

Enhancing MSME Business Strategies Through Digital Platforms in Manado

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Publication Date: 2026/02/16

Abstract: The rapid advancement of Industry 4.0 has transformed contemporary business practices, shifting organizational operations from conventional approaches toward technology-driven systems. Digital tools such as e-business, e-commerce, e-banking, and e-learning have become essential mechanisms for expanding market access and strengthening business outreach. For Micro, Small, and Medium Enterprises (MSMEs), digital transformation represents a strategic necessity in the post-pandemic environment and within increasingly competitive global markets. Grounded in the perspectives of digital transformation theory, entrepreneurship, and business sustainability, this study examines how MSMEs in Manado strategically utilize digital platforms to enhance business performance. A qualitative research design was employed, with data collected through in-depth interviews involving MSME actors actively engaged in digital business practices. The findings demonstrate that the strategic adoption of social media and e-commerce platforms improves market penetration, marketing efficiency, and customer engagement. However, MSMEs continue to face challenges related to digital competencies, algorithm changes, and content consistency. The study contributes theoretically to digital entrepreneurship and MSME development literature while offering practical implications for MSME practitioners and policymakers in strengthening digital transformation strategies. Recommendations for future research include mixed-method approaches and broader geographic coverage to enhance analytical rigor and generalizability.

Keywords: Digital Platforms, MSME Development, Digital Transformation, Business Sustainability.

How to Cite: Olivia Fransiske Christine Walangitan (2026) Enhancing MSME Business Strategies Through Digital Platforms in Manado. *International Journal of Innovative Science and Research Technology*, 11(2), 614-617. <https://doi.org/10.38124/ijisrt/26feb056>

I. INTRODUCTION

The acceleration of information and communication technology has fundamentally reshaped the global business environment. Digital transformation enables MSMEs to enhance operational efficiency, strengthen customer relationships, and compete with larger enterprises. Within the framework of digital transformation theory, technological integration is not merely a technical process but a strategic shift that reshapes business models and value creation.

MSMEs play a crucial role in Indonesia's economic structure by contributing significantly to employment and national income. Despite economic disruptions caused by the COVID-19 pandemic, many MSMEs demonstrated resilience

by adopting digital platforms to maintain business continuity. Government data indicate increased MSME contributions to GDP and employment, highlighting their strategic importance in economic stability.

Entrepreneurship theory emphasizes innovation, adaptability, and opportunity recognition as key drivers of business growth. In Manado City, MSMEs based on creative and innovative activities exhibited positive development trends during and after the pandemic. However, many MSMEs still struggle to optimize digital platforms strategically. While previous research has examined digital marketing and MSME performance, limited studies explore how MSMEs integrate digital platforms into sustainable business strategies within local contexts. The table below highlights this trend.

Tabel 1 Number of MSMEs in Manado City 2018 - 2021

Year	Number Of MSMEs	Growth (%)
2018	16.674	
2019	17.152	
2020	23.375	
2021	24.480	

Source: Cooperative and MSME Agency of Manado City 2022

Therefore, this study investigates how MSMEs in Manado utilize digital platforms to strengthen business performance and sustainability in the digital era.

II. LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

This study integrates three major theoretical perspectives: digital transformation, entrepreneurship, and business sustainability.

Digital transformation theory highlights how technology adoption reshapes organizational processes, customer interactions, and value creation. Digital platforms facilitate communication, marketing, and transaction processes, enabling MSMEs to expand market access and improve efficiency.

Entrepreneurship theory underscores innovation, creativity, and opportunity recognition as drivers of competitive advantage. Digital platforms provide entrepreneurs with tools to explore new markets, develop branding strategies, and create customer-centered innovations.

Business sustainability theory emphasizes long-term adaptability, resilience, and strategic resource utilization. The integration of digital platforms allows MSMEs to maintain operational continuity, enhance competitiveness, and build sustainable business models.

Digital marketing concepts proposed by Coviello et al. (2001) and Heidrick and Struggles (2009) further illustrate how internet-based technologies support interactive communication between businesses and consumers. Social media platforms and e-commerce marketplaces represent digital ecosystems that facilitate information exchange, transactions, and customer engagement.

In Indonesia, MSMEs are legally defined under Law No. 20 of 2008 as productive economic entities with limited assets and turnover. This study contributes empirical insights into how MSMEs in Manado strategically utilize digital platforms within an integrated conceptual framework combining digital transformation, entrepreneurship, and sustainability perspectives.

III. RESEARCH METHODS

This study employed a qualitative research approach to explore MSME experiences and perceptions regarding digital platform utilization. Qualitative methods enable in-depth exploration of social phenomena within real-life contexts and allow researchers to capture complex behavioral patterns.

Primary data were collected through in-depth interviews with MSME owners in Manado who actively utilize digital platforms for marketing and sales. Informants were selected using snowball sampling to identify relevant participants with practical digital experience. Data analysis was conducted

using thematic analysis to identify recurring themes related to digital adoption, benefits, and challenges.

IV. RESULTS AND DISCUSSION

This study presents findings based on interviews with various MSME owners in Manado City, including those from Eksen Kitchen, Kopiboxx, Scarlet Agen Malalayang, Kios FAN, and Dewi Olshop. The research reveals that several MSMEs in the area are utilizing digital platforms as key marketing tools. The primary platforms used are social media and e-commerce sites, with Facebook and WhatsApp (both the standard and Business versions) being the most popular. WhatsApp, in particular, is widely used by consumers to contact MSME owners or place orders. The WhatsApp Business app has been a valuable tool for small business owners, providing an easy way to interact with customers through automation, message sorting, and quick replies.

In addition to WhatsApp, some MSMEs also use platforms like Instagram, TikTok, Gojek, and Grab for marketing, though these platforms are not as frequently used and are often only active during the initial stages of adoption. While many MSMEs have sought external help to manage their digital marketing efforts, others have learned to navigate digital platforms on their own.

Many MSME owners in Manado have independently learned to use digital platforms to grow their businesses. While some have attended training sessions or seminars on digital marketing, including using tools like WhatsApp Business, Instagram, and creating websites, the majority of MSMEs have relied on self-learning. This process, although time-consuming, often takes more than three months for many owners to become proficient.

Training on how to effectively use social media for digital marketing can help MSMEs stay competitive and adapt to technological trends. From interviews with informants, it was noted that mastering digital platforms is not an overnight task; it requires continuous effort, sometimes spanning several months, to fully understand and utilize the tools.

The study also reveals the advantages and challenges of using digital platforms for business development. One key benefit is the ability to expand market reach, attracting customers both locally and beyond the city. Additionally, features such as product catalogs in WhatsApp Business and e-commerce platforms simplify the promotion and sales process for MSMEs, enhancing their marketing efforts. However, despite these advantages, the transition to digital marketing requires time, learning, and consistent effort.

One useful feature of digital platforms, such as creating product stories, allows consumers to easily find and engage with the products offered by sellers. Platforms like Instagram for Business enhance product marketing and promotions, enabling MSMEs to reach a wider audience effectively.

However, the utilization of digital platforms for business development in Manado also comes with challenges. Many MSMEs in the food and beverage sector are hesitant to join e-commerce platforms due to the high competition. One informant suggested that to overcome these challenges, MSMEs should focus on creating compelling promotional content, such as offering discounts or introducing product innovations. High-quality content marketing, including real photos and videos, can help attract and retain customers, influence purchasing decisions, and maintain engagement.

The study also revealed obstacles faced by MSME owners in Manado, particularly the lack of consistency and discipline in promoting products through digital platforms. This is often due to the busy nature of their operations, such as handling regular orders for events or government offices, which leaves little time for branding or digital marketing. Despite these challenges, some MSMEs have found creative solutions, such as producing videos during the production process or posting product photos before delivery, to keep their digital presence active.

The pandemic has taught MSME owners to adapt quickly to changes and find solutions to emerging challenges. For instance, the need to shift marketing strategies during the pandemic pushed MSMEs to diversify and embrace digital platforms, responding rapidly to market demands. This period underscored the importance of being agile and accurate in addressing the evolving needs of the market.

The research findings reveal that the presence of digital platforms offers significant benefits for the growth of MSME businesses in Manado City. Digitalization presents an opportunity for MSMEs to adapt, especially as they face challenges in the post-pandemic era. During the pandemic, digital platforms played a vital role in maintaining the competitiveness of MSMEs, and this trend is expected to continue as technology becomes even more integral to business development. While the use of information technology by MSMEs had been gradually increasing before the pandemic, the sudden onset of the crisis accelerated the need for rapid adaptation to these digital tools.

The digital transformation of MSMEs has brought significant changes to nearly every aspect of their operations, from production to sales. In terms of marketing, this shift has moved from traditional offline methods to online platforms, utilizing digital tools to reach a wider audience. The emergence of various marketplace platforms has greatly facilitated this transition, offering MSMEs broader access to diverse market networks. Additionally, social media platforms, commonly used for communication, have also become valuable marketing tools for MSMEs looking to grow their reach.

However, it's important to recognize that not all MSME owners are ready or need to engage with the digital ecosystem. Some businesses already have a strong offline market presence, and others, particularly older MSME owners, may struggle with adapting to technology. For these MSMEs,

alternative interventions are necessary to help them grow and succeed without relying on digital platforms.

Digital business platforms enable the creation of new business opportunities by integrating existing technologies. In today's digital age, it has become essential for almost everyone to leverage digital platforms, as they significantly improve daily life, particularly in supporting business activities.

For businesses, digital platforms can be seen as comprehensive spaces where information, goods, and services are exchanged between producers and consumers, as well as where communities engage and interact within the platform ecosystem.

As digitalization, particularly through digital platforms, continues to grow, it brings numerous benefits, including increased job opportunities, business prospects, and overall productivity, ultimately boosting the economy in Manado City. Using digital platforms to develop a business is not difficult. From the study's findings, several steps can be taken to effectively utilize these platforms for MSME growth in Manado City:

- **Learn Digital Marketing Techniques:** Understanding online marketing strategies and how they function is essential. This knowledge provides MSMEs with the tools to meet customer demands and ensure the business's success as it grows.
- **Promote the Business:** It's not enough to just know digital marketing techniques; MSMEs must also focus on promotion. Effective promotion will attract customers, encourage them to engage with the business, and even recommend the products or services to others. Offering attractive deals and providing excellent service will set the business apart.
- **Offer Competitive Pricing:** Pricing plays a crucial role in attracting customers. MSMEs should conduct thorough research to determine the optimal pricing and packaging for their products or services. Setting prices too high may discourage customers, while setting them too low can raise doubts about quality.
- **Stay Updated on Platform Algorithms:** Each digital platform operates with unique algorithms that can change frequently. MSMEs must stay informed about these changes to adjust their marketing strategies accordingly. Understanding how the platform works allows businesses to optimize their efforts and achieve the best possible results.

V. CONCLUSION AND FUTURE RESEARCH DIRECTIONS

This study confirms that digital platforms significantly strengthen MSME business strategies in Manado by expanding market access, improving marketing effectiveness, and supporting long-term sustainability. Continuous learning and adaptive entrepreneurial practices enable MSMEs to remain competitive despite technological and operational challenges.

Future research should consider adopting mixed-method approaches by integrating quantitative surveys with qualitative interviews to improve analytical rigor and generalizability. Expanding sample sizes and including MSMEs from diverse regions would allow for broader comparative analysis. Further research should also deepen theoretical integration by examining the relationships between digital platform utilization, digital transformation processes, entrepreneurial innovation, and business sustainability outcomes.

From a technical perspective, future studies are encouraged to enhance academic writing quality, strengthen formatting consistency, and present tables, figures, and references according to international journal standards to improve.

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