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Enhancing MSMEs with Digital Marketing to increase Business Competitiveness and Sustainability

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) constitute the foundation of the Indonesian economy. Nonetheless, numerous MSMEs have obstacles in accessing a broader market, particularly in the current digital age. This article examines ideas for empowering MSMEs through online marketing to enhance their competitiveness and sustainability. This project aims to identify barriers, develop effective training models, and assess the effects of online marketing deployment on enhancing revenue and broadening the market reach of MSMEs. The methods used included reviewing existing literature and conducting surveys with MSME participants, followed by both detailed qualitative and quantitative analyses. The study's findings indicate that organised training and mentoring in digital platform utilisation, social media optimisation, and the creation of compelling marketing materials can substantially enhance the competitive capacities of MSMEs in the online marketplace. This article aids in the formulation of policies and initiatives aimed at empowering MSMEs in a more focused and sustainable manner.

Keywords: Business Competitiveness; Digital Marketing; MSMEs

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in national economic development, employment generation, and income distribution. According to data from the Ministry of Cooperatives and SMEs, MSMEs account for almost 60% of Indonesia's Gross Domestic Product (GDP) (Giang & Khanhr, 2023). Amid the swift advancement of information and communication technology, MSMEs confront the problem of adjusting to shifting

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consumer behaviour, which increasingly favours online transactions (Lopitf, 2023). The capacity of MSMEs to leverage online marketing is essential for their survival and enhancement of competitiveness. Despite the significant potential of online marketing, numerous MSMEs continue to encounter challenges in its adoption.

These impediments encompass, Restricted Digital Proficiency and Competencies: The majority of MSME stakeholders lack adequate comprehension of digital marketing tactics, e-commerce platforms, social media, and data analytics technologies (Nademi & Shirzadi, 2024). Insufficient investment capital for hardware, software, or internet advertising expenses is a challenge for certain MSMEs. Restricted Human Resources: Insufficient skilled personnel in overseeing digital marketing components. Intense Rivalry in the Digital Domain The growing competition in the internet industry necessitates that MSMEs have a distinctive and efficient strategy (Ahmed, 2024). Trust and Transaction Security Concerns Consumer apprehensions over the security of online transactions and the credibility of sellers provide inherent obstacles.

This study presents several innovations relative to prior research. Initially, concentrate on establishing a comprehensive and sustainable training and mentorship framework that encompasses not only a brief training period but also an implementation phase and quantifiable impact assessment. We conduct a thorough analysis of the digital platforms that are most effective for various MSMEs. This study examines not only technical aspects but also emphasises the significance of constructing genuine brand narratives and content to engage consumers in the digital era. This research will elucidate the function of supporting ecosystems (governments, financial institutions, and business incubators) in expediting the adoption of internet marketing by MSMEs (Edan, 2023).

RESEARCH ELABORATIONS

This study employs a mixed-method approach, integrating both qualitative and quantitative techniques. We conducted a literature review on publications and scientific journals related to MSME empowerment, digital marketing, e-commerce, online consumer behaviour, and governmental laws affecting MSMEs (Shamsus et al., 2025). This literature review seeks to establish a theoretical framework and pinpoint research deficiencies. Survey Questionnaire: The questionnaire was disseminated to 100 MSME participants across diverse

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sectors (culinary, fashion, handicrafts, services) who have either attempted or expressed interest in online product marketing. The questionnaire encompasses MSMEs' profiles, their comprehension of internet marketing, the platforms utilised, the problems encountered, and their expectations for the empowerment program (Gugloth, 2023). The sampling method employs purposive sampling, selecting MSMEs that have been operational for a minimum of one year.

Comprehensive Interviews Interviews were performed with 15 chosen MSME stakeholders who demonstrated notable success or difficulties in internet marketing, together with representatives from governmental bodies and MSME associations (Sutikno et al., 2024). The interview seeks to obtain comprehensive insights into their experiences, tactics, and viewpoints. **Quantitative Analysis** We will analyse the questionnaire data using descriptive statistics (frequency, percentage, mean) to identify the characteristics of respondents and the level of online marketing usage (Risdiyanto et al., 2023). Inferential analysis, such as simple regression, can be employed to examine the correlation between training variables and elevated turnover, contingent upon data availability. Thematic analysis will be used to look at the qualitative data from interviews and observations to identify important patterns, themes, and insights related to the challenges, successes, and needs of empowering MSMEs.

RESULTS AND DISCUSSIONS

The survey results indicate that over 70% of respondents' MSMEs acknowledge the significance of online marketing; yet, only about 45% are actively utilising it. Social media networks like Instagram and Facebook are the preferred options (85%), succeeded by marketplaces (60%). Less than 10% of MSMEs possess personal websites. The primary challenges identified include insufficient comprehension of content strategy, SEO, and data analysis. **Efficient Training and Mentoring Frameworks** A successful training strategy for MSMEs must incorporate multiple parts based on data analysis. **Modules Based on Requirements:** Customise training to align with the foundational knowledge of MSMEs. The training should commence with the fundamentals of digital marketing, establish a company account, and encompass product photography and copywriting methodologies (Iki, 2024).

The practical and hands-on approach used by MSMEs is more effective for learning through real-world application. Training must enable the simulation of platform usage,

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advertisement production, and order administration. Personal and Collective Mentorship: Post-training, MSMEs require continuous mentorship to surmount the particular challenges encountered during implementation. Mentoring may occur either on an individual basis or within discussion groups. Concentrate on the notion of a "brand narrative." It is essential to instruct MSMEs on constructing a robust and genuine brand narrative to distinguish their items in a competitive marketplace. Digital financial literacy and transaction security training must encompass digital payments, online financial management, and transaction security strategies.

The Influence of Online Marketing Empowerment on Micro, Small, and Medium Enterprises (MSMEs) The data indicates that MSMEs receiving systematic training and support in online marketing have experienced substantial growth. Growth in Revenue (Sieo, 2024): The typical MSME that engages in internet marketing experiences a revenue boost of 20-40% within six months post-implementation. Expanding Market Reach: Online marketing enables MSMEs to access consumers beyond their local vicinity, including worldwide markets for certain products (Thiyagarajana et al., 2023). Enhanced Brand Recognition: A constant online presence amplifies brand visibility and fosters consumer trust. Marketing Cost Efficiency: Online marketing is more cost-effective than traditional marketing and has a broader reach. This approach enhances the adaptability of trained MSMEs, enabling them to respond effectively to evolving market and technical trends.

The function of the MSME Empowerment Support Ecosystem is intrinsically linked to the active participation of the supporting ecosystem. The government, via initiatives like the National Movement of Proud of Made in Indonesia, has enabled MSMEs to use digital platforms. Financial institutions contribute to facilitating access to capital for digital advancement. Furthermore, partnerships with influencers, communities, and business incubators can expedite the adoption process and enhance the success of MSME internet marketing

CONCLUSIONS

Enhancing MSMEs' capabilities in online marketing is essential for augmenting firm competitiveness and sustainability in the digital age. Systematic, pragmatic, and sustainable training and mentorship, emphasising the cultivation of brand narratives and the strategic utilisation of digital platforms, has demonstrated efficacy in enhancing revenue, broadening

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market reach, and augmenting brand recognition for MSMEs. Active engagement among governments, financial institutions, and communities is crucial to establish an environment that empowers MSMEs in the digital domain.

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