Digital marketing increases competitiveness of MSMEs in the city of Gorontalo

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ABSTRACT

The significant increase in the use of digital technology, especially through digital marketing strategies, has become a major catalyst in changing the global business landscape. This research aims to investigate how Micro, Small and Medium Enterprises (MSMEs) in Gorontalo City can utilize digital marketing to increase their competitiveness. By understanding the challenges and opportunities faced by MSMEs at the local level, this research uses scientific study methods with a qualitative metasynthesis approach. The research results show that the use of digital marketing has a positive impact on MSMEs in Gorontalo City. Online marketing strategies, such as promotions through social media and online buying and selling platforms, not only increase product sales but also expand product visibility and fame. Even though there are obstacles such as intense online competition and a lack of understanding of MSME players about digital marketing, outreach, training and mentoring activities have succeeded in increasing their understanding and skills.

Keywords: Digital Marketing; Competitiveness; MSMEs.

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1. INTRODUCTION

The significant increase in the use of digital technology, especially through digital marketing strategies, has become a major catalyst in changing the global business landscape. Micro, Small and Medium Enterprises (MSMEs) in various regions in Indonesia cannot ignore the impact of this change. MSMEs are productive businesses owned by individuals or business entities that meet the criteria as micro-enterprises. As regulated in statutory regulation no. 20 of 2008, according to the definition of MSMEs, the criteria for MSMEs are differentiated individually, including micro businesses, small businesses and medium businesses (Zia, 2020) (Zia, 2020)

With the provisions regulated in the ITE Law, businesses can develop and implement digital marketing strategies by paying attention to the principles of security, privacy and transaction validity. This creates a digital environment that is trustworthy and profitable for all parties involved in the electronic transaction ecosystem in Indonesia. Apart from that, the ITE Law also plays a role in dealing with violations and criminal acts that occur in the digital realm, maintaining security and public trust in information technology and electronic transactions in Indonesia. (Agustini dkk., 2023)

The rapid growth of digital technology has created new opportunities for MSMEs to increase visibility and access wider markets (Andy dkk., t.t. 2020) . Gorontalo City, as the center of the local economy in its region, is experiencing significant economic transformation along with the emergence of information technology and the internet. Therefore, it is necessary to pay attention to how MSMEs in Gorontalo City can utilize the potential of digital marketing strategies to increase
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become the main driver in achieving business growth and sustainability. This condition reflects a shift in the business paradigm in general, where digital technology is the foundation for innovation, efficiency and global connectivity (Kurdi dkk., 2022).

Implementing a digital marketing strategy is not just an opportunity, but also a necessity. Competing globally is no longer the prerogative of only large companies. MSMEs that utilize digital technology can compete more effectively and efficiently, proving that size is not an absolute barrier to achieving success in an increasingly connected global market. (Tayibnapis, 2021). Therefore, a digital marketing strategy is not just about increasing visibility, but also about harnessing the power of digital technology to create sustainable business growth.

Government Regulation no. 20 of 2008 clearly regulates the meaning and criteria that must be met by Micro, Small and Medium Enterprises (MSMEs) in Indonesia. These criteria serve as a guide for identifying and categorizing MSMEs, including in Gorontalo City, thereby providing a strong foundation for research that focuses on developing and increasing the competitiveness of MSMEs in the digital era. (Saputri & Mawardi, 2022) Here are the details: Micro Enterprises, Maximum number of employees is 9 people, Maximum annual business turnover or asset value of IDR 300 million, There are various types of business, including industrial, trade and service sectors (Munthe dkk., 2023), Small Business, Number of employees from 10 to 49 people, Annual business turnover or asset value is IDR 300 million to IDR 2.5 billion, The type of business is the same as a micro business, covering the industrial, trade and service sectors. (Yuwono, 2020), medium business The number of employees is 50 to 199 people, Annual business turnover or asset value is IDR 2.5 billion to IDR 50 billion. Types of business include industrial, trade and service sectors (Kustanto, 2022).

2. RESEARCH METHOD
The research method used is a scientific study with a qualitative metasynthesis approach. Qualitative metasynthesis is an approach that allows the synthesis and interpretation of data from various qualitative studies relevant to the research topic. The main aim of this method is to present a comprehensive systematic review of marketing strategies in business, with a focus on the most important ideas and global views. (Tanjaya & Kwarto, 2022)

Identify Specific Meta Research Questions, the meta research question that guided the metasynthesis was “How can digital marketing increase the competitiveness of MSMEs in Gorontalo City?” This question provides a clear focus regarding online marketing strategies and their impact on the competitiveness of MSMEs. Comprehensive Search

Article searches were conducted through various sources, including The Lens-Free & Open Patent and Scholarly Search, Scopus, ScienceDirect, Google Scholar, and Google Publish or Perish. Topical, population, temporal, and methodological parameters were determined early to ensure retrieval of the most relevant articles. Initial Selection of Relevant Studies, found articles are combined in the Publish or Perish application and filtered to remove duplicates. Of the 100 articles analyzed, the 5 most relevant articles were selected for in-depth review. Selection was made based on title, abstract, and relevance to the guiding question. Quality Assessment of Initially Selected Studies, an in-depth review was conducted of the 5 selected studies, with an analysis matrix developed. Grading criteria involve year of publication, bibliographic references, key ideas in the article, relationship to the guiding question, and text segments with sought evidence. (Abdurohim, 2023), Summary of Findings with Qualitative Techniques, the results of the qualitative analysis are presented in a matrix containing 1 cluster with the keywords Digital Marketing, MSMEs, Competitiveness, and Increasing Competitiveness based on the VOSviewer application. The use of qualitative techniques provides an in-depth understanding of the findings of the selected studies. Presentation of Summary of Results, the results presentation phase shows how the categories derived from the meta-issue are defined. The article presents information regarding the duration of publication (2018-2023) and the recency of the article.
3. RESULTS AND DISCUSSIONS

By referring to one group of data that has been obtained, an evaluation of each article is carried out to understand the impact of implementing digital marketing strategies in increasing the competitiveness of Micro, Small and Medium Enterprises (MSMEs) in Gorontalo City. The results are as follows.

Study (Kobar & Masruriyah, 2023) shows that the use of social media provides good prospects for increasing sales of MSME products. Digital marketing, through online buying and selling platforms, simplifies the process of ordering and purchasing products. Direct interaction between buyers and MSME owners in transactions is one of the main advantages. An aspect that has a significant impact on MSME players is the ease of advertising and marketing products. Without continuous efforts to promote their products, MSMEs risk losing their competitiveness in increasingly fierce business competition.

Other benefits of digital marketing include the ability to build a brand, communicate more quickly with customers, and provide better service. However, there are obstacles in utilizing digital marketing, such as high competition in the online business world, lack of trust between buyers and sellers, and the lack of knowledge and insight of MSME players regarding digital marketing. Some MSME players tend to feel satisfied with existing consumers without realizing the wider market potential. The impact of using digital marketing on MSMEs has positive and negative sides.

The positive impact can be seen in increasing income, increasing product popularity, and the ease of getting new customers, including from outside the city to outside the island. Apart from that, digital marketing can also reduce promotional costs because using this platform is usually free. (Irwansyah dkk., 2023) However, the negative impact is the increased level of competition in the online business world, vulnerability to fraud, and the potential for imitation of similar ideas and products. The use of digital marketing by MSMEs as a whole can promote and increase competitiveness, changing the paradigm of MSME players from local sales to national to international market penetration.

From the evaluation results of the group data obtained, it can be concluded that the implementation of digital marketing strategies has a significant impact in increasing the competitiveness of Micro, Small and Medium Enterprises (MSMEs) in Gorontalo City. A study conducted by Kobar & Masruriyah (2023) highlighted that the use of social media provides positive prospects in increasing sales of MSME products. The main advantage involves an easier process for ordering and purchasing products, with direct interaction between buyers and MSME owners on the online buying and selling platform.

One important aspect that is the focus of research is the ease of advertising and marketing products, which minimizes the risk of losing competitiveness for MSMEs amidst increasingly fierce business competition. Other benefits of digital marketing include brand building capabilities, fast communication with customers, and improved service. However, Irwansyah et al. (2023) shows that there are obstacles to the use of digital marketing, such as high competition, lack of trust between buyers and sellers, and a lack of understanding by MSMEs about digital marketing.

The positive impacts of digital marketing include increasing income, product popularity, and the ease of getting new customers, even from outside the city to outside the island. However, negative impacts include increased levels of online competition, vulnerability to fraud, and potential imitation of similar ideas and products. However, the use of digital marketing by MSMEs as a whole can encourage and increase competitiveness, even changing the paradigm of MSME players from local sales to national to international market penetration. This conclusion provides a holistic picture of the complexity of the impact of digital marketing strategies on MSMEs in Gorontalo City.

research result (Tsoraya dkk., 2023) shows that the use of digital marketing is now the key to success for MSMEs. Through online product marketing, especially through social media such as Instagram and Facebook, MSMEs can reach consumers who cannot be accessed through conventional marketing. Even though several MSMEs are well known, there are still challenges, especially in creating content marketing. To overcome this problem, outreach and training activities were carried out in the village. This method is considered appropriate for providing education and training to MSME players. The activity stages involve preparation, implementation and evaluation. The results show an increase in participants’ understanding regarding content marketing, digital
marketing, and the use of the Canva application. Furthermore, assistance in creating attractive packaging designs that meet specified standards is deemed necessary as the next step. Thus, the implementation of socialization and training activities succeeded in increasing participants' understanding and knowledge regarding digital marketing strategies, supporting the competitiveness of MSMEs in Indonesia.

(Subroto dkk., 2022) carry out community service as an effort to increase the competitiveness of MSMEs, especially in marketing cassava chips products, through the use of digital marketing. The methods used include counseling, training and mentoring for two months to MSME actors as partners. From this activity, partners succeeded in understanding the concept of digital marketing and were able to use the internet for marketing. This increased capability is expected to help them gain a wider market and increase competitiveness. Even though this activity is going well and increasing partners' marketing capabilities, further monitoring needs to be carried out to evaluate the impact of implementing digital marketing on partner businesses. Marketing through digital media is expected to support business growth and increase product sales. Monitoring is also needed to identify potential obstacles that partners may face in using digital marketing as a marketing medium.

(Solikhati dkk., 2023) provide service to increase MSME players' understanding of the importance of digital marketing, expand marketing reach, and increase competitiveness through E-commerce. Activities involve training, mentoring, and implementing E-commerce businesses with a focus on Digital Marketing. The evaluation results show that the training and implementation of E-commerce based marketing was very well received by WINSHOP MSME participants. The participants have understood and mastered the use of E-commerce and social media well. The positive impact of this activity can be seen in increasing partners' knowledge, understanding and ability to maximize digital marketing features, especially through the Shopee application and social media such as Tiktok Shop and Instagram. The competitiveness of WINSHOP MSME products has increased, as evidenced by the increase in popularity and higher sales conversions due to intensive digital marketing. Overall, this activity has had a positive impact on WINSHOP MSMEs, strengthening its position in the market by utilizing digital marketing strategies.

Study (Saputra dkk., 2023) revealed that digital marketing plays a crucial role in increasing the competitiveness of Micro, Small and Medium Enterprises (MSMEs). With its ability to reduce promotional costs, expand reach, increase sales, maintain customer relationships, and create traceable digital footprints, digital marketing has become a strategic tool for MSMEs. The increase in MSME sales during the pandemic shows the effectiveness of digital marketing, and in this digital era, not adopting this strategy can make MSMEs lag behind their competitors who have utilized it optimally. Therefore, implementing digital marketing is the key to success in increasing competitiveness and successfully marketing MSME products.

The use of digital marketing in the context of micro, small and medium enterprises (MSMEs) has a significant positive impact on increasing competitiveness. Online marketing strategies, such as promotions through social media and online buying and selling platforms, not only increase sales of MSME products but also expand product visibility and fame. Excellence in direct interaction between buyers and MSME owners helps build strong customer relationships and increase customer satisfaction. In addition, digital marketing allows MSMEs to build and strengthen their brand identity, create a strong brand image and differentiate themselves from competitors. (Utomo, 2023) Cost efficiency in promotion is also a benefit, with the possibility of using digital platforms at low cost or free. Not only that, access to global markets becomes easier, providing new business opportunities and competition at the international level. For MSMEs with cultural heritage and local products, digital marketing is a tool to promote product identity and uniqueness in the global market. Education and training related to digital marketing provides the necessary understanding and skills, overcoming obstacles such as a lack of knowledge about digital marketing strategies. Overall, implementing a digital marketing strategy not only supports the growth of MSME businesses but also changes their paradigm from local sales to national to international market penetration.

Digital marketing has both positive and negative impacts on MSMEs in Gorontalo City. Several studies highlight that utilizing social media and e-commerce platforms increases sales,
increases product popularity, and expands market reach. However, challenges such as high online competition, lack of buyer trust, and minimal understanding of MSME players about digital marketing were also identified.

4. CONCLUSION
Based on the research results that have been described, it can be concluded that the use of digital marketing strategies plays an important role in increasing the competitiveness of Micro, Small and Medium Enterprises (MSMEs) in Gorontalo City. Not only does it simplify the product purchasing process, digital marketing also opens up opportunities for direct interaction between buyers and MSME owners, creating significant advantages. The benefits of implementing digital marketing include cost efficiency in promotions, the ability to build brands, and faster communication with customers. Even though there are obstacles such as intense online competition, lack of trust between buyers and sellers, and lack of knowledge of MSME players about digital marketing, outreach, training and mentoring activities are key in increasing the understanding and skills of MSME players regarding digital marketing strategies. Digital marketing strategy is the key to success for MSMEs in Gorontalo City in facing the challenges of increasingly complex business competition. The implementation of digital marketing strategies not only has a positive impact on increasing sales and product popularity, but also changes the paradigm of MSME players from local markets to national to international market penetration. Despite facing challenges and obstacles, mentoring and education efforts have succeeded in providing solutions to maximize the potential of digital marketing for the progress of MSMEs in this digital era.

This research faces several limitations which can be opportunities for further research in the context of digital marketing to increase the competitiveness of MSMEs in Gorontalo City. First, data and sample limitations may reflect the overall representation of MSMEs in the city. Future research may expand the sample scope or use more sophisticated data collection methods to ensure the accuracy and representativeness of the information obtained. Additionally, if there are limitations in access to technology or infrastructure in Gorontalo City, future research could explore how to increase digital accessibility for MSMEs, perhaps through training initiatives or local government support. If cultural or local aspects are not fully explored, further research can focus on how to maximize the benefits of digital marketing by considering unique cultural and local characteristics. Limitations in evaluating the impact of digital marketing can also be an opportunity to develop more sophisticated evaluation methods or measurements that are more appropriate to the context of Gorontalo City. Additionally, if MSME finances are a constraint, future research could explore efficient and affordable business models or digital marketing strategies. Thus, paying attention to and overcoming these limitations can pave the way for research that is more in-depth, relevant, and has a positive impact on MSMEs in Gorontalo City.

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REFERENCES


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