

Research Article

Strengthening MSMEs' Competitiveness through Digital Marketing Strategies: A Community Service Approach

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Abstract: Digital development has significantly influenced business practices, particularly for Micro, Small, and Medium Enterprises (MSMEs), which are required to adapt to technological changes in order to remain competitive. However, many MSMEs still rely on conventional marketing methods and have limited understanding of digital marketing and digital financial management. This community service program aims to strengthen MSMEs' competitiveness through the implementation of digital marketing strategies that support market expansion and improve business sustainability. The program was conducted using a qualitative descriptive approach through a series of community service activities, including field observations, interviews, seminars, and mentoring sessions for MSME actors. The focus of the activities was to introduce and assist MSMEs in utilizing digital marketing platforms, particularly social media such as Instagram, TikTok, and Facebook, as well as online marketplaces, to promote products more effectively. In addition, MSME participants were introduced to basic digital financial applications to support more structured and transparent financial recording. The results of the community service activities indicate positive changes among MSME participants, including increased awareness of the importance of digital marketing, improved product branding, broader market reach beyond local areas, and better financial management practices compared to previous manual recording methods. The adoption of digital marketing strategies enabled MSMEs to communicate product information more efficiently and build consumer trust through online presence. This community service program demonstrates that digital marketing assistance combined with practical mentoring can enhance MSMEs' competitiveness and contribute to improving community economic welfare. Continuous support and consistency from MSME actors are essential to ensure the sustainability of digital transformation initiatives.

Keywords: Marketing; Micro; MSMEs; Product Marketing Strategy; Small.

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1. Introduction

Technological advancements have become an inseparable part of modern human life. Currently, almost every daily activity relies on technology to improve efficiency, accuracy, and convenience. Various aspects of life, including communication, education, work, business, and social interaction, have been significantly transformed by rapid technological development (Hanandini, 2024). Innovation in digital technology not only reduces human workload but also enhances productivity and access to information, enabling individuals and organizations to operate more effectively in an increasingly interconnected world.

In the economic sector, technological progress has brought fundamental changes to business practices, particularly for Micro, Small, and Medium Enterprises (MSMEs). MSMEs are a form of small-scale economic activity carried out by the community and are classified based on net assets, annual income, and ownership structure in accordance with applicable legal provisions (Triyunanto, 2024). As the largest contributor to employment and grassroots economic activity, MSMEs play a strategic role in supporting economic stability and improving community welfare. However, many MSMEs still face challenges in adapting to technological changes due to limited resources and digital capabilities.

This era does not only emphasize technological advancement itself, but also how technology can be utilized to improve the overall quality of life of society. One significant impact of digital development is the shift in social and economic behavior, both among consumers and business actors (Yegina et al., 2020). Consumers increasingly rely on digital platforms to search for information, compare products, and make purchasing decisions, while business actors are required to respond to these changes by adopting more adaptive and innovative strategies (Rosmayati et al., 2024).

Digital transformation has therefore become an essential requirement for businesses to remain competitive in the global market (Agustian et al., 2023). Entrepreneurs are expected to adapt technology across various business processes, ranging from production and distribution to marketing and financial management. In addition, the ability to utilize data and digital information for business decision-making is increasingly important in order to improve efficiency, accuracy, and sustainability (Supriyati et al., 2023). Without adequate digital adaptation, MSMEs risk losing market opportunities and falling behind competitors who are more technologically prepared.

In Indonesia, the strategic role of MSMEs in the national economy further emphasizes the urgency of digital transformation. Data from the Ministry of Cooperatives and MSMEs show that MSMEs contribute more than 60 percent to the national Gross Domestic Product (GDP) and absorb over 97 percent of the workforce (Perdana, 2024). This contribution highlights MSMEs as the backbone of the national economy and a key driver of inclusive economic growth. Strengthening MSMEs' capacity through digital innovation is therefore crucial to maintaining economic resilience.

Beyond economic contributions, MSMEs also play an important role in income distribution, job creation, fulfillment of community needs, and economic recovery during periods of crisis. By adopting digital marketing strategies, MSMEs have the potential to expand market reach, improve competitiveness, and enhance business sustainability. In this context, community service programs that focus on strengthening digital literacy and marketing capabilities among MSMEs become highly relevant as practical efforts to support economic empowerment and community welfare (Susilowati et al., 2022).

2. Literature Review

Digital Transformation for UMKM

Digital transformation is the process of integrating digital technology into all aspects of a business, including operational processes, strategies, and interactions with customers and business partners. This process not only changes the way an organization operates but also creates added value and new efficiencies through technology-based innovation. Technologies often involved in digital transformation include cloud computing, big data analytics, the Internet of Things (IoT), and artificial intelligence (Erwin et al., 2023). Digital business transformation also means a complete change in business models—including strategy, organizational structure, and customer service approaches oriented toward the use of digital technology (Harto et al., 2023). The most accessible form of digital transformation for MSMEs is the use of social media. According to Hendrik Kuasa (2025), social media plays a crucial role in building brand visibility and direct interaction with customers. Platforms like Instagram and TikTok enable MSMEs to promote products visually and dynamically, thereby building customer loyalty through more personalized and interactive communication. Beyond social media, another form of digital transformation is integration into the e-commerce ecosystem. E-commerce enables MSMEs to conduct online transactions with high efficiency, reducing geographic boundaries, and reducing operational costs. Ramadhani (2025) stated that e-commerce opens the way for MSMEs to enter a wider market without having to have a physical store, which is certainly a solution to logistical constraints and high costs.

Digital Marketing

Digital marketing is a form of marketing that utilizes digital technology and the internet as a medium to achieve marketing goals. Wardhana (2022) defines digital marketing as an effort to promote products and services using relevant and integrated digital channels. Digital marketing strategies include various approaches that can help companies or business actors reach consumers effectively and efficiently.

The Potential of Digital Marketing and Sales Strategies

Purchasing decisions are a crucial aspect of understanding consumer behavior. When an individual feels a need or desire for a product or service, the decision-making process for making a purchase begins. In the modern marketing context, digital marketing has revolutionized the way companies reach potential customers. Unlike traditional promotional media, which have many limitations, digital marketing provides marketers with extensive freedom to express their creative ideas through various digital platforms. This opens up greater opportunities to attract consumers' attention and influence their purchasing decisions more effectively and interactively (Nasta'in et al., 2024).

3. Method

The implementation of this community service program employed a qualitative descriptive approach to comprehensively understand the conditions, challenges, and needs of Micro, Small, and Medium Enterprises (MSMEs) in adapting to digital marketing practices. This approach enabled an in-depth exploration of participants' experiences, perceptions, and responses throughout the program. The community service activities were carried out through systematic stages, including planning, implementation, and evaluation, to ensure effectiveness and sustainability.

During the planning stage, preliminary observations and informal interviews were conducted to identify the existing business conditions of MSME participants, particularly related to marketing methods, branding, and financial management practices. This stage aimed to assess participants' levels of digital literacy, challenges in utilizing digital platforms, and expectations regarding the program. The findings from this stage were used to design relevant materials and determine appropriate digital marketing strategies tailored to participants' needs.

The implementation stage constituted the core activities of the program and was conducted at Fatoni University, Thailand. This stage focused on interactive seminars and mentoring sessions aimed at strengthening participants' understanding of digital marketing concepts. Participants received practical guidance on the utilization of social media platforms such as Instagram, TikTok, and Facebook for product promotion, content creation, and customer engagement. In addition, online marketplaces were introduced as alternative marketing channels to expand market reach. Hands-on assistance was provided to ensure participants were able to directly apply the strategies discussed during the sessions.

Furthermore, participants were introduced to basic market analysis techniques, including market research through surveys and interviews to identify customer needs, competitor analysis to observe market trends and innovation opportunities, and product testing to assess market acceptance prior to wider distribution. These activities enabled MSMEs to evaluate their products and marketing strategies more systematically.

The final stage involved evaluation and solution development to assess the impact of the community service program. Follow-up observations and interviews were conducted to identify changes in marketing practices, branding, and financial recording after the activities. Based on the evaluation results, recommendations and practical solutions were formulated to support the continued adoption of digital marketing strategies among MSMEs. This systematic implementation method ensured that the program provided not only theoretical knowledge but also practical and applicable solutions to enhance MSMEs' competitiveness and economic sustainability.

4. Results and Discussion

Result

The implementation of this community service program was conducted through several structured stages aimed at strengthening the digital marketing capacity of Micro, Small, and Medium Enterprises (MSMEs). The results indicate that systematic assistance through seminars, mentoring, and hands-on practice contributed positively to participants' understanding and adoption of digital marketing strategies.

a. Implementation of Community Service Activities

The community service activities were carried out at Fatoni University, Thailand, involving MSME actors as program participants. The activities began with an introductory session that explained the objectives, scope, and expected outcomes of the program. This initial stage played an important role in increasing participants' awareness of the importance of digital marketing in responding to changing consumer behavior and increasingly competitive market dynamics.

Initial observations showed that most MSMEs relied primarily on conventional marketing methods, particularly word-of-mouth promotion. Participants generally had limited experience in utilizing digital platforms for business purposes and lacked structured marketing strategies. These findings confirmed the relevance of the community service program in addressing existing gaps in digital marketing adoption among MSMEs.

The core activities of the program were conducted through seminar sessions. During these sessions, participants received structured material on digital marketing concepts, including the role of social media as a marketing communication tool, basic branding principles, and an introduction to online marketplaces. The seminars were designed to be interactive, allowing participants to ask questions and share their experiences related to marketing challenges. This interactive approach facilitated active participation and enhanced participants' understanding of the materials presented.

b. Market Analysis and Evaluation

To support the development of effective marketing strategies, MSME participants were introduced to basic market analysis techniques. These activities included identifying customer needs through simple surveys and direct communication, observing competitors' marketing practices, and recognizing opportunities for product differentiation. Participants were encouraged to reflect on their existing products and promotional methods to identify areas requiring improvement.

Evaluation activities were conducted through follow-up observations and interviews after the completion of seminars and mentoring sessions. The evaluation results showed that participants began to understand the importance of having a consistent digital presence and more structured marketing planning. Several MSMEs demonstrated improvements in presenting product information more clearly, both visually and descriptively, which contributed to better product communication and increased consumer interest.

c. Adoption of Digital Marketing Strategies

The adoption of digital marketing strategies was one of the most significant results of this community service program. MSME participants were guided to utilize social media platforms such as Instagram, TikTok, and Facebook as primary marketing channels. These platforms were selected due to their accessibility, cost efficiency, and relevance to current digital marketing trends.

Participants were encouraged to create simple promotional content, including product photographs and short videos, to attract audience attention and increase engagement. As a result, MSMEs demonstrated improved consistency in promotional activities and greater confidence in managing digital marketing tools.

In addition to social media marketing, participants were introduced to online marketplaces as alternative channels to expand their market reach beyond local areas. The use of these digital platforms enabled MSMEs to communicate product information more efficiently and access a broader consumer base compared to previous conditions.

d. Improvement in Digital Financial Management

Another important result of the program was the improvement in financial management practices through digitalization. MSME participants were guided to use simple digital financial applications to record income and expenses. This activity addressed common challenges related to unstructured or manual financial recording.

After adopting digital financial applications, MSMEs were able to monitor profit and loss more accurately and in real time. This improvement provided clearer financial information that could support better business decision-making and future planning.

e. Comparison of MSME Conditions Before and After the Program

The overall changes experienced by MSME participants before and after the implementation of the community service program are summarized in Table 1.

Table 1. Comparison of MSME Conditions Before and After Community Service Activities.

Indicator	Before Program	After Program
Marketing Media	Conventional (Word of Mouth)	Social Media & Online Marketplaces
Market Reach	Local (Sub-district)	National
Financial Recording	Manual / None	Digital Applications
Product Branding	No Logo / Weak Identity	Clear and Consistent Visual Identity

Discussion

The findings of this community service program indicate that digital marketing assistance is a crucial intervention for strengthening the competitiveness of Micro, Small, and Medium Enterprises (MSMEs) in the digital era. The transition from conventional marketing to digital-based strategies reflects a broader process of digital transformation within small-scale businesses. This transformation involves not only the adoption of technology but also changes in mindset, business orientation, and consumer engagement patterns. MSMEs that previously relied on word-of-mouth promotion were able to recognize the limitations of traditional approaches in reaching wider markets. Through structured assistance, participants gained a clearer understanding of the strategic value of digital platforms. This finding supports the view that digital transformation is an essential requirement rather than an optional innovation (Erwin et al., 2023). Consequently, community service initiatives play a strategic role in accelerating MSME adaptation to digital ecosystems.

Digital transformation among MSMEs is closely linked to changes in consumer behavior in the modern economy. Consumers increasingly rely on digital platforms to search for information, compare products, and make purchasing decisions. MSMEs that lack a digital presence risk being excluded from this consumer decision-making process. The results of this program show that MSMEs began to understand the importance of being visible on digital platforms. This awareness represents a fundamental shift in how MSMEs perceive marketing and customer engagement. Digital platforms enable businesses to communicate value propositions more effectively. These changes align with the broader context of MSME development in Indonesia, where digital adaptation is becoming a key driver of competitiveness (Perdana, 2024).

The increased use of social media platforms such as Instagram, TikTok, and Facebook highlights their strategic role in contemporary marketing practices. Social media provides MSMEs with affordable and accessible tools to promote products and interact with consumers. Unlike traditional media, social media allows two-way communication, enabling businesses to receive direct feedback from customers. The results demonstrate that MSMEs became more confident in creating and sharing promotional content. This supports Wardhana's (2022) argument that digital marketing enhances efficiency and effectiveness in reaching target markets. Moreover, social media facilitates relationship-building, which is essential for customer loyalty. As a result, MSMEs can strengthen their market position through consistent digital engagement.

Branding improvements observed in this program further emphasize the importance of digital platforms in shaping consumer perceptions. Before the program, many MSMEs lacked clear brand identities, including logos and consistent visual elements. After receiving guidance, participants developed more structured branding approaches. A clear visual identity helps distinguish products in competitive digital markets. Branding consistency also signals professionalism and reliability to consumers. This finding suggests that digital marketing

encourages MSMEs to pay greater attention to brand presentation. Strong branding is particularly important in online environments where consumers rely heavily on visual cues.

The expansion of market reach from local to national levels illustrates the ability of digital platforms to overcome geographic limitations. MSMEs that previously served only nearby consumers were able to access broader markets through online promotion. This expansion demonstrates how digital marketing reduces dependency on physical location. Online marketplaces and social media platforms function as virtual storefronts that operate continuously. This aligns with Perdana (2024), who emphasizes the role of MSMEs in strengthening local economies while contributing to broader economic development. Digital access enables MSMEs to scale their operations gradually. As a result, MSMEs can increase their economic impact beyond their immediate communities.

The integration of online marketplaces represents a significant shift in MSME business models. Digital marketplaces offer standardized systems for transactions, logistics, and customer interaction. This reduces operational complexity for small businesses. The results indicate that MSMEs gained greater confidence in offering products through digital channels. Online marketplaces also provide exposure to diverse consumer segments. This transformation supports more efficient resource utilization and cost management. By adopting marketplace platforms, MSMEs can focus more on product quality and customer satisfaction.

Changes in consumer behavior further reinforce the relevance of digital marketing adoption. Modern consumers expect fast access to information and transparent product descriptions. MSMEs that improved their online product presentations were better positioned to meet these expectations. Visual content and clear descriptions help reduce consumer uncertainty. This finding aligns with Triyunanto (2024), who notes that digital information accessibility strongly influences purchasing decisions. Improved information delivery also shortens the decision-making process. As a result, MSMEs can increase transaction efficiency and customer satisfaction.

Content creation emerged as a key component of successful digital marketing practices. MSMEs that actively produced content demonstrated higher engagement levels with consumers. Although content quality varied, consistency was identified as an important factor. Regular content updates help maintain visibility in digital platforms. This practice also reinforces brand identity over time. The program helped MSMEs develop basic content creation skills. These foundational skills are essential for sustaining long-term digital marketing efforts.

Beyond marketing, the digitalization of financial management practices represents a significant contribution to MSME sustainability. Many MSMEs previously lacked structured financial records, limiting their ability to evaluate performance. The introduction of digital financial applications enabled real-time monitoring of income and expenses. This improvement supports more accurate profit and loss analysis. Digital financial tools also reduce the risk of human error in record-keeping (Chimucheka et al., 2025). As a result, MSMEs can make more informed business decisions.

Improved financial management is closely linked to business resilience. MSMEs with clear financial records are better equipped to manage cash flow and plan future investments. Digital records also enhance transparency and accountability. This finding supports Susilowati et al. (2022), who highlight the importance of digital tools in improving MSME business performance. Financial digitalization strengthens internal management systems (Novaković et al., 2024). Consequently, MSMEs become more prepared to face market uncertainties.

From a community development perspective, this program demonstrates the strategic role of universities in supporting MSME empowerment. Higher education institutions can serve as facilitators of knowledge transfer and innovation. By combining theory and practice, universities help bridge gaps in digital literacy. This collaboration benefits both academic institutions and local communities. MSMEs gain practical skills, while universities fulfill their social responsibility. Such partnerships contribute to sustainable economic development.

The participatory approach applied in this program proved effective in enhancing learning outcomes. Interactive seminars and mentoring sessions encouraged active participation. MSMEs were not merely passive recipients of information. Instead, they were involved in discussions and practical exercises. This approach supports deeper understanding and skill retention. Hands-on practice also increases confidence in applying new knowledge. Therefore, participatory methods are highly recommended for future community service programs.

Despite positive outcomes, challenges related to sustainability remain. Digital adoption requires continuous effort and adaptation. MSMEs may face difficulties maintaining consistency without ongoing support. Limited time and resources can hinder long-term implementation. This suggests that follow-up programs are necessary to reinforce initial gains. Sustainable impact depends on continuous learning and practice. Stakeholder collaboration is therefore essential.

Another challenge identified is the variation in digital literacy among MSMEs. Differences in age, education, and technological familiarity significantly influenced the speed and depth of digital adoption. As noted by OECD (2021), “digital skills gaps among small business owners remain a major barrier to effective digital transformation, particularly among older and less formally educated entrepreneurs” (p. 38). Consequently, some participants required more intensive guidance and hands-on assistance than others, highlighting the need for flexible and adaptive training models. According to Susanti et al. (2022), “capacity-building programs for MSMEs must be tailored to participants’ digital readiness to ensure learning effectiveness and adoption sustainability” (p. 91). Personalized mentoring is therefore a strategic approach to addressing diverse learning needs and reducing digital inequality. Dwivedi et al. (2021) emphasize that “inclusive digital transformation depends on adaptive learning frameworks that accommodate varying levels of technological competence” (p. 1021). Future programs should explicitly consider these differences to maximize effectiveness, as inclusive approaches ensure broader participation and long-term impact.

Overall, this discussion confirms that digital marketing and financial digitalization are strategic instruments for strengthening MSME competitiveness and sustainability. The integration of marketing, branding, and digital financial management creates a comprehensive development framework. This is supported by Kraus et al. (2022), who argue that “holistic digitalization strategies enable SMEs to enhance resilience, competitiveness, and long-term performance” (p. 12). Digital transformation should therefore be approached holistically rather than in fragmented initiatives. Community service programs play a critical role in facilitating this process, particularly in bridging knowledge gaps and fostering digital confidence. As stated by Nguyen et al. (2023), “community-based digital empowerment initiatives significantly contribute to MSME sustainability and local economic development” (p. 447). With consistent implementation and strong stakeholder support, MSMEs can achieve sustainable growth. These findings reinforce the importance of digital empowerment as a key driver of community economic welfare.

5. Conclusion

This community service program provides significant benefits for business actors. Through digital marketing seminars, participants gain new insights and skills in digital marketing strategies, which are proven to have a positive impact on their businesses. With a better understanding of digital marketing, business actors can now utilize various online platforms to reach a wider market more effectively. Digital transformation for MSMEs is not just a trend, but an urgent need for survival. The service strategy through intensive mentoring has proven effective in increasing partners' digital literacy. This success is marked by increased digital promotional activities and streamlined financial administration. However, consistency from business actors and ongoing support from local governments are needed to maintain this growth momentum.

For further research, it is recommended that a focus be placed on developing training and mentoring programs for small businesses, particularly in digital promotion practices. This approach will help them overcome limitations in digital knowledge and skills, so that they can optimally utilize digital marketing strategies to increase the competitiveness of local products.

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