

Transforming The Marketing Landscape: Igniting Growth for Agricultural Input Companies Through Digital Marketing

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Abstrak

Latar Belakang: Tujuannya adalah untuk menyajikan pemasaran digital yang sesuai untuk perusahaan input dan strategi untuk meningkatkan penjualan pertanian menggunakan saluran digital. **Rumusan Masalah:** Pandemi COVID-19 mengganggu kegiatan pemasaran offline tradisional untuk perusahaan input pertanian, yang menyebabkan ketergantungan yang lebih besar pada pemasaran digital. Petani semakin beralih ke internet untuk informasi, didorong oleh peningkatan akses internet yang lebih baik dan adopsi ponsel pintar. Namun, adopsi pemasaran digital di sektor pertanian terbatas karena tantangan yang dirasakan dan kurangnya kesadaran akan manfaatnya. **Kebaruan Penelitian (Novelty):** Menangani keterbatasan ketersediaan informasi dan penelitian mengenai pemasaran digital di sektor pertanian di berbagai sektor komoditas. **Metodologi:** Metode penelitian melibatkan melakukan survei dan wawancara dengan 19 manajer pemasaran perusahaan input pertanian yang mencakup 7 sektor (sapi, beras, susu, perlakuan tanah, mekanisasi, babi, dan kacang hijau) di Jawa Tengah, Jawa Barat, Jawa Timur, Jakarta, dan Nusa Tenggara. **Hasil Temuan:** COVID-19 menghasilkan permintaan yang lebih tinggi untuk implementasi strategi pemasaran digital di sektor pertanian. Namun, tujuan yang diperjuangkan oleh masing-masing perusahaan dalam upaya pemasaran digital mereka bervariasi, tergantung pada kapasitas investasi mereka dan jenis produk yang mereka promosikan. Perusahaan yang mengkhususkan diri dalam pakan, pupuk, dan produk mekanisasi terutama bertujuan untuk membangun kesadaran merek, sementara perusahaan perlindungan tanaman mengadopsi tujuan yang lebih maju yang difokuskan pada pembentukan dan pemeliharaan hubungan dan keterlibatan pelanggan. Namun, tantangan signifikan dalam implementasi pemasaran digital di industri pertanian terletak pada mendapatkan pengukuran yang dapat diukur dengan akurat yang mencerminkan dampak upaya pemasaran digital pada konversi penjualan. **Kesimpulan:** Memperbaiki kampanye pemasaran digital memerlukan pengoptimalan aset digital yang sudah ada daripada hanya menambah saluran promosi baru. Perusahaan input harus fokus pada penyesuaian konten yang relevan untuk segmen pasar target tertentu dan mempertimbangkan karakteristik produk mereka untuk logistik dan pengiriman. Saluran pemasaran yang berbeda harus dikembangkan berdasarkan jenis produk yang dipromosikan, dengan transaksi offline lebih disukai untuk produk berukuran besar. Strategi pemasaran digital harus disesuaikan, berfokus pada produk, dan didukung oleh analisis mendalam dan komunikasi dua arah. Konten informatif dan edukatif, penjelasan, dan iklan terarah di platform seperti Facebook efektif untuk meningkatkan kesadaran. Perusahaan harus mengukur dampak pemasaran digital melalui survei dan melacak saluran pelanggan untuk meningkatkan penilaian ROI.

Kata Kunci:

pertanian, pemasaran digital, perusahaan input, pandemi, penetrasi internet

Abstract

Introduction: Research aims to present the suitable digital marketing for input company and strategy for increasing sales of agriculture using digital channel. **Problem Formulation:** The COVID-19 pandemic disrupted traditional offline marketing activities for agricultural input companies, leading to a greater reliance on digital marketing. Farmers increasingly turned to the internet for information, driven by improved internet accessibility and smartphone adoption. However, the adoption of digital marketing in the agricultural sector has been limited due to perceived challenges and a lack of awareness of its benefits. **Novelty:** Addresses the limited availability of information and research regarding digital marketing in the agriculture sector across commodity sector. **Methodology:** The research method involved conducting surveys and interviews with 19 marketing manager of agricultural input companies which covered 7 sectors (beef, rice, dairy, soil treatment, mechanization, pig, and mungbean) in Central Java, West Java, East Java, Jakarta, and Nusa Tenggara. **Findings:** COVID-19 generated a heightened demand for the implementation of digital marketing strategies in the agricultural sector. However, the objectives pursued by each company in their digital marketing endeavors vary, depending on their investment capacity and the type of products they promote. Companies specializing in feed, fertilizer, and mechanization products primarily aim to build brand awareness, while crop protection companies adopt more advanced objectives focused on establishing and nurturing customer relationships and engagement. Nevertheless, a significant challenge in the implementation of digital marketing in the agricultural industry lies in obtaining quantifiable measurements that accurately reflect the impact of digital marketing efforts on sales conversions. **Conclusion:** Improving digital marketing campaigns requires optimizing existing digital assets rather than simply adding new promotional channels. Input companies should focus on tailoring relevant content to specific target market segments and consider the characteristics of their products for logistics and delivery. Different marketing channels should be developed based on the type of product being promoted, with offline transactions preferred for large-sized products. Digital marketing strategies should be customized, product-focused, and supported by in-depth analysis and two-way communication. Informative and educational content, endorsements, and targeted advertising on platforms like Facebook are effective for increasing awareness. Companies should measure the impact of digital marketing through surveys and tracking customer channels to enhance ROI assessment.

Keywords:

agriculture, digital marketing, input companies, pandemic, internet penetration.

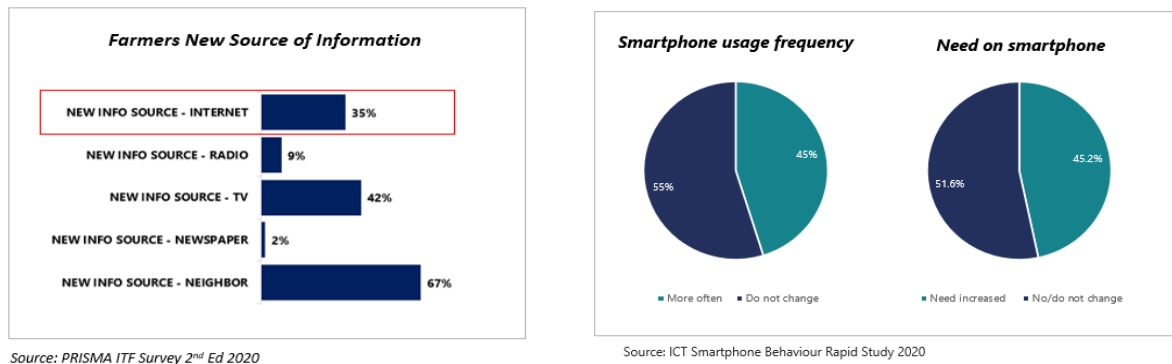
BACKGROUND

Prior to the pandemic, input companies mostly rely on face-to-face meeting for disseminate information. However, COVID-19 pandemic inhibits the offline/field marketing activities, such as farmer meeting and demo plot due to social restriction imposed by government. This limits the information supplies to farmers related to product knowledge and GAP. Movement restriction and limited field activities forcing farmers to search for new source of information through other media, such as internet.

Graph 1. Farmer Internet Access

Source: Statistik Potensi Desa 2018; Sutas 2018; SUSENAS 2018

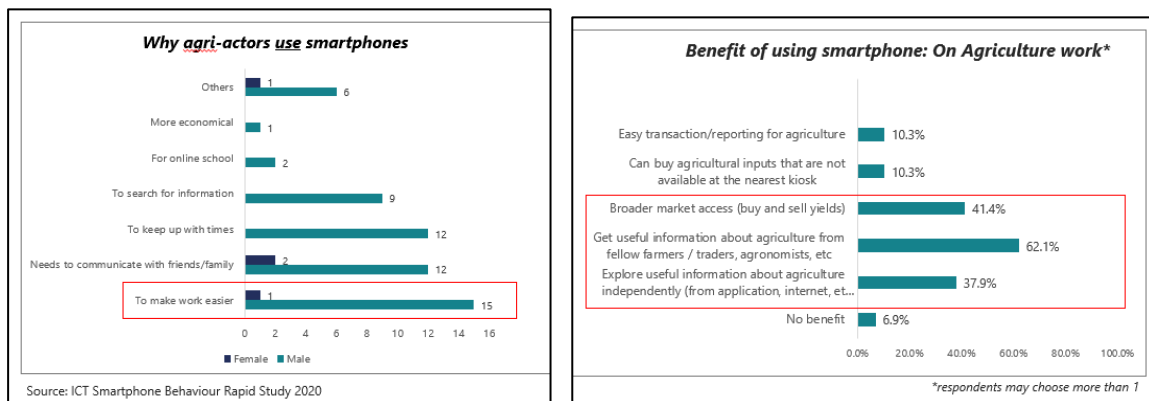
On the other side, there are opportunities for input companies to utilized technology in engaging and communicate with farmers since increasing trend of internet access and smartphone ownership among farmer in rural areas and increasing internet utilization for seeking agriculture information and market access. Internet became more accessible and the penetrations are increasing, especially in rural and remote areas in Indonesia. The increase of internet penetration is also supported with stronger signal coverage in rural areas of Indonesia (Susenas 2018). Farmers who mostly live in rural areas also got the positive impact from the increasing trend of internet penetration. Moreover, COVID-19 has accelerated smartphone adoption and internet access to farmers.



Graph 2. Farmer Smartphone Profile and Information Access

Source: PRISMA survey (2022), data processed

Around 45% respondents used and need smartphone more often during the pandemic, including to communicate with friends/relatives and searching for agriculture information. It is because of Agri-actors are looking for some added-values of smartphones to ease their work, which includes agriculture information searching and broader market access.



Graph 3. Smartphone Utilization in Agriculture

Source: PRISMA survey (2022), data processed

This situation creates opportunities for input companies for using digital marketing to reach more farmers and other potential customer in rural areas. This enabler allows input companies to distribute information more effective, without having to be restricted by any boundaries. Therefore, digital marketing as an alternative channel for promoting products and information dissemination.

LITERATURE REVIEW

Digital marketing has become a pivotal tool in enhancing the efficiency of product distribution systems in the agricultural sector, particularly in regions like the Krasnoyarsk Region. Nezamova and Olentsova (2021) underscore the significance of an effective distribution system in reducing costs and improving accessibility, emphasizing the integration of digital marketing tools such as sales funnels to streamline channels and build lasting customer relationships. Similarly, Kusumawati et al. (2021) highlight the importance of the 7P's marketing mix in influencing consumer decisions in the agricultural e-marketplace, with elements like price, promotion, and process significantly impacting purchasing choices.

Moreover, the transformative impact of digital marketing in the agricultural industry is emphasized by Newman et al. (2018), who discuss various digital platforms and tools that can help farmers and agribusinesses market their products effectively. Meanwhile, Bose and Kiran (2021) focus on the ongoing digital agricultural revolution, facilitated by technologies such as the Internet of Things and Artificial Intelligence. They also highlight the role of digitalization in expanding market reach, reducing transaction costs, and fostering economic, social, and environmental benefits in the agriculture sector.

Furthermore, Bernal (2022) highlights the significance of social media in the marketing strategies of small agricultural businesses, stressing the need for enhanced consumer engagement to strengthen the farmer-consumer relationship. In contrast, Ogbeide-Osaretin and Ebhote (2020) emphasize the impact of internet usage, mobile technology, and educational levels on rural agricultural transformation, underlining the importance of improved infrastructure and education to facilitate effective digital marketing for agricultural development.

In summary, these studies collectively underline the critical role of digital marketing in optimizing agricultural distribution, enhancing consumer engagement, and promoting rural agricultural transformation, all of which contribute significantly to the growth and efficiency of the agricultural sector.

METHODOLOGY

The research methodology employed a combination of surveys and interviews conducted with 19 marketing managers representing various agricultural input companies. These companies spanned across seven diverse sectors, including beef, rice, dairy, soil treatment, mechanization, pig, and mungbean, operating within regions such as Central Java, West Java, East Java, Jakarta, and Nusa Tenggara.

The survey component of the research was designed to gather quantitative data regarding the specific digital marketing strategies adopted by the companies, their prior digital presence, the challenges faced in quantifying the impact of digital marketing on sales, and their future intentions regarding digital marketing practices.

Conversely, the interviews were conducted to delve deeper into the qualitative aspects of the companies' digital marketing experiences. Through these interviews, the researchers aimed to gain insights into the specific challenges encountered, the support provided by PRISMA, the success achieved in implementing digital marketing strategies during the pandemic, and the potential areas for improvement. This mixed-method approach allowed for

a comprehensive understanding of the digital marketing landscape within the agricultural input sector.

FINDINGS

Digital Marketing in Input Companies

Digital marketing encompasses all marketing efforts that use an electronic device or the internet to help industry to reach wider market¹. Several input companies' (PRISMA's partner) have low willingness to adopt digital marketing due to the high reliance in the physical activity² and most of them don't perceived the benefit of digital marketing to increase brand awareness and sales. The other reasons are digital marketing in agriculture is relatively new initiatives and has not been seen as the primary focus. It caused the agriculture industry slightly behind in adopting digital marketing as a means of promotion (Sutherly, 2020).

There are some factors which closely linked to the digital marketing objectives, such as scale of company, the investment that is willing to be spent on digital marketing, human resources, and digital assets that are currently owned and developed. Each agriculture sector companies have different goals to be achieved in its digital marketing. The pig feed company is more focused on reaching potential buyers in a particular area, while the crop protection company which promotes pesticide and insecticide products, focuses on increasing the proximity of companies to their consumers and reaching more farmers. Meanwhile, the cow feed company which promotes concentrate feed, aims to increase farmers' awareness and knowledge, expand market reach, and improve communication method to farmers. In the mechanization company³, digital marketing aims to increase product awareness and build an online to offline market integration network. However, the objectives of digital marketing activity for mechanization companies correlates with the type of product and size. Mechanization companies has small, larger, and medium machinery products, and each of them has different characteristics.

The small machinery marketing activity able to be conducted up to the online stream in the marketplace, however for small and medium is more on the online to offline stream channel. Most of the mechanization products have large volume and expensive. Therefore, selling through online channel (i.e., marketplace) is challenging. Therefore, digital marketing is only an entry point for product introduction to consumers, but transactions are still carried out offline because obstacle in expensive shipping costs.

The size of fertilizer products that are relatively large also have almost the same obstacles as mechanized products, so digital marketing is more aimed at building brand awareness. To be concluded, fast moving goods producers tends to use digital marketing to promote or creating brand awareness and to build customers' intimacy, thus digital marketing can convert the awareness to sales. Slow-moving goods, on the other hand, uses digital marketing to increase product visibility in the market.

¹ than using traditional method (face-to-face meeting, offline seminars, above-the-line and below-the-line method)

² Socialization, farmer's meeting, demo plot

³ Mechanization companies promotes small, medium, and large machinery products

Analysis on Digital Marketing Strategies

PRISMA highly supports the partner to determine the suitable digital marketing channel by conducting research. The research found that FB is the most utilized platform among agriculture market players, followed by Whatsapp or WhatsApp group.

Data from FB Analytics show that 12 million FB users are interested in agriculture, making FB one of the most effective channels for promoting agriculture products. The WhatsApp or WhatsApp group is also the most effective channel due to the large number of users who utilize the WA as a means of communication and information sharing.

Companies also observed that website and FB is the most suitable platform for market entrant points to the potential customer. FB is good in terms of enhance the brand visibility, however website used as an omnichannel⁴. Another advantage is Facebook and website represent the potential customer interest because the clicking leads only happened after they have product knowledge and awareness.

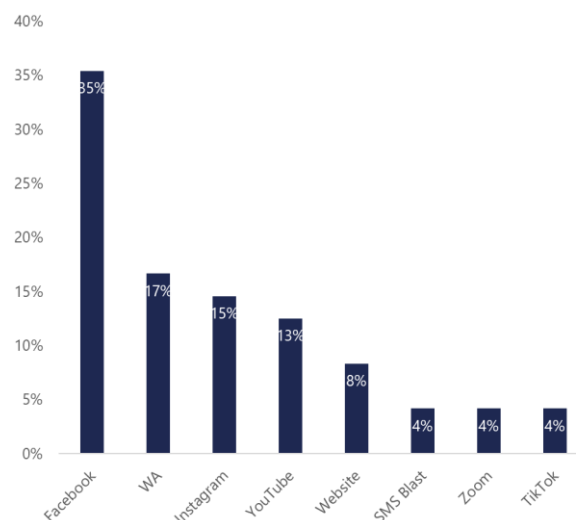
Table 1. Digital Marketing Channel

Sector	Partner	Objectives	Channel
	KAB Puspitasari (Nutrifood)	Beef Increase awareness / knowledge about the concentrate feed products. Expand the network of potential users (B2C) and agents (B2B). A place for communication between companies and farmers.	  
	UD Munir Jaya (Rima Feed)		
	CV Fermen Hipro		
	UPL Ltd	Crop Protection Focuses on customer intimacy to enhance direct relationship with customers. Expand farmer reach through Zoominar.	    
	PT Agricon Indonesia		
	FMC Corporation PT MKD (Mitra Kresni Dharma)		
	PT Nufeed International Indonesia	Dairy To build brand awareness and enhance knowledge.	 
	PT Medion Ardhika Bhakti		
	PT Agrovela Husada Dharma		
	CV Saprotan Utama	Fertilizer To build brand awareness.	    
	PT Rutan	Mechanization Targeting potential customer through increasing product awareness, and as offline service integrated information (from online).	   
	PT Galaxy Partani Mas		
	Sentrogro CV Argo Jaya Manufaktur		
	PT Sinta Prima Feedmill	Pig Reach potential buyer on a specific / targeted area.	 
	PT Patriot Panca Prima		

Source: internal data PRISMA (2021)

Although every input companies might have different objectives in digital marketing activity, but most of the companies want to increase brand awareness of the company as the target.

Table 2. The Most Utilized Channel and Reasons

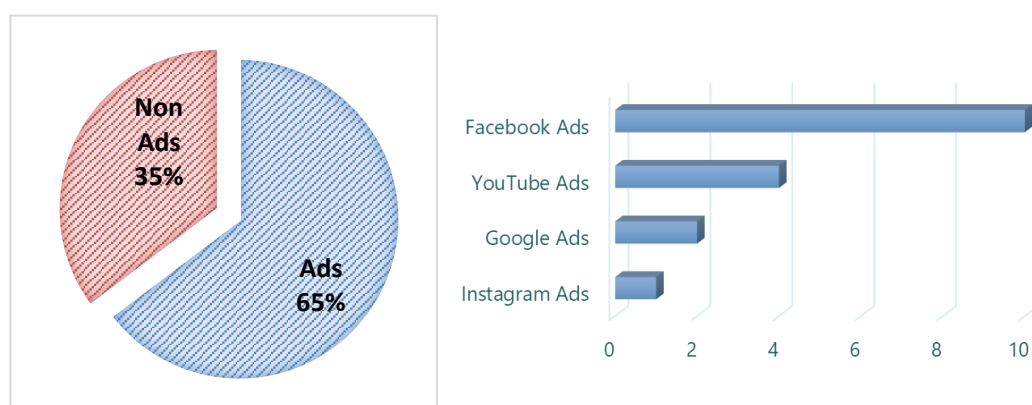


Source: PRISMA survey (2022), data processed

⁴ A tool for interconnecting each marketing platform owned by company

Based on the graph, FB and WA are the most utilized channel for seeking information. There are several reasons for channel determination above as follows:

- Website is the common digital channel owned by company. Website is important to be developed before adds other marketing channel because it is as an entry point channel and omnichannel
- Zoom utilized as digital marketing channel by crop protection companies and able to increase company sales conversion although this channel is not widely used among input companies.
- Pig companies used SMS (Short Message Services) as channel to reach farmer in rural and remote areas. This channel seems promising because almost all household farmers own handphone. However, this channel is ineffective to reach scalable outcome and trust issue⁵. Trust issue happened due to the prevalence of fraud and scams that have exploited this particular communication medium. In many cases, fraudulent entities have used SMS channels to disseminate false information, misleading advertisements, and deceptive offers, leading to financial losses and broken trust among the farmers.
- These fraudulent activities often involve false promises of financial gains or incentives, fake product promotions, or misleading information about the quality of products or services. As a result, farmers become wary of any information received through SMS, including legitimate communications from pig companies. The presence of such fraudulent activities creates a significant challenge for legitimate businesses to establish and maintain a trustworthy relationship with the farmers through this channel.
- Input companies try something different to engage more potential buyers by using TikTok. Only two company using this channel because the other company still unfamiliar and not yet see the perceived benefit of utilizing TikTok as marketing channel.



Graph 5. Ads Utilization in Input Companies and Preferences for Placing Ads

Source: PRISMA survey (2022), data processed

Data shows that there is correlation between sourcing method and partner scale. The large company having more advance target by focusing to enhance the customer engagement and commit to focus their marketing strategy and have willingness to invest in digital marketing

⁵ Lack of trust in SMS because of fraud and spam

activity (by allocating budget and human resources), even put ads or paid promote as booster to enhance the brand awareness in the wider scope⁶.



Graph 6. Sourcing Method in Digital Marketing Activities
Source: internal data PRISMA (2022)

The large company realized the importance of digital marketing to enhance customer base, increase loyalty, and create awareness. Most of the large company prefer to use inhouse method by having the internal staff to conduct the digital campaign. The large company realize that they eager to optimizing more on the data that they obtained from social media campaign; therefore, they don't want to be independent with agency. The usual service needed from large company is digital marketing consultation services, not daily basis task like social media maintenance. The medium scale company prefer to use hybrid method because they need support for developing marketing strategy. However, small company use inhouse method due to budget limitation. The small company prefer to use hybrid method (inhouse⁷ and outsource⁸).

Challenges and Opportunities in Digital Marketing Strategies



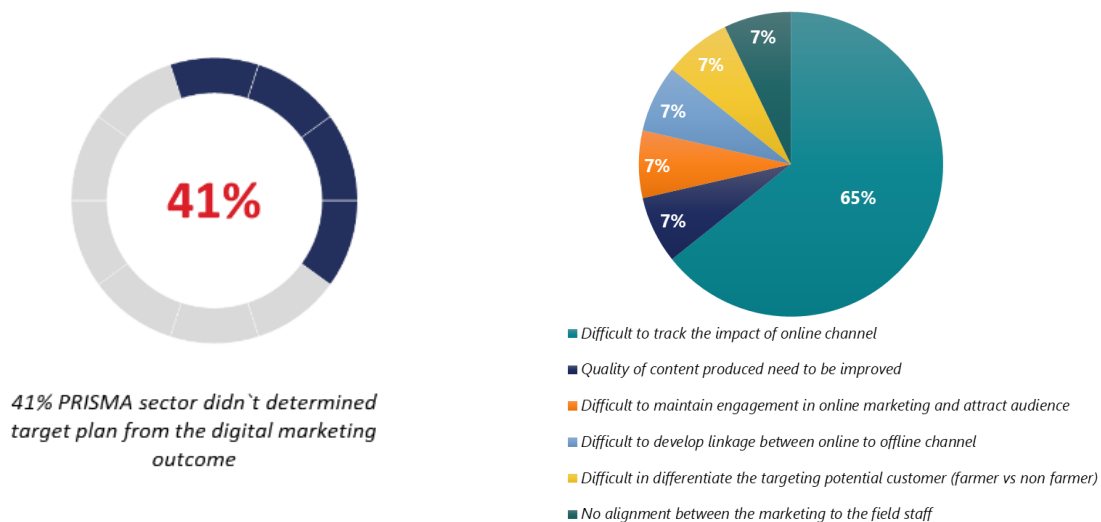
Graph 7. Digital Marketing Challenges
Source: PRISMA survey (2022), data processed

⁶ However, the ads only effective for the early stage of the digital marketing effectivity but organic method is more sustain and impactful for contributing to the sales conversion.

⁷ Inhouse marketing is the digital marketing activity which conducted by the internal marketing staff from the company.

⁸ Outsourcing marketing is the digital marketing activity which conducted by the digital marketing agency.

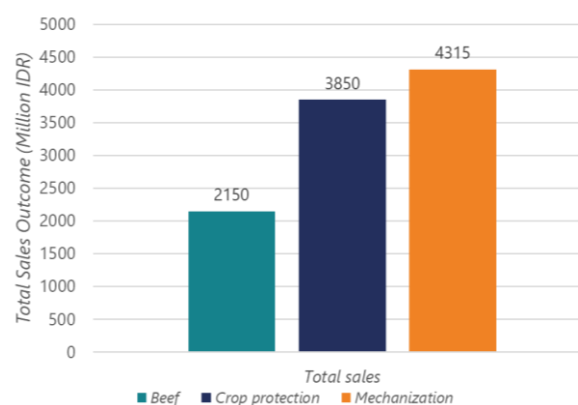
The main challenges in digital marketing is tracking the impact. One of the reasons because they don't have outcome plan. Another challenge is sales conversion. There are several challenges in tracking the sales funnel such as difficulty to differentiate between the targeted audience (farmers and non-farmers), measuring sales conversion, and generating more leads for offline sales.



Graph 8. Companies Opinion about Limitation of Digital Marketing

Source: PRISMA survey (2022), data processed

One of the main methods used for assessing the impact of digital marketing is through comparing before and after condition of digital marketing implementation⁹. But the company must be aware that the impact might not immediately increasing sales due to the lag of impact. The measurement during the initial time might look like ineffective, which cause in undermining the impact of digital marketing. On the other side, capturing the conversion rate number sometimes is expensive and resource exhaustive.



Graph 9. Digital Marketing Opportunities

Source: PRISMA survey (2022), data processed

⁹ If they need to monitor the sales in the field, they will ask directly to the distributor or agent of their offline marketing channel to tracking the price and number of sales instead of using mini survey. Other than SMS Blast, it is easy for tracking the attendees and know the reaction or interest because there is online Question and Answer session which enable the audience carried out information sharing and communicate directly to the company; therefore, webinar is better in terms of building engagement with customer.

The highest sales conversion from digital marketing activity comes from mechanization companies, then followed by crop protection and beef companies. It happens because the mechanization companies strengthen the online to offline sales channel stream which effective to enhance the sales conversion. Unlike the most of the input company which build the online to offline market stream, but they have less attention to the operational issues, including pricing, shipping, stock availability, and seamless management, the mechanization companies able to solve the operational challenge and try to capture the offline sales data from online channel. They develop seamless coordination or alignment between the marketing and field staff to tackle complain or refund issue from the buyer.



Graph 10. The Interchanging Roles of Traditional and Digital Marketing

Source: Phillips Kotler- Marketing 4.0 (2016)

Theory of interchanging roles between traditional and digital marketing explained that marketing approach must combines online and offline interaction among companies and customers (Kotler 2016). In the digital economy, digital interaction alone is not sufficient. In fact, in an increasingly online world, offline touch represents a strong differentiation which leads to build trust because the presence of human-to-human interaction. Therefore, digital marketing must complement with traditional marketing to optimize the result. This is in line with mechanization companies which successfully implement the online to offline channel. Mechanization companies utilized Facebook as channel for request information about stock availability and price, but the sales conducted offline. Companies develop online to offline channel because the price of tools is expensive, therefore customers more willing and trust to have direct transaction.

CONCLUSION

During pandemic, the necessity to adapt to digital marketing became evident for input companies, including those partnered with PRISMA across seven sectors such as fertilizer, crop protection, dairy, pig, mechanization, beef, and mung bean. The prevalent choice of Facebook as the primary marketing channel, followed by WhatsApp, Instagram, and YouTube, indicated a significant shift towards social media platforms. However, approximately a third of the companies lacked prior digital presence and required substantial support from PRISMA to navigate the digital marketing landscape. Despite challenges in quantifying the direct impact of digital marketing on sales, a considerable 89% of partners expressed their intent to persist with

digital marketing strategies. PRISMA's success in facilitating and promoting digital marketing activities has provided tangible benefits to its partners during the pandemic, emphasizing the need for continued support to enhance the partners' capacity to effectively measure sales performance.

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