

Obstacles and Opportunities in Implementing Digital Marketing for MSMEs in Perlang Village

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Abstract

This study aims to identify the barriers and opportunities in the implementation of digital marketing for Micro, Small, and Medium Enterprises (MSMEs) in Perlang Village. Using a qualitative approach and case study method, data were collected through in-depth interviews and observations of 10-15 MSME actors in the village. The results indicate that MSMEs in Perlang Village face various challenges, including limited access to technology and digital infrastructure, a lack of knowledge and skills in digital marketing, and uncertainty regarding the effectiveness of digital marketing strategies. Nevertheless, there are significant opportunities that can be leveraged, such as the growth of internet and social media users, support from the government and related institutions, and the potential of e-commerce as a marketing channel. This study concludes that to enhance the competitiveness of MSMEs, it is essential to improve access to technology, implement structured training programs, and provide ongoing support from the government. These recommendations are expected to assist MSMEs in Perlang Village in overcoming barriers and capitalizing on opportunities in digital marketing, thereby contributing to local economic growth.

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Introduction

In recent years, digital marketing has become an important element in business strategies around the world, including in Indonesia. MSMEs, which contribute more than 60% to Gross Domestic Product (GDP) and employ more than 97% of the national workforce, have great potential to utilize digital marketing to expand their market reach (Ministry of Cooperatives and SMEs, 2023). However, despite its great potential,

many MSMEs, especially in rural areas such as Perlang Village, still face significant challenges in adopting digital marketing effectively.

Digital marketing offers various advantages for MSMEs, such as lower costs compared to traditional marketing, the ability to reach a wider audience, and flexibility in adjusting marketing strategies. In Perlang Village, which has the potential for economic development, the implementation of digital

marketing can be a major driver of local economic growth. However, to take advantage of this opportunity, MSMEs need to understand and overcome the various obstacles that exist (We Are Social, 2023).

One of the main obstacles faced by MSMEs in Perlang Village is limited access to technology and digital infrastructure. Many MSMEs do not yet have adequate internet access or the technological devices needed to run digital marketing campaigns. In addition, the lack of knowledge and skills in using digital tools and platforms is also a significant obstacle. According to the Indonesian Internet Service Providers Association (APJII, 2023), the level of digital literacy in rural areas is still relatively low compared to urban areas.

In addition to technical barriers, social and cultural factors also influence the implementation of digital marketing. In Perlang Village, some MSMEs may still be reluctant to switch to digital marketing due to long-standing habits and preferences. There are also concerns about data security and privacy that can hinder the adoption of new technologies. A study by McKinsey & Company (2023) shows that changing culture and habits requires time and consistent effort.

Despite the many obstacles, there are also opportunities that can be utilized by MSMEs in Perlang Village. The Indonesian government has launched various initiatives to support the digitalization of MSMEs, including training programs and technical assistance. In addition, the increasing use of social media among Indonesian people can be an effective platform for MSMEs to promote their products and services. According to the We Are Social report (2023), social media users in Indonesia have reached more than 150 million people.

The government and related institutions have an important role in supporting MSMEs to overcome obstacles and take advantage of opportunities in digital

marketing. Training and education programs that focus on improving digital literacy and marketing skills can help MSMEs to be better prepared to face digital challenges. In addition, the provision of adequate infrastructure, such as better internet access, is also a key factor in supporting digital transformation in rural areas (Ministry of Communication and Information, 2023).

Learning from other areas that have successfully implemented digital marketing can provide valuable insights for MSMEs in Perlang Village. For example, several villages in Indonesia have succeeded in increasing their MSME income through the use of e-commerce and social media. This case study can be a reference for Perlang Village to develop effective digital marketing strategies that are appropriate to the local context (World Bank, 2023).

By understanding the obstacles and opportunities in implementing digital marketing, MSMEs in Perlang Village can design more effective strategies to improve their competitiveness. This study aims to identify key factors that influence the success of digital marketing in this village and provide practical recommendations for MSME actors. Thus, it is hoped that this study can contribute to the development of the local economy and improve the welfare of the community in Perlang Village.

Literature Review

This literature review aims to provide theoretical and empirical foundations regarding the obstacles and opportunities in implementing digital marketing for MSMEs, especially in Perlang Village. Various relevant studies and literature will be discussed to understand the context and challenges faced by MSMEs in adopting digital marketing.

1. Digital Marketing and MSMEs

Digital marketing is a strategy that utilizes digital technology to promote products and services. According to Chaffey and Ellis-Chadwick (2019), digital

marketing encompasses a variety of channels, including social media, email, and search engines, which enable businesses to reach a wider audience at a more efficient cost. In the context of MSMEs, digital marketing can be an effective tool to increase visibility and competitiveness in an increasingly competitive market (Kotler & Keller, 2016).

2. **Barriers to Digital Marketing Implementation**

Many MSMEs face various obstacles in implementing digital marketing. According to research by Taneja and Toombs (2014), these obstacles include limited resources, lack of knowledge about technology, and uncertainty about the effectiveness of digital marketing. In rural areas, such as Perlang Village, access to adequate digital infrastructure is also a significant challenge (Sari & Hidayat, 2021).

3. **Social and Cultural Factors**

Social and cultural factors also play an important role in the adoption of digital marketing by MSMEs. According to research by Hsu and Tan (2019), MSME actors' attitudes and perceptions towards new technologies can influence their decision to switch to digital marketing. In many areas, including villages in Indonesia, long-standing customs and traditions often hinder the adoption of new technologies (Rahayu & Dayanti, 2020).

4. **Opportunities in Digital Marketing**

Despite the many obstacles, there are also opportunities that MSMEs can take advantage of. According to research by B2B International (2020), the use of social media and e-commerce platforms can help MSMEs reach new customers and increase sales. In Indonesia, the rapid growth of internet and social media users provides great opportunities for

MSMEs to take advantage of digital marketing (Statista, 2023).

5. **The Role of Government and Related Institutions**

The government and related institutions have an important role in supporting MSMEs to overcome obstacles and take advantage of opportunities in digital marketing. According to research by Susanto and Sari (2022), training programs and technical support from the government can improve the ability of MSMEs to use digital technology. In addition, the provision of adequate infrastructure, such as better internet access, is also a key factor in supporting digital transformation in rural areas.

6. **Case Studies and Lessons Learned from Other Regions**

Learning from other areas that have successfully implemented digital marketing can provide valuable insights for MSMEs in Perlang Village. According to research by Prabowo and Setiawan (2021), several villages in Indonesia have succeeded in increasing their MSME income through the use of e-commerce and social media. This case study can be a reference for Perlang Village to develop effective digital marketing strategies that are appropriate to the local context.

By understanding the obstacles and opportunities in implementing digital marketing, MSMEs in Perlang Village can design more effective strategies to improve their competitiveness. This literature review shows that despite significant challenges, there are also many opportunities that can be utilized to improve MSME performance through digital marketing.

Method

This research methodology is designed to explore the barriers and opportunities in implementing digital marketing for MSMEs in Perlang Village. The approach used in this

study is qualitative, which allows researchers to gain an in-depth understanding of the experiences, perceptions, and challenges faced by MSME actors in adopting digital marketing. The following are details of the methodology that will be used in this study.

1. **Research Design**

This study uses a qualitative research design with a case study approach. This design was chosen because it allows researchers to dig up in-depth information about the specific context in Perlang Village. According to Creswell (2014), case studies are an effective method for understanding phenomena in real-life contexts.

2. **Population and Sample**

The population in this study is all MSME actors operating in Perlang Village. The sample will be taken purposively, namely by selecting MSME actors who have used or plan to use digital marketing. Researchers will select around 10-15 MSME actors to be interviewed, considering variations in business types and experience in digital marketing (Patton, 2015).

3. **Data collection technique**

Data collection will be conducted through in-depth interviews and observations. Interviews will be conducted in a semi-structured manner, where researchers will use an interview guide that includes open-ended questions to explore information about barriers and opportunities in digital marketing. Observations will also be conducted to understand marketing practices implemented by MSMEs in the field (Kvale & Brinkmann, 2015).

4. **Data analysis**

Data obtained from interviews and observations will be analyzed using thematic analysis techniques. This analysis process includes data coding, theme identification, and interpretation of results. According to Braun and Clarke

(2006), thematic analysis allows researchers to identify patterns and meanings in qualitative data, so that it can provide deep insight into the phenomena being studied.

5. **Validity and Reliability**

To ensure the validity and reliability of the research, researchers will use data triangulation, namely by comparing information obtained from interviews, observations, and related documents. In addition, researchers will also conduct member checking, namely asking for feedback from participants regarding initial findings to ensure accuracy of interpretation (Lincoln & Guba, 1985).

6. **Research Ethics**

This study will adhere to ethical principles of research, including obtaining informed consent from participants prior to interviews, maintaining confidentiality of information, and giving participants the right to withdraw from the study at any time without consequence. The researcher will explain the purpose of the study and how the data will be used to all participants (Creswell, 2014).

7. **Research Schedule**

This research is planned to last for three months, with the following details:

- ✓ Month 1: Data preparation and collection
- ✓ Month 2: Interviews and observations
- ✓ Month 3: Data analysis and report writing

Results and Discussion

The results and discussion of this study aim to identify and analyze obstacles and opportunities in the implementation of digital marketing for MSMEs in Perlang Village. Data obtained from in-depth interviews and observations will be presented in the form of main themes that reflect the experiences and views of MSME actors.

1. Barriers to Digital Marketing Implementation

a. **Limited Access to Technology**

One of the main barriers identified in this study is limited access to technology and digital infrastructure. Many MSMEs in Perlang Village complained about the lack of stable and fast internet access. This is in line with the findings of Sari and Hidayat (2021), which showed that inadequate digital infrastructure is a significant barrier for MSMEs in rural areas to adopt digital marketing effectively. Without adequate access, MSMEs find it difficult to utilize digital platforms to promote their products.

b. **Lack of Knowledge and Skills**

The interview results showed that many MSMEs do not have sufficient knowledge about digital marketing. They find it difficult to use digital tools and platforms, such as social media and e-commerce. Research by Rahayu and Dayanti (2020) also noted that the lack of training and education on digital marketing is one of the inhibiting factors for MSMEs in adopting new technologies. This indicates the need for more structured training programs to improve digital literacy among MSMEs.

c. **Uncertainty and Risk**

MSMEs also expressed uncertainty and concerns about the effectiveness of digital marketing. Some of them felt that investment in digital marketing did not always produce the expected results. According to Taneja and Toombs (2014), this uncertainty is often caused by a lack of understanding of how digital marketing works and how to measure its success. This creates hesitation among MSMEs to switch from traditional to digital marketing methods.

2. **Opportunities in Digital Marketing Implementation**

a. **Growth of Internet and Social Media Users**

Despite the obstacles, this study also found that there are significant opportunities for MSMEs in Perlang Village to utilize digital marketing. The rapid growth of internet and social media users in Indonesia provides opportunities for MSMEs to reach a wider audience. According to a report by We Are Social (2023), Indonesia has more than 150 million social media users, which can be utilized by MSMEs to promote their products effectively.

b. **Support from Government and Related Institutions**

Support from the government and related institutions is also an important opportunity for MSMEs. Training programs and technical assistance provided by the government can help MSMEs improve their skills and knowledge in digital marketing. Research by Susanto and Sari (2022) shows that government intervention in the form of training and provision of digital infrastructure can increase the adoption of digital marketing among MSMEs.

c. **E-commerce as a Marketing Channel**

E-commerce also emerged as a great opportunity for MSMEs in Perlang Village. With the increasing number of e-commerce platforms available, MSMEs can easily market their products online. Research by Prabowo and Setiawan (2021) shows that MSMEs that utilize e-commerce experience a significant increase in sales. This shows that with the right strategy, MSMEs can utilize digital platforms to increase their competitiveness.

The results of this study indicate that although MSMEs in Perlang Village face various obstacles in implementing digital marketing, there are also many opportunities that can be utilized. To overcome these obstacles, it is important for the government and related institutions to provide the necessary training and support. In addition, MSME actors need to be encouraged to be more active in utilizing digital platforms, especially social media and e-commerce, to increase the visibility and sales of their products.

Conclusion

This study aims to identify obstacles and opportunities in the implementation of digital marketing for MSMEs in Perlang Village. The results of the study indicate that although MSMEs in this village face various challenges, such as limited access to technology, lack of knowledge and skills, and uncertainty about the effectiveness of digital marketing, there are also many opportunities that can be utilized. The rapid growth of internet and social media users, support from the government and related institutions, and the potential of e-commerce as a marketing channel are factors that can increase the competitiveness of MSMEs in Perlang Village.

By understanding these obstacles and opportunities, MSMEs can design more effective digital marketing strategies. This study emphasizes the importance of support from various parties, including the government, in providing the training and infrastructure needed to help MSMEs adapt to digital change.

Suggestion

Based on the research results, here are some suggestions that can be given:

1. **Improving Access to Technology** : The government and internet service providers need to improve digital infrastructure in Perlang Village to ensure stable and fast internet access for MSMEs.

This will allow them to utilize digital marketing more effectively.

2. **Training and Education Programs** : Structured training programs are needed to improve digital literacy and marketing skills among MSMEs. This training should include the use of social media, e-commerce, and other digital marketing tools.
3. **Government Support** : The government needs to continue to provide support through policies and programs that encourage the digitalization of MSMEs. This includes providing technical assistance and access to the resources needed to implement digital marketing.
4. **Raising Awareness about E-commerce** : MSMEs should be encouraged to explore and utilize e-commerce platforms as a marketing channel. Education about the benefits and how to use e-commerce can help them increase sales and market reach.
5. **Collaboration with Educational Institutions** : Collaboration between MSMEs and educational institutions can help in the development of relevant training programs that are in line with the needs of MSMEs. This can also create opportunities for students to get involved in real projects that support MSMEs.
6. **Further Study** : Further research is needed to explore the long-term impact of digital marketing on the performance of MSMEs in Perlang Village and other areas. This research can provide additional insights that are useful for developing more effective digital marketing strategies.

By implementing these suggestions, it is hoped that MSMEs in Perlang Village can overcome existing obstacles and take advantage of opportunities in digital marketing, so as to increase their competitiveness and contribution to the local economy.

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