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Online Business Development at MSMEs in Ghealsy ID Malang City

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A B S T R A C T

This study examines how a local fashion brand from Malang, Ghealsy ID implements online business development strategies. A qualitative method with a case study approach was used to analyze strategic dimensions such as the use of e-commerce, digital marketing, customer engagement, and logistics management. Findings show that integrating online platforms contributed to a 40% increase in transactions in one year and strengthened brand loyalty. The online business development strategies implemented by Ghealsy ID include utilizing social media channels for interactive engagement, collaborating with influencers, optimizing direct shopping features, and implementing a reliable stock management system. This study not only enriches the existing literature on digital transformation for MSMEs but also provides valuable insights for location entrepreneurs who want to leverage digital transformation for sustainable business growth.

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INTRODUCTION

In today's digital era, e-commerce is one of the main solutions for MSMEs to expand market reach and increase competitiveness. Business transformation to a digital platform allows MSMEs to reach wider customers without being limited by geographic location. E-commerce is an abbreviation of Electronic Commerce, which means a transaction system using electronic media. According to Rerung (2018) states that "E-commerce can be defined as an arena for transactions or exchange of information between sellers and buyers in cyberspace". E-commerce is an activity of conducting business transactions online via the internet and devices that are integrated with the internet.

In recent years, the fashion industry has experienced rapid growth along with the increasing public interest in the latest fashion trends. One example of an MSME that has successfully utilized e-commerce is Ghealsy, a local fashion brand from Malang City that focuses on women's shoes, bags, and clothing. Ghealsy was founded in 2014 in Malang City as a business that initially focused on the production and sale of women's shoes. Ghealsy has 3 branches located at Jl Raya Jetis no 19A Malang, Jl Sumbersari no 23C Malang, Jl Panglima Sudirman no 31 Batu. With increasing market demand and evolving fashion trends, Ghealsy began to expand its product line by offering women's bags and clothing. Initially, this business only relied on physical stores and word of mouth marketing. Along with the development of digital technology, Ghealsy began to adopt online marketing strategies by utilizing social media such as Instagram and Facebook. The decision to enter the e-commerce realm has proven effective in increasing brand visibility and sales. Ghealsy then expanded into large markets such as Shopee, Tokopedia, and Lazada to reach more customers throughout Indonesia.

Ghealsy itself is a well-known local fashion brand, with its Instagram account followers increasing to 1.7 million. The Ghealsy store in Dau District also received positive reviews, with 3,631 ratings and an average rating of 4.4 stars out of 5, indicating that consumers trust Ghealsy and make it their preferred choice of fashion products (Googlereview, 2024). This is proof that the digital strategy implemented has succeeded in building customer trust and increasing brand loyalty. Success in e-commerce has driven Ghealsy's business expansion by opening several branches in other cities, namely Jember.

Ghealsy ID faces several significant challenges in carrying out digital transformation and developing online businesses, including very tight competition in the e-commerce market, where many local and international brands compete to attract consumers' attention through various market platforms. Rapid changes in fashion trends also force Ghealsy ID to innovate and update product lines to stay relevant to dynamic market tastes. Ghealsy continues to improve customer service, stock management systems, and innovative products to meet the increasingly diverse needs of consumers. This study aims to assess the impact of the use of e-commerce platforms and digital marketing strategies used by Ghealsy ID, in addition to providing strategic recommendations for MSMEs in integrating digital technology to support sustainable business growth.

LITERATURE REVIEW

Business Development

Business development is a strategic process designed to create growth and added value for an organization through the identification of market opportunities, product innovation, and adaptation of business models that are responsive to market dynamics. According to (Kotler & Keller, 2012) in Marketing Management, business development involves in-depth analysis of the market, customer segmentation, and determination of effective marketing strategies to expand market share and increase profitability. In addition, (Osterwalder & Pigneur, 2010) in Business Model Generation emphasizes that business model innovation is a key element, because by designing and adapting innovative business models, companies can take advantage of new market opportunities, optimize resource use, and create sustainable competitive advantages.

Online Business

According to Chaffey D. (2017) explains that online business involves digital marketing strategies, website optimization, and integration with e-commerce platforms. Laudon KC. (2020) adds that the main factors for the success of online businesses include a strong digital presence, good user experience, and data-driven marketing strategies. According to Turban et al. (2018), online business is described as a broader concept than just e-commerce, because it includes not only the activity of selling goods and services, but also involves customer service, collaboration with business partners, and the implementation of electronic transactions within the organization. This definition highlights the importance of the role of information technology in supporting various operational processes and strategies, so that organizations can optimize internal and external interactions to achieve efficiency and innovation in the digital world.

Martínez-Peláez et al. (2023) in his research stated that the steps that need to be taken so that companies can successfully carry out digital transformation are to first identify the company's capabilities, then explore technologies that can support MSMEs in achieving their goals, and then involve all stakeholders in achieving the digital transformation journey. Owners or senior managers must change the organizational culture to support decisions and strategies that focus on sustainability, where the key role of stakeholders in the innovation process allows businesses to be more competitive locally and globally. Finally, big data is a technology that can provide the most significant benefits for MSMEs because its analysis provides a disruptive contribution to decision-making.

MSMEs

According to Ministry of Cooperatives and SMEs (2022), MSMEs are business units that have an important role in the national economy. The success of MSMEs is highly dependent on innovation, financial management, and technology adoption (Stokes & Wilshon, 2017). MSMEs have great potential in innovation and adaptation to global market dynamics, even though they operate with limited resources. Placement, increasing managerial capacity, access to technology, and financing support are key factors that enable MSMEs to compete effectively and contribute to sustainable economic development (Prasanna et al. 2019; Omowole et al. 2024; Junaidi et al. 2025).

Benefits of Online Business Development

Research from Setyowati et al. (2021) revealed that with online business development, companies can reduce operational costs, reach markets without geographical limitations, develop more adaptive business models, utilize digital technology and data analysis to develop new products and services, and increase their competitiveness through digital marketing strategies and automation of business processes. However, behind that, the lack of consumer trust in online shopping is a separate obstacle for companies. This statement is supported by Melović, B. et al. (2021), who revealed that although e-business can increase the efficiency and competitiveness of companies, there are still challenges such as a lack of consumer trust and shipping risks. The findings of the study by Santos et al. (2020) also concluded that with digital marketing, companies can utilize social media as a platform to reach customers widely and easily. They can also conduct two-way communication quickly.

However, some customers still feel hesitant to buy online because they prefer to see and check products and services directly. Thus, good business decision-making skills are needed to formulate the right business strategy in order to increase consumer trust in businesses that offer online services. Companies can take advantage of the digital tools to maximize their service to consumers so that they trust and feel satisfied. Where satisfied customers will later become loyal and increase the company's income. Mofokeng (2021) revealed that customer satisfaction is influenced by product delivery, perceived security, information quality, and product variety, while customer satisfaction and information quality determine customer loyalty. In contrast to Rasli et al. (2018), who explained that security and privacy, as well as delivery services, have an insignificant influence on customer satisfaction. Factors that have a significant influence are website design, information quality, and transaction and payment capabilities.

METHODOLOGY

The method used in this study is qualitative with a case study approach, which is a research approach applied to explore an in-depth understanding of a particular phenomenon in a real and specific context. In qualitative research, researchers prioritize the analysis of one or more cases that are relevant to the research topic, which can be individuals, groups, organizations, events, or certain situations. This approach provides an opportunity for researchers to gain a deeper understanding of the dynamics that occur in the context. Documentation is carried out to collect data to analyze strategic dimensions such as the use of e-commerce, digital marketing, customer engagement, and logistics management. In addition, interviews with six Ghealsy consumers who have made online purchases at Shopee were also conducted to see the effectiveness of the strategies implemented in increasing online shopping satisfaction.

The following is data from respondents who were interviewed to obtain information.

Table.1 Respondent Date

Initials of Name	Gender	Age	Status
S	Woman	23 years old	College student
D	Woman	23 years old	College student
F	Woman	28 years old	Worker
D	Woman	21 years old	College student
E	Woman	18 years old	High school student
N	Woman	30 years old	Worker

Source : Data Processing (2025)

RESEARCH RESULT AND DISCUSSION

Based on the documentation that has been done, Ghealsy ID has experienced an increase in transactions of up to 40% in the past year since utilizing e-commerce. This increase was driven by an effective digital marketing strategy and active involvement in social media that succeeded in attracting more new customers. In addition, digitalization in stock management and customer service has increased operational efficiency, allowing the company to respond to requests more quickly and accurately, and increase customer retention. With various digital innovations implemented, Ghealsy can provide an easier, more convenient, and more efficient shopping experience, which ultimately strengthens customer loyalty and the company's competitiveness in the e-commerce industry. The following are the e-commerce strategies implemented:

Marketplace Utilization

Ghealsy actively utilizes various marketplaces such as Shopee, Tokopedia, and Lazada to reach more customers and increase sales volume. In running its operations in the marketplace, Ghealsy optimizes available features, such as flash sale programs to attract buyers in a certain period, discount vouchers that provide additional incentives, and free shipping, which is the main attraction for customers. Promotional strategies that provide short-term incentives such as discounts and special offers can accelerate consumer purchasing decisions (Kotler & Keller, 2016). In addition, Ghealsy also uses a product recommendation feature that helps display products to potential buyers based on their preferences and shopping history. With an optimal marketplace utilization strategy, Ghealsy can increase sales efficiency, expand market reach, and provide an easier and more convenient shopping experience for customers.

Digital Marketing

Ghealsy as an innovative e-commerce business player utilizes social media platforms such as Instagram, TikTok, and Facebook to increase customer interaction through creative and responsive content, while establishing strategic partnerships with influencers and micro-influencers to expand market reach and strengthen brand image. The strategy of collaboration with influencers allows brands to reach audiences more personally and authentically, which increases consumer trust levels (Ryan, 2016). In addition, Ghealsy optimizes the live shopping feature on social media to create interactive and real-time shopping experiences, such as Facebook Ads and Google Ads, allowing them to target consumer behavior, so that this integrated marketing strategy supports sustainable business growth. The use of data-based digital advertising allows businesses to tailor messages to specific user behavior, thereby improving marketing campaigns (Strauss & Frost, 2013).

Customer Enggagement & Customer Service

Ghealsy implements a comprehensive strategy to increase customer satisfaction and loyalty by providing responsive customer service via WhatsApp and direct messages on social media, so that every question or complaint is handled quickly and professionally. They also utilize chatbot technology to answer customer questions automatically, ensuring efficient 24/7 service and reducing waiting time. This strategy is in line with Solomon’s (2018) view that today's digital consumers expect fast and personal service as part of the shopping experience. In addition, Ghealsy regularly holds giveaways and loyalty programs designed to increase customer engagement by providing incentives and rewards for their loyalty, thus creating a stronger relationship between customers and brands. Ghealsy also builds a customer community through exclusive groups on social media, where customers can share experiences, get the latest information, and feel more connected to the brand, thereby strengthening loyalty and creating a supporting ecosystem that supports sustainable business growth. An effective loyalty program can increase customer retention and create brand advocacy naturally (Zeithaml et al., 2017).

Stock Management and Logistics

Ghealsy implements a stock management system integrated with the marketplace to avoid running out of products by monitoring the availability of goods in real-time so that each transaction can be processed immediately without a shortage of stock, in addition Ghealsy collaborates with trusted delivery services so that each order is sent on time in good condition, which is an important factor in building customer trust. This strategy is important because efficient supply chain management increases customer satisfaction and reduces operating costs (Chopra, S., & Meindl, 2015). Ghealsy also provides same-day delivery services for certain areas, so that customers can receive products on the same day as their orders and increase customer satisfaction and loyalty. Speed and certainty in delivery are key factors in creating a competitive advantage in e-commerce (Christopher, 2016).

Customer Satisfaction & Loyalty

To increase customer satisfaction and loyalty, Ghealsy provides fast and responsive service via WhatsApp, social media, and a chatbot on e-commerce. Ghealsy also collaborates with various types of expeditions and has an integrated logistics system to ensure products are delivered accurately and quickly. This strategy has succeeded in increasing customer satisfaction, as evidenced by the fairly good rating of 4.7 out of 208 thousand reviews on Shopee, where some customers leave positive comments regarding the fast shipping process. The interview results also proved that consumers were satisfied shopping at Ghealsy because the products were good, varied, affordable, and with fast shipping. However, Ghealsy also received several negative comments regarding product defects and poor chat performance, which was only 45% on Shopee. This statement is in line with interviews with several consumers who have made online purchases at Ghealsy, where two consumers stated that they were less satisfied shopping at Ghealsy because there were defective products, such as dirty stains on bags and loose shoe hooks. In addition, one consumer revealed that it took quite a long time for him to wait for a response from Ghealsy at Shopee. Based on the results of documentation and interviews, the strategies that can be applied to overcome this include (1) carrying out safe packaging so that there is no product damage, (2) tightening the quality control system to maintain good product quality until it reaches the buyer, (3) utilizing the chat template feature to reply to messages more efficiently, (4) do not rely too much on chat bots, use manual replies that are not only responsive but also provide solutions so that consumers feel cared for, (5) provide clear and complete product details, and monitor chat performance. With this strategy, it is hoped that Ghealsy can provide a pleasant online shopping experience, so that consumer satisfaction increases and fosters consumer loyalty to shop again.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the case study, it can be seen that Ghealsy's digital transformation through the use of e-commerce and integration with the marketplace has had a significant impact on business growth. Implementation of strategies such as digital marketing through social media, collaboration with influencers, and the use of interactive features such as live shopping has expanded market reach and increased interaction with customers, thereby driving increased sales and consumer loyalty. In addition, stock management is integrated with the marketplace, collaboration with trusted delivery services, and same-day delivery services. This allows Ghealsy to respond to market demand quickly and accurately, and reduce errors in delivery, which overall provides a more optimal shopping experience for customers.

ADVANCED RESEARCH

This study has limitations in that the findings cannot be generalized to a wider population because they focus on a more specific object, namely Ghealsy ID. Further research can use other objects in the fashion sector to contribute to the literature concerning the role of digital transformation in the progress of the fashion business, particularly in Indonesia.

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