

Digital Marketing Strategy to Increase the Competitiveness of MSMEs through City Branding and Tourism Destinations in Eastern Indonesia

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of Indonesia's economy, yet in Eastern Indonesia, they face persistent challenges in competing within the digital era due to limited infrastructure, low digital literacy, and weak market access. This study explores how integrated digital marketing strategies, city branding, and tourism destination development can enhance MSME competitiveness while fostering inclusive regional growth. Using a qualitative descriptive approach with purposive case analysis, the research examined MSME practices across diverse sectors such as culinary tourism in Peneleh, halal tourism in Madura, weaving crafts in Pedan, and creative economy initiatives in Bojonegoro. Data were obtained from secondary sources, documentation, and prior empirical studies, then analyzed through content analysis and triangulation with the Penta Helix model involving government, academia, businesses, communities, and media. Findings reveal that digital marketing, particularly through social media platforms, websites, and online marketplaces, significantly increases visibility, consumer engagement, and sales. Moreover, the synergy of city branding and tourism destination promotion provides broader platforms for MSMEs to strengthen their identity and expand markets. However, adoption remains uneven due to infrastructure and skills gaps. The study concludes that collaborative, innovative, and technology-driven strategies are essential for empowering MSMEs, preserving local culture, and promoting sustainable economic development in Eastern Indonesia.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the Indonesian economy. This sector has proven resilient in facing various economic crises, even being able to support larger industries when they experience difficulties (Yonaldi, 2018). Empowering MSMEs is crucial, considering that their significant contribution to employment absorption and increasing community income (Yonaldi, 2018). However, MSMEs often face various challenges, including in terms of marketing and business development in this digital era. The digital era has brought significant changes to the business landscape, including for MSMEs. Utilizing technology, particularly through digital marketing strategies, is key to increasing MSME competitiveness (Saputri & Mawardi, 2022).

Digital marketing enables MSMEs to reach a wider market, build brands, and increase sales effectively and efficiently (Saputri & Mawardi, 2022). The right digital marketing strategy, utilizing social media platforms, websites, and marketplaces, can help MSMEs become better known to the wider community (Saputri & Mawardi, 2022). In addition to digital marketing, city branding and tourism destination development also have significant potential to increase the competitiveness of MSMEs, particularly in eastern Indonesia. City branding is a strategic effort to build a positive image of a city as an attractive place to visit, live, and invest. With strong city branding, MSMEs can leverage a city's popularity and attractiveness to promote their products and services.

Sustainable tourism destination development can also create opportunities for MSMEs to provide products and services relevant to tourists, such as local cuisine, handicrafts, and accommodations (Nasrullohe et al., 2023). Eastern Indonesia has enormous tourism potential, yet it remains largely untapped. Many areas in this region boast unique natural beauty, culture, and history, which can attract both domestic and international tourists. Developing this tourism potential requires effective marketing strategies, including digital marketing and city tourism. Branding.

By promoting eastern Indonesia as an attractive tourist destination, local MSMEs can increase their competitiveness and contribute to regional economic growth. One example of successful digital marketing implementation is the promotion of culinary tourism in Peneleh Village, Surabaya (Brilliantia et al., 2022). Using the AISAS (Attention, Interest, Search, Action, Share) approach and word-of-mouth, Peneleh Culinary Tourism successfully increased traffic and awareness among culinary tourism enthusiasts both in Surabaya and outside the city (Brilliantia et al., 2022). This demonstrates that the right digital marketing strategy can have a positive impact on the development of MSMEs in the tourism sector. Furthermore, strengthening the creative economy can also be achieved through the identification of the penta helix, which involves collaboration between government, academics, businesses, communities, and the media (Sutrisno & Anitasari, 2020). With synergy between stakeholders, the creative economy potential in a region can be optimized and benefit local MSMEs (Sutrisno & Anitasari, 2020). The government can create regulations and facilitate collaboration, while communities and businesses can become the driving force of the economy (Sutrisno & Anitasari, 2020). However, the implementation of digital marketing strategies, city branding, and tourism destination development in eastern Indonesia still faces various challenges. Limited infrastructure, unequal internet access, and a lack of competent human resources are obstacles that need to be addressed.

The importance of collaboration between various parties is also reflected in efforts to strengthen the unique hand-woven Lurik weaving culture of Pedan, Klaten (Susanto et al., 2022). Through a mentoring program involving design training, technical development workshops, and e-commerce strengthening activities, the Pedan Lurik weaving MSMEs successfully increased sales and strengthened their business strategies. (Susanto et al., 2022). This shows that a participatory and collaborative approach can have a positive impact on the development of MSMEs in the crafts sector. Furthermore, a preliminary study on efforts to increase museum visits through social media marketing shows that museums in Yogyakarta have extensively promoted their activities through social media (Cornelia & Hermawan, 2020). However, various challenges remain in developing social media in museums, such as the museum's limited ability to innovate and the underlying regulations (Cornelia & Hermawan, 2020).

Problem Statement

Micro, Small, and Medium Enterprises (MSMEs) are widely recognized as a backbone of Indonesia's economy, contributing significantly to employment, income distribution, and local economic resilience. Despite their vital role, MSMEs in Eastern Indonesia continue to face persistent challenges in achieving sustainable competitiveness in an increasingly digital and globalized marketplace. Many MSMEs in this region struggle with limited infrastructure, inadequate internet connectivity, and low levels of digital literacy, which constrain their ability to implement effective marketing strategies. Moreover, while digital marketing has proven to be a powerful tool for expanding market access, increasing brand awareness, and strengthening customer relationships, its adoption remains uneven, with MSMEs in urban centers like Makassar and Manado demonstrating greater adaptability compared to those in remote and mountainous areas such as Wamena. Another critical issue lies in the underutilization of city branding and tourism destination development as leverage for MSME growth. Although Eastern Indonesia possesses abundant tourism potential, ranging from natural landscapes to cultural heritage, these assets have yet to be fully integrated into MSME marketing strategies. As a result, many businesses miss opportunities to align their products and services with local tourism campaigns that could enhance visibility and appeal. Additionally, fragmented stakeholder collaboration further hinders progress, as government, communities, and private sectors often lack coordinated efforts to build sustainable ecosystems for MSME empowerment. Without identifying integrated strategies that combine digital marketing, city branding, and tourism development, MSMEs risk being marginalized in the face of both national and global competition.

Research Objectives

This study aims to develop an integrated framework for enhancing the competitiveness of MSMEs in Eastern Indonesia by analyzing the role of digital marketing, city branding, and tourism destination development. Building on the findings that digital marketing significantly improves visibility, sales, and customer engagement, the research seeks to demonstrate how city branding and tourism synergies further amplify MSME growth. Additionally, the study aims to identify key barriers such as limited infrastructure, low digital literacy, and resource constraints and propose collaborative, practical solutions involving government, communities, and business stakeholders to support sustainable MSME empowerment.

Significance of the Study

The significance of this study lies in its potential contributions at the theoretical, practical, and policy-making levels. From a theoretical standpoint, the research adds to the growing body of knowledge on digital marketing, city branding, and tourism destination development by providing a contextual analysis of their interrelationships in Eastern Indonesia, a region often overlooked in mainstream scholarship. It offers new insights into how digital strategies can be adapted to environments with infrastructural and human capital constraints, thereby enriching discourse on MSME empowerment in emerging economies. On a practical level, the findings will serve as a valuable guide for MSME owners and entrepreneurs, offering concrete strategies to harness digital tools for expanding market reach, improving brand visibility, and aligning products with local tourism and city branding efforts. For regional governments, this study provides evidence-based recommendations to design policies that foster digital literacy, improve infrastructure, and promote integrated branding initiatives that directly support MSME growth. Tourism managers and stakeholders can also benefit by understanding how to create synergies between destination development and MSME promotion, thereby ensuring that the benefits of tourism are more equitably distributed within local communities. Beyond these immediate contributions, the study holds broader socio-economic importance by highlighting the role of MSMEs in driving inclusive growth, reducing unemployment, and strengthening resilience in Eastern Indonesia's diverse yet underserved regions. By demonstrating the transformative potential of integrated digital marketing and city branding strategies, the study aspires to serve as a model for similar contexts across Indonesia and other developing nations.

In addition, this research is expected to provide inspiration for further research in relevant fields. A survey conducted by Tauryawati et al. (2023) showed that positive responses from the local community and students to MSME products, such as Mili Milk, can be increased through effective social media management and online advertising. This demonstrates that understanding the target market and appropriate marketing strategies are crucial for the success of MSME businesses (Tauryawati et al., 2023).

LITERATURE REVIEW

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the Indonesian economy. MSMEs are often associated with socioeconomic issues such as poverty, unemployment, and income inequality (Yonaldi, 2018). However, MSMEs have proven to be more resilient in facing economic crises than large-scale industries (Yonaldi, 2018). Empowering MSMEs is crucial for strengthening the national economy. Entrepreneurship is the primary driver of MSME growth. Entrepreneurs play a crucial role in establishing and developing small businesses across various sectors (Yonaldi, 2018). Entrepreneurship education in higher education is crucial for preparing graduates to become job creators, not just job seekers (Yonaldi, 2018). Developing a strong entrepreneurial character is also crucial in facing increasingly fierce economic competition. The competitiveness of MSMEs can be improved through various strategies, one of which is the adoption of digital technology in business management (Saputri & Mawardi, 2022). Digital marketing, particularly through social media platforms, enables MSMEs to reach a wider market and increase product visibility (Saputri & Mawardi, 2022). Training and mentoring in digital marketing are essential for MSMEs to optimize their use of technology. The importance of MSMEs is also related to their ability to absorb labor and make a significant contribution to Gross Domestic Product (GDP). Strengthening MSMEs can be achieved through various approaches, including increasing access to financing, management training, and marketing support. The involvement of various parties, including the government, academics, and the private sector, is crucial in empowering MSMEs. In the context of global competition, MSMEs need to continuously innovate and improve the quality of their products and

services. Increasing MSME competitiveness can also be achieved through the development of unique, value-added products and adaptation to changing market trends. Support for MSMEs must also consider the specific characteristics and needs of each business sector.

Digital marketing is becoming increasingly important in today's digital era. Digital marketing allows businesses to reach consumers more effectively. Effective and efficient marketing through various online channels (Saputri & Mawardi, 2022). Digital marketing strategies include the use of social media, websites, email marketing, search engine optimization (SEO), and online advertising.

One relevant model in the context of digital marketing is AISAS (Attention, Interest, Search, Action, Share) (Brilliantia et al., 2022). This model describes the stages consumers go through in the online purchasing process, from attracting attention to sharing experiences. Applying the AISAS model to digital marketing strategies can help businesses understand consumer behavior and optimize marketing efforts. Word-of-Mouth (WOM) is also an important strategy in digital marketing (Brilliantia et al., 2022). Recommendations from others, both in person and through social media, can influence consumer purchasing decisions. Businesses can encourage positive WOM by providing quality products and services, as well as engaging with consumers. Marketing through social media has become one of the most widely used strategies by MSMEs (Tauryawati et al., 2023). Social media allows businesses to build brands, interact with consumers, and promote products and services. Effective social media management includes creating engaging content, actively engaging with followers, and using paid advertising. Tourism digitalization is also a growing trend (Mumtaz & Karmilah, 2022). Digitalization allows tourists to access information about tourist destinations, book accommodations, and make payments online. The development of digital-based tourism villages can increase community income and stimulate regional economic growth (Mumtaz & Karmilah, 2022).

Social media marketing has a significant influence on tourist interest (Charli & Putri, 2021). Utilizing social media platforms for tourism promotion can increase the visibility of tourist destinations and attract tourists. Engaging and interactive content, along with comprehensive and accurate information, can increase the effectiveness of social media promotions.

On the other hand, city branding is an effort to create a positive image of a city in the public eye. Strong city branding can attract investment, tourists, and skilled labour. City branding strategies include developing a visual identity, promoting culture and history, and improving the quality of infrastructure and public services. Tourist destinations are a crucial element of city branding. Attractive and unique destinations can be a major draw for tourists. Destination development includes improving the quality of tourist attractions, providing adequate facilities, and effective promotion. The development of halal tourism is also a growing trend (Nasrulloh et al., 2023). Halal tourism offers products and services that comply with Sharia principles, such as halal food, prayer facilities, and Muslim-friendly accommodations. Halal tourism development can attract Muslim tourists and increase regional income. The creative economy also plays a vital role in developing tourist destinations (Sutrisno & Anitasari, 2020).

The creative economy encompasses industries that produce products and services based on creativity and innovation, such as art, design, music, and culinary arts. Developing the creative economy in tourist destinations can create unique and engaging experiences for tourists. Identifying the Penta Helix is crucial for strengthening the creative economy (Sutrisno & Anitasari, 2020). The Penta Helix involves collaboration between government, academics, businesses, communities, and the media in developing the creative economy. Active involvement from all parties can create an ecosystem conducive to creative economic growth.

Potential and Challenges in Eastern Indonesia

Eastern Indonesia has enormous tourism potential, boasting natural beauty and diverse cultural uniqueness. However, this potential remains underutilized due to various challenges, such as inadequate infrastructure, limited accessibility, and undertrained human resources. Infrastructure development is key to unlocking the tourism potential of Eastern Indonesia. Improving the quality of roads, airports, and ports can increase accessibility and attract investment. Providing adequate accommodation facilities is also crucial to meeting tourist needs. Human resource development also needs to be a primary focus. Training and education in the

tourism sector can improve service quality and create jobs. Empowering local communities is also crucial to ensure that the benefits of tourism are shared equally. Digital marketing can be a solution to address limited accessibility in Eastern Indonesia.

Promotion through social media and websites can reach a wider market and increase the visibility of tourist destinations. The use of engaging and informative content can attract tourists to visit. Bima Regency, West Nusa Tenggara, is an example of a region in Eastern Indonesia with significant tourism potential (Ernawati, 2020). Viral marketing and tourist motivation have a positive influence on interest in visiting tourist destinations in Bima (Ernawati, 2020). Tourism development in Bima can increase community income and stimulate regional economic growth. Strengthening the unique handloom weaving culture of Pedan, Klaten, can encourage the development of an integrated cultural tourism industry area (Susanto et al., 2022). This demonstrates that local cultural potential, if properly developed, can become a unique tourist attraction.

Several previous studies have discussed digital marketing strategies to increase the competitiveness of MSMEs and develop tourist destinations. Saputri and Mawardi (2022) examined the management assistance of MSMEs through digital marketing to increase the competitiveness of MSMEs in Kota Batu, East Java. Research results show that technology-based marketing makes it easier for partners to promote products. Yonaldi (2018) discusses entrepreneurship in developing MSMEs in the digital era. This study highlights the importance of entrepreneurship education in higher education to prepare graduates to become job creators. Sutrisno and Anitasari (2020) examine strategies for strengthening the creative economy by identifying the Penta Helix in Bojonegoro Regency. The results show that collaboration between stakeholders is crucial in developing the creative economy. Nasrulloh et al. (2023) examined the development of coastal halal tourism potential in Bangkalan, Madura. This study identified the role of Islamic banking in halal tourism development and its contribution to increasing local revenue. Brilliantia et al. (2022) examined the digital promotion of Peneleh culinary tourism through the AISAS and word-of-mouth approaches. The results showed a positive response indicating purchase intentions from potential consumers.

Tauryawati et al. (2023) examined the empowerment of the Milli Milk MSME through appropriate marketing strategies and target markets. This study showed that product marketing is a major challenge faced by MSMEs. Charli and Putri (2021) examined the influence of social media marketing, tourism facilities, and destination image on tourist interest. The results showed that social media marketing, tourism facilities, and destination image significantly influenced tourist interest.

Mumtaz and Karmilah (2022) examined tourism digitalization in rural tourism. This study demonstrated that tourism digitalization can increase community income and stimulate regional economic growth. These studies provide a theoretical and empirical foundation for this research and identify research gaps that need to be addressed.

This research will complement previous studies by focusing on digital marketing strategies to increase the competitiveness of MSMEs through city branding and tourism destinations in eastern Indonesia. It will also consider the specific potential and challenges faced by MSMEs in eastern Indonesia.

RESEARCH METHODOLOGY

This research applied a qualitative descriptive method with case-based analysis to explore how digital marketing, city branding, and tourism development contribute to the competitiveness of MSMEs in Eastern Indonesia. Case selection was purposive, reflecting the diversity of MSME practices and contexts, including Pondok Labu in Batu City, which lacked digital visibility until assisted with website creation and marketplace integration; halal tourism MSMEs in Madura, supported by Islamic finance; and cultural economy initiatives such as weaving crafts in Pedan and creative economy models in Bojonegoro. These varied cases were chosen to capture structural differences between urban, rural, and remote MSMEs.

Data were gathered through literature reviews, documentation, and examination of MSME practices highlighted in secondary studies. Content analysis was then used to identify key themes in digital marketing adoption, such as the use of Instagram and TikTok for consumer engagement, online advertising for targeted promotion, and

marketplace registration for sales expansion. The analysis also incorporated how city branding and destination identity such as culinary tourism in Peneleh or cultural promotion in Bima were integrated into MSME strategies to enhance visibility and sales.

Triangulation was conducted by comparing MSME-level practices with the perspectives of different stakeholders. For instance, the Penta Helix model government facilitation in Bojonegoro, financial and regulatory support in Madura, community-driven initiatives in Klaten, and media amplification through digital platforms was used as an analytical lens to validate findings.

This methodology allowed for a holistic interpretation, linking digital literacy, infrastructure, and collaborative support with MSME performance. By situating the findings within prior works such as Saputri & Mawardi (2022) on digital marketing assistance and Nasrulloh et al. (2023) on halal tourism, the study ensured both contextual depth and empirical alignment.

RESULTS AND DISCUSSION

This research focuses on Micro, Small, and Medium Enterprises (MSMEs) operating in eastern Indonesia, with a particular emphasis on those related to the tourism and creative economy sectors. These MSMEs have diverse characteristics, ranging from business scale, types of products or services offered, to the level of technology adoption in their business operations. This diversity reflects the complexity of the MSME ecosystem in the eastern region. Indonesia, influenced by unique geographic, cultural, and socio-economic factors. For example, in Bojonegoro Regency, the creative economy is a synergistic economic driver (Sutrisno & Anitasari, 2020). This study identified that communities and business actors play a crucial role, while the government facilitates collaboration through regulations (Sutrisno & Anitasari, 2020). This underscores the importance of collaboration between stakeholders in developing MSMEs in the creative economy sector.

Furthermore, the study also highlighted MSMEs engaged in halal tourism on Madura Island, which has significant potential with promising consumers (Nasrulloh et al., 2023). Developing this potential requires support from the government, the community, and Islamic financial institutions (Nasrulloh et al., 2023). This suggests that appropriate financial and regulatory support can open up opportunities for MSMEs in the tourism sector. Another example is Pondok Labu in Batu City, an educational tourism destination with untapped potential due to a lack of marketing (Saputri & Mawardi, 2022). Assistance with website creation, marketplace registration, social media management, and profile video creation can help increase the visibility and competitiveness of this MSME (Saputri & Mawardi, 2022). This emphasizes the importance of adopting a comprehensive digital marketing strategy.

Implementation of Digital Marketing Strategy by MSMEs

The implementation of digital marketing strategies by MSMEs in eastern Indonesia varies, depending on available resources, level of technological understanding, and the target market they wish to reach. Some MSMEs have successfully utilized social media platforms such as Instagram for digital marketing communications (Kusuma & Sugandi, 2019). Instagram, with its photo and video features, as well as the use of hashtags and tagging, allows MSMEs to interact directly with consumers and build their brand (Kusuma & Sugandi, 2019). Other MSMEs may focus on creating websites to provide comprehensive information about their products or services and facilitate online transactions.

Registering with marketplaces is also an important strategy for expanding market reach and increasing sales (Saputri & Mawardi, 2022). In addition, the use of online advertising can help MSMEs target specific audiences and increase brand visibility (Tauryawati et al., 2023). However, not all MSMEs have the capabilities or resources to Implementing digital marketing strategies effectively. Many still rely on traditional marketing methods, such as word-of-mouth promotion or participation in local exhibitions. Lack of training and mentoring in digital marketing is a major obstacle for MSMEs adopting this technology (Saputri & Mawardi, 2022). Therefore, mentoring and training programs tailored to the needs of MSMEs are crucial to improving their ability to utilize digital marketing.

The Influence of Digital Marketing on the Competitiveness of MSMEs

Digital marketing has a significant impact on the competitiveness of MSMEs. By utilizing online platforms, MSMEs can expand their market reach, reach consumers beyond their geographic area, and increase brand visibility (Saputri & Mawardi, 2022). This is particularly important for MSMEs in eastern Indonesia, which often face limited access to markets and infrastructure. Digital marketing also allows MSMEs to interact directly with consumers, obtain feedback, and build long-term relationships. Through social media, MSMEs can respond to inquiries, provide product information, and offer special promotions to their customers (Tauryawati et al., 2023). These interactions help build customer trust and loyalty, which are crucial factors in increasing MSME competitiveness.

Furthermore, digital marketing allows MSMEs to measure the effectiveness of their marketing campaigns and make necessary adjustments. Using web and social media analytics tools, MSMEs can track the number of website visitors, social media engagement rates, and sales conversion rates. This data helps MSMEs understand what's working and what's not, allowing them to optimize their marketing strategies and increase their return on investment (ROI). By effectively leveraging digital marketing, MSMEs can improve operational efficiency, reduce marketing costs, and increase revenue. This allows them to compete with larger companies and strengthen their market position.

City branding and tourism destinations play a crucial role in supporting MSMEs through digital marketing. Strong city branding can attract tourists and investors to an area, which in turn can increase demand for local MSME products and services. Popular tourist destinations can also serve as platforms for MSMEs to promote their products to a wider audience. MSMEs can leverage city branding and tourism destinations in their digital marketing strategies by associating their brands with the identity and values of their city or region. For example, MSMEs selling local handicrafts can highlight that their products are made with natural ingredients sourced from the region, or that their products reflect local culture and traditions. In this way, MSMEs can attract consumers seeking unique and authentic products.

Furthermore, MSMEs can collaborate with local governments and tourism organizations to promote their products through integrated digital marketing campaigns. For example, local governments can create websites or applications that showcase local MSME products and services and promote tourist destinations in the area. MSMEs can also participate in local events and festivals, and promote their products through social media and tourism websites. Digital culinary tourism promotion can also be carried out through the AISAS (Attention, Interest, Search, Action, Share) and Word-of-Mouth approaches (Brilliantia et al., 2022). This can increase traffic and awareness among culinary tourism enthusiasts, both within and outside the city (Brilliantia et al., 2022).

Factors Influencing the Success of Digital Marketing Strategy Implementation Several factors influence the successful implementation of digital marketing strategies by MSMEs. First, management commitment and support are crucial. Without strong commitment from management, it is difficult to allocate the necessary resources and implement necessary changes within the organization. Second, adequate digital skills and knowledge are also crucial. MSMEs need to have staff trained in digital marketing, or they need to collaborate with third parties who possess such expertise. Ongoing training and mentoring are also necessary to ensure that MSME staff stay up-to-date with the latest trends and technologies. Third, a clear and well-defined strategy is crucial. MSMEs need to have a clear understanding of their target market, their marketing objectives, and how they will measure the success of their campaigns. A good strategy should include selecting the right digital platforms, developing relevant and engaging content, and using effective analytics tools. Fourth, an adequate budget is also necessary.

Digital marketing can be more effective than traditional marketing methods, but it still requires significant investment. MSMEs need to allocate sufficient budget for website development, online advertising, social media management, and staff training. Fifth, adapting to change is key to success. The digital landscape is constantly changing, and MSMEs need to be able to adapt quickly to the latest trends and technologies. This means continuously monitoring campaign performance, experimenting with new strategies, and learning from mistakes.

FURTHER DISCUSSION

The results of this study align with previous theories and research showing that digital marketing can be a powerful tool for increasing the competitiveness of MSMEs. Research by Saputri and Mawardi (2022) shows that assisting MSME management through digital marketing can increase the competitiveness of MSMEs in Batu City. This study emphasizes the importance of adopting appropriate technology and marketing strategies to increase MSME visibility and market reach. Yonaldi (2018) also emphasizes the importance of entrepreneurship and MSMEs in the digital era. This study highlights that technology can streamline distribution and marketing channels, making businesses more effective and efficient. This aligns with the findings of this study, which show that digital marketing can help MSMEs reach consumers beyond their geographic areas and improve operational efficiency.

Sutrisno and Anitasari (2020) highlight the importance of collaboration between stakeholders in developing the creative economy in Bojonegoro Regency. This study emphasizes the need for government, communities, and businesses to work together to create an ecosystem that supports MSME growth. This is in line with the findings of this study, which show that city branding and tourist destinations can play a significant role in supporting MSMEs through digital marketing. Nasrulloh et al. (2023) examined the potential for halal tourism on Madura Island and the role of Islamic banking.

This research shows that appropriate financial and regulatory support can open opportunities for MSMEs in the tourism sector. This aligns with the findings of this study, which emphasizes the importance of government and financial institution support in helping MSMEs adopt digital marketing and increase their competitiveness. Research by Kusuma and Sugandi (2019) on the use of Instagram as a digital marketing communication medium by Dino Donuts shows that social media can be an effective tool for increasing brand visibility and sales. This is in line with the findings of this study, which show that MSMEs can utilize social media platforms to interact directly with consumers, get feedback, and build long-term relationships. Tauryawati et al. (2023) examined the empowerment of MSMEs through appropriate marketing strategies. This study shows that surveys and social media management can improve MSME interaction and product image. This is in line with the findings of this study, which emphasizes the importance of a clear and well-defined strategy in implementing digital marketing.

CONCLUSION AND SUGGESTIONS

Conclusion

This study aims to analyze effective digital marketing strategies for increasing the competitiveness of Micro, Small, and Medium Enterprises (MSMEs) in eastern Indonesia by strengthening city branding and developing tourist destinations. Based on the analysis and discussion presented in the previous chapter, several key conclusions can be drawn regarding the implementation of digital marketing strategies and their impact on MSMEs in the region.

First, the implementation of digital marketing has been shown to have a significant positive impact on increasing the visibility and brand awareness of MSMEs (Brilliantia et al., 2022). Digital marketing strategies, which include the use of social media, websites, and marketplaces, enable MSMEs to reach a wider audience, both locally and nationally (Saputri & Mawardi, 2022). This is crucial considering that many MSMEs in eastern Indonesia still face limitations in market access and traditional marketing resources. For example, the use of social media platforms such as Instagram and TikTok allows MSMEs to showcase their products and services in a visually appealing way and interact directly with potential consumers (Tauryawati et al., 2023).

Second, city branding and tourism destination development play a crucial role in supporting the growth of MSMEs in eastern Indonesia. By promoting a region's unique identity and tourist attractions, MSMEs can tap into greater market potential and increase the selling value of their products. The integration of digital marketing strategies and tourism destination promotions creates a strong synergy, where MSMEs can leverage the popularity of tourist destinations to increase brand awareness and sales (Susanto et al., 2022). For example, MSMEs selling local craft products can collaborate with local governments to promote their products as part of regional tourism campaigns.

Third, collaboration between various stakeholders, including the government, academics, business actors, communities, and the media, is a key factor in the successful implementation of digital marketing strategies for MSMEs (Sutrisno & Anitasari, 2020). The government can provide support in the form of training, mentoring, and digital marketing facilities to MSMEs. Universities can conduct research and development related to effective digital marketing strategies that are appropriate to the characteristics of MSMEs in eastern Indonesia (Yonaldi, 2018). Business actors and communities can share experiences and knowledge about best practices in digital marketing. The media can help promote MSMEs and tourist destinations through various information platforms (Rahmayanie et al., 2022).

Fourth, developing creative and relevant content is crucial in attracting consumer attention in the digital era. MSMEs need to produce content that is not only informative, but also entertaining and inspiring (Brilliantia et al., 2022). Content can take the form of photos, videos, blog articles, or infographics that showcase products, production processes, or inspirational stories about MSMEs. In addition, MSMEs also need to utilize storytelling techniques to build emotional connections with consumers and create brand loyalty. The AISAS (Attention, Interest, Search, Action, Share) and Word-of-Mouth (WOM) approaches can also be optimized in content strategies (Brilliantia et al., 2022).

Fifth, the importance of MSMEs adapting to technological changes and market trends. The digital landscape continues to evolve rapidly, and MSMEs need to continually learn and adapt to remain relevant and competitive (Yonaldi, 2018). This includes: Understanding new social media platforms, search engine optimization (SEO) techniques, and effective content marketing strategies. MSMEs also need to monitor and analyze their digital marketing performance data to identify areas for improvement and make necessary adjustments. Digital marketing allows for streamlining distribution and marketing channels, making them more effective and efficient (Yonaldi, 2018).

Sixth, research shows that developing halal tourism on the Madura coast requires support from various parties, including Islamic banking, to provide infrastructure, accessibility, environmental preservation, and supporting facilities (Nasrulloh et al., 2023). This suggests that developing sustainable and inclusive tourism destinations requires a holistic approach involving various sectors and stakeholders. Islamic financing models such as Mudharabah and Musyarakah can be attractive alternatives for MSMEs wishing to develop their businesses in the halal tourism sector (Nasrulloh et al., 2023).

Seventh, marketing management of educational services in the digital era requires identifying problems, needs, and potential of the community (Sugeng, 2022). Market segmentation, targeting, and positioning of educational service products are also important (Sugeng, 2022). Marketing of educational services can be carried out with the 7P marketing mix, namely product, price, place, promotion, people, process, and physical evidence (Sugeng, 2022). This can be an inspiration for MSMEs in other sectors to apply the principles of service marketing in their businesses.

Eighth, Product placement in Indonesian films is effective in increasing brand awareness and purchase intention (Kristanto & Brahmana, 2016). MSMEs can consider this strategy to increase their brand visibility through collaboration with the local creative industry. This shows that there are many creative ways to utilize media and entertainment to promote MSMEs. The development of mass communication media such as radio, television, the internet, and other digital media allows for marketing strategies that no longer use conventional advertising (Kristanto & Brahmana, 2016).

Overall, this study provides empirical evidence on the effectiveness of digital marketing strategies in increasing the competitiveness of MSMEs in eastern Indonesia by strengthening city branding and developing tourist destinations. The results are expected to serve as a guide for MSMEs, local governments and other stakeholders in developing more effective and sustainable marketing strategies.

Suggestion

1. Based on the conclusions that have been drawn, here are some suggestions that can be considered to increase the effectiveness of implementing digital marketing strategies for MSMEs in eastern Indonesia:

2. **Improving the Digital Capacity and Literacy of MSMEs:** Local governments and related institutions need to improve training and mentoring programs for MSMEs in the field of digital marketing. This training should cover various aspects, from the basics of digital marketing to the use of media platforms. Social media, creating engaging content, and analysing digital marketing performance data. Mentoring programs can be conducted through mentors or consultants experienced in digital marketing.
3. **Development of an Integrated Digital Platform:** Local governments can develop an integrated digital platform that facilitates the promotion of MSMEs and tourist destinations in the region. This platform can take the form of a website, mobile application, or marketplace that provides comprehensive information about MSMEs, products, services, and tourist destinations. This platform must also be equipped with features that make it easier for MSMEs to interact with consumers, such as an online payment system, customer service, and discussion forums.
4. **Optimizing Social Media Usage:** MSMEs need to optimize their use of social media as a digital marketing tool. This includes selecting the right social media platform, creating relevant and engaging content, and actively interacting with followers. MSMEs can also utilize paid advertising features on social media to reach a wider audience and increase brand awareness (Saputri & Mawardi, 2022).
5. **Developing Creative and Innovative Content:** MSMEs need to develop creative and innovative content to attract consumers in the digital era. Content can take the form of photos, videos, blog articles, infographics, or podcasts that showcase products, production processes, or inspiring stories about MSMEs. MSMEs can also utilize storytelling techniques to build brand awareness. emotional relationships with consumers and creating brand loyalty (Brilliantia et al., 2022; Tauryawati et al., 2023).
6. **Improving Product and Service Quality:** An effective digital marketing strategy must be supported by high-quality products and services. MSMEs must continuously improve the quality of their products and services to meet consumer expectations and create customer satisfaction. This includes improving the quality of raw materials, production processes, product design, and after-sales service.
7. **Collaboration with Influencers and Local Communities:** MSMEs can collaborate with influencers and local communities to promote their products and services. Influencers and local communities have a significant influence on consumer opinions and behavior. By collaborating with them, MSMEs can reach a wider audience and build brand trust.
8. **Leveraging Data and Analytics:** MSMEs need to leverage data and analytics to measure their digital marketing performance and make necessary adjustments. Data and analytics can provide insights into consumer behavior, the effectiveness of marketing campaigns, and areas for improvement. MSMEs can use web analytics tools like Google Analytics to track website traffic, conversions, and other metrics.
9. **Developing Strong City Branding:** Local governments need to develop strong city branding to promote the unique identity and tourist attractions of the region. City branding should reflect the cultural, historical, and natural values of the region. Local governments can collaborate with MSMEs, local communities, and the media to develop and promote city branding.
10. **Halal Tourism Integration:** Local governments and businesses can develop the potential for halal tourism in their respective regions (Nasrulloh et al., 2023). This can be done by providing facilities and services that comply with Sharia principles, such as places of worship, halal restaurants, and Muslim-friendly accommodations. Halal tourism integration can attract Muslim tourists from around the world and increase regional income.
11. **Sharia Financing Support:** Sharia financial institutions can provide financing support to MSMEs who want to develop their business. in the halal tourism sector (Nasrulloh et al., 2023). Sharia financing can help MSMEs overcome capital constraints and increase their competitiveness. Financing schemes such as Mudharabah and Musyarakah can be attractive alternatives for MSMEs (Nasrulloh et al., 2023).

This study concludes that enhancing the competitiveness of MSMEs in Eastern Indonesia requires an integrated approach that combines effective digital marketing strategies, strong city branding, and sustainable tourism destination development. The findings demonstrate that digital marketing significantly improves visibility, customer engagement, and sales performance, while city branding and tourism create wider platforms for MSMEs to showcase their products and services.

Furthermore, collaboration among stakeholders, government, communities, businesses, academics, and the media emerges as a vital enabler in overcoming structural challenges such as limited infrastructure, low digital literacy, and resource constraints. By adopting creative, innovative, and technology-driven practices, MSMEs

can strengthen their market position, expand their consumer base, and align themselves with regional development goals. Ultimately, these efforts are expected to not only empower MSMEs but also stimulate inclusive economic growth, preserve cultural identity, and improve community welfare across Eastern Indonesia.

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