

## Exploring the Role of Digital Marketing in Empowering MSMEs: Evidence from Sumbawa Regency

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### ARTICLE INFO

*Keywords: Digital marketing, Empowering MSMEs, Sumbawa Regency, Economic development*

*Received : 18, February*

*Revised : 20, March*

*Accepted: 30, April*

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### ABSTRACT

This study explores the role of digital marketing in empowering Micro, Small, and Medium Enterprises (MSMEs). As digital technology continues to evolve, MSMEs are confronted with both challenges and opportunities in adapting to a rapidly changing market landscape. The research adopts a descriptive qualitative approach using a case study method to explore how digital marketing contributes to the economic empowerment of MSMEs in Sumbawa. This study examines the utilization of digital marketing tools such as social media platforms, e-commerce, and messaging applications and how they contribute to business growth, brand visibility, customer engagement, and operational efficiency among MSMEs. The findings indicate that digital marketing significantly enhances the competitiveness of MSMEs by expanding market reach beyond local boundaries, promoting product innovation, and facilitating access to new consumer segments. Based on these findings, the study recommends targeted policy interventions, capacity-building programs, and stronger collaboration among stakeholders to support sustainable digital transformation. This research contributes to the broader discourse on digital inclusion and MSME development in rural areas and offers practical insights for policymakers, business development institutions, and technology.

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## **INTRODUCTION**

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of Indonesia's economy. In various regions, including Sumbawa Regency, MSMEs play a crucial role in job creation, poverty alleviation, and supporting local economic growth. However, MSME actors are often faced with challenges such as limited market access, restricted capital, and weak promotional strategies. In the era of rapid technological development, digital marketing emerges as a strategic approach that can help MSMEs overcome these barriers and enhance their competitiveness in both local and global markets (Sulistiyowati, E., & Rahmawati, 2024).

Digital marketing encompasses a wide range of activities utilizing platforms such as social media, websites, search engines, and e-commerce tools to promote products and services. These tools allow MSMEs to engage with a broader audience in an interactive and cost-effective manner compared to conventional marketing methods. Studies have shown that MSMEs that actively use social media experience significant increases in sales and customer loyalty (Atika, 2023). Therefore, mastering digital marketing strategies is essential for small businesses seeking to survive and thrive in today's digital economy.

Despite its potential, the adoption of digital marketing among MSMEs in Sumbawa Regency remains relatively low. Major barriers include low digital literacy, inadequate technological infrastructure, and the lack of structured training. (Sudiantini, D., Sefita, A., Maharani, P. A., Maharani, S., & Febianti, 2024), emphasize that MSME owners who have received digital marketing training are more capable of identifying market opportunities and building stronger customer relationships. Thus, capacity building, especially in digital skills, is a critical element in empowering MSMEs through digital marketing.

Government support and institutional involvement are also key to accelerating the digital transformation of MSMEs. Training programs, technical assistance, and supportive policies can help build a more inclusive business ecosystem. The Ministry of Communication and Information of Indonesia has launched national initiatives targeting the digitization of millions of MSMEs through education and technology facilitation (Kominfo., 2023). However, more locally tailored efforts are required especially in regions such as Sumbawa to ensure that digital transformation translates into tangible economic impact.

Digital transformation is increasingly becoming a necessity for MSMEs in Sumbawa Regency. According to the Central Statistics Agency (BPS) in 2022, approximately 54.52% of Indonesian MSMEs are managed by individuals with only primary education, which often limits their understanding of digital marketing strategies and market penetration (Warta Ekonomi., 2024). This situation calls for targeted interventions to enhance the digital capacity of MSME actors.

Training programs facilitated by various institutions have had a measurable impact on improving the digital competence of MSMEs. Training sessions covering market analysis, digital promotion techniques, and product catalog design have equipped MSMEs with practical tools to enhance competitiveness. These initiatives, when evaluated by experts, have shown that

participants are capable of implementing new strategies effectively in their business operations.

In addition, training on business legality and product certification has been pivotal in educating MSMEs about regulatory compliance. This not only boosts business credibility but also opens access to broader markets, both nationally and internationally. Ensuring that MSMEs understand the importance of certifications and intellectual property rights is fundamental in positioning them for long-term success in the digital era.

Nonetheless, several MSMEs in Sumbawa still struggle to apply digital marketing effectively. Limited knowledge of branding, poor utilization of social media, and lack of compelling visual content are some of the ongoing challenges. A study by (Priharta, A., 2024) found that many MSMEs in the region still do not have functional websites or utilize digital advertising, and their product visuals often lack quality and creativity, making it harder to attract consumer attention.

This study aims to explore the role of digital marketing in empowering MSMEs in Sumbawa Regency. By examining the experiences of local MSMEs, this research seeks to identify the opportunities and challenges related to digital marketing adoption. The findings are expected to provide strategic insights for policymakers, business practitioners, and academics committed to promoting sustainable economic development through digital transformation.

## LITERATURE REVIEW

Digital marketing has become an essential strategy for Micro, Small, and Medium Enterprises (MSMEs) in Indonesia to enhance their competitiveness in the digital era. The rapid advancement of digital technologies has transformed traditional business practices, enabling MSMEs to reach broader markets, engage with customers more effectively, and streamline operations. A study by (Sirodjudin, M., & Sudarmiati, 2023) emphasizes that the implementation of digital marketing by MSMEs in Indonesia is crucial for optimizing business performance in the digital age.

In Sumbawa Regency, the adoption of digital marketing strategies has shown promising results in improving MSME performance. Research by (Suarantalla, R., & Rizqi, 2024) indicates a significant positive relationship between internet usage and the types of online media with business performance among MSMEs in Sumbawa. The study suggests that increased utilization of the internet and comprehensive online media can enhance business performance, emphasizing the need for digital marketing adoption in the region.

Despite the positive impacts, challenges remain in the implementation of digital marketing strategies among MSMEs. Issues such as limited understanding of digital marketing concepts, inadequate infrastructure, and resistance to change can hinder the effective adoption of digital marketing practices. Addressing these challenges requires targeted interventions, including training programs and support systems, to build digital competencies among MSME stakeholders. (Anwari, Z., Fitriani, F., Dwika, S., Sari, N. E., & Sari, 2024), highlight that the role of digital technology in improving distribution

line efficiency is crucial for MSMEs in Indonesia, emphasizing the need for digital marketing strategies to enhance competitiveness.

Digital marketing has emerged as a pivotal strategy for Micro, Small, and Medium Enterprises (MSMEs) to enhance their competitiveness in the digital era. In Indonesia, the government has set an ambitious target to digitalize 30 million MSMEs by 2024, aiming to integrate digital technologies into business operations to improve productivity and market reach. Furthermore, the development of digital marketing strategies is vital for increasing the competitiveness of local products. (Hisyam, A., & Fitriyah, 2024) discuss how digital marketing strategies can help MSMEs enhance the competitiveness of local products by reaching a wider audience and improving brand recognition.

The adoption of digital marketing among MSMEs in Indonesia has been influenced by various factors, including technological advancements and innovation development. A study by (Febrianti, S. E., Wardana, L. W., 2024), highlights that innovation development strategies and technological advancements positively impact the success of MSME businesses, with digital marketing literacy serving as a mediating variable. This underscores the importance of equipping MSME owners and managers with digital marketing skills to leverage technological innovations effectively.

The integration of digital marketing into MSME operations is crucial for enhancing competitiveness and achieving business success. The experiences from Sumbawa Regency and the broader Indonesian context provide valuable insights into the benefits and challenges of digital marketing adoption. Further research and practical initiatives are needed to support MSMEs in overcoming barriers and maximizing the potential of digital marketing strategies.

## **METHODOLOGY**

This study adopts a descriptive qualitative approach using a case study method to explore the role of digital marketing in the economic empowerment of MSMEs in Sumbawa Regency. Primary data were collected through indepth interviews and participant observation with MSME actors actively utilizing social media and digital platforms such as e-commerce in their business activities. In addition, secondary data were drawn from official sources, including the Central Statistics Agency (BPS, 2022), which reported that over 54% of MSMEs in Indonesia are managed by individuals with only basic education a factor contributing to low digital literacy. Data from the Ministry of Communication and Information Technology (Kominfo, 2023) also highlight the government's target to digitize 30 million MSMEs by 2024, indicating national efforts to support digital transformation. The data were analyzed using thematic analysis to identify recurring patterns and core themes. Data triangulation and member checking were employed to ensure validity and reliability, following qualitative research standards (Waruwu, 2024). The theoretical framework applied in this study is based on the Technology Acceptance Model (TAM), which explains the factors influencing MSMEs' decision to adopt digital marketing strategies (Sirodjudin, M., & Sudarmiatin, 2023). This methodology provides a comprehensive understanding of how digital marketing is integrated into rural business contexts, particularly among MSMEs in Sumbawa.

## RESULTS AND DISCUSSION

The role of digital marketing in empowering MSMEs in Sumbawa Regency is increasingly significant, as reflected in the findings of this study. Through qualitative analysis involving in-depth interviews and participant observation, key patterns emerged that provide insights into both the challenges and potential that digital marketing holds for local businesses. Most MSMEs in Sumbawa have begun utilizing digital marketing, particularly through social media platforms such as Instagram and Facebook, which have become the primary channels for promotion. This adoption is aligned with Indonesia's broader goal of digitizing 30 million MSMEs by 2024 to foster economic growth and enhance business competitiveness. However, the level of digital marketing integration within these businesses is often superficial, with many MSMEs only scratching the surface of what could be a more strategic, long-term investment in digital tools.

One of the main challenges faced by MSMEs in Sumbawa is the limited digital literacy among business owners and their staff. Although most are familiar with the basics of social media, they often lack a deeper understanding of advanced digital marketing techniques such as search engine optimization (SEO), data analytics, or customer engagement strategies that can help enhance business performance. The lack of digital expertise hinders their ability to fully optimize digital marketing platforms for higher visibility, better engagement, and ultimately, sales. A report by BRIN (2023) revealed that 70.2% of MSMEs in Indonesia face online marketing problems due to poor branding and marketing skills. This gap in digital knowledge significantly restricts the growth of these enterprises in the increasingly competitive digital space.

Another substantial barrier is the limited infrastructure available in rural areas, where many MSMEs are located. Despite the government's efforts to boost digital connectivity, internet access and digital devices remain inconsistent, particularly in remote regions of Sumbawa. Reliable internet service and modern technology are essential for MSMEs to leverage digital marketing tools effectively. A report from the Ministry of Communication and Information Technology (2023) indicates that many MSMEs still struggle with unreliable internet connections and inadequate access to digital devices, which hampers their ability to engage in consistent and professional digital marketing activities. Additionally, financial constraints often prevent MSMEs from investing in digital infrastructure or seeking professional digital marketing services, which could elevate their digital strategies and improve their online presence.

Furthermore, the study identified that financial barriers are another major challenge faced by MSMEs. Many small businesses in Sumbawa are financially constrained, which limits their ability to invest in both digital marketing platforms and the necessary tools to measure and track their digital campaigns. According to a Mastercard report (2024), MSMEs in Indonesia frequently encounter difficulties accessing credit, which in turn restricts their ability to finance digital marketing initiatives. Without external financial support or loans, many MSMEs rely on free or low-cost digital marketing

options, which, while helpful, are often insufficient for achieving measurable results. The lack of financial resources to hire digital marketing professionals or use advanced tools further exacerbates the difficulty of enhancing online visibility and engaging a broader customer base.

Despite these challenges, digital marketing has had a positive impact on MSMEs that have successfully implemented it, especially regarding increased brand visibility and customer engagement. Many businesses have reported more interaction with customers and greater brand recognition, particularly among the younger, more tech-savvy demographic. However, the full potential of digital marketing has yet to be realized due to the limitations discussed above. The integration of more strategic and comprehensive digital marketing efforts, such as SEO, content marketing, and paid advertisements, could potentially lead to significant improvements in both business reach and sales performance. According to research by (Mega Utama, P. Z., & Indarwati, 2023), digital innovation significantly mediates the relationship between digital marketing capabilities and business performance, highlighting the importance of investing in digital marketing strategies to improve overall market success.

To address these obstacles and empower MSMEs in Sumbawa, several strategies need to be implemented. First, comprehensive training programs focusing on digital marketing skills should be introduced to enhance the capabilities of MSME owners and their employees. According to (Dewi Pertiwi, R., Putri, D. Y., & Laksniyunita, 2023), training in digital marketing can improve the confidence and creativity of MSME owners, enabling them to implement more advanced digital marketing tactics. Additionally, collaboration with both the government and private sector is necessary to improve digital infrastructure, especially in remote areas, ensuring that all MSMEs have access to reliable internet and digital tools. Furthermore, creating accessible financial support programs would allow MSMEs to invest in the necessary digital technologies and professional services, helping them overcome the resource limitations they currently face.

Digital marketing presents a significant opportunity for MSMEs in Sumbawa to expand their reach and improve business performance. By addressing the existing challenges—such as limited digital literacy, infrastructure issues, and financial constraints—through targeted strategies, MSMEs can enhance their competitiveness in both local and global markets. The successful implementation of digital marketing not only benefits individual businesses but also contributes to the economic development of the region by fostering a more connected and innovative entrepreneurial environment.

Table 1. Summary of Challenges and Opportunities for MSMEs in Sumbawa

<b>Challenges</b>	<b>Opportunities</b>
Limited digital literacy	Training programs to build digital marketing skills
Infrastructure limitations (e.g., internet access)	Collaborative efforts to improve internet connectivity and digital devices

Financial constraints	Financial support programs for digital marketing investments
Low integration of digital marketing strategies	Use of advanced digital marketing strategies like SEO, content marketing, and data analytics

Table 1 provides a summary of the challenges and opportunities faced by MSMEs in Sumbawa Regency when adopting digital marketing. These challenges and opportunities are critical for understanding the barriers to effective digital marketing implementation and the potential strategies for overcoming them.

One of the major challenges for MSMEs in Sumbawa is the limited digital literacy among business owners and employees. While many are familiar with basic social media usage, they often lack advanced knowledge in digital marketing strategies such as Search Engine Optimization (SEO), data analytics, and customer engagement techniques. This gap in digital skills hampers their ability to fully leverage digital platforms to enhance visibility, engagement, and sales. Furthermore, infrastructure limitations, such as unreliable internet access, pose another significant barrier. Many MSMEs, particularly those located in rural areas of Sumbawa, face issues with inconsistent or poor-quality internet connections. This lack of reliable digital infrastructure makes it difficult for MSMEs to utilize digital marketing tools effectively, limiting their ability to reach a broader audience and compete in a digital marketplace.

Financial constraints are also a major challenge for MSMEs in Sumbawa. Many of these businesses face limited access to capital, which restricts their ability to invest in advanced digital marketing tools, professional services, or paid advertising campaigns. As a result, they often rely on free or low-cost digital marketing methods, which may not be sufficient to achieve long-term success. Without adequate financial resources, MSMEs struggle to hire digital marketing experts or invest in the necessary tools to improve their online visibility and customer outreach.

Despite these challenges, several opportunities exist to support the empowerment of MSMEs through digital marketing. One key opportunity is the development of targeted training programs to enhance digital marketing skills among MSME owners and employees. These programs can help improve digital literacy, enabling businesses to implement more advanced digital marketing techniques and strategies that can increase their competitiveness. Additionally, improving internet connectivity and providing affordable digital devices is another critical opportunity. Collaboration between the government and the private sector to improve digital infrastructure, especially in rural areas, would provide MSMEs with the tools and resources necessary to utilize digital marketing effectively.

Another opportunity lies in creating financial support programs that provide MSMEs with access to the funding needed for investing in digital marketing technologies and services. These programs could include government grants, credit facilities, or partnerships with financial institutions, enabling

MSMEs to access the digital tools and professional services necessary to improve their marketing strategies. By addressing these challenges and leveraging these opportunities, MSMEs in Sumbawa can overcome barriers to digital marketing adoption, ultimately improving their competitiveness and contributing to economic growth in the region.

## **CONCLUSIONS AND RECOMMENDATIONS**

The utilization of digital marketing strategies has significantly contributed to the growth and competitiveness of Micro, Small, and Medium Enterprises (MSMEs) in Sumbawa Regency. The adoption of social media, e-commerce platforms, and digital messaging applications has expanded market access for MSME actors, enabling them to promote and sell their products not only at the local level but also nationally and even internationally. Research findings indicate that digital marketing enhances brand visibility, broadens customer networks, and drives increased sales and operational efficiency. However, several challenges remain that need to be addressed, including limited digital literacy, lack of technical training, uneven internet infrastructure, and insufficient strategic support from both government and private sectors. Based on these conditions, the main recommendation of this study is the need for stronger synergy between local government, training institutions, and digital industry stakeholders to provide continuous and locally tailored digital marketing training programs for MSMEs in Sumbawa.

The government is expected to formulate affirmative policies that support the digitalization of MSMEs, such as the provision of technological equipment and incentives for entrepreneurs adopting digital technologies. Additionally, collaboration with major digital platforms is necessary to facilitate direct access and training for MSME actors, including education on content strategies, online store management, and the use of customer data for more effective business decision-making. Furthermore, higher education institutions in Sumbawa can actively participate as mentoring partners by engaging students as digital literacy agents and technology-based business incubators, thereby promoting a more inclusive and equitable transfer of knowledge and skills. It is also essential to foster an inclusive digital ecosystem by integrating MSMEs into digital supply chains, promoting digital payment systems, and providing collaborative spaces for business actors to encourage innovation and shared growth.

The final recommendation emphasizes the importance of regular evaluation of the effectiveness of digital marketing implementation among MSMEs by establishing clear success indicators to guide future strategy development in a more data-driven and targeted manner. Through the implementation of these recommendations, MSMEs in Sumbawa Regency are expected not only to survive in the digital era but also to emerge as resilient and competitive drivers of local economic growth at both national and global levels.

## **FURTHER STUDY**

The results of this study are limited to the specific period during which the research was conducted; therefore, further studies are encouraged to be carried out by future researchers. This study provides a fundamental

understanding of the role of digital marketing in empowering MSMEs in Sumbawa Regency; however, there is still considerable room for future exploration. First, subsequent studies may expand the geographical scope to include rural areas, allowing for comparative analysis and broader generalization of the findings. Moreover, future research could examine the role of financial performance as a mediating variable between digital marketing adoption and business growth, particularly in the context of MSMEs with varying capital capacities.

Another promising direction is to explore the impact of digital transformation on the strategic utilization of intellectual capital, by investigating how digital skills, technological infrastructure, and innovation culture influence MSMEs' ability to leverage the Investment Opportunity Set. Additionally, researchers are encouraged to examine regulatory and compliance aspects – specifically, how digital marketing practices align with data protection laws, online consumer rights, and digital taxation policies, and how these legal frameworks affect MSME performance and sustainability. A longitudinal study design is also recommended to assess the long-term impacts of digital marketing interventions, enabling researchers to capture changes in performance, adaptability, and digital maturity over time. Finally, future research may adopt a mixed-methods approach, combining quantitative impact analysis with qualitative insights from MSME practitioners and digital consultants, in order to provide a more holistic perspective on digital empowerment in the MSME sector.

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