations it is known that Ryzn Embroidery still has a budget of Rp. 27,385, - to acquire new customers that can be allocated to other marketing strategies such as participating in exhibitions or other promotional activities.

Table 6.2 Comparison of Results of Feasibility Analysis of Digital Marketing Investments in Three Scenarios

	NPV	IRR	DPP	PI
Optimistic Scenario	Rp 31,450,912	60%	3 years and 2 months	1.74
Moderate Scenario	Rp 11,080,593	41%	4 years and 3 months	1.26
Pessimistic Scenario	Rp (1,719,005)	28%	5 years and 2 months	0.96

Table 6.3 Calculation of Customer Lifetime Value Ryzn Embroidery

R	t	CAC	CLV
Rp 2,100,000	5	Rp 101,453	Rp 10,398,547

In business coaching activities, Ryzn Embroidery and also the author have successfully implemented the use of search engine optimization (SEO) on the Ryzn Embroidery website, www.bordiranku.com where currently on the keyword search "bordir komputer" the Ryzn Embroidery website is back on first page search through Google. Thanks to this, Ryzn Embroidery successfully became one of the Asian Para Games vendors who embroidered the cap used by the flag raisers (Paskibraka) on the international scale event. Currently, Ryzn Embroidery is in the process of searching for website admins that are expected to still be from residents around the Pulogadung PIK Complex in order to immediately implement Google Ads digital marketing strategy to further increase the number of their customers.