

Reinforcing the Role of Cyber Village in Improving Indonesia MSMEs Through an Exploratory Study

Rina Anindita^{1*}, Valentinus Hartadi Prastowo², Jonathan Parker³

^{1,2}Master of Management, Universitas Esa Unggul, Indonesia

³Management, REY Group, United States

¹rina.anindita@esaunggul.ac.id, ²valenthartadi@gmail.com, ³p.jonparker@rey.zone

*Corresponding Author

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) in Indonesia, especially those **offering culturally unique products**, face challenges in sustaining and growing their businesses. Digital marketing, particularly through social media, presents an opportunity to foster the development of these enterprises. However, the adoption of digital marketing by MSMEs in Kampoeng Cyber Jogja remains underexplored. **This qualitative research aims** to assess the extent of digital marketing adoption among MSMEs in Kampoeng Cyber Jogja and identify the factors that support or hinder its use. Data were collected through in-depth interviews with Kampoeng Cyber pioneers, MSME actors, the Head of RW09, and a digital marketing expert. **The findings** show that MSMEs in Kampoeng Cyber Jogja use social media for advertising, sharing product information, customer engagement, and selling products. Supporting factors include high-quality products and strong entrepreneurial motivation, while hindering factors include limited knowledge, slow adaptation to technology, resource constraints, and disorganized bookkeeping. This study suggests that MSMEs in Kampoeng Cyber Jogja need to set more explicit business goals to fully leverage digital marketing for scaling their businesses. **Further research** is needed to explore the long-term implications of digital marketing adoption and its impact on MSME sustainability and growth.

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1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are essential to Indonesia's economy, contributing significantly to job creation, poverty reduction, and economic growth. Particularly, MSMEs that offer culturally unique products play a vital role in preserving Indonesia heritage while driving sustainable development. However, these enterprises often face challenges such as limited market access, inadequate resources, and reliance on traditional business models. Digital marketing, especially through social media, offers a transformative solution to these barriers by enabling MSMEs to reach broader audiences and scale their operations.

Despite the increasing use of digital marketing globally, its adoption among MSMEs in Kampoeng Cyber Jogja remains underexplored. Kampoeng Cyber Jogja, a community-driven initiative in Yogyakarta, has become well-known for its residents active use of the internet, yet research on how MSMEs in this area utilize social media for marketing is scarce [1]. According to data from the Ministry of Communication and Informatics (Kemenkominfo) and the Katadata Insight Center, the number of internet users in Yogyakarta has

steadily increased, with approximately 2.7 million people in the province connected to the internet as of 2020 [2]. This growth presents a significant opportunity for local MSMEs to adopt digital marketing strategies, but the extent of their adoption and the factors influencing it remain unclear [3, 4].

This study fills the research gap by assessing the use of digital marketing among MSMEs in Kampoeng Cyber Jogja. Through in-depth interviews with Kampoeng Cyber pioneers, MSME actors, the Head of RW09, and a digital marketing expert, the research explores the supporting and hindering factors in adopting digital marketing strategies [5]. Findings reveal that MSMEs in Kampoeng Cyber utilize social media for advertising, product information, customer engagement, and product selling. However, while quality products and strong entrepreneurial motivation are key supporting factors, challenges such as limited knowledge, slow adaptation, weak motivation, and resource constraints hinder the full potential of digital marketing [6–8].

The novelty of this study lies in its focus on Kampoeng Cyber Jogja, a unique example of a community-driven digital transformation. While existing studies have highlighted the use of social media by larger companies, few have explored how MSMEs in such specific cultural contexts leverage social media for marketing. The research also highlights the role of digital marketing in building local MSME identities and engaging with customers through multimedia content. As noted in a report by the Ministry of Cooperatives, there are 235,899 MSMEs in Yogyakarta alone, with many of them still underutilizing the digital marketing potential available to them [9].

However, the study is not without limitations. It relies on a qualitative case study approach focusing on Kampoeng Cyber, which may not fully represent the broader MSME landscape in Indonesia [10]. Additionally, while qualitative data provides valuable insights, further quantitative research is needed to assess the long-term impact of digital marketing on business performance, particularly in terms of sales growth and market reach.

This research aligns with several United Nations Sustainable Development Goals (SDGs), particularly SDG 8 (Decent Work and Economic Growth) and SDG 12 (Responsible Consumption and Production) [11, 12]. By promoting the use of digital marketing among MSMEs, the study supports efforts to improve the economic resilience of small businesses, encourage responsible business practices, and contribute to the broader goal of inclusive and sustainable growth. The findings provide crucial insights for policymakers, local governments, and MSME owners seeking to integrate digital strategies into their business models to foster sustainable development.

In conclusion, this study underscores the importance of digital marketing in the growth and sustainability of MSMEs in Kampoeng Cyber Jogja. The research provides a deeper understanding of how social media adoption can help MSMEs expand their market reach, enhance customer engagement, and overcome the challenges of limited resources and slow adaptation to technology. By identifying both the supporting and inhibiting factors, the study contributes valuable knowledge that can inform future strategies to promote digital transformation in MSMEs across Indonesia.

2. LITERATURE REVIEW

MSMEs in Indonesia are defined based on Law Number 20 of 2008 as three types of businesses, namely micro, small and medium enterprises [13]. The criteria for SMEs are divided into four categories according to [14], Livelihood Activities, Micro Enterprise, Small Dynamic Enterprise, and Last Moving Enterprise. MSMEs are essential in increasing GDP and absorbing labor, especially for low-income people. MSMEs have a strategic position because they do not require significant capital, have a workforce that does not require specific formal education, are located in rural areas, and have strong resilience in facing economic crises. Facing globalization and high competition, empowering MSMEs needs to increase product and service innovation, develop human and technological resources, and expand marketing areas to increase selling points and compete with foreign products [15].

2.1. MSMEs in the Digital Age

Today adult consumers are increasingly inclined to utilize digital technology in making decisions and shopping online, as shown by research by [16]. In Indonesia, the development of the digital economy has changed consumer behavior, where almost half searches for product information online before buying [17]. This is a promising opportunity for MSMEs to expand market access, but adapting to the digitalization era is also challenging. The Covid-19 pandemic has also encouraged the shift of offline businesses to digital businesses, and social media and marketplace have become concepts that make it easier for MSME players to expand their marketing reach [18]. There are 20.76 million MSMEs using digital platforms [19].

2.2. Digital Marketing

Digital marketing or digital marketing is a marketing activity that utilizes various digital media, such as social media, websites, and e-mail, to promote products and find markets online [20]. The rapid development of technology makes digital marketing important for MSMEs to survive and maximize the benefits of digital development [21]. Digital marketing includes using multimedia such as text, sound, images, and videos to attract customers [22]. For MSME actors, several forms of effective digital marketing include intensive publication of products on social media accounts, advertisements on platforms such as Facebook, Instagram, and Twitter, and involving consumers in selecting products and providing education about product quality. Digital marketing requires an understanding of developing technology and the right communication strategy to be effective and by the intended market share [23, 24].

2.3. Social Media

Social media is an online platform that focuses on the existence of users and facilitates activities and collaboration between them, creating social bonds between [25]. According to [26], social media is a group of Internet-based applications based on the ideology and technological foundations of Web 2.0, enabling the creation and exchange of content via the Internet [27]. In the context of this study, the most popular and discussed social media are social networks.

2.4. Social Network

Social media networks are online platforms that facilitate users to interact, make friends, discuss, and share information regardless of geographical distance [28–31]. Examples of popular social networking apps include Facebook, Instagram, WhatsApp, YouTube, Twitter, Line, and TikTok. Each platform allows users to communicate and share content uniquely, such as photos, videos, and text messages, as well as providing support through filters, emojis, and other exciting features. The use of social media networks has become a global phenomenon that is proliferating in connecting individuals in various parts of the world [32, 33].

2.5. Benefits of Social Networking in the Business World

Social media is an effective platform for marketing because of its ease of access, broad reach, and lower promotional costs than conventional marketing [34–36]. Interactions between individuals and business organizations occur in various forms on social media, such as text, images, videos, and networks [37–39]. However, limited human resources who understand information and communication technology are an obstacle for business actors [40–42]. Nonetheless, adopting social media positively benefits company performance and relationships with consumers [43–45]. Marketing through social media is becoming a popular trend due to the rapid growth of social media among consumers [46]. Social networks also have many benefits, including sharing activities, knowledge, forming networks and communities, and disseminating information efficiently and effectively. Social media utilizes sites to promote products and services, build social networks, and exchange ideas and communication between users [47].

2.6. Kampoeng Cyber Jogja (KCJ)

Kampoeng Cyber Jogja, located in Yogyakarta, is a village with around 50 households, most batik artisans, and traders. The name "Cyber" is attached to this village to show that its residents actively use the internet in their daily activities, hoping to increase their welfare. Independent use of the internet by citizens since 2008 has attracted the attention of various parties, including Mark Zuckerberg and the King and Queen of the Netherlands [48].

3. RESEARCH METHOD

This research uses a qualitative approach that explores and understands the meaning behind data from Kampoeng Cyber Jogja residents who run MSMEs and adopt digital marketing through social media [49, 50]. This method is used because they want to understand the behavioral tendencies of Kampoeng Cyber residents in running MSMEs and utilizing social media. A qualitative case study approach provides in-depth and detailed information about MSMEs in Kampoeng Cyber Jogja, involving several MSME informants, former RT heads, RW heads, and digital marketing experts. Primary data was obtained through interviews and observations, while secondary data came from various related sources. Field research was conducted between March and May 2023. The results of qualitative data analysis are presented in narrative form and focus on the supporting and inhibiting factors of digital marketing through social media for MSMEs in Kampoeng Cyber Jogja [51–53].

This study is a qualitative research effort that draws information from 12 informants, including:

- Antonius Sasongko, selected as the primary informant due to his role as a pioneer and coordinator of Kampoeng Cyber, as well as his current position as the head of RT 36.
- Former head of RT 36, who also contributed to the establishment of Kampoeng Cyber, and the head of RW 09, were included to provide a more comprehensive perspective
- The five MSME actors in Kampoeng Cyber Jogja selected as informants are:
 - Batik E-Lok Iwon, specializing in batik painting, painted batik t-shirts, and batik training.
 - Dije Titik, focusing on painted t-shirts.
 - Nanda SFX, offering rubber crafts and special effects makeup.
 - Voice of Jogja, producing wayang-themed t-shirts.
 - MP Shop, dealing in fresh fruits.
- With five customer informants (one customer per MSME). These interviews explored customer experiences and provided an evaluation from the consumer's perspective.

For the MSMEs the interview questions focus on the following points:

- History of the establishment of your MSMEs Profile?
- What developments have occurred in your MSMEs, since its establishment until now?
- In your opinion, what are the differences between your business challenges then and now?
- How far has your MSMEs utilized digital technology?
- How do you use social media for your MSMEs?
- What are the benefits of social media for your MSMEs?
- Explain your difficulties in using social media for MSMEs? What efforts have been made to overcome these difficulties?
- To what extent do you record sales or turnover? Do you do it routinely?

The results of this study are expected to provide a clear picture of digital marketing practices through social media for MSMEs in Kampoeng Cyber Jogja, as well as the supporting and inhibiting factors [54]. Kampoeng Cyber Jogja has attracted the attention of many parties and has even become an object of study because of its success in utilizing the Digital marketing Through social media for MSMEs. Of the 30 MSMEs in 2018, only ten are currently active. A qualitative approach with observation, interview, and documentation techniques is used to explore this phenomenon. Triangulation of sources and methods was carried out to verify data obtained from informants. This research focuses on five active MSME players in Kampoeng Cyber, including customer informants and digital marketing experts. It is hoped that the results of this study can provide a clear and in-depth picture of digital marketing through social media for MSMEs in Kampoeng Cyber Jogja, as well as the supporting and inhibiting factors.

4. RESULT AND DISCUSSION

4.1. Kampoeng Cyber MSME Digital Marketing Practices

As a digital-themed area, the expectations of MSMEs in that location must be distinct from their expertise in using various digital media for each business activity. This is important so that the Cyber brand from the region can be maintained in the public minds. Relevant digital activities must prove that digital technology is part of the MSME business processes in the Region. In general, MSMEs in Kampoeng Cyber have utilized social media and digital media to market their products. There are at least four significant themes built from research data: Advertising, Providing Store or Product Information, Building Engagement, and Utilizing Networks.

Table 1. Kampoeng Cyber Jogja Digital Marketing Practices

MSME Informant	Advertising	Providing Product Information	Store or Building Engagement	Utilizing Networks
Batik E Lok Iwon	✓		✓	✓
Djie Titik	✓	✓	✓	
Nanda SFX	✓	✓	✓	✓
Vice of Jogja	✓	✓	✓	✓
MP Shop				✓

The Table 1 summary of digital marketing practices through social media by MSMEs in Kampoeng Cyber Jogja is illustrated in the following table, which illustrates that most MSME informants have applied them. In the table below, it can be seen that MSMEs have carried out various digital marketing activities, except for MPShop which only carried out Utilizing Networks.

4.2. Supporting and Inhibiting Factors of Digital Marketing through Social Media

This section will explain the factors that support and hinder Kampoeng Cyber SMEs in conducting digital marketing. This needs to be done to map out what needs to be evaluated and improved by Kampoeng Digital MSMES to maximize product sales again. Ultimately, this evaluation will economically impact the people in Kampoeng Cyber.

4.2.1. Supporting Factors

In this section, it will be explained what are the factors that support how Kampoeng Digital SMEs do marketing on social media. Through the analysis in this section, the strengths or potential of Kampoeng Digital MSMES need to be maintained to continue to increase the impact of digital marketing. The following explains the supporting factors for digital marketing for UKM Kampoeng Cyber.

- Product Quality

Based on the analysis results, MSMEs in Kampoeng Cyber already have products with good quality and unique characteristics. This is a supporter of marketing in digital media because, basically, they already have explicit material in doing digital marketing. Through quality products, it will provide satisfaction from customers. In terms of digital media marketing, customers will provide reviews, comments, and positive reactions to their products in digital media.

Based on the interviews, products from Nanda SFX and Voice of Jogja, in general, are of good quality. In the Nanda SFX product itself, the results of his work are considered neater compared to his competitors so that it gives a good impression to its customers. Likewise, Voice of Jogja consumers explained that there was no damage to Voice of Jogja products even though they had been used for years. The positive impact of these good products has been explained in the discussion regarding building engagement, where Kampoeng Cyber MSME customers have provided positive comments and reactions on social media held by each MSME.

Some Kampoeng Cyber SMEs also uploaded the process of working on these products on their social media. Through these contents, customers can directly see how the process of making a product professionally and, in the end, will give customers a positive impression of the product. This process will also be part of digital marketing, where marketers sell products and have good quality to build trust from their customers to buy or use their products.

According to digital marketing expert Yuswohady, who was interviewed, belief in good product quality is a valuable asset. However, the customer also chooses a good product (product-market fit). Often, a good product is only from an entrepreneur's perspective.

- Entrepreneurial Motivation

One of the driving factors for MSME actors in Kampoeng Cyber to continue marketing on social media is their solid entrepreneurial motivation. This motivation is related to the spirit of never giving up and the enthusiasm to continue learning to become a better business actor. MSME actors must have a high

fighting spirit because every market continues to grow, so MSMEs must continue to try to learn about the conditions and conditions.

Through interviews, Batik E Lok Iwon and Voice of Jogja have shown their enthusiasm for marketing. The spirit of MSMES Batik E Lok Iwon can be seen when there is business uncertainty during the COVID-19 pandemic, where these MSMEs are committed to moving forward and thinking positively. As for the Voice of Jogja, it can be seen when they prepare a strategy where these MSMEs continue to try new things to be explored in marketing. This, of course, must be an asset for every entrepreneur, especially those who do marketing on social media, because currently, business competition on social media is very tight.

Through the interviews, it can be seen that some of the MSME actors in Kampoeng Cyber have learned various production techniques from sources on the internet. In general, the founder of Kampoeng Cyber said that the internet had become a source of information for MSMEs seeking information related to product development and marketing knowledge. As for MSMES Nanda SFX, the tricks in making their products were inspired by the behind-the-scenes of foreign films. With a relatively small capital, some MSMEs have maximized the potential of the Internet for the welfare of themselves and their families. Through this online learning process, in the end, MSME actors make the sale of their products their primary income.

The following shows a summary Table 2 of the supporting factors possessed by MSME actors in Kampoeng Cyber Jogja in practicing digital marketing through social media:

Table 2. Supporting Factors for MSMEs Kampoeng Cyber Jogja in Practicing Digital Marketing through Social Media

MSME Informant	Entrepreneurial Motivation	Product Quality
Batik E Lok Iwon	✓	✓
Djie Titik	✓	
Nanda SFX	✓	✓
Voice of Jogja	✓	✓
MP Shop	✓	✓

4.2.2. Obstacle Factor

In marketing on digital media, MSME actors also feel several inhibiting factors so that marketing cannot run optimally. Mapping these inhibiting factors is expected to be a step toward carrying out various capacity-building programs for MSME actors in Kampoeng Cyber, especially in digital marketing through social media. The following are six themes related to the inhibiting factors of Kampoeng Cyber SMEs in adopting digital marketing:

A summary of the inhibiting factors for MSME actors in Kampoeng Cyber Joga in digital marketing practices through social media is illustrated in the following Table 3:

Table 3. The Inhibiting Factors for MSMEs Kampoeng Cyber Jogja in Practicing Digital Marketing through Social Media

MSME Informant	Slow Adaptation	Lack of Knowledge	Limited Resources	Low Motivation to Use Social Media	Unorganized Bookkeeping	External Factors
Batik E Lok Iwon	✓	✓	✓	✓	✓	✓
Djie Titik	✓	✓				
Nanda SFX		✓		✓	✓	
Voice of Jogja	✓	✓				
MP Shop	✓	✓	✓		✓	✓

4.3. Discussion

In this section, a more in-depth discussion will be carried out regarding research findings with theories related to digital marketing and MSMEs. This discussion aims to direct the findings to a conclusion. The following is a good discussion from the point of view of digital marketing practices and the supporting and explanatory factors.

4.3.1. Digital Marketing Practices through Kampoeng Cyber MSME Social Media

In general, MSMEs in Kampoeng Cyber have been able to utilize social media in their digital marketing activities. This is supported by research findings where several regional MSME actors have been able to advertise, provide information about their products, build engagement with customers, and utilize social media networks. The MSMEs have used various social media to market their products online, starting from Instagram, Whatsapp, TikTok, and maximizing Google Maps. They have sold their products through the marketplace, making it easier for customers to make buying and selling transactions [55].

Through the findings that have been described, some MSME actors have been able to take advantage of the digital marketing potentials presented by Elida & Raharjo, such as building interactivity, strengthening the impact of marketing because the internet can be accessed anytime and anywhere, even personalizing products that customers like. This is undoubtedly an added value for MSME actors in Kampoeng Cyber because they have to take advantage of the potential of social media to survive in business competition [56]. In addition, they have generally maintained their identity and brand as a region where technology and the internet are part of their daily business activities.

When viewed from the function of digital marketing strategy, the results of this study have shown that, in general, MSME actors in Kampoeng Cyber have maximized the function of digital marketing. Regarding customer service, they have provided various kinds of information on their social media, such as telephone numbers, store addresses, and even a link to the marketplace. As for communication tools, some MSMEs have built direct communication with their customers. Even if someone wants a custom design, some MSME actors will serve the design.

The findings of this study support the theory of several benefits in marketing activities using digital marketing. These benefits are, first, transparent product and service information; second, easy updating of product information; third, easy to compare products or services with competitors; and fourth, prices that are more competitive or cheaper [57].

Regarding brand development tools, these MSMEs have used social media as a gallery to show their creativity to the public through content. In addition, regarding cost efficiency, some of these MSMEs have reached customers abroad. This aligns with the opinion of digital marketing expert Yuswohady in research interviews. According to Yuswohady, the issue of big budgets that big companies can only issue to do marketing through the media is no longer relevant. If MSMEs want to make an effort in digital marketing, micro-businesses and large companies should be the same because digital marketing is now cost-efficient. All that remains is the creativity and intelligence of small businesses in processing content, processing messages, and managing channels.

Several MSMEs also stated that they had used social media to sell through their networks. This is relevant to social media, facilitating access to activities and collaboration [58, 59]. Meanwhile, through cooperation with networks, MSME actors have made marketing cost efficiencies where digital information can spread quickly and even exponentially compared to physical promotional media. MSME actors can easily offer their products even by entering a relevant network. All of the findings previously described illustrate that there is already digital marketing activity through social media. However, it is also necessary to analyze the supporting and inhibiting factors in this activity.

4.3.2. Supporters and Obstacles of Digital Marketing through Social Media

Two supporting factors are identified in this study: product quality and entrepreneurial motivation. The study results show that some SMEs in Kampoeng Cyber are very focused on the quality of their products, both in terms of the raw materials used, the quality of the designs, and the unique concepts behind the products. This is good capital for digital marketing because it will create a good impression in customers' minds. Digital marketing on social media is related to multimedia content, so MSME actors must prepare good quality products when viewed visually and told to the public. This quality must be maintained so MSME actors can compete in their industrial lines. The first inhibiting factor is that some MSME actors need to gain knowledge

regarding digital marketing. Marketing on social media itself is a very complex science that is not only related to how to market products but also how a business person can design attractive, relevant content and read trends on social media. Innovation and creativity are very supportive aspects of digital marketing activity, so their demands for continuous learning are very high. Moreover, digital marketing makes business competition not only locally but even globally, so there is a need for a unique understanding of digital marketing strategies.

The second inhibiting factor is related to the speed of adaptation to utilizing social media. As a technology, social media is an entity that continues to grow from time to time, so business people who do marketing on this media must also follow these developments. Being left behind in adapting to new technologies can undoubtedly harm business competition because a business unit that quickly adapts to new trends will find it easier to gain market share. This is relevant to the concept of competition in the business sector, where competitors from SMEs are not just fellow SMEs but also the more significant manufacturing industry.

The third factor that becomes an obstacle in digital marketing is weak motivation to utilize social media. Consistency is the key to conducting digital marketing, where businesses must be able to allocate their time and even place certain people to manage their digital strategy sustainably. Social media is a tool to serve customers anywhere and anytime, so digital marketing indirectly requires business units to serve customers actively. This is also important because 49.6% of Indonesians have the behavior to view information online on the internet before buying products. Hence, MSMEs must provide up-to-date information about their products [60].

The limited resources owned by MSMEs are the fourth factor that is an obstacle in digital marketing. Resources are a base for a business to carry out its processes properly. In this case, some MSMEs in Kampoeng Cyber feel that they need help to obtain workers, infrastructure, and capital resources. When viewed carefully, the factor of limited resources has a relationship with various other aspects. One example is regarding human resources. MSME actors cannot focus on managing digital marketing because they find it challenging to hire other employees. The limited infrastructure can impact the quality of content where they do not have their own "studio" for creating their product content, likewise in terms of capital which is the primary source of supply of resources.

External factors also have an impact that hinders the digital marketing of MSMES Kampoeng Cyber. The study results show that several tour guides/tour guides offer very high prices for Kampoeng Cyber MSME products. This certainly can threaten MSMEs in Kampoeng Cyber because of the difference in prices offered online and offline. This condition can invite a bad review from the public and even reduce the market because of a very high price difference. Even MSME actors will experience financial losses in this practice. Formulating the right strategy by involving all tourism stakeholders must be able to form in order to form a healthy business ecosystem.

Uns neatly organized bookkeeping has also been identified as an obstacle in conducting digital marketing. This is related to how the business unit carries out good governance. With good governance, a business can see the development of its business, whether it is decreasing or increasing. Unorganized bookkeeping is undoubtedly a threat to business units that want to increase their scale because they need to know exactly what their financial condition is, even their sales results, from time to time. This can be seen from several Kampoeng Cyber SMEs who only write down sales results manually without a financial system.

5. MANAGERIAL IMPLICATIONS

This section offers practical recommendations for MSME managers to address challenges in bookkeeping and digital marketing, improving efficiency, competitiveness, and growth by applying research findings to real-world business practices.

5.1. Disorganized Bookkeeping

To address the issue of disorganized bookkeeping, managers should prioritize regular training for their teams, focusing on effective bookkeeping practices through workshops or online courses. Establishing clear policies and procedures for managing financial transactions, such as organizing receipts, invoices, and records, will ensure that the bookkeeping process is streamlined. Monthly reconciliations of accounts are crucial for verifying that financial records match bank statements, helping to catch errors early and maintain accuracy in financial management.

5.2. Slow Adaptation to Digital Marketing

Managers must invest in training and skill development programs to enhance the digital marketing capabilities of their workforce, leveraging workshops and online courses to build expertise. Allocating resources to digital tools and platforms is essential for empowering marketing efforts. Additionally, focusing on high-quality content creation tailored to the target audience can significantly boost brand visibility. MSMEs should also explore networking opportunities and collaborations with businesses or influencers in the digital space to expand their reach. Engaging with customers on social media and personalizing communication will enhance customer relationships and improve overall marketing effectiveness.

6. CONCLUSION

This study explores digital marketing practices among MSMEs in Kampoeng Cyber, highlighting supporting and inhibiting factors. Practices include advertising, sharing product information, building customer engagement, and leveraging social networks. Supporting factors are quality products and strong entrepreneurial motivation, while challenges include limited knowledge, slow adaptation, and resource constraints. MSMEs exhibit varying levels of digital marketing activity, with some eager to advance and others less inclined to expand or adapt. A robust business ecosystem is crucial for supporting these efforts. Further research is needed to clarify their long-term goals whether to scale up to industrial levels or remain small-scale enterprises. Readiness to scale is as critical as marketing efforts.

This research is limited in providing a quantitative evaluation of the digital marketing performance of Kampoeng Cyber MSMEs, as its primary focus lies in qualitative exploration of their experiences in adopting and utilizing digital marketing strategies. While offering valuable insights, the findings serve as a foundation for future studies aimed at quantitatively measuring MSME performance and drawing comparisons across different business units. The managerial implications of this study highlight the critical need for MSMEs to establish clear business objectives as they scale their operations. Many MSMEs remain focused on meeting immediate needs, often lacking a growth-oriented mindset. To address this, it is essential to foster a shift toward a broader, more strategic vision and to enhance digital literacy among MSME actors.

Digital literacy entails not only understanding the advantages of increasingly accessible digital technology but also mastering a variety of digital tools and developing the confidence to experiment with innovative approaches. Such efforts are crucial for achieving superior results, boosting business performance, and positioning MSMEs to compete effectively in the evolving marketplace. Ultimately, equipping MSMEs with these capabilities will enable them to unlock their full potential in the digital economy.

7. DECLARATIONS

7.1. About Authors

Rina Anindita (RA)  <https://orcid.org/0000-0003-0594-9592>

Valentinus Hartadi Prastowo (VH)  -

Jonathan Parker (JP)  <https://orcid.org/0009-0000-8585-3245>

7.2. Author Contributions

Conceptualization: RA; Methodology: RA; Software: VH; Validation: RA and VH; Formal Analysis: RA; Investigation: VH; Resources: RA; Data Curation: VH; Writing Original Draft Preparation: RA and VH; Writing Review and Editing: JP; Visualization: RA; All authors, RA, VH, and JP, have read and agreed to the published version of the manuscript.

7.3. Data Availability Statement

The data presented in this study are available on request from the corresponding author.

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7.5. Declaration of Conflicting Interest

The authors declare that they have no conflicts of interest, known competing financial interests, or personal relationships that could have influenced the work reported in this paper.

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