
THE INFLUENCE OF DIGITAL MARKETING IMPLEMENTATION ON SALES PERFORMANCE AND MARKET SHARE OF PT SANG HYANG SERI CENTRAL JAVA AND YOGYAKARTA BRANCH OPERATIONS

Valentina Diva Febriana^{1*}, Rahmawati Setiyani², Bimoseno Sepfrian³

Agribusiness Study Program, Faculty of Science and Technology, Universitas Duta Bangsa Surakarta, Indonesia¹²³

*Correspondence Email: tndivafebrianaa@gmail.com

ABSTRACT

Digital transformation has significantly changed business marketing strategies, including in the agribusiness sector. PT Sang Hyang Seri's Central Java and Yogyakarta Branch Operations, a state-owned enterprise engaged in rice seed production, have experienced a decline in retail sales performance over the past few years. This study aims to analyze the implementation of digital marketing and examine its impact on sales performance and market share. A quantitative research approach was used with 47 agricultural retail partners of PT Sang Hyang Seri Central Java and Yogyakarta Branch Operations. Data were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with SmartPLS 4 software. The findings indicate that the implementation of digital marketing is categorized as good. Hypothesis testing revealed that the implementation of digital marketing has a positive and significant impact on sales performance (path coefficient = 0,745, t-statistic = 4,465, p-value = 0,000, R² = 0,555). Furthermore, the implementation of digital marketing also has a positive and significant effect on market share (path coefficient = 0,486, t-statistic = 2,277, p-value = 0,023; R² = 0,597). This study concludes that strengthening digital marketing strategies can improve a company's sales performance and enhance market competitiveness in the rice seed industry.

KEYWORDS

Digital Marketing, Sales Performance, Market Share, Agribusiness, SEM-PLS



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INTRODUCTION

Digital transformation has fundamentally changed business competition across various industrial sectors. Rapid advances in information technology and internet access have driven companies to shift from conventional marketing approaches to digital marketing strategies that enable broader market reach, interactive communication, and measurable promotional performance. Digital marketing has become an essential business strategy because it allows organizations to build stronger relationships with customers while reducing promotional costs and improving operational efficiency. Digital transformation has enabled companies to integrate data-driven marketing strategies that enhance value creation for customers and the organization's competitiveness. Organizations that effectively combine digital technology with marketing activities are better positioned to adapt to rapidly changing consumer behavior and market dynamics (Kraus et al., 2021).

According to the Central Statistics Agency, more than three-quarters of internet users in Indonesia actively use social media and online information platforms (BPS, 2025). This reflects a shift in consumer behavior as they seek product information before making purchasing decisions. Consequently, companies that fail to adopt digital marketing risk losing their competitive edge in an increasingly dynamic market. Digital marketing creates sustainable marketing channels, reduces promotional costs, strengthens brand awareness, and increases customer engagement, which ultimately contributes to improved sales performance and competitive advantage. Through digital platforms, companies can interact with customers more effectively, expand their market reach, and enhance long-term business sustainability (Manullang et al., 2026).

The agricultural sector is also undergoing rapid digital transformation. Agribusiness companies are encouraged to adopt digital marketing to improve product accessibility, strengthen customer engagement, and enhance distribution efficiency. Digital platforms enable companies to convey product information directly to farmers, distributors, and retailers without geographical limitations. Previous studies have shown that digital marketing contributes to business competitiveness by raising customer awareness, expanding market reach, and improving organizational performance. PT Sang Hyang Seri, as one of Indonesia's state-owned enterprises operating in the seed industry, plays a crucial role in supporting national food security through the production of certified rice seeds. However, the Central Java and Yogyakarta Branch Operations have experienced a decline in retail sales over the past few years. Retail sales volume decreased from 917.412,24 kg in 2021 to 358.736 kg in 2025, indicating significant challenges in maintaining market performance. In addition to external competition from private seed producers, the company is also facing organizational restructuring following its merger with PT Pertani, limited marketing personnel, and insufficient integration of digital marketing into its business strategy.

Limited use of digital marketing reduces opportunities to increase brand awareness, customer engagement, and market penetration. While many competitors actively utilize social media, search engine optimization, and digital commerce platforms, PT Sang Hyang Seri's Central Java and Yogyakarta branches have not yet fully integrated these technologies into their marketing activities. As a result, the company's market share is becoming increasingly vulnerable to competitors with stronger digital capabilities. Several previous studies have confirmed the positive contribution of digital marketing to business performance. Csordás et al., (2022) reported that digital marketing tools enhance competitiveness among agricultural businesses. Rahmadani & Elinur (2024) emphasize that digital marketing strengthens the competitiveness of agricultural products through

broader market access and customer engagement. Kanellos et al., (2024) demonstrate that effective digital marketing strategies improve marketing efficiency in the agribusiness industry. However, previous research has generally focused on small businesses or private companies and has rarely examined state-owned agribusiness enterprises.

Furthermore, most previous studies have focused solely on sales performance. Empirical evidence that simultaneously examines the impact of digital marketing implementation on sales performance and market share in Indonesia's agribusiness sector remains limited. Therefore, this study addresses this research gap by examining both dependent variables simultaneously using Structural Equation Modeling-Partial Least Squares (SEM-PLS). This study aims to analyze the implementation of digital marketing at PT Sang Hyang Seri's Central Java and Yogyakarta branch operations and to evaluate its impact on sales performance and market share. The findings of this study are expected to provide practical recommendations for improving marketing effectiveness while contributing to the development of the digital marketing literature in the agribusiness sector.

RESEARCH METHOD

This study was conducted at PT Sang Hyang Seri's Central Java and Yogyakarta Branch Operations. The research locations were selected through purposive sampling because the company is currently facing challenges related to declining retail sales performance and the still-limited implementation of digital marketing strategies. This study was conducted from March to July 2026. This study employed a quantitative approach. Primary data were collected through structured questionnaires distributed to agricultural retail partners of PT Sang Hyang Seri's Central Java and Yogyakarta Branch Operations. Secondary data were obtained from company reports, scientific journals, books, APJII, BPS, and other relevant literature on digital marketing and market share. The sampling technique used was purposive sampling. Respondents were selected based on predetermined criteria, namely retailers with experience in purchasing and marketing rice seed products distributed by PT Sang Hyang Seri's Central Java and Yogyakarta Branch Operations totaling 47 respondents. This study consists of one exogenous variable (implementation of digital marketing) and two endogenous variables (sales performance and market share). The implementation of digital marketing is measured using indicators related to social media marketing, chat commerce, digital advertising, and digital CRM. Sales performance is measured through indicators such as sales volume, customer acquisition, efficiency, and target achievement, while market share is measured through indicators reflecting relative market share, customer retention, and brand awareness. The questionnaire used a likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

RESULT AND DISCUSSION

The respondents consisted of agricultural retailers operating within the marketing area of PT Sang Hyang Seri's Central Java and Yogyakarta branches. Most respondents had been involved in rice seed marketing for 1-3 years, indicating that they had sufficient experience to evaluate the company's marketing performance and the implementation of digital marketing. The respondents represent various regencies throughout Central Java and the Special Region of Yogyakarta, thereby providing comprehensive information regarding customer perceptions of the company's marketing activities. The predominance of respondents with a bachelor's degree indicates that the majority of partners have an adequate level of education to understand advances in information technology and digital

marketing strategies. The higher a person's level of education, the greater their knowledge and analytical skills.

The results of the study indicate that the implementation of digital marketing has a positive and significant effect on sales performance ($\beta = 0,745$ t-statistic = 4,465, p-value = 0,000). These results suggest that an increase in digital marketing activities directly contributes to improved sales performance at PT Sang Hyang Seri's Central Java and Yogyakarta Branch Operations. Through social media marketing, digital content, online promotions, and interactive communication, companies can disseminate product information more efficiently, strengthen relationships with customers, and drive purchasing decisions. These findings align with recent international studies showing that digital marketing has become one of the key drivers of organizational performance. Dwivedi et al., (2021) explain that digital marketing technologies enhance customer engagement, customer experience, and organizational performance by integrating social media, mobile technology, and data-driven decision-making. Similarly, (Verhoef et al., 2021) argue that successful digital transformation enables companies to improve marketing effectiveness through stronger customer interactions and personalized communication.

Research by Dewi et al., (2026) further shows that digital marketing capabilities enhance organizational performance by strengthening managerial capabilities, marketing innovation, and customer-oriented strategies in the agribusiness sector. Digital marketing significantly increases sales of agricultural products through improved online promotion, customer interaction, and market accessibility (Adebayo et al., 2026). These findings imply that strengthening digital marketing through social media management, digital advertising, search engine optimization (SEO), educational content, and online customer service can address marketing resource constraints while improving sales performance more effectively than relying solely on conventional promotional activities at PT Sang Hyang Seri's Central Java and Yogyakarta Branch Operations.

The research results also show that the implementation of digital marketing has a positive and significant effect on market share ($\beta = 0,486$, t-statistic = 2,277, p-value = 0,023). These findings indicate that digital marketing enables PT Sang Hyang Seri's Central Java and Yogyakarta Branch Operations to strengthen its competitive position and expand its market reach in the rice seed industry. Digital marketing contributes to market share expansion by increasing product visibility, facilitating customer access to information, and building customer trust. The integration of digital communication channels enables the company to reach a broader customer base while maintaining long-term relationships with distributors and retailers. These findings are consistent with the research by Verhoef et al., (2021) which emphasizes that digital transformation strengthens a company's competitive position through customer-centric marketing strategies. Digital marketing enhances an organization's competitiveness by expanding market reach and strengthening brand awareness. In agribusiness, Csordás et al., (2022) report that the adoption of digital marketing enables agricultural companies to improve their competitiveness by reaching a broader customer segment and responding more quickly to market demand. Digital platforms reduce geographical barriers and facilitate more efficient communication between producers and consumers. Innovative digital marketing strategies strengthen agribusiness brands and enhance competitiveness in the market by increasing digital visibility and improving communication with customers.

This is consistent with the findings of Rahmadani & Elinur (2024), who found that digital marketing significantly enhances the competitiveness of agribusinesses through broader market access, increased product visibility, and stronger customer engagement. Their findings indicate that companies that actively utilize digital channels are better positioned to expand their market presence compared to competitors who rely solely on

conventional marketing. Innovative digital marketing strategies strengthen agribusiness brands and enhance their competitiveness in the market by increasing digital visibility and improving communication with customers (Ustik et al., 2026). Rusliati et al., (2026) concluded that Marketing 4.0 strategies, which integrate digital technology with traditional marketing, contribute significantly to expanding market share in the agribusiness industry.

CONCLUSION

This study examines the implementation of digital marketing and its impact on sales performance and market share at PT Sang Hyang Seri's Central Java and Yogyakarta Branch Operations. The findings indicate that the implementation of digital marketing is categorized as good, although some aspects still require further optimization to maximize its effectiveness. Structural Equation Modeling–Partial Least Squares (SEM-PLS) analysis shows that the implementation of digital marketing has a positive and significant effect on sales performance. The use of digital communication channels, social media, online promotional activities, and customer engagement contributes to increasing product visibility, enhancing customer interaction, and driving purchasing decisions.

Furthermore, the implementation of digital marketing also has a positive and significant impact on market share. Strengthening digital marketing enables the company to reach a broader market segment, increase its competitiveness, and solidify its position in the agricultural seed industry. These findings confirm that digital transformation is not only beneficial for improving sales performance but also plays a crucial role in expanding the company's market presence. This study contributes to the development of the digital marketing literature in the agribusiness sector, particularly for state-owned enterprises engaged in seed production. In practical terms, the findings of this study indicate that PT Sang Hyang Seri's Central Java and Yogyakarta Branch Operations need to strengthen their integrated digital marketing strategy by optimizing social media, developing digital promotional content, improving customer relationship management, and enhancing employees' digital competencies. Future research is recommended to include additional variables, such as customer satisfaction, brand awareness, purchase decisions, or customer loyalty, to provide a more comprehensive understanding of digital marketing performance in agribusiness.

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Author's short biography

Authors Name:

Name : Valentina Diva Febriana
Affiliation : Universitas Duta Bangsa Surakarta
Phone Number : 085290873822
Email : tndivafebrianaa@gmail.com

Valentina Diva Febriana is an undergraduate student in the Agribusiness Study Program, Faculty of Science and Technology, Universitas Duta Bangsa Surakarta, Indonesia. Her research interests include digital marketing, agribusiness management, agricultural marketing, entrepreneurship, business performance, and sustainable agribusiness development. She has been involved in research on business performance and entrepreneurship for student business sustainability and is currently researching the influence of digital marketing implementation on sales performance and market share in the agribusiness sector. She is also interested in digital transformation and innovation to enhance the competitiveness and sustainability of agribusiness enterprises.

Authors Name:

Name : Rahmawati Setiyani, S. Hut., M.Sc.
Affiliation : Universitas Duta Bangsa Surakarta
Phone Number : 082133422087
Email : rahmawati_setiyani@udb.ac.id

Rahmawati Setiyani, S.Hut., M.Sc. is a lecturer in the Agribusiness Study Program, Faculty of Science and Technology, Universitas Duta Bangsa Surakarta, Indonesia. She obtained her Bachelor's degree in Forest Products Technology and her Master's degree in Agribusiness Management from Universitas Gadjah Mada, Indonesia. In 2024, she earned a Digital Marketing Professional Certification from the Indonesian National Professional Certification Agency (BNSP). Her research interests focus on agribusiness management, digital marketing, consumer behavior, agricultural marketing, and sustainable agribusiness development. She has conducted research on consumer behavior, digital marketing strategies, marketing mix, online purchasing decisions, and value-added agricultural products, while actively participating in community engagement programs related to agribusiness development, digital marketing literacy, agricultural tourism, and rural economic empowerment.

Authors Name:

Name : Bimoseno Sepfrian, S.P., M.Si.
Affiliation : Universitas Duta Bangsa Surakarta
Phone Number : 081329027892
Email : bimoseno_sepfrian@udb.ac.id

Bimoseno Sepfrian, S.P., M.Si. received his Bachelor's degree in Agribusiness from Universitas Sebelas Maret in 2016 and his Master's degree in Agribusiness from the Faculty of Economics and Management, IPB University, in 2021. He has been a lecturer in the Agribusiness Study Program, Faculty of Science and Technology, Universitas Duta Bangsa Surakarta since 2022 and currently serves as the Head of the Faculty Research and Community Service Unit (UPPM). His research interests include agribusiness, agricultural marketing,