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## IMPLEMENTATION OF DIGITAL MARKETING STRATEGY TO INCREASE COMPETITIVENESS AMONG MSMEs

Dian Sudiantini<sup>1</sup>, Ananda Sefita<sup>2</sup>, Puspita Ayu Maharani<sup>3</sup>, Suci Maharani<sup>4</sup>, Vira Febianti<sup>5</sup>

<sup>1</sup>Bhayangkara University, Greater Jakarta

<sup>2</sup>Bhayangkara University, Greater Jakarta

<sup>3</sup>Bhayangkara University, Greater Jakarta

<sup>4</sup>Bhayangkara University, Greater Jakarta

<sup>5</sup>Bhayangkara University, Greater Jakarta

E-mail: [dian.sudiantini@dsn.ubharajaya.ac.id](mailto:dian.sudiantini@dsn.ubharajaya.ac.id)

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**Abstract:** This research discusses the implementation of digital marketing strategies to increase the competitiveness of Micro, Small and Medium Enterprises (MSMEs) in Indonesia. In the context of national economic growth, MSMEs play an important role in creating jobs, increasing people's income and reducing poverty rates. However, the challenges faced by MSMEs, especially in the marketing sector, require innovative approaches, especially through the adoption of digital marketing. Through a literature review, this research analyzes the role of digital marketing in increasing the competitiveness of MSMEs, the marketing strategies used, the advantages obtained, and the challenges faced. The results show that digital marketing allows MSMEs to expand market reach, increase sales and build brand image effectively. However, there is still a need to increase understanding and skills in implementing digital marketing strategies. Therefore, this research provides insight into the contribution of digital marketing strategies in developing MSMEs which can ultimately support economic growth and community welfare.

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## INTRODUCTION

The role of society in national development, especially in economic development, is reflected in Micro, Small and Medium Enterprises (MSMEs). MSMEs have a crucial position in the national economic structure. The significant presence of MSMEs in Indonesia allows them to have a large impact on the economy. Even after experiencing an economic crisis, MSMEs continue to show stable growth from year to year, confirming

their resilience in facing economic challenges. Apart from that, MSMEs also play a role in providing large employment opportunities, which in turn increase people's income. Therefore, MSMEs are considered as one solution to reduce unemployment and poverty. To ensure optimal contribution from MSMEs, it is important for the government to continue to provide support and strengthening to this sector so that its role as the main pillar in developing the national economy can continue to be improved.(Sarfiyah et al., 2019).

Advances in information technology have changed the marketing paradigm significantly, shifting marketing concepts from the conventional and traditional to a dynamic and globally connected digital world.(Sifwah et al., 2024).MSMEs will survive and compete if they are able to implement competitive management and marketing well. Marketing strategy has a central role in determining the direction and success of a business. By planning and implementing the right marketing strategy, a company can secure and even increase sales of the products or services it offers. This becomes very important in the context of increasingly tight market competition. Through careful analysis of markets and consumers, companies can identify new opportunities and adjust their marketing strategies accordingly. By taking advantage of these opportunities, they can increase the attractiveness of their products or services in the eyes of consumers.

Implementing an effective marketing strategy also allows a company to maintain or improve its position in the market. By understanding consumer needs and preferences, companies can develop marketing messages that are relevant and interesting, and reach consumers in the most efficient and effective way. Not only that, a good marketing strategy can also help a company to build a strong brand image and differentiate itself from its competitors. By creating a unique and attractive brand identity, companies can build closer relationships with consumers and increase their loyalty to the brand.

Thus, marketing strategy has a very important role in realizing a company's business plan and achieving the goals that have been set. It's not just about marketing products or services, but also about building sustainable relationships with consumers and generating added value for the company as a whole. According to Rosma (2022) in Saputra., et al (2023), people have used technology to make important tasks easier to complete. According to Afrilia, technological progress is currently progressing very rapidly. This is especially true for advances in internet technology, the existence of which influences and shapes the global market picture.

In this research, the author will analyze the implementation of digital marketing strategies in increasing competitiveness among Micro, Small and Medium Enterprises (MSMEs). So the problem formulation that will be discussed in this research is how to apply digital marketing to increase the competitiveness of MSMEs in Indonesia? The aim is to produce information about how effective digital marketing strategies are in increasing the competitiveness of MSMEs. It is hoped that the results of the analysis can provide insight into the contribution of digital marketing strategies in increasing MSME income, which in turn can help reduce economic disparities and support development and community welfare. In line with this phenomenon, researchers are interested in conducting

research with the title "Implementation of Digital Marketing Strategy in Increasing Competitiveness Among MSMEs".

## **REVIEW OF THEORY**

### **Digital Marketing**

Digital marketing is a promotion and market search strategy carried out online through various online platforms, such as social media. The Internet not only facilitates connections between individuals and devices, but also enables interactions between individuals in different parts of the world. Digital marketing involves interactive and integrated marketing efforts to facilitate communication between producers, market intermediaries and potential consumers. In the midst of a pandemic, digital marketing provides new hope for Micro, Small and Medium Enterprises (MSMEs) to survive and even develop as a driving force for the economy, because dependence on digital technology has become an inevitability. One of the development efforts in digital marketing is through collaboration with application-based purchasing platforms to expand the reach of online promotions (Hadi & Zakiah, 2021).

### **Competitiveness**

Competitiveness is the key to determining whether a company will succeed or fail. It determines the extent to which a company's activities support its performance, including innovation or effective execution (Wibowo & Zainul Arifin, 2015).

The Minister of National Education defines competitiveness as the ability to achieve better, faster or more significant results. This includes the ability to strengthen market share, adapt to the environment, consistently improve performance and maintain a profitable position. According to Mangkunegara (2011) in Setianingsih & Kharismahendra (2023), the competitive advantage of a business organization in the era of globalization is determined by effectiveness in implementing strategies in human resource management, marketing and finance.

### **MSMEs**

MSMEs or micro, small and medium enterprises are a type of business that is run by many Indonesian people. There are several definitions from experts which refer to a certain scale of capital and income to define the business. MSMEs are small-scale businesses that can be run by individuals, households or business entities (Saputra et al., 2023).

Micro, Small and Medium Enterprises (MSMEs) have an important role in increasing income, creating jobs, opening up new business opportunities, as well as reducing poverty levels. In a research journal by Setianingsih & Kharismahendra (2023), MSMEs are defined by Tambunan (2012) as independent business units run by individuals or business entities in various economic sectors. Meanwhile, according to Partomo and Soejono (2002), small and medium enterprises generally have a simple organizational structure, a limited number of workers, a flexible division of tasks, a simple management system, often operate informally, rarely carry out formal planning, and tend to do not separate personal assets from company assets.

## **METHOD**

This research uses qualitative methods, especially literature study. The aim of qualitative research is to understand the meaning, perspectives and experiences of individuals or groups in a particular context. This method focuses on non-numerical data and seeks to explore deep meaning through textual and interpretive analysis. Literature study is a data collection method that relies on existing literature, such as books, journals, articles, reports and other documents. These studies are used to build a theoretical basis, identify gaps in previous research, and gain a better understanding of the topic being researched.

## **RESULTS AND DISCUSSION**

The use of social media as the first step in digital marketing to market products must comply with marketing principles in order to effectively attract consumers and encourage transactions. To win the competition, it is important to implement marketing strategies that are right on target, both in terms of quality, price and competitiveness of the products offered (Hadi & Zakiah, 2021). The following are several digital marketing strategies that can be carried out by MSMEs:

### **A. The advantages of using digital marketing for MSMEs**

To adapt to digitalization trends, business actors need to develop new skills, such as implementing digital marketing. Several MSMEs have gradually shifted from conventional marketing systems to modern marketing methods (Harahap et al., 2021). Digital marketing strategy is considered a solution for MSME players in facing competitive challenges in the pandemic era, because it has several advantages, namely (Hadi & Zakiah, 2021):

- a. Digital marketing facilitates relationships between producers and consumers through online platforms. Interaction can occur without face to face, with consumer data stored digitally to be managed by MSMEs.
- b. Sales levels increase because digital marketing reduces distance and time barriers. Consumers can make purchases anytime and anywhere easily.
- c. Digital marketing costs are more economical than advertising in traditional media such as print, television or radio, so that MSMEs can achieve greater profits.
- d. Digital marketing allows sellers to provide real-time services to customers via smartphone, without having to be in one place or store constantly.
- e. Digital marketing can generate profits that are greater than the promotional costs incurred, especially through the use of advertising with minimal costs.
- f. Helping MSME players strengthen their brand position in the eyes of consumers, because increasing traffic purchasing products will increase brand exposure on the internet.
- g. Enables MSME players to compete with large companies without having to have large capital or infrastructure.
- h. Providing wider opportunities for MSME players to build their brand image and increase product recognition among consumers.

## **B. Utilization of Social Media and Market Places as Online Marketing**

In general, MSMEs in Indonesia often face similar challenges, including a lack of understanding of marketing strategies. This is due to limited access to market information available for MSMEs, especially for those who are not young people or the millennial generation.(Damayanti et al., 2022).The application of digital marketing to MSME businesses can raise their enthusiasm to continue to grow. However, MSME players also need to continue to adapt to changes in the environment, especially in changing marketing approaches from conventional offline models to online strategies that are in line with current trends. The migration from offline to online marketing allows MSMEs to utilize various platforms such as social media, marketplaces, social chats, business websites, and others, allowing them to interact with more customers and reach a wider reach(Prasetyo et al., 2022).

MSME players often use social media platforms such as Facebook, Instagram and WhatsApp as part of their online marketing strategy to reach more markets and increase the volume of sales transactions. On the other hand, they also utilize e-commerce platforms or marketplaces such as Tokopedia, Shopee, Bukalapak, Grab, Gojek, Go-Food, Lazada, and other online platforms to expand their marketing reach and reach more consumers.(Widyastuti et al., 2023).

Among the various social media platforms that are popular today, Instagram is one of the applications most widely used by various groups, including celebrities, influencers, public figures and the general public. The features offered by Instagram include sharing stories of daily activities, reels, uploading photos and videos, and watching interesting content from other users. In the Instagram story feature, users can use various interesting and funny filters or effects on photos and videos. Apart from that, Instagram also allows users to broadcast live (live streaming), where viewers can provide comments directly during the broadcast. When uploading photos or videos to the main Instagram page (feeds), users can add captions to explain the uploaded content.

To attract consumer attention to products marketed on Instagram, a strategy is needed to create unique and interesting content. This can be a photo post that shows the product in a professional and prominent manner. In the midst of increasingly fierce competition in the MSME market, innovation is the key to differentiating ourselves from other competitors, especially in this digital era where product photos are the main key to attracting consumer interest. Product photos have the ability to tell a lot of things, and MSMEs that can produce photos that are attractive and match the characteristics of the product and the interests of target consumers will be more likely to succeed in attracting their attention. Apart from photos, captions also have an important role in strengthening the message conveyed visually and increasing the attractiveness of the product being sold(Damayanti et al., 2022).

Caption is a term in English that refers to chapters, page titles, images, writing under caricatures, and so on. In the context of social media, especially Instagram, captions are words or sentences added by users as explanations or additional messages to complement uploaded photos or images. Captions can also function as an expression of feelings that

the user wants to convey, in the hope of getting responses or comments from other people(Harahap et al., 2021).

Not all MSME players have an adequate understanding of using Instagram as a promotional tool, especially in terms of taking good photos and creating interesting captions. Lack of education regarding effective photo taking techniques and creating interesting captions is a problem in itself. Many MSMEs tend to only take simple product photos and do not fully understand the role of captions in supporting product promotion. Therefore, business people, especially MSMEs, need training and guidance to understand how to create interesting Instagram content to promote their products.(Damayanti et al., 2022).

### **C. Sustainable marketing**

The use of digital marketing has the potential to create a sustainable marketing strategy, which is what MSME players hope for. However, in reality, to gain online visibility through social media and Google search results, consistency is required in implementing integrated SEO, content creation and marketing strategies. This will form a sustainable marketing system, which continuously provides the desired results for MSMEs(Hadi & Zakiah, 2021).

## **CONCLUSION**

From this research, it can be concluded that implementing digital marketing strategies has a significant role in increasing the competitiveness of MSMEs in Indonesia. Through digital marketing, MSMEs can take advantage of online platforms to expand market reach, increase sales and build a strong brand image. However, there are still challenges that need to be overcome, such as a lack of understanding and skills in using digital marketing. Therefore, efforts are needed to provide training and guidance to MSMEs so they can implement digital marketing strategies more effectively. In this way, it is hoped that MSMEs can continue to develop and contribute more to national economic growth and community welfare.

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