

Strengthening Digital Marketing Capacity to Improve the Competitiveness of MSMEs

Teofilus¹, Fahrul Riza², Endi Sarwoko³

Universitas Ciputra Surabaya, Indonesia^{1,2,3}

{teofilus@ciputra.ac.id¹, fahrul.riza@ciputra.ac.id², endi.sarwoko@ciputra.ac.id³}

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Abstract. *The uneven adoption of digital marketing among Micro, Small, and Medium Enterprises (MSMEs) in Tandes District, Surabaya, has become a significant challenge that limits business competitiveness in an increasingly digitalized economic environment. Although various government initiatives have promoted MSME digitalization, at the local level many business actors still experience limited digital literacy, inconsistent online promotional practices, and low utilization of digital platforms for market expansion. This condition highlights the urgency of implementing community service programs that focus on strengthening the digital marketing capacity of MSME actors. This community service activity aims to identify the level of knowledge and readiness of MSMEs in adopting digital marketing and to strengthen their digital marketing capacity through a participatory approach. The method used is Participatory Action Research (PAR) involving 63 MSME actors as active participants. The activities were carried out through several stages, including participatory problem identification, digital marketing training and mentoring, completion of a self-assessment instrument covering eight digital marketing competency indicators, and joint reflection and evaluation. The data were analyzed using descriptive statistics to assess readiness levels and correlation analysis to examine the relationship between digital literacy, frequency of online promotion, number of online customers, and business turnover. The results indicate that the level of digital marketing adoption among MSMEs is at a moderate level, with mean scores ranging from 2.81 to 3.22. The highest competency is the ability to identify target markets ($M = 3.22$), while the lowest competency relates to conducting online competitor analysis and price benchmarking ($M = 2.81$). Correlation analysis also shows a positive relationship between digital literacy, the intensity of online promotion, the number of online customers, and increased business turnover.*

Katakunci: *Pemasaran Digital; Metode Partisipatif; Pelaku UMKM; Literasi Digital; Tandes.*

Abstrak. *Adopsi pemasaran digital yang belum merata di kalangan pelaku Usaha Mikro, Kecil, dan Menengah (UMKM) di Kecamatan Tandes, Kota Surabaya, menjadi tantangan penting yang membatasi daya saing usaha dalam ekosistem bisnis yang semakin terdigitalisasi. Meskipun berbagai program pemerintah telah mendorong digitalisasi UMKM, pada tingkat lokal masih ditemukan keterbatasan literasi digital, praktik promosi daring yang belum*

konsisten, serta rendahnya pemanfaatan platform digital untuk pengembangan pasar. Kondisi ini menunjukkan urgensi pelaksanaan program pengabdian kepada masyarakat yang berfokus pada penguatan kapasitas pemasaran digital bagi pelaku UMKM. Kegiatan pengabdian ini bertujuan untuk mengidentifikasi tingkat pengetahuan dan kesiapan pemasaran digital UMKM serta memperkuat kapasitas digital marketing melalui pendekatan partisipatif. Metode yang digunakan adalah Participatory Action Research (PAR) dengan melibatkan 63 pelaku UMKM sebagai partisipan aktif. Kegiatan dilaksanakan melalui tahapan identifikasi masalah secara partisipatif, pelatihan dan pendampingan pemasaran digital, pengisian instrumen penilaian mandiri yang mencakup delapan indikator kompetensi digital marketing, serta refleksi dan evaluasi bersama. Data dianalisis menggunakan statistik deskriptif untuk melihat tingkat kesiapan serta analisis korelasi untuk mengkaji hubungan antara literasi digital, frekuensi promosi daring, jumlah pelanggan online, dan omzet usaha. Hasil menunjukkan bahwa tingkat adopsi pemasaran digital UMKM berada pada kategori sedang dengan nilai rata-rata antara 2,81–3,22. Kompetensi tertinggi terdapat pada kemampuan mengidentifikasi target pasar ($M = 3,22$), sedangkan kompetensi terendah terdapat pada kemampuan melakukan analisis pesaing dan perbandingan harga secara daring ($M = 2,81$). Analisis korelasi menunjukkan adanya hubungan positif antara literasi digital, intensitas promosi daring, jumlah pelanggan online, dan peningkatan omzet usaha.

1 Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in Indonesia's economy, contributing more than 60% to national GDP and absorbing a significant portion of the workforce (Kurniawati et al., 2022; Wahyudi et al., 2024). Despite their economic importance, MSMEs face increasing challenges in adapting to rapidly changing market dynamics, particularly in the era of digital transformation (Anatan & Nur, 2023). The consumer shift toward online transactions, mobile-based purchasing behavior, and social media-driven marketing has required business actors to develop digital competencies that extend beyond conventional marketing practices (Firmannudin, 2025).

Digital marketing capability in MSMEs can be conceptualised through the lenses of the Resource-Based View (RBV) and Dynamic Capabilities Theory (Jaya et al., 2026). The RBV posits that sustainable

competitive advantage arises from valuable, rare, inimitable, and non-substitutable resources embedded within the firm. In the context of small businesses, digital literacy, use of online channels, and data-driven marketing practices are intangible strategic resources that influence market positioning and revenue performance (Firmannudin, 2025; Sharabati et al., 2024). In addition to digital knowledge. Digital literacy enables business owners to engage customers more effectively, optimize promotional strategies, and monitor performance through analytics (Shatila et al., 2025).

However, possession of digital tools alone does not guarantee performance outcomes. Dynamic Capability Theory extends this perspective by emphasizing a firm's ability to integrate, build, and reconfigure internal and external competencies in response to changing environments (Jin et al., 2024). For MSMEs operating in traditional markets, digital transformation requires not only access to technology but also the capability to deploy digital tools strategically, interpret performance analytics, and adjust marketing approaches accordingly (Chandra Jaya & Kosadi, 2022).

This study therefore positions digital marketing capability not merely as technical adoption but as an evolving strategic competence (Radicic & Petković, 2023). The participatory diagnostic approach applied in this community development enables MSMEs to transition from basic digital awareness toward structured, performance-oriented digital integration (Siswadi & Syaifuddin, 2024). By linking capability assessment with measurable revenue outcomes, the study empirically operationalizes digital marketing capability as a performance-enabling dynamic resource (Klofsten et al., 2021).

Surabaya is one of Indonesia's major commercial hubs, hosting a large number of MSMEs distributed across its districts (Suyanto et al., 2023). While MSMEs contribute substantially to local economic activity, many businesses in Surabaya continue to face challenges in digital transformation (Tackbir Abubakar et al., 2025). Limited digital literacy, inconsistent use of online promotional channels, and restricted access to digital marketing tools remain significant barriers (Salsabila et al., 2025). These constraints hinder MSMEs from fully leveraging online platforms

to expand market reach and enhance competitiveness (Salsabila et al., 2025). In many local contexts, including Tandes District in Surabaya, MSMEs continue to struggle with limited digital literacy, inconsistent use of online promotional tools, and insufficient data-driven marketing strategies (Indah Monalisa et al., 2025).

The rapid adoption of mobile-based transactions and online marketplaces has significantly reshaped consumer purchasing behavior (Ashley & Tuten, 2015). Empirical studies show that MSMEs adopting digital marketing tools and e-commerce platforms experience improved market reach, operational efficiency, and revenue growth compared to those relying solely on conventional channels (Mishrif & Khan, 2023; Yusmalina, 2023).

The Surabaya City Government is actively promoting the advancement of MSMEs through skills training and digitalization of business systems through various training programs (Ellitan, 2023). One such activity is MSME digitalization training in Tandes District, which involves experts from industry and universities as speakers (Hakim, 2025). However, many MSMEs in Surabaya have yet to integrate digital marketing into their strategic planning processes, limiting their competitiveness in an increasingly online marketplace (Setiawati et al., 2025). These facts highlight the need for structured capacity-building initiatives that translate digital awareness into measurable business outcomes.

Tandes District in Surabaya is one of the areas with a relatively high number of MSMEs, including in the trade and retail sectors. According to data from the Central Statistics Agency (BPS, 2023), Tandes District has 120 shopping centers, four markets with permanent buildings, and three markets with semi-permanent buildings. These trading facilities are distributed across six sub-districts: Karangpoh, Balongsari, Manukan Wetan, Manukan Kulon, Banjar Sugihan, and Tandes. Tandes Sub-district has the largest number of shopping centers (47 units), followed by Manukan Wetan (34 units) and Manukan Kulon (33 units).

Universitas Ciputra (UC) is geographically located in close proximity to Tandes, positioning the university within the same socio-economic ecosystem as local MSMEs. As a private higher education institution, UC

has a commitment to contribute to community development, particularly in the areas surrounding the campus. Engaging with neighbouring districts enables the university to strengthen local public awareness of its role while directly contributing to regional economic empowerment (Sayyidina & Suminar, 2025). The selection of Tandes District as the location of this community engagement initiative was based on both contextual relevance and institutional responsibility.



Figure 1. Short Course Session

The activity was conducted on June 17, 2025, in Tandes District, Surabaya. A total of 63 participants representing 35 MSMEs attended the activity. This program goes beyond conventional training by integrating participatory diagnostic assessment with measurable business performance indicators. Using a structured self-assessment framework and correlation analysis, participants identified digital competency gaps and examined their relationship with turnover and online customer acquisition. This evidence-based design enables the development of targeted and context-specific digital capacity-building strategies that directly address the actual needs of MSMEs in Tandes.

2 Method

This community engagement program employed a Participatory Action Research (PAR) approach for data collection. Subsequently, a quantitative analytical framework was applied. PAR is appropriate for community-based economic empowerment because it integrates learning, reflection, and practical action within a cyclical framework (Cornwall & Jewkes, 1995). This approach was selected to enable collaborative problem identification, critical reflection, and solution

development between researchers and MSME participants. Rather than serving as passive trainees, participants actively diagnosed their digital marketing challenges and co-developed practical strategies through four structured stages (see Table 1). The group-based interaction facilitated simultaneous learning and action through community engagement.

Table 1. PAR Stages, Definitions and Objectives

Stage	Definition	Objective
Stage 1: Knowledge Input (Action Initiation)	A short course introducing essential digital marketing concepts and practical tools relevant to MSME operations.	To establish a shared foundational understanding of digital marketing practices and prepare participants for subsequent diagnostic and application stages.
Stage 2: Participatory Diagnosis (Reflective Assessment)	Guided simulations and structured exercises in which participants assessed their current marketing practices, including target markets, customer needs, pricing, promotion, and service systems.	To identify digital readiness gaps and encourage collaborative reflection on strengths and weaknesses in existing marketing strategies.
Stage 3: Collaborative Problem-Solving (Action Refinement)	Structured brainstorming and group discussions aimed at generating practical solutions for digital marketing challenges.	To formulate actionable and context-specific digital marketing strategies through peer learning and facilitator guidance.
Stage 4: Evaluation and Measurement	Administration of a structured self-assessment	To generate empirical data for assessing digital readiness levels and

questionnaire measuring digital marketing competencies and business performance indicators.	examining the relationship between digital capability and business performance.
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Table 1 presents the structured stages of the Participatory Action Research (PAR) process implemented in this community engagement program. The process began with Stage 1: Knowledge Input, where participants received introductory training on fundamental digital marketing concepts and tools to establish a shared understanding and prepare them for further activities. This was followed by Stage 2: Participatory Diagnosis, in which MSME actors critically assessed their existing marketing practices through guided simulations and reflective exercises to identify gaps in digital readiness. In Stage 3: Collaborative Problem-Solving, participants engaged in group discussions and brainstorming sessions to formulate practical and context-relevant digital marketing strategies based on the challenges identified in the previous stage. Finally, Stage 4: Evaluation and Measurement involved the administration of a structured self-assessment questionnaire to measure participants' digital marketing competencies and key business performance indicators. These sequential stages reflect the cyclical PAR process that integrates action, reflection, and evaluation, enabling MSME participants to actively engage in diagnosing problems, developing solutions, and assessing the outcomes of their digital marketing capacity-building efforts.

3 Results

Participants engage in business predominantly at the small level, with an average weekly revenue of around IDR 2.9 million. Despite the businesses functioning for an average of nearly 11 years, reflecting considerable managerial expertise, their digital transition is inconsistent.

Table 2. Descriptive Statistics

	N	Min	Max	Mean	Std. Dev
Weekly revenue (.000)	63	540	5.000	2.900	1.400
Digital Marketing Capability		1	5	3.11	1.525
Frequency of weekly ad postings		0	7	3	2,09
Online Channel		0	3	1	-
<ul style="list-style-type: none"> ▪ Instagram ▪ Whatsap ▪ Tiktok 					
Length of Business		3	20	10,8	5,23

Source: Community development 2025

Table 2 shows descriptive statistics for revenue, digital marketing capability, weekly posting frequency and online marketing channel use. The descriptive results show that the participating MSMEs operate at a micro scale, with an average weekly revenue of IDR 2.9 million. Although the average digital marketing capability falls within a moderate range (mean = 3.11), the relatively high variability indicates uneven levels of digital readiness. Online promotion remains inconsistent, with businesses posting only three times per week on average and typically relying on a single digital channel. Notably, despite having operated for nearly 11 years on average, many MSMEs have not transitioned toward structured and data-driven digital marketing practices. This contrast between business longevity and limited digital integration underscores a significant digital transformation gap.

Table 3. Online Channel Used for Digital Marketing

Online Digital Channel	Frekuensi	%	Frekuensi	%
Whatsapp	36	57,1	29	44
Instagram	40	63,5	21	33,3

Tiktok	36	57,1	14	22,2
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Source: Community development 2025

Table 3 presents an overview of the online channel platforms most frequently utilized for promotional purposes. The distribution of online channels indicates that Instagram is the most frequently used platform (63.5%), followed by WhatsApp and TikTok (each 57.1%). However, the second percentage column suggests that consistent or strategic utilization remains lower, with Instagram dropping to 33.3%, WhatsApp to 44%, and TikTok to 22.2%. While many MSMEs have accounts on multiple platforms, active and sustained engagement is considerably lower. In other words, platform presence does not necessarily translate into effective digital marketing implementation. The gap between platform ownership and consistent use highlights limited strategic integration of digital channels into daily business operations. Table 3 shows the mean and standard deviation of the participants' concepts about digital marketing capability.

Table 4. Participants' Self-Reflection on Digital Marketing Strategies

Digital Marketing Capability	Mean	SD	Brief reflection
Identifying the target market	3,22	1,325	Participants are relatively capable of identifying their customers, but there is considerable variation among respondents. This suggests that some already have a clear market direction, while others remain undefined.
Recognizing consumer needs and wants	2,84	1,450	The level of understanding of market needs is still moderate. A score below 3 indicates that the needs identification process has not been carried out systematically, often based solely on assumptions.
Conducting market segmentation	2,89	1,493	Participants, when advertising on social media, merely post content on their social media pages and have not

in digital marketing			utilized paid social media advertising features that enable precise targeting and positioning. Cost considerations and limited knowledge are the primary barriers.
Research products and prices on the internet	2,81	1,293	Participant rarely conduct online competitor research, often struggle with online research due to a combination of limited resources, lack of specialized knowledge, and a preference for traditional, relationship-based business methods.
Digital promotion activity	3,05	1,497	Participants are starting to utilize social media, but the consistency is low. Lack of Time: SME managers are often overloaded with daily operational tasks, leaving little time for in-depth market research. Limited Budget: Research, particularly using premium tools or outsourcing, is costly. Smaller firms often cannot justify the expenditure, viewing it as an unnecessary expense rather than an investment. Staffing Shortages: SMEs rarely have dedicated marketing or research departments, and existing staff often lack the time or expertise to collect and interpret data.
Distribution and service	2,90	1,329	The implementation of digital-based services and distribution remains limited. Many MSMEs have yet to utilize online ordering features, integrated couriers, or app-based service systems.
Responding to complaints	3,11	1,525	The response to consumer complaints has been relatively good. However, the high variation indicates that some MSMEs respond quickly to

			customers, while others remain passive or slow.
Real action in marketing	2,95	1,507	Marketing implementation efforts remain sporadic. Many MSMEs understand basic marketing concepts but have not translated them into routine actions or measurable campaigns.

Source: Community development 2025

Table 4 shows logistic regression analysis indicates that digital literacy ($\beta = 0.551, p = 0.005$) and online channel utilization ($\beta = 0.731, p = 0.011$) have significant positive effects on revenue improvement. The odds ratio suggests that each additional point in digital literacy increases the likelihood of revenue growth by approximately 74%, while increased online channel utilization doubles the probability of revenue improvement. Posting frequency demonstrates a positive but no significant association ($\beta = 0.509, p = 0.059$). The overall model is statistically significant (LR $p < 0.001$) with a pseudo R^2 of 0.192, indicating moderate explanatory power.

Table 5. Logistic Regression Analysis

Variable	Coef	p-value	Interpretation
DigiMark-Score	0.551	0.005	Positive and Significance
Post_freq	0.509	0.059	No Significance
Online_Chan	0.731	0.011	Positive and Significance

Process by SPSS 25

Based on the regression findings, strengthening digital marketing capability and expanding online channel utilization are more critical determinants of revenue stability than merely increasing posting frequency. Therefore, university-community collaboration should prioritize structured digital literacy enhancement and multi-channel integration. Practical interventions such as hands-on training in social media ads targeting, marketplace onboarding, and analytics interpretation are essential to transform digital awareness into measurable financial outcomes. Sustainable revenue stability among

traditional market traders can be achieved when digital capability evolves from sporadic promotional activity to structured, performance-oriented marketing practices supported by continuous mentoring and monitoring.

4 Discussion

The current study illustrates that digital marketing does not optimally utilize as an effective strategic resource for enhancing the performance of the MSME sector. The self-assessment results show that participants demonstrate moderate digital marketing readiness, positioning them within a transitional stage of digital maturity. While participants show intuitive understanding of target markets and maintain basic social media presence, systematic segmentation, data-driven benchmarking, and performance measurement remain underdeveloped.

Revenue stability in traditional market contexts is often vulnerable to fluctuations in physical foot traffic, seasonal demand, and local competition (Kurniawati et al., 2022). Digital marketing capability mitigates these risks through several mechanisms (Firmannudin, 2025; Sharabati et al., 2024). First, multi-channel online presence expands customer reach beyond geographic constraints, reducing dependence on walk-in transactions. Second, targeted advertising enables MSMEs to segment audiences more precisely, increasing conversion efficiency and minimizing promotional waste.

Previous studies have shown the lack of fundamental digital literacy skills often compromises the effectiveness of online marketing efforts (Bamidele Micheal Omowole et al., 2024; Radicic & Petković, 2023). Their findings suggest that digital adoption among MSMEs is predominantly operational rather than strategic. Platform ownership does not necessarily translate into structured digital integration. Limited utilization of analytics tools, paid advertising features, and performance tracking mechanisms constrains the effectiveness of online engagement efforts.

From a capability perspective, digital marketing competence should be viewed as a dynamic resource that evolves from awareness to operational execution and ultimately to strategic integration (Radicic &

Petković, 2023). The current evidence indicates that most participants remain at the awareness-to-operational boundary, where digital tools are used but not yet optimized for measurable revenue generation.

However, our activity suggests that improving MSME performance requires moving beyond general digital literacy workshops toward structured, performance-oriented capacity-building interventions. While basic awareness programs introduce entrepreneurs to digital tools, empirical evidence indicates that measurable revenue impact emerges when digital competencies are operationalized through targeted advertising, content differentiation, analytics interpretation, and conversion tracking. This aligns with prior research demonstrating that digital adoption contributes to firm performance only when digital skills are embedded into strategic and operational routines rather than treated as isolated technical abilities (Mishrif & Khan, 2023; Mladenova et al., 2025). From a capability perspective, digital transformation becomes effective when SMEs develop the capacity to translate digital engagement into customer acquisition and revenue generation.

Furthermore, structured mentoring and simulation-based learning appear particularly relevant for traditional and older entrepreneurs. The literature on technology adoption emphasizes that technological anxiety and perceived complexity often inhibit meaningful digital integration. Guided practice and applied exercises reduce resistance by transforming abstract knowledge into actionable experience (Radicic & Petković, 2023). In this regard, performance-driven mentoring not only enhances technical proficiency but also builds confidence and decision-making competence in digital contexts.

However, the literature also highlights important limitations. Digital capability development may be constrained by financial limitations, time scarcity, and infrastructural barriers, particularly among micro-scale enterprises (Kurniawati et al., 2022). Without access to affordable advertising budgets, logistics integration, and supportive ecosystem policies, training interventions risk producing short-term behavioral changes rather than sustained strategic transformation. Additionally, psychological barriers—such as fear of intensified

competition in digital marketplaces may persist despite technical training, especially among traditional market traders.

Importantly, the regression results of this study provide empirical grounding for these implications. Digital marketing capability and online channel utilization were found to have significant positive effects on revenue consistency, whereas posting frequency alone did not demonstrate a statistically significant impact. This suggests that performance outcomes are driven not by the volume of online activity, but by the quality and strategic application of digital competencies. In other words, revenue stability among MSMEs is more strongly associated with digital capability depth and multi-channel integration than with routine promotional frequency. These findings reinforce the argument that capacity-building initiatives must prioritize structured skill development and strategic channel utilization, rather than encouraging superficial digital engagement. By aligning training design with empirically validated performance drivers, universities and community stakeholders can more effectively support sustainable digital transformation among traditional market traders.

This study contributes to the literature on MSME digital transformation by empirically demonstrating that digital capability functions as a performance-enabling strategic resource rather than merely a technological adoption indicator. While prior research frequently emphasizes digital literacy as a prerequisite for transformation, the present findings clarify that revenue stability is more strongly associated with capability depth and structured online channel utilization than with routine digital activity (Setiawati et al., 2025; Sharabati et al., 2024). By integrating participatory diagnostic assessment with logistic regression analysis, this study advances a capability-based perspective in which digital marketing competence operates as a dynamic mechanism linking learning interventions to measurable business outcomes. This conceptual refinement helps shift the discourse from digital awareness to performance-driven digital capability, particularly within the context of traditional market traders in emerging economies.

Taken together, these findings suggest that effective digital capacity-building programs must integrate three elements: (1) structured skill enhancement focused on measurable performance outcomes, (2) mentoring mechanisms that reduce technological anxiety through applied learning, and (3) ecosystem-level support that addresses financial, logistical, and institutional constraints. Positioning digitalization as a strategic capability rather than merely a technical upgrade is essential for achieving sustainable revenue stability among MSMEs.

To improve capability, capacity-building programs must shift from general digital literacy workshops toward structured, performance-oriented interventions. This includes training in targeted advertising, content differentiation, analytics interpretation, and conversion tracking. Emphasis should also be placed on reducing technological anxiety, especially among older entrepreneurs, through simulation-based mentoring and guided practice.

Ultimately, strengthening digital marketing capability requires not only technical training but also the development of analytical thinking and strategic orientation. Sustainable digital transformation will occur when MSMEs transition from reactive posting behavior to data-informed marketing decision-making.

Strategic Recommendations for Enhancing MSME Digital Marketing Readiness

Structured Digital Training Framework

The challenges faced by MSMEs in adopting digital marketing can be addressed through a phased and practical learning approach. Recognising that business owners differ in their levels of digital literacy, a tiered pathway is recommended. Participants should begin by familiarising themselves with essential digital tools and learning to identify market segments relevant to their products. Studying existing price benchmarks will enable MSMEs to assess their pricing strategies effectively. As participants gain confidence, the next stage should focus on content creation, developing a social media plan, and mastering low-tech social media platforms. This progression should also introduce customer engagement techniques that are straightforward to

implement. Once foundational skills are established, MSMEs can advance to more sophisticated topics such as analytics, paid advertising, and traffic management. By adopting this gradual learning model, MSMEs can acquire digital marketing skills incrementally, reducing the risk of overwhelm and ensuring sustainable skill development.

Practical Implementation and Ongoing Support

Training alone is insufficient for effective digital marketing adoption (Sharabati et al., 2024). While concepts may be understood in theory, MSMEs often struggle to apply them in their specific business contexts (Chandra Jaya & Kosadi, 2022). Therefore, follow-up support is essential. Initiatives such as coaching clinics, small mentoring groups, and guided implementation sessions provide business owners with immediate opportunities to practise digital promotions and receive feedback (Phaekwamdee et al., 2022). This hands-on assistance is crucial for translating knowledge into actionable skills, empowering MSMEs to implement digital strategies effectively.

Competitive Awareness and Research

MSMEs can enhance their market positioning by increasing their awareness of competitors (Sharabati et al., 2024). Basic competitive research, such as observing product packaging, pricing configurations, and customer interaction methods used by other sellers, can offer valuable insights. Incorporating short simulations or exercises during training sessions helps business owners practise gathering and interpreting competitive information, enabling them to make informed decisions and place their products strategically in the marketplace.

Improving Digital Infrastructure

Robust digital infrastructure is fundamental to retaining customers and facilitating seamless transactions (Radicic & Petković, 2023; Sharabati et al., 2024). MSMEs with high-quality products may lose buyers if ordering, payment, or delivery processes are slow or complicated. Encouraging the adoption of online ordering software, digital payment solutions, and local logistics services can streamline the purchasing experience. Efficient service delivery leads to greater customer satisfaction, positive reviews, and ultimately, business growth.

Performance Monitoring and Data-Driven Decision Making

Monitoring digital marketing performance is vital for business improvement (Wang, 2023). MSMEs should move beyond relying solely on intuition by tracking basic metrics such as customer interactions, conversion rates, and sales growth. Utilising accessible analytics tools can provide clear visibility into the effectiveness of marketing efforts, enabling business owners to identify successful strategies and areas for improvement. This data-driven approach empowers MSMEs to make informed marketing decisions, enhancing their competitiveness in the online marketplace.

5 Conclusion

This study shows that digital marketing is no longer optional but essential for MSMEs in Tandes. Although digital readiness and awareness are moderate, the actual use of online promotion remains limited. The findings confirm that higher digital literacy and better use of online channels positively impact business performance, including revenue stability and market expansion. Despite many MSMEs being well-established, fewer than half apply digital marketing systematically. Strong interest in training reflects readiness for transformation. Therefore, enhancing competitiveness requires structured digital capacity building, practical mentoring, integration of digital tools, collaborative networks, and continuous performance evaluation. However, this study is limited to a specific area and does not include behavioral factors; future research should incorporate models such as TAM or UTAUT in broader contexts.

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