

Implementation of Digital Marketing for MSMEs in Gedangan District

Kharisma Nur Hikmah¹, Isnaini Rodiyah²
^{1,2}Muhammadiyah University of Sidoarjo, Indonesia



DOI: <https://doi.org/10.61796/icossh.v2i2.550>



Sections Info

Article history:

Submitted: June 14, 2025

Final Revised: July 24, 2025

Accepted: August 10, 2025

Published: September 27, 2025

Keywords:

Digital marketing

MSMEs

Digital literacy

Policy implementation

ABSTRACT

Objective: This study aims to analyze the implementation of digital marketing in MSMEs in Gedangan District by adopting the policy implementation theory model from George C. Edward III. **Method:** The approach used is qualitative descriptive, involving in-depth interviews, direct observation in the field, and document data collection. **Results:** The results of the study show that the use of digital marketing has resulted in an increase in revenue and the expansion of the small and medium enterprises (MSMEs) market. However, implementation still faces many challenges. This includes elderly business actors who do not have digital literacy, lack of technological infrastructure, and lack of post-training mentoring. Although policy communication has been carried out through socialization and training, it has not been consistent and equitable. While most senior business actors stick to conventional approaches, young human resources tend to be more flexible in social media management. **Novelty:** For continuous improvement, consistent implementation of digital marketing, more practical routine training and assistance are needed. In addition, it is necessary to increase access to financing and improve technological infrastructure so that MSME actors can maximize promotion and market expansion in a sustainable manner.

INTRODUCTION

The industrial era 4.0 is a new phase in the development of the industrial sector which is colored by the integrated use of the internet in the production process. At this stage, the development of information technology encourages significant changes in the business climate so that competition in the industrial world becomes increasingly fierce and dynamic. Industry 4.0 collaborates automation technology with cyber systems, resulting in intelligent and interconnected production systems[1]. With the increasing use of the internet and digital technology, the industrial revolution 4.0 is shown. The use of digital technology in business activities has many benefits, such as making sellers and buyers able to interact online without having to interact in person, costs are lower, distance factors become less important, and access is always available. In addition, business actors can easily introduce their goods or services to consumers through the internet network, which can be accessed by all consumers.

In addition, technological developments have changed human behavior. Nowadays people use the internet for a variety of purposes, such as searching for information and news, communicating online, and looking for entertainment, such as listening to music and watching movies. The existence of social media sites such as Twitter, Facebook, Instagram, TikTok, and YouTube makes this even more supported. The existence of internet networks and increasingly developed means of communication makes people more connected to each other. In addition, the way customers shop is also starting to change. Consumers used to have to shop in conventional stores, but now they can do so with online applications created by digital technology. The industrial revolution 4.0 is associated with MSMEs, which account for 99.9% of companies in Indonesia. Small and

medium businesses (MSMEs) receive support from government programs to adapt and compete globally. At the end of 2019, 2% of Indonesians were new entrepreneurs. This increases competition in the MSME sector, which contributes to job creation, entrepreneurship, and increased state revenue. However, MSMEs also face issues such as lack of resources, mismatches, and low marketing skills, which impact the marketplace market share[2].

MSMEs are businesses that operate independently, which are run by individuals or organizations in various fields of the economy. MSMEs are regulated based on Law of the Republic of Indonesia Number 20 of 2008 concerning MSMEs. In Article 1 of the law, it is emphasized that micro businesses are productive activities owned by individuals and/or individual business entities with micro business criteria set by this law. Micro, small, and medium enterprises (MSMEs) play a crucial role in the economy of the Indonesian people. With the development of MSMEs in Indonesia today, it has helped the government in creating job opportunities for the unemployed. In addition, the growth of MSMEs in Indonesia contributes to increasing the economic resilience of households in the country[3].

Government Regulation No. 7 of 2021 aims to create an environment that supports the growth of micro, small, and medium enterprises and increases their contribution at national economy. The government plays a role in encouraging credit distribution and socialization of training to MSMEs, so that MSMEs in Indonesia are successful. Internet technology can also be used as a space to buy and sell goods without having to visit the store in person but they can access through electronic commerce or E-Commerce. Digital marketing is a form of promotion that relies on high-tech digital technology devices. Digital marketing consists of interactive and integrated marketing that facilitates dialogue between manufacturers, market intermediaries, and potential consumers[4].

Gedangan District is one of the sub-districts that can be said to have sufficient economic activities. Gedangan District consists of 15 villages and has 193 MSMEs. These businesses consist of various types of businesses, namely 70 in the field of home industry, 64 in the field of culinary business and 59 in the field of services. One of the mainstay MSME products of Gedangan District is culinary, Culinary MSME actors use social media to increase income. Because it is easier to consume food without leaving the house with various food ordering applications on social media. MSMEs that focus on culinary products are in great demand by the public. The following are the results of data processing of 64 Culinary MSME Digital Marketing Users and the average income of the last 3 years (2022-2025) of Gedangan District.

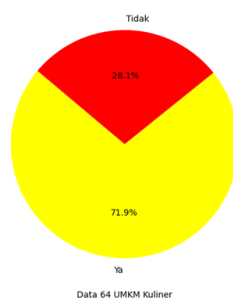


Figure 1. Data on the Use of Digital Marketing for Culinary MSMEs in Gedangan District

Source: Researcher's Results, 2025

Based on the results of data processing, culinary MSMEs in Gedangan District show a fairly rapid development in using digital platforms to support their business activities. As many as 71.9 percent of culinary MSMEs have used digital marketing, while 28.1 percent still have not. These numbers show that most culinary businesses have shifted from conventional marketing strategies, such as word-of-mouth or traditional marketing, to the use of social media, marketplaces, and online delivery services. Social media apps such as Instagram, Facebook, TikTok, and WhatsApp are the top choices for promoting products. Social media is considered more effective because it has a wide reach, is able to target specific consumer segments, and allows direct interaction between small and medium businesses (MSMEs) and their consumers. Social media is considered more effective because it has a wide reach, is able to target specific consumer segments, and allows direct interaction between small and medium businesses (MSMEs) and their consumers.

The use of digital marketing in culinary MSMEs in Gedangan District has proven to contribute positively to increasing income. Through social media and marketplaces, MSME actors can expand their market reach and attract more consumers, so that most culinary businesses are in the middle to high income category. Gedangan culinary business actors are starting to use e-commerce platforms such as Shopee, Lazada, Tokopedia, and GrabFood as a way to expand the market and increase their income[5]. By implementing a digital marketing strategy, there is a high possibility that the increase in MSME income in Gedangan District will be greatly affected. Digital marketing also facilitates direct interaction with customers, which significantly improves the financial performance of MSMEs in the sector. These results confirm the important role of digital technology in the transformation of small and medium enterprises (MSMEs) in the modern era. The following is explained the data on the 2022-2025 Culinary MSME Income Increase in Gedangan District.

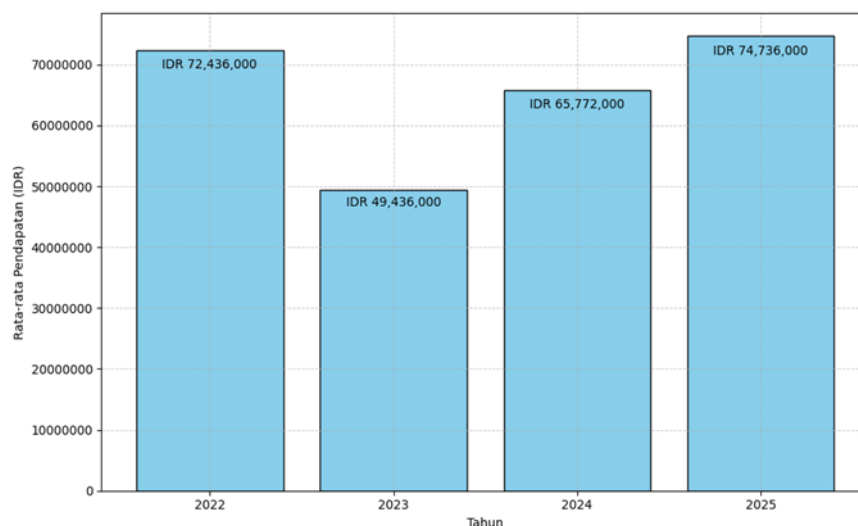


Figure 2. Increasing Income of Culinary MSMEs 2022-2025 Gedangan District

Source: Gedangan District MSME Data Processing Results, 2025

The graph of the average development of culinary MSME income in Gedangan District in 2022–2025 shows a fairly consistent upward trend. This shows that culinary MSMEs in Gedangan District are able to adapt to changes in people's increasingly digital

consumption patterns, as well as showing that technology-based marketing strategies have really affected their business growth[6]. The diagram shows the average development of MSME income in Gedangan District from 2022 to 2025. In 2022, the average revenue was IDR 72,436,000, which shows that MSMEs have started using digital marketing but are still in the early stages of implementation. However, in 2023, revenue dropped dramatically to IDR 49,436,000. This decline can be attributed to a shift towards more intensive digital marketing. This situation is also in line with the findings of a study that indicates that small and medium businesses (MSMEs) have recently started using digital marketing. Strategies often take time to change and work well. Revenue will start to rise again to IDR 65,772,000 in 2024. This increase shows that MSMEs in Gedangan District are starting to gain real benefits from digital marketing, such as more frequent use of social media, optimization of stores such as Shopee and Tokopedia, and the use of WhatsApp Business to connect with customers. In addition, it is projected to increase revenue through improving the digital capabilities of Gedangan MSME actors through training and mentoring programs from local governments and universities from 2023 to 2024. The average MSME income will reach IDR 74,736,000 in 2025, which is the highest value since then. This increase shows the cumulative effect and maturity of the digital marketing strategy used by MSMEs. Not only do they have the ability to survive in the digital market, but they can also create new products and services that meet the needs of digital-age consumers.

The big change in this situation is caused by the implementation of digital marketing. For example, the culinary business "Bakmie Djuragan" which is managed by MSME actors in Punggul Village, Gedangan District. At first, MSME actors marketed their products in a conventional way relying on local customers, word-of-mouth promotions, and simple banners in front of the store. The owner decided to switch to digital marketing with a focus on social media platforms like TikTok after seeing the trend of consumers increasingly switching to digital platforms. In addition, businesses take advantage of free applications such as Canva and CapCut to create photos, videos, and Reels which is more interesting. In general, digital marketing has an important role in companies and businesses. Many companies use digital marketing to support and grow their business[7]. Social media is among the various platforms, which are most often used by the general public and are very popular around the world due to the rapid advancement of information technology.

Therefore, a large number of small and medium-sized businesses that are adopting information technology advancements to run their business. The implementation of digital marketing in small and medium enterprises provides an opportunity for MSMEs to increase their market area and make it easier for them to market and sell goods online[8]. In addition, the implementation of digital marketing makes MSMEs more efficient in advertising products and services to customers with more economical expenses compared to traditional marketing methods. The implementation of digital marketing will also support MSMEs in improving engagement with consumers through online services that are not bound by place and time[9]. In addition, facing increasingly fierce competition, the use of efficient digital-based promotional tactics can help MSMEs in Gedangan District not only survive but also grow in an ever-evolving business environment. Therefore, this study aims to explore and analyze how the implementation

of digital marketing can provide significant benefits for the growth and sustainability of MSMEs in the region.

The results of previous research used in this study are, [10] entitled "Implementation of Digital Marketing in MSMEs in the Era of Industrial Revolution 4.0 (Study on MSMEs in Sidoarjo Regency)". This study uses a type of quantitative descriptive research. The results of the study show that the use of digital marketing by MSMEs in Sidoarjo Regency is still far from optimal. From the survey data, it was revealed that only around 32% of MSMEs have introduced digital marketing in buying and selling activities, while most still use conventional methods to sell. This shows that the adoption of digital marketing among Sidoarjo MSMEs is not even and is still dominated by conventional methods. Some of the main factors that are obstacles in implementing digital marketing in Sidoarjo MSMEs are the lack of adequate training related to digital marketing, limited capital to invest in technology and digital marketing, lack of readiness of human resources, and lack of understanding of digital technology and business development strategies that have not been implemented properly, often limited to plans without realization. The similarity between this study and the current study lies in the application of implementation indicators. What distinguishes this study from recent studies is its methodological approach; This study applied a quantitative descriptive method, while the current study used a qualitative descriptive method.

Second, research [11] entitled "Implementation of Micro, Small and Medium Enterprises Policy during the Covid-19 Pandemic in Sidoarjo". This study uses a literature study method involving 25 previous researchers. The result of this study is that during the Covid-19 pandemic, MSMEs experienced a decrease in revenue from their sales. The government and stakeholder Those involved in this downturn are forced to learn a lot about the use of digital platforms, but with limited knowledge about technology, many have not switched to innovative entrepreneurs so that they do not have an influence on their business. Support and commitment for the implementation of this program must be a priority, especially in strengthening MSMEs through more effective socialization of digital platforms. The similarity in this study with the current research is that both discuss the problem of digitalization of the marketing of MSME products. The difference between this research and the current research is the time context, this research focuses on the situation during the Covid-19 pandemic while the current research explores the long-term of the implementation including how MSMEs rise in the post-pandemic era. Both studies have the same focus, namely Micro, Small and Medium Enterprises (MSMEs) which have an important role in Indonesia's economic growth.

Third, research [5] entitled "The Application of Digital Marketing in an Effort to Increase Income for Micro, Small and Medium Enterprises". This study utilizes a quantitative approach by distributing questionnaires to 116 MSME actors who have used digital marketing in their business activities. The results of data analysis show that digital marketing strategies have a huge impact on increasing the turnover of small and medium businesses. This evidence is confirmed through a determination coefficient value that reaches 0.731, which means that 73.1% of the variation in MSME actors' income can be explained by the use of digital marketing, while the rest is influenced by other factors. MSME managers realize that using digital media, such as e-commerce, social media, and WhatsApp Business, is very useful to expand the reach of promotions, facilitate

communication with customers, and reduce promotional costs. Respondents stated that digital marketing is more efficient than conventional promotion methods because it does not require large costs and can be done at any time. Even so, of the total MSMEs registered in Makassar City, only around 1.63% actively utilize digital marketing, showing that the potential for its application is still very wide.

The results of field observations show that micro, small, and medium enterprises (MSMEs) in Gedangan District face a number of problems in the implementation of digital technology. The first problem includes the limitations of digital literacy of MSME actors, the second is the technological infrastructure that is not fully adequate, and the third is the lack of consistency in the use of social media, marketplaces, and online delivery services as a means of promotion and sales.

To analyze the implementation digital marketing in MSMEs in Gedangan District using implementation theory George C. Edward III (1980), found that four factors influence the policy implementation process: communication, resources, disposition, and bureaucratic structure[12]. Based on the above problem phenomenon, the purpose of this research is to analyze and describe how to implement digital marketing for culinary MSMEs in Gedangan District.

RESEARCH METHOD

This study uses a type of qualitative research method. According to Sugiyono, qualitative research uses philosophy as a basis for researching scientific conditions (experiments). This approach uses researchers as its main tool [13]. The qualitative method collects field data and explores information by providing explanations of the reasons why phenomena occur. Researchers try to explain phenomena using the right words and language, as well as explore and delve into relevant issues. The researcher applies the Informant Determination Technique. The informants in this study consisted of the Secretary of the Gedangan District Office, the Chairman of the Gedangan District MSME Association and several MSMEs around Gedangan District. Researchers use a variety of data collection techniques including observation, interviews, and documentation to collect relevant data.

In this study, primary and secondary data were used with primary data obtained through in-depth interviews and observations, while secondary data was obtained from official documents of the Gedangan District Office and scientific journals. The researcher used interactive model data analysis. Based on the view of Miles and Huberman, the interactive data analysis framework includes four key elements that are interrelated and run in repetitive cycles. The first step is Data Collection, which involves efforts to dig up information from various sources, such as direct observations, question and answer sessions, and document reviews. Furthermore, Data Reduction in the second stage includes selection, focus sharpening, simplification, abstraction, and transformation of raw data from field recordings or interview scripts. Then, Data Presentation in the third stage focuses on systematically arranging data to make it easier for researchers to analyze and understand. Finally, Drawing Conclusions is an essential element that marks the end of the research process[14].

RESULTS AND DISCUSSION

In order for the implementation to be effective, Edward III suggested that we pay attention to 4 elements: communication, resources, disposition or attitude, and administrative structure. According to Edward III's perspective, the following is an explanation related to field observation.

1. Communication

One of the important components in the implementation of policies, including digital transformation programs for MSMEs, is communication. Communication in the implementation of digital transformation programs must be carried out comprehensively, both between government officials as policy makers and implementers, and between the government and MSME actors as policy targets [15].

In Gedangan District, the importance of digital marketing has been socialized through training, workshops, and support from the local government and related institutions. In 2024, MSMEs in Gedangan District will receive digital marketing socialization and training from Kominfo Surabaya. The "DEA – Digital Entrepreneurship Academy" program was held at the BPSDMP Kominfo Surabaya Office. This training was attended by dozens of small and medium enterprises (MSMEs) from industries such as culinary, service and industry. They are taught about digital marketing techniques, social media management, market optimization, and online product branding methods. Through this program, Kominfo Surabaya hopes that MSME actors in Gedangan District can increase sales, increase product branding, and expand the reach of the digital market. The DEA training is a concrete step by the government in supporting the digital transformation of the MSME sector, which will make them more competitive in the modern economic era. The Chairman of the Gedangan District MSME Association said that small and medium businesses (MSMEs) in Gedangan District have never received training that focuses on developing digital marketing skills. Most MSME actors in Gedangan finally registered for digital marketing training independently through channels or programs provided by agencies at the district level, such as the Sidoarjo Regency Cooperatives and MSMEs Office. There are even those who seek training outside the sub-district government, both online and through private institutions that open digital entrepreneurship training programs

Overall, the government's relationship with MSMEs in Gedangan District in terms of digital marketing policies is still limited and not fully transparent. This makes some MSME actors confused about the program, assistance flow, or applicable rules. Transparent. Many MSME actors say they do not have clear, organized, and continuous information about specific regulations or policies that support the implementation of digital marketing at the sub-district level. However, some transparency efforts are beginning to be seen, such as the dissemination of information through the official social media of the local government or socialization activities carried out sporadically. However, the intensity and quality of communication still need to be improved so that MSMEs get certainty, feel involved, and understand the direction of digital marketing policies more clearly.

The results of the interview with the Chairman of the Gedangan District MSME Association said *"communication problems in the implementation of digital marketing in MSMEs in Gedangan District mainly lie in uneven training materials, unclear technical*

understanding, and lack of consistency of communication and attention from the sub-district government. This condition causes not all MSMEs to be able to utilize digital marketing optimally, so the impact on increasing revenue is still uneven".

In today's era of rapid development of information technology, digital marketing is one of the important strategies for business actors, especially MSMEs, to increase competitiveness and expand their market reach. Effective communication not only includes informing people about the importance of digital marketing, but also helping governments, educational institutions, and businesses understand each other to achieve common goals. Planned and needs-based training provides both technical and non-technical knowledge, such as data-driven marketing strategies, digital market analysis, social media management, and creative content creation. Nonetheless, ongoing mentoring serves as a means of implementation and ensures that trainees can apply the knowledge they gain in a real business environment. In addition, continuous mentoring also serves as a tool for continuous evaluation and improvement.

Table 1. MSME Digital Marketing Training Program in 2024

No	Program Name	Organizers	Implementation Time	Number of Participants	Training Materials	MSME Understanding Level (%)	Reasons for Misunderstanding/ Inequality
1	DEA - Digital Entrepreneurship Academy	Kominfo Surabaya	2024	45 MSMEs	Digital marketing techniques, social media management, market optimization, online branding	72%	<ul style="list-style-type: none"> • Limited access to stable internet • Lack of adequate technological tools • Digital literacy gap between generations • Training time colliding with business operation • Materials are too technical for beginners
2	Basic Digital Marketing Training	Sidoarjo MSME Cooperative Office	2024	32 MSMEs	Social media, marketplace, e-commerce	67%	<ul style="list-style-type: none"> • Less than optimal program socialization (42% do not know) • Technical language is difficult for traditional MSME actors to understand

3	Social Media Workshop for MSMEs	Private Institutions	2024	28 MSMEs	Instagram marketing, Facebook ads, content creation	70%	<ul style="list-style-type: none"> • Minimal post-training follow-up • No implementation assistance • Program information is not evenly distributed • Focus only on certain platforms • Workshop duration is too short (1 day) • Material is not tailored to the type of business
---	---------------------------------	----------------------	------	----------	---	-----	---

Source: Results of Data Processing of MSME Coordinator of Gedangan District, 2025

Based on the results of the analysis carried out, the implementation of digital marketing for MSMEs in Gedangan District in general shows that it is proven that the process is still far from consistent and ideal. This imbalance hinders the economic growth of the surrounding community, but also shows structural weaknesses in post-training assistance and the dissemination of training material information. This imbalance is the main cause of the problem. Digital strategies have not been used effectively and evenly. Although the government and accompanying institutions have held various trainings, overall 40% of MSME actors in Gedangan District still have difficulty using the knowledge that has been provided, especially in terms of managing social media, creating digital marketing content, and understanding algorithms and online market strategies.

The ineffectiveness of information delivery in training is the main component that hinders the optimization of digital marketing. According to many participants, the material presented was too technical and irrelevant to the needs and capabilities of MSMEs. In addition, the rushed delivery without direct practice makes it difficult for participants to understand. The purpose of this effort is for MSME actors to understand the benefits of digital marketing and can use it as a way to increase their revenue. The absence of mentoring after training is also an important factor that leads to unsustainable implementation. Without continuous supervision and training, MSME businesses tend to revert to conventional marketing methods, which they consider safer. The ability to adapt to marketing technology is the main key to survive in the increasingly widespread and fierce market competition in today's digitalization era. Therefore, to improve the efficiency of the digital marketing program in Gedangan District, a thorough examination of the training methods used, the provision of relevant and easy-to-understand content, and consistent support is needed. More practical, relevant, and results-oriented training can be achieved through collaboration between governments, academics, and digital industry players.

If associated with the implementation theory of George C. Edward III (1980), the success of policy implementation can be measured through several indicators, namely communication, resources, disposition and bureaucratic structure. In the context of implementation, this system has met the communication indicators. Communication is an essential component for the successful implementation of a program or policy, the process by which messages, information, ideas, and ideas are sent from a sender (communicator) to a recipient (communicator) through a medium or channel with the aim of understanding and influencing the recipient's behavior or thinking. Socialization, consistency, and transparency are important components of communication. In communication, socialization is a process of interaction that creates social relationships and adjustments between individuals or groups to achieve social understanding and integration. To ensure that the message can be received clearly and effectively by the audience or recipient of the communication, the message must be delivered consistently. Transparency in communication means conveying information openly and thoroughly, including problems or obstacles. These two elements are essential to build trust and credibility among the parties involved. By creating an open and consistent communication environment, individuals or groups can more easily express opinions and receive feedback, thus strengthening interpersonal relationships. Not only does the government provide information to MSME actors, but also how the message is received, understood, and applied by business actors. For MSMEs in Gedangan District, effective communication means clear, consistent, and transparent communication about digital marketing programs, training, and policies. Appropriate, clear, and consistent communication will help MSMEs understand the importance of digital marketing, become more engaged, and ultimately implement strategies better[16]. In addition, training and socialization carried out by related parties increased progress in the digital marketing of MSMEs in Gedangan District.

These findings are in line with previous research showing that digital marketing socialization and training delivered in a clear, structured, and accompanied by direct practice significantly increases MSME income. In particular, research on socialization and training shows that the quality of delivery, such as clarity of material, frequency of socialization, appropriate media use, and the existence of two-way feedback mechanisms, determine the extent to which participants absorb and practice. Compared to one-way training without advanced support, training programs that are participatory and offer follow-up, such as mentoring or mentoring, tend to change marketing behavior more quickly. As a result, MSMEs that received this training model reported a greater increase in revenue[17].

2. Resources

Based on the view of Franc Sinatala, resources essentially refer to the origin of power and energy that can be used to drive specific processes or activities, which ultimately produce certain outputs[18]. Resource indicators according to George C. Edward III refers to the aspect of implementation resources which includes the availability of physical facilities needed by MSMEs to carry out digital marketing, the quality and quantity of human resources, budget support or funds for the procurement of digital media, and access to the appropriate use of digital technology for marketing,

such as social media, websites, and other supporting applications in the context of digital marketing implementation.

In today's internet era, social media is an important tool for marketing MSME businesses. Most MSMEs in Gedangan District already have the basic equipment needed to support digital marketing campaigns. Almost all MSME actors use smartphones as the main tool to communicate with customers, sell goods, and manage social media accounts. In addition, the ability to connect to the internet either through personal data plans or Wi-Fi networks at home or business allows MSMEs to upload content, connect directly with customers, process online orders, and follow digital marketing trends in real time. To run their businesses, MSMEs have benefited a lot from digital marketing training, which has made them better understand online sales. Nowadays, many people prefer to buy items online because they no longer need to come to offline stores, which may be considered time-saving. This sale over the internet can take you to a wider market. Overall, MSMEs in Gedangan District rely on smartphones and internet connections to implement digital marketing strategies. Businesses can use these devices to increase the market and increase sales by utilizing platforms such as Instagram, Facebook, WhatsApp Business, Shopee, Tokopedia, and online delivery services.

Human resources (HR) are the main pillars of the successful implementation of digital marketing because they play a role as strategy designers, program implementers, and measures of the effectiveness of technology-based marketing performance. The most important factor, regardless of age, is the ability and readiness of MSME actors to master digital technology and understand behavior. With superior and adaptive human resources, organizations or programs will find it easier to achieve targets, face challenges, and maintain competitiveness in the midst of dynamic environmental changes. The following is explained the data on the Human Resources Profile of MSMEs in Gedangan District.

Table 2. Profile of MSME Human Resources in Gedangan District

Age Group	Total SDM	Man	Woman	Platform Preferences
18-25 years old	29	14	9	TikTok, Instagram
26-35 years old	58	38	26	Instagram, WhatsApp, Tiktok
36-45 years old	57	32	30	Facebook, WhatsApp Business
46-55 years old	43	11	16	Facebook, Marketplace
>55 years old	15	7	10	WhatsApp Business
Total	193	102	91	

Source: Coordinator of the Gedangan District MSME Association, 2024

MSME actors in Gedangan District, especially young people, tend to be creative in creating promotional content, ranging from product photos, short videos, to utilizing the latest trends such as reels or TikTok to increase market reach. They tend to be creative in creating promotional content, ranging from product photos and short videos, to using the latest trends like TikTok or Instagram reels to increase their market reach. To attract new customers, they can use paid advertising features, social media analytics, and collaborations with local influencers. This phenomenon shows that digital skills and age are essential for digital marketing success. Young MSME entrepreneurs have the spirit of innovation, time flexibility, and speed to adapt to changes in social media algorithms. They even often share their experiences and suggestions with other MSME actors, creating a learning ecosystem that supports the sustainability of digital marketing practices. Therefore, while the absence of dedicated admins in some MSMEs may be a problem, young entrepreneurs are pointing out that it's not a big deal. They are able to implement a consistent digital marketing strategy and positively impact increased sales and market expansion due to talent, digital skills, and a desire to learn. On the other hand, especially for business actors aged 50 years and above, many of them face difficulties in understanding and using digital devices, ranging from the use of social media to more complex online marketing strategies. Not many MSME actors understand digital technology, so they only use digital marketing sporadically or unsustainably. For example, some people rely solely on the help of a child or family member to run their business account, or they don't have a clear strategy for promoting their products on social media.

The sustainability and growth of micro, small, and medium enterprises (MSMEs) is highly dependent on capital. Due to the lack of funds and direct financial support from the government, MSME actors in Gedangan District often face capital problems. Many businesses still rely on personal capital or family loans to survive. *"We rarely have capital assistance or facilities from the government, maybe only one assistance from the KURMA program, but there are several MSMEs that have business loans facilitated by the Sidoarjo district government at Bank Delta Artha by offering low interest, there are also several other MSMEs that use KUR in other banks such as BRI,"* said Mrs. Dewi, Gedangan MSME Actor.

Adequate financing support and directed capital management, the ability of businesses to invest in digital technologies are directly influenced by strong sources of funds and proper capital management. Targeted capital management also helps businesses efficiently allocate funds to the aspects of digital technology and marketing that have the most impact on business growth. Therefore, a strong source of funds and proper capital management are not just a strong source of funds. With proper capital management, businesses can concentrate on increasing short-term sales and developing a long-term digital marketing system. The following is explained the data on the Gedangan District MSME Funding Sources for 2023-2024.

Table 3. Source of Funding for MSMEs in Gedangan District

Source of Funds	Number of MSMEs	Average Nominal (Millions)
Own Capital	112	2.5
Bank Loans	47	15.8
KUR (People's Business Credit)	12	8.2
Program KURMA	22	4.3
Total	193	9.8

Source: Data processing results of MSME Financial Statements of Gedangan Sample District (2023-2024)

On the other hand, this condition limits the ability of MSMEs to develop and innovate. Although the government does not provide direct capital assistance, efforts are still made to help through business credit programs in collaboration with regional financial institutions. One of the development efforts for business actors is KUR (People's Business Credit). One of the government programs whose funds come from distributing bank funds is KUR, which began in November 2007. As of January 1, 2020, the Financing Policy Committee for MSMEs chaired by the Coordinating Minister for Economic Affairs decided to change the KUR policy to be more pro-people. The Sidoarjo Regency Government facilitates People's Business Loans provided by Bank Delta Artha Sidoarjo. Through this facility, MSME actors have the opportunity to apply for financing with low interest and easier terms than ordinary commercial loans. The Sidoarjo Regency Government facilitates People's Business Loans provided by Bank Delta Artha Sidoarjo. MSME actors have the opportunity to apply for funding options that offer competitive interest rates along with simpler terms than conventional commercial loans through this facility.

Based on the analysis carried out, it shows that MSMEs in Gedangan District are independent in managing their own social media accounts without admin or labor assistance. Although many MSMEs in Gedangan District manage their own social media accounts without admin help, this is not always an obstacle to digital marketing. Most young business actors use this situation as an opportunity to learn about digital marketing strategies and gain full control over them. These young MSME actors are more familiar with technology and actively use various social media platforms. Although MSMEs in Gedangan District do not receive direct capital assistance, their ability to develop digital marketing has been assisted by the People's Business Credit (KUR) facility, regional business loans from Bank Delta Artha Sidoarjo, and the group-based KURMA program. MSMEs have the opportunity to buy additional devices such as smartphones, cameras, computers and paid advertising that support their digital promotions more easily to earn income.

When associated with George C. Edward III's (1980) theory of Implementation, Resources are not only accessible assets, but also an ever-evolving process to improve the ability of individuals and organizations to implement policies effectively. In addition, these resources reflect the principles of sustainability and equity, which suggests that capacity building does not happen instantly. It requires a continuous process of learning, implementation, evaluation, and improvement. The use of resources in MSMEs in

Gedangan District includes strengthening human capacity, access to financing and providing technological facilities. All of this is done with the aim that MSME actors can implement digital marketing more consistently, improve the quality of products and services, and expand the market in the digital economy era.

These findings are also in line with previous research that shows that HR capabilities not only improve digital marketing efficiency, but also Improve work process performance MSMEs as a whole. HR who are less proficient in using digital platforms, such as social media and online marketing tools, hinder MSMEs from increasing their market reach and selling their products online. Therefore, to make MSME actors able to manage digital marketing optimally, capacity building and HR training are considered very important[19].

3. Disposition

As quoted from Edward III by Winarno, individual attitudes or orientations are considered as a crucial element that has a significant impact on the success of policy implementation. This includes the motivation of the actors, their support for the policy objectives, and a sense of responsibility for the success of implementation. Human resources not only have technical capabilities, but also have a mental attitude and readiness.

Based on the results of field observations, MSME actors in Gedangan District are very interested in using digital marketing. They recognize the great potential of digital-based marketing strategies to increase market reach, increase sales, and improve the image of the business. This is evidenced by the fact that MSME actors actively take part in various digital marketing socialization and training activities organized by community, government, and private institution economic empowerment programs. The active role of MSME actors in the implementation of digital marketing reflects that they are running this program well. This does not only include practice, but also involves an attitude of compliance and consistency towards digital marketing. This enthusiasm and participation strengthens accountability for what is implemented. The Chairman of the Gedangan District MSME Association said "*even though they have participated in digital marketing training, some MSME actors fail to understand or apply the theory taught. After the training, they return to the conventional style and are pessimistic because maybe they can't be regular and diligent in promoting their products because they don't have time or time*". This condition shows that some MSME businesses are not ready to implement digital marketing. Time constraints, limited resources, lack of follow-up guidance, and old habits are some of the main obstacles to implementing digital marketing correctly.

As part of efforts to increase local economic competitiveness and growth in the Industrial Revolution 4.0 era, the Gedangan District government focuses on developing digital marketing for MSMEs. The sub-district government realizes that digital transformation must be supported by sufficient policies, training, and facilities to maximize the potential of MSMEs. The sub-district government in general has a supportive and positive attitude towards digital marketing as a means of empowering MSMEs, as can be seen from their efforts to conduct training, socialization, and cooperation with related agencies such as Kominfo Surabaya and the Sidoarjo Regency Cooperatives and MSMEs Office. However, there are still obstacles felt by MSME actors, such as lack of communication consistency, limited program transparency, and lack of

follow-up assistance. This has caused confusion and uncertainty among MSME actors, especially those who are older and not proficient in using digital technology. This condition shows that capacity building and better collaboration are needed so that digital marketing programs can provide maximum benefits for Gedangan MSMEs. Despite the obstacles, most MSME actors have a high commitment to learn and develop digital marketing skills.

If associated with the theory of Implementation George C. Edward III (1980), the disposition indicator refers to the attitude, commitment, and willingness of policy implementers to implement programs consistently. The disposition indicator in Edward III's theory is relevant as an analytical tool to measure how far the attitude and commitment of MSME actors can strengthen the implementation of digital marketing to lead to an increase in revenue and business competitiveness.

This is also in line with previous research, in Gedangan District, this phenomenon can be seen from the enthusiasm of MSME actors to participate in digital marketing training and use social media for promotion even though they have limited resources. MSME actors in Gedangan have a positive attitude towards innovation. In order for the implementation of digital marketing to become a sustainable habit, this spirit must be followed by the internalization of values, such as the consistency of content posting, the implementation of e-commerce strategies, and the evaluation of promotional results.[20]. Training and facilitation are things that are considered in maintaining the sustainability of MSMEs in the midst of changing patterns of public consumption.

4. Bureaucratic Structure

The successful implementation of public policies is highly dependent on an effective bureaucratic structure, which includes a structured division of tasks, authorities, and work procedures within the implementing organization. The bureaucratic structure serves as a formal framework that governs how policies are implemented to achieve desired outcomes. A bureaucratic framework describes an organizational system designed to manage resources methodically and continuously to achieve specific goals[21].

A clearly and orderly organizational structure shows that each position, position, and work unit in a program or organization has been determined in detail including its duties, authorities, and responsibilities. This clarity helps to smooth the flow of communication because the information delivery channels between departments become more systematic, fast, and have fewer errors, so that every instruction or policy can be received on target by the relevant parties. With well-defined work procedures, each member of the organization understands the steps that must be taken, the applicable operational standards, and the target so that it can reduce confusion and technical errors. In addition, this organized arrangement prevents overlapping roles because the functions of each unit have been adjusted to its capacity and competence. This condition allows each unit to focus on its role, work more effectively, complement each other, and create synergies that improve overall organizational performance. The following is explained the Organizational Structure for the Implementation of Digital Marketing for MSMEs in Gedangan District.

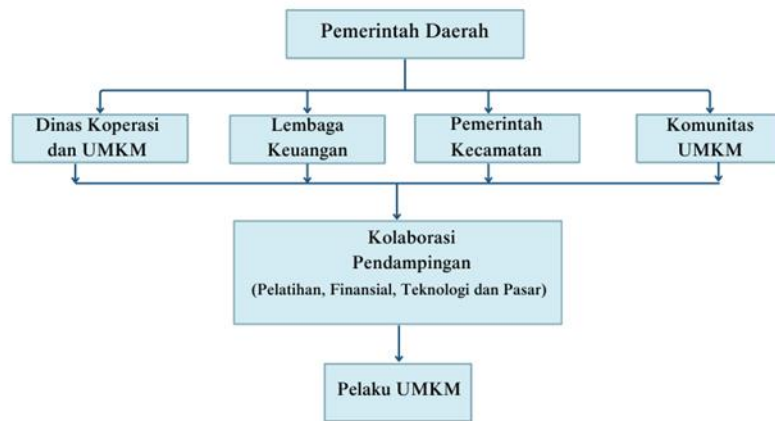


Figure 3. Organizational Structure of Digital Marketing Implementation of MSMEs in Gedangan District

Source: Researcher's Results, 2025

Based on the results of field observations, the coaching and coordination flow followed by MSMEs in Gedangan District from the central level to the regional level. The Sidoarjo Regency Cooperatives and Micro Enterprises Office is responsible for fostering MSMEs at the district level. This organization is responsible for formulating policies, providing training, and supporting financing programs such as KUR (People's Business Credit) and KURMA (Community Business Credit). The Gedangan District Government is responsible for connecting MSME actors with local government programs at the sub-district level. The sub-district facilitates socialization, records active MSMEs, and provides information about training or assistance. Many small and medium enterprises (MSMEs) in Gedangan District move independently by utilizing MSME associations or local MSME communities as non-formal communication channels with the sub-district and agencies. The MSME Association functions as an internal organizational structure to help collaborate in various things, such as registering training, applying for capital assistance, and registering business actors. Utilizing this mechanism, MSME actors can obtain policy information from the agency more quickly. In addition, this mechanism functions as a forum for the aspirations of MSME actors to the government.

The results of the interviews show that collaboration has been carried out with relevant micro, small, and medium enterprises regarding socialization and understanding of digital transformation initiatives to support the smooth implementation of the program. The success of the program is supported by a clear bureaucratic structure in the implementation of digital marketing of MSMEs in Gedangan District. This structure involves cooperation between the Sidoarjo Regency Cooperative Office, the Gedangan District Government, and the MSME Association. MSME actors in Gedangan District expect real and sustainable support from the government and related parties to overcome problems that arise when implementing digital marketing. They want a clearer and more standardized bureaucratic structure, such as SOPs that facilitate access to capital assistance, post-training technical assistance, and training registration flows. The association functions as a liaison for information and allows activities to be carried out. The MSME digital marketing implementation program can fully meet the needs of business actors through more efficient communication and

coordination flows in Gedangan District which does not yet have an official Standard Operating Procedure (SOP) and official MSME companions from the government, but the implementation of digital marketing is still running well.

It is also related to George C. Edward III's implementation theory, an aspect of bureaucratic structure that is important for implementer agencies to include formal and informal organizations that can be involved in policy implementation. This aspect is essential because the success of policy implementation is strongly influenced by the appropriate characteristics and aligned with the role of the main implementer. In line with previous research, the success of the program is highly dependent on bureaucratic structures, especially in terms of the implementation of digital marketing. With clear, structured, and intensively coordinated authorities and duties, local governments through the Trade, Industry, Cooperatives, and MSME Offices function as the main implementing agents in carrying out the program. This bureaucratic structure ensures effective communication, cross-sectoral cooperation, and consistent oversight of program implementation. Close collaboration between the government and MSME actors improves the implementation of digital marketing, allows policy adjustments to address challenges in the field, and increases the capacity of human resources to adopt digital technology effectively[22].

CONCLUSION

Fundamental Finding : The implementation of digital marketing in MSMEs in Gedangan District shows significant progress but still faces various obstacles. Communication, training, and socialization have been carried out but not regularly and evenly, so that some MSMEs have not been able to absorb the material properly. In the resource indicator, the implementation of digital marketing strategies faces challenges due to the lack of technological facilities and limited digital literacy, especially for actors over 50 years old. MSME actors are very enthusiastic in terms of disposition, but some have not consistently applied post-training materials. In terms of bureaucratic structure, related MSME agencies and associations have established division of duties and coordination, but there is no official Standard Operating Procedure (SOP) and a sustainable mentoring system. **Implication :** These findings imply that despite enthusiasm and existing coordination, the success of digital marketing implementation depends on the consistency of communication and training, the adequacy of resources, and the establishment of clear bureaucratic guidelines. **Limitation :** The limitation lies in the irregular and uneven communication, training, and socialization, combined with the lack of technological facilities and limited digital literacy among older business actors. Moreover, the absence of an official SOP and sustainable mentoring system restricts the full effectiveness of the program. **Future Research :** In order for the implementation of digital marketing to be sustainable, it is necessary to improve continuous training with post-training assistance, expand access to financing for digital marketing facilities, and encourage multi-stakeholder collaboration so that the digital transformation of MSMEs in Gedangan District runs smoothly and sustainably.

REFERENCES

- [1] B. S. Wibowo and D. Haryokusumo, "Industrial Revolution 4.0 Opportunities in the Marketing Sector: The Utilization of E-commerce Applications, Instagram Social Media and Digital Marketing on the Instant Online Buying Decision of Millennial Generation Consumers," *Capt. J. Ekon. and Manaj.*, vol. 3, no. 2, p. 86, 2020, doi: 10.25273/capital.v3i2.6077.
- [2] H. Respatiningsih, A. Arini, and B. Kurniawan, "MSME Adaptability in the Era of Industrial Revolution 4.0," *J. Manaj. and Business*, vol. 16, no. 2, pp. 99–113, 2020, [Online]. Available: <http://akuntansiperpajakan.unw.ac.id/assets/images/penelitian/Bayu.pdf>
- [3] I. G. A. R. P. Azzahra, B., & Wibawa, "Optimization Strategy of MSME Performance Standards as a Catalyst for the Indonesian Economy in Facing the Middle Income Trap 2045," *Inspire J. Econ. Dev. Anal.*, vol. 1, no. 1, pp. 75–86, 2021, [Online]. Available: <https://ejournal.uksw.edu/inspire/article/download/4856/1771>
- [4] F. D. Azmi and T. Pratiwi, "MSME product marketing strategy through the implementation of digital marketing (Case study on the 'Kremes Ubi' Business Group in Cibunar Village, Rancakalong District, Sumedang)," *Coopetition J. Ilm. Manaj.*, vol. 12, no. 1, pp. 17–22, 2021.
- [5] J. -, N. Arfan, H. -, and H. Ali Hasan, "The Application of Digital Marketing in an Effort to Increase the Income of Micro, Small and Medium Enterprises," *ILTIZAM J. Syariah Econ. Res.*, vol. 6, no. 2, pp. 212–224, 2022, doi: 10.30631/iltizam.v6i2.1452.
- [6] E. Septiarini, N. Susyani, and T. Manggiasih, "Analysis of the Influence of Digital Marketing on Brand Awareness in E-Commerce," *J. Econ. Eph.*, vol. 4, no. 3, pp. 302–311, 2022.
- [7] J. Sulaksono, "The Role of Digital Marketing for Micro, Small, and Medium Enterprises (MSMEs) in Tales Village, Kediri Regency," *January. J.*, vol. 4, no. 1, pp. 41–47, 2020, doi: 10.29407/gj.v4i1.13906.
- [8] M. M. HIDAYAT and A. CAHYANI, "Development of Smart Villages Based on the Internet of Things in Punggul Village, Gedangan-Sidoarjo District," *J. Abdi Bhayangkara*, vol. 2, no. 2, pp. 299–310, 2020, [Online]. Available: http://ejournal.lppm.ubhara.id/index.php/jurnal_abdi/article/download/114/102
- [9] R. Hardi and A. Z. Arifin, "The Influence of Information and Communication Technology Adoption and Digital Transformation on MSME Asset Growth," *J. Manaj. Business and Entrepreneurship*, vol. 7, no. 3, pp. 537–548, 2023.
- [10] N. Q. S. Nirwana and S. Biduri, "Implementation of Digital Marketing in MSMEs in the Era of Industrial Revolution 4.0 (Study on MSMEs in Sidoarjo Regency)," *Balanc. Econ. Business, Manag. Account. J.*, vol. 18, no. 1, p. 29, 2021, doi: 10.30651/blc.v18i1.5720.
- [11] H. Sukmana, I. Rodiyah, and L. Mursyidah, "Implementation of Micro, Small and Medium Enterprises Policy during the Covid-19 Pandemic in Sidoarjo," *JKMP (Journal of Wisdom. and Manaj. Public)*, vol. 10, no. 1, pp. 34–41, 2022, doi: 10.21070/jkmp.v10i1.1684.
- [12] A. Liony Krisnawati, Boedijono, "Implementation of the Independent Women's Business Card Program (KURMA) in Prambon District, Sidoarjo Regency in 2022," *Sport. Cult.*, vol. 15, no. 1, pp. 72–86, 2024, doi: 10.25130/sc.24.1.6.
- [13] R. Safrudin, Zulfamanna, M. Kustati, and N. Sepriyanti, "Qualitative Research," *J. Soc. Sci. Res.*, vol. 3, no. 2, pp. 1–15, 2023.
- [14] Suparyanto and Rosad, "Data Analysis Techniques," *Suparyanto and Rosad (2015)*, vol. 5, no. 3, pp. 248–253, 2020.
- [15] E. ARUAN, "MEDAN CITY GOVERNMENT POLICIES IN EMPOWERING MSMEs THROUGH DIGITAL MARKETING," pp. 1–31, 2023.
- [16] S. Sunarto, "Implementation of Government Regulation of the Republic of Indonesia Number 28 of 2012 concerning Archives in Higher Education Service Institutions Region II," *J. Adm. and Stud Sciences. Wisdom.*, vol. 3, no. 2, pp. 97–112, 2021, doi: 10.48093/jiask.v3i2.50.

- [17] D. A. Rahim and S. Puryandani, "Digital Marketing Assistance and Training for Increasing the Income of MSME Actors in Bogor City," *J. S. Scott. Indonesian.*, vol. 5, no. 1, pp. 73–80, 2025, doi: 10.54082/jamsi.1544.
- [18] Z. E. H. Aidul Azhari Harahap, "Basic Understanding and Concept," pp. 1–17, 2024.
- [19] Jelita Miranti, "Digital Marketing Strategy to Increase Sales of Melon Golden MSMEs from Cilegon City through Human Resources Strengthening and International Business Expansion," *J. Manag. Soc. Sci.*, vol. 4, no. 1, pp. 65–77, 2025, doi: 10.55606/jimas.v4i1.1732.
- [20] Vicky Yoga Satria, M. S. Al-Fikri, S. Q. Nabillah, D. Prasetyo, and S. Abror, "Empowerment of MSMEs through Digital Marketing Training to Increase the Selling Value of Products in Dukuh Menanggal Village, Surabaya," *J. Servant. Mass. Nation*, vol. 3, no. 3, pp. 1066–1078, 2025, doi: 10.59837/jpmba.v3i3.2360.
- [21] I. G. K. C. B. Anta Kusuma and Y. T. S. Simanungkalit, "Implementation of Tax Incentives According to Model G Edward III," *J. Taxes and Finance. Country*, vol. 3, no. 2, pp. 236–248, 2022, doi: 10.31092/jpkn.v3i2.1523.
- [22] N. P. L. S. Andini, "IMPLEMENTATION OF DIGITAL TRANSFORMATION PROGRAM IN ENCOURAGING THE MARKETING OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) PRODUCTS DURING THE COVID-19 PANDEMIC IN BULELENG REGENCY," pp. 167–186, 2021.

Kharisma Nur Hikmah

Muhammadiyah University of Sidoarjo, Indonesia

Email: kharismanur6690@gmail.com

***Isnaini Rodiyah (Corresponding Author)**

Muhammadiyah University of Sidoarjo, Indonesia

Email: isnainirodiyah@umsida.ac.id
