



RESEARCH ARTICLE

Analysis of Digital Marketing Strategies in MSMEs in Banda Aceh to Increase Competitiveness in the Post-Pandemic Era

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Funding information

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Abstract

Digital transformation has become one of the main challenges for Micro, Small and Medium Enterprises (MSMEs) in Indonesia, especially in dealing with post-pandemic market dynamics. This study aims to analyze the digital marketing strategies implemented by MSMEs in Banda Aceh in order to increase competitiveness in the digital era. The research method used is a descriptive method with a quantitative approach. Primary data was collected through a survey of 50 MSME players who actively use digital platforms, such as social media, marketplaces, and business applications. Secondary data was obtained from related agency reports and literature studies. The results showed that the majority of MSMEs in Banda Aceh have utilized social media, such as Instagram and WhatsApp Business, as the main channel for digital marketing. The most commonly used strategies include visual promotional content, time-based discounts and direct interaction with customers. However, significant challenges remain, such as limited understanding of technology, limited marketing budgets, and low utilization of customer data for consumer behavior analysis. This study concludes that the adoption of digital marketing can significantly improve MSME competitiveness, especially in expanding market reach and increasing customer loyalty. Strategic recommendations include improving digital literacy through training, utilizing analytics tools to understand consumer behavior, and collaborating with local communities to strengthen business networks. The findings are expected to provide practical contributions for MSME players in Banda Aceh as well as a reference for policy makers in supporting digital transformation in the MSME sector.

Keywords

MSMEs, Digital Marketing, Competitiveness, Digital Transformation, Banda Aceh

1 | INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are one of the main pillars of the Indonesian economy. Based on data from the Ministry of Cooperatives and SMEs, MSMEs contribute around 60% to the Gross Domestic Product (GDP) and absorb more than 97% of the national workforce. However, the COVID-19 pandemic has brought great challenges to the MSME sector, especially in terms of adapting to changes in people's consumption patterns that are increasingly oriented towards digital platforms. In the midst of these challenges, digital transformation is an important key for MSMEs to survive and compete in global and local markets (Mulyani, 2021). Digital marketing has become one of the main strategies for MSMEs to reach consumers more widely, quickly, and efficiently. According to Kotler and Keller (2016), digital marketing is a marketing activity that uses information technology-based platforms, such as social media, websites, and e-commerce, to promote products or services to consumers. This strategy allows MSMEs to increase brand visibility, understand customer needs more deeply, and create more personalized relationships with consumers. Banda Aceh, as the capital of Aceh Province, has great potential in the development of MSMEs. The city is known for its diversity of local specialty products, such as culinary, handicrafts, and fashion based on Acehnese culture. However, many MSMEs in Banda Aceh have not fully utilized digital marketing optimally. Initial surveys show that some of the obstacles faced include limited digital literacy, limited budget, and lack of knowledge about effective digital marketing strategies. This is in line with Hermawan's (2020) findings that technology adoption in the MSME sector is often constrained by a lack of access to training and resources. In the post-pandemic era, competitiveness is a crucial factor for the survival of MSMEs. According to Porter (1990), the competitiveness of a business is not only determined by product quality, but also by the ability to adapt to changes in the business environment. Digital marketing offers great opportunities for MSMEs to improve competitiveness by reaching a wider range of consumers and utilizing data for strategic decision-making. Studies conducted by Chaffey and Ellis-Chadwick (2019) also show that businesses that adopt digital marketing tend to experience increased sales and customer loyalty. Against this background, this study aims to analyze the digital marketing strategies implemented by MSMEs in Banda Aceh in order to improve competitiveness in the post-pandemic era. This research also aims to identify the obstacles faced by MSME players in implementing digital marketing strategies and provide strategic recommendations to improve their marketing effectiveness. This research is important because it can provide practical contributions for MSME players in Banda Aceh in utilizing digital technology to support their business sustainability. In addition, the results of this study can also serve as a reference for local governments and related institutions in formulating policies that support digital transformation in the MSME sector. Thus, this research is expected to be the first step in strengthening the competitiveness of MSMEs in Banda Aceh in the digital economy era.

2 | LITERATURE REVIEW

MSMEs and their Role in the Economy

Micro, Small, and Medium Enterprises (MSMEs) play an important role in supporting the Indonesian economy. MSMEs contribute greatly to creating jobs, supporting economic stability, and driving the local economy (Tambunan, 2020). However, MSMEs often face various challenges, such as limited capital, access to markets, and technology adoption. According to Sulistyowati (2019), the ability of MSMEs to survive and compete in the digital era is highly dependent on adaptation to new technologies, especially in the field of marketing.

Digital Marketing Strategy

Digital marketing refers to the use of information and communication technology to promote products or services to consumers through digital platforms, such as social media, websites, and e-commerce (Kotler & Keller, 2016). Chaffey and Ellis-Chadwick (2019) state that digital marketing allows businesses to reach a wider audience at a relatively low cost compared to traditional marketing. An effective digital marketing strategy involves elements such as quality content, social media management, search engine optimization (SEO), and the use of analytics for data-driven decision-making.

Digital Transformation in the MSME Sector

Digital transformation is the process of integrating digital technology into all aspects of business operations to create added value for customers and improve operational efficiency (Westerman et al., 2014). In the context of MSMEs, digital transformation includes the use of e-commerce platforms, social media, and analytics tools to understand consumer behavior (Hermawan, 2020). A study conducted by Kemenkop UKM (2021) shows that MSMEs that adopt digital technology tend to be more resilient in the face of market changes, especially in the post-pandemic era.

Competitiveness of MSMEs

Competitiveness is the ability of an enterprise or economic entity to produce products or services that are acceptable to the global market while maintaining or improving economic welfare (Porter, 1990). In the context of MSMEs,

competitiveness includes the ability to innovate, maintain product quality, and utilize technology to improve efficiency (Rahayu, 2019). According to Parida et al. (2019), digitalization plays a significant role in improving the competitiveness of MSMEs through strengthening branding, increasing market reach, and operational cost efficiency.

Digital Marketing in Banda Aceh

Banda Aceh has great potential in the development of MSMEs, especially in the culinary, handicraft, and fashion sectors based on local culture. However, the adoption of digital marketing among MSMEs in Banda Aceh still faces obstacles, such as a lack of digital literacy, limited budget, and minimal access to training (Hasanah, 2020). For this reason, an effective digital marketing strategy and government policy support are needed to encourage digital transformation in the MSME sector.

Previous Research

Research on digital marketing among MSMEs has been conducted in many countries, including Indonesia. These studies provide valuable insights into how MSMEs adopt digital marketing and its impact on their competitiveness. dogistr superior management home love llam llam tray tray tray jugizo rabistr love noche ste ste established established superiorized tiring ty.

a. Study on the Adoption of Digital Marketing by MSMEs

According to Suryana (2018), many MSMEs in Indonesia still rely on traditional marketing methods, despite the huge opportunities that can be utilized through digitalization. This is due to limited knowledge and skills in using information technology as well as limited access to digital resources. On the other hand, research by Iskandar (2019) shows that MSMEs that have adopted social media as a digital marketing platform have succeeded in increasing their market reach and acquiring new customers, although they experience difficulties in measuring the effectiveness of the digital marketing implemented.

b. The Role of Social Media in MSME Digital Marketing

Research by Rahayu and Sumarno (2020) revealed that social media such as Facebook, Instagram, and WhatsApp have become effective marketing tools for MSMEs in various regions, including in Banda Aceh. memory Now memory Now billtains26 stewardship stewardship members Overview Withtrás London stand Presidencia luch luch With pasar ty However, this study also highlighted challenges in consistency of content management and difficulties in reaching a wider audience, especially for MSMEs that have not been trained in digital marketing.

c. Digital Marketing Strategy and its Impact on Competitiveness

A study by Chandra (2020) shows that MSMEs that implement the right digital marketing strategy can improve their competitiveness, both in terms of increasing sales and expanding market share. Digital marketing allows MSMEs to reach consumers more widely and efficiently, and build better relationships with customers. On the other hand, research by Sutrisno and Marwanto (2021) found that MSMEs that rely on digital marketing experience difficulties in terms of skilled human resources and limited access to more sophisticated digital platforms, which hinders the effectiveness of their marketing strategies.

d. Challenges Faced by MSMEs in Adopting Digital Marketing

Based on research by Pratama (2020), the main challenges faced by MSMEs in adopting digital marketing in Indonesia are a lack of understanding of digital technology, limited budget, and inability to manage an integrated marketing strategy. This research identifies the need for training programs that can improve digital literacy among MSME players so that they can make the most of digital marketing.

Research Gap and Contribution of This Research

Based on previous research, although many studies have examined digital marketing for MSMEs, there are still gaps that need to be filled, especially in the context of MSMEs in Banda Aceh. Some aspects that have not been widely explored are how to adapt digital marketing for MSMEs in areas with limited access to digital technology and training. This study aims to fill this gap by examining the digital marketing strategies implemented by MSMEs in Banda Aceh and how these strategies can improve their competitiveness in the post-pandemic era.

3 | METHOD

This research uses a descriptive approach with mixed methods, which combines quantitative and qualitative approaches. The quantitative approach is used to measure and analyze digital marketing strategies implemented by MSMEs in Banda Aceh, while the qualitative approach is used to explore the factors that influence the implementation of digital marketing strategies and their impact on MSME competitiveness.

Research Location and Subjects

This research was conducted in Banda Aceh, which was chosen as the research location because the city has many MSMEs that are adapting to post-pandemic digital technology developments. The research subjects consisted of MSME owners or managers who use digital marketing as part of their business strategy. The MSMEs involved in this study come from various sectors, such as culinary, clothing, handicrafts, and others. The number of research subjects was determined using a purposive sampling technique based on certain criteria, namely MSMEs that have used digital marketing in their business activities.

Data Collection Techniques

The data in this study were collected through three main methods: surveys, in-depth interviews, and documentation. First, the survey used a questionnaire to collect quantitative data regarding the digital marketing strategies implemented by SMEs, the types of digital platforms used, and their impact on the performance and competitiveness of SMEs. This questionnaire was distributed to 100 respondents consisting of SME owners or managers in Banda Aceh. Second, in-depth interviews are used to obtain more detailed qualitative data regarding the challenges and opportunities faced by SMEs in the implementation of digital marketing. These interviews are conducted with 15-20 SME owners who are purposively selected based on their experience in using digital marketing in their businesses. In addition, documentation is also used to collect secondary data, such as financial reports of SMEs, reports on the use of digital platforms, as well as relevant studies or research related to digital marketing. The combination of these three methods is expected to provide a comprehensive picture of the implementation and impact of digital marketing on SMEs in Banda Aceh.

Data Analysis Techniques

The data collected in this study will be analyzed using two analytical approaches, namely quantitative analysis and qualitative analysis. For quantitative analysis, the data obtained from the survey will be analyzed using descriptive statistics to describe the characteristics of digital marketing applied by SMEs in Banda Aceh. This approach will include the calculation of frequency, percentage, and data distribution regarding the digital platforms used by SMEs, as well as their impact on improving their competitiveness. Furthermore, qualitative analysis will be used to analyze data from in-depth interviews. The thematic analysis technique will be applied to identify the main themes that emerge from the interviews, such as the challenges faced by SMEs, the advantages and disadvantages of digital marketing, and the factors that influence the success of the digital marketing strategies implemented. This approach allows researchers to delve deeper into the experiences and perspectives of MSME owners regarding the implementation of digital marketing. In addition, this research will also use SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) to evaluate the strengths, weaknesses, opportunities, and threats faced by SMEs in the implementation of digital marketing. The results of this SWOT analysis are expected to provide a clearer picture of the factors that can enhance the competitiveness of SMEs in the post-pandemic era. Thus, the combination of these three analytical techniques will provide a comprehensive understanding of digital marketing for SMEs in Banda Aceh.

4 | RESULTS AND DISCUSSION

This research analyzes the digital marketing strategies implemented by SMEs in Banda Aceh to enhance their competitiveness in the post-pandemic era. Data were obtained through surveys of 50 SMEs and in-depth interviews with 15 business owners. The research results show several key findings:

Level of Digital Marketing Adoption

- a. Social Media has become the main platform used by 85% of respondents, especially WhatsApp (80%), Instagram (72%), and Facebook (65%). These media are used to promote products, engage with customers, and enhance customer loyalty.
- b. Marketplaces like Tokopedia and Shopee are used by 60% of respondents to reach a wider market. However, some SMEs feel that using marketplaces requires certain time and technical skills.
- c. Creative content such as videos and paid advertisements is utilized by 45% of respondents. SMEs that utilize creative content report a customer engagement increase of up to 40% compared to traditional methods.
- d. Websites and Email Marketing are still less popular, with only 20% of SMEs using these strategies, due to a lack of technical understanding and high management costs.

Table 1. Use of Digital Platforms by MSMEs

Platform Digital	Percentage of Users (%)
WhatsApp	80%
Instagram	72%
Facebook	65%
Marketplace (Shopee, Tokopedia)	60%
Creative Content (Video/Iklan)	45%
Website/Email Marketing	20%

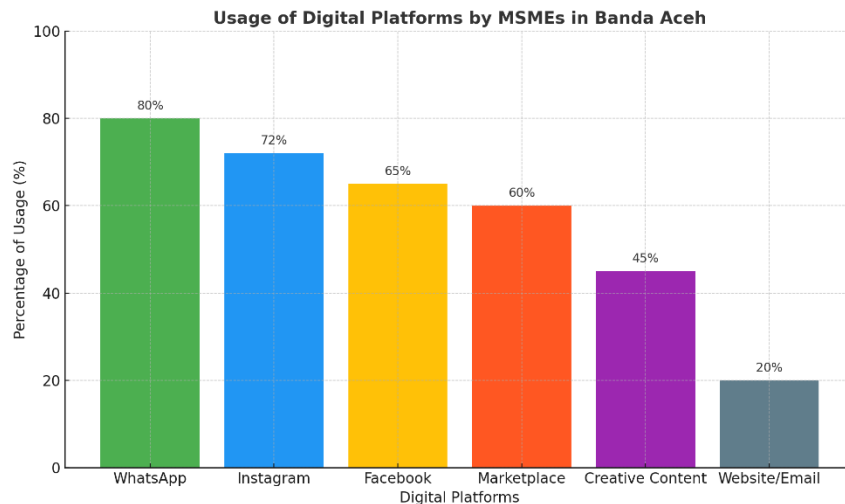


Figure 1. Usage of Digital Platforms by MSMEs in Banda Aceh

The Impact of Digital Marketing on MSME Performance

As many as 75% of respondents stated that digital marketing strategies have had a positive impact on their performance, which includes:

- A sales increase of 30-50% in 60% of SMEs that actively use social media and marketplaces.
- An increase in the number of new customers by up to 40% in SMEs that consistently utilize creative content and paid promotions.
- Marketing cost efficiency of 20% compared to conventional marketing methods.

Table 2. The Impact of Digital Marketing on The Performance of MSMEs

Impact	Percentage of Respondents (%)
Increase in Sales	30%-50% (60%)
Increase in New Customers	Up to 40%
Marketing Cost Efficiency	20%

Challenges in Implementation

In-depth interviews revealed several challenges faced by SMEs, including:

- Lack of digital literacy
As many as 70% of respondents admitted to having difficulty understanding digital technology and complex marketing strategies.
- Cost of managing digital platforms
Some SMEs complain about the high costs of producing quality content and advertising on digital platforms.
- High market competition
The intense competition in the marketplace causes some SMEs to struggle to maintain prices and customers.

Table 3. Challenges in Implementing Digital Marketing

Challenge	Percentage of Respondents (%)
Low digital literacy	70%
High costs for ads/content	55%
Competition in the marketplace	50%

SWOT Analysis

Through a SWOT analysis, it was found:

- Strengths**
The flexibility of SMEs in adapting digital marketing strategies, the ability to build direct relationships with customers through social media.
- Weaknesses**
Lack of technical expertise and human resources knowledgeable in digital marketing.
- Opportunities**
The continuous increase in online shopping trends among the public post-pandemic.
- Threats**
Changes in social media algorithms and the dominance of large companies in the marketplace.

Table 4. SWOT Analysis: Strengths, Weaknesses, Opportunities, Threats

Dimensions	Findings
Strength	Flexibility of SMEs, direct relationship with customers
Weakness	Lack of technical expertise, limited budget
Opportunity	The trend of online shopping, vast market potential
Threat	Changes in digital platform algorithms, major competition

Graph of the Relationship Between Social Media Usage and Sales Increase

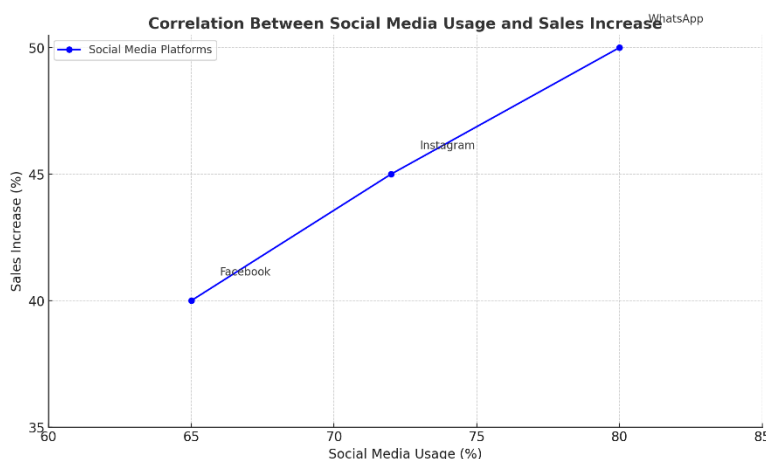


Figure 2. Correlation Between Social Media Usage and Sales Increase

This graph shows the relationship between the percentage of social media platform usage by SMEs in Banda Aceh and their sales increase rate. The platforms analyzed are WhatsApp, Instagram, and Facebook. The presented graph shows a positive correlation between social media usage and increased sales in MSMEs in Banda Aceh. The higher the use of social media platforms, the greater the impact on sales increase. WhatsApp, with the highest usage rate of 80%, has proven to increase sales by 50%. This shows that WhatsApp is the most effective main platform for MSMEs, due to the ease of direct communication with customers and the ability to market products through groups and statuses. Instagram, used by 72% of SMEs, also significantly contributes to a 45% increase in sales. This platform is effective as a visual promotion tool, with features like feeds, stories, and targeted ads, allowing SMEs to reach a wider and more engaging customer base. On the other hand, Facebook, despite having a lower usage rate of 65%, still contributes positively to a 40% increase in sales. This shows that Facebook remains relevant as a marketing platform, especially for certain customer segments. However, there is a trend that platforms with lower usage rates, such as Facebook, tend to have a smaller impact on sales. This may be due to a lack of innovation in the use of these platforms or customer preferences leaning more towards other, more interactive social media platforms, such as WhatsApp and Instagram.

The results of this study are in line with the opinion of Kotler et al. (2017), who state that digital marketing provides great opportunities for SMEs to reach a wider market at a more efficient cost compared to traditional marketing methods. These findings are also supported by Chaffey (2020), who emphasizes the importance of using social media and creative content to build long-term relationships with customers.

Relevance to the Post-Pandemic Era

The COVID-19 pandemic has accelerated digitalization in the MSME sector, and the findings of this research indicate that MSMEs that have adopted digital marketing tend to have higher competitiveness in the post-pandemic era. Social media and marketplaces have become the main channels, as also emphasized by Tiago & Veríssimo (2014) in their study, which mentioned that social media provides SMEs with direct access to the global market. However, challenges such as digital literacy and management costs need serious attention. This is consistent with the research by Rahayu & Day (2017), which states that the lack of technical skills often becomes the main obstacle for SMEs in utilizing digital technology.

Recommended Strategies

Based on the research findings, several strategies can be implemented to enhance the effectiveness of digital marketing in SMEs:

- a. **Digital Training and Education**
The government and related institutions can provide training to MSME owners to improve their digital literacy, as proposed by Schaupp & Bélanger. (2014).
- b. **Collaboration with Platform Providers**
SMEs can collaborate with marketplaces and social media providers to gain access to resources and technical support.
- c. **Utilization of Supporting Technology**
The implementation of technologies such as chatbots and CRM (Customer Relationship Management) systems can help SMEs improve customer service.

5 | CONCLUSIONS

This research aims to analyze the digital marketing strategies implemented by MSMEs in Banda Aceh in an effort to enhance competitiveness in the post-pandemic era. Based on data obtained through surveys, in-depth interviews, and SWOT analysis, several key conclusions can be drawn:

a. Digital Platform Adoption Rate

Most MSMEs in Banda Aceh have adopted digital platforms as part of their marketing strategy. WhatsApp, Instagram, and Facebook have become the most dominantly used platforms, due to their ease of access, low cost, and wide reach.

b. Impact of Digital Marketing Strategy

The implementation of digital marketing strategies has proven to have a positive impact on the performance of MSMEs. A sales increase of up to 50%, a rise in the number of new customers by up to 40%, and a marketing cost efficiency of 20% compared to conventional methods indicate that digital marketing can significantly enhance the competitiveness of MSMEs.

c. Challenges in Implementation

The main challenges faced by MSMEs in implementing digital marketing strategies include a lack of digital literacy, high costs for managing digital content, and intense competition in the marketplace. This indicates that although digital marketing offers significant benefits, there are still obstacles that need to be addressed.

d. Strategy Recommendations

To optimize digital marketing, MSMEs need to enhance the digital literacy of owners or managers through relevant training, utilize low-cost marketing tools (such as social media), and focus on creating creative content to attract new customers. Additionally, collaboration with local business communities and the government can help reduce barriers, particularly in terms of access to technology and funding support.

The conclusion of this research shows that digital marketing is an effective strategy for MSMEs in Banda Aceh in facing the post-pandemic era. However, its success requires greater support in terms of training, funding, and strengthening collaboration with various related parties. This strategy is expected to enhance the competitiveness of MSMEs and their contribution to the local economy sustainably.

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How to cite this article: Wanda, E., Maulidar, & Hijriatin, M. (2024). Analysis of Digital Marketing Strategies in MSMEs in Banda Aceh to Increase Competitiveness in the Post-Pandemic Era. *Indonesian Journal Economic Review (IJER)*, 4(2), 42-49. <https://doi.org/10.59431/ijer.v4i2.424>