Sustainable Digital Marketing Strategy for Long-Term Growth of MSMEs

Andriya Risdwiyanto1*, Moh. Muklis Sulaeman2, Andy Rachman3

1Program Studi Manajemen, Fakultas Ekonomi, Universitas Proklamasi 45 Yogyakarta, Indonesia
2Program Studi Manajemen, Fakultas Ekonomi, Universitas Islam Lamongan, Indonesia
3Program Studi Tenik Informatika, Institut Teknologi Adhi Tama Surabaya, Indonesia

Email: andriya.risdwiyanto@up45.ac.id1, mohmuklis@unisla.ac.id2, andy.rach1910@itats.ac.id3

Abstract. In recent years, the advancement of digital technology has brought fundamental changes in consumer behavior regarding information seeking, product comparison, and purchasing. Small and Medium Enterprises (MSMEs) need to adapt to these trends to remain competitive and thrive. This research aims to examine sustainable digital marketing strategies for the long-term growth of MSMEs. The approach involves a qualitative analysis of literature, intending to obtain a comprehensive understanding of the subject from 2018 to 2023. The study's findings indicate that, in the face of increasingly fierce competition in the digital era, MSMEs must adopt sustainable digital marketing strategies to ensure the long-term growth of their businesses. Market and audience understanding, continuity in branding, SEO optimization, social media utilization, content marketing, data analysis, email marketing, and investment in learning and innovation are key elements in achieving these goals.

Keywords: Digital Marketing, MSMEs, Qualitative

1. Introduction

In recent years, rapid advances in digital technology have induced a significant transformation in consumer behaviour patterns. These breakthroughs are guiding modern consumers towards preferences that are strongly linked to the use of digital platforms for browsing information, comparing products, and even for making purchases. Correspondingly, it has become imperative for Micro, Small and Medium Enterprises (MSMEs) to adopt smart strategies and be responsive to these evolving market dynamics, to ensure their sustainability, competitiveness and growth in this digital age [1].

It is important to recognise that traditional marketing strategies, which include print media and often expensive television advertisements, may no longer deliver optimal results for Micro, Small and Medium Enterprises (MSMEs) in the current era. Changing market dynamics and consumer behaviour demand higher effectiveness and sustainability in marketing efforts [2], [3]. Amidst this shift, digital marketing emerges as a highly relevant and competitive alternative. By utilising digital platforms, MSMEs can benefit from marketing options that are more scalable, affordable, and can be tailored to target markets more specifically [4], [5]. Therefore, it becomes crucial for MSMEs to design inclusive and innovative marketing strategies, prioritising digital approaches that can have a significant positive impact on their competitiveness and business growth.

The rapid development of e-commerce and the significant shift in consumer behaviour towards online purchasing marks an era of potential for Micro, Small and Medium Enterprises (MSMEs) [6]. Engaging in the digital ecosystem can be a monumental strategic move for MSMEs to capitalise on this trend [7]. Along with the opportunities presented, MSMEs need to adopt a careful and targeted approach through the development of a proper digital marketing strategy. This includes a deep understanding of online consumer preferences and behaviour, as well as the implementation of innovative and competitive digital marketing techniques. By establishing a strong online presence and utilising effective digital marketing tools, MSMEs can optimally position themselves to expand market reach, increase visibility, and enhance competitiveness amidst the ever-evolving e-commerce landscape.

The intense competition in the digital marketplace marks the complexity and dynamism inherent in this ecosystem. To win the battle amidst a sea of competitors, Micro, Small and Medium Enterprises (MSMEs) need
more than just an online presence. It requires a marketing strategy that is not only sustainable but also innovative, capable of carving out a unique identity and differentiating themselves from competitors while maintaining market share. A sustainable approach includes continuous engagement with customers, updating data-driven marketing tactics, and adapting to changing consumer trends [8], [9]. In addition, the need for innovation encourages MSMEs to harness creativity and the latest technologies, such as the use of artificial intelligence or customised user experiences, to create added value that appeals to customers. By incorporating these elements in their marketing strategies, MSMEs can build a solid foundation for long-term success in this rapidly changing digital marketplace.

Most Micro, Small and Medium Enterprises (MSMEs) face real challenges due to limited resources, including financial constraints and limited Human Resources (HR) [10]. This condition creates an urgent need to identify and implement digital marketing strategies that are not only efficient but also affordable, as a key step in supporting long-term growth. A wise selection of strategies should include adjustments to the level of limited resources that MSMEs have, such as the utilisation of budget-friendly digital marketing platforms, customer engagement through social media, and optimisation of online assets [11]. By adopting the right approach, MSMEs can overcome the constraints of limited resources and build a solid foundation for sustainable growth in the digital marketing era.

Digital branding does not only revolve around the sales aspect, but also embraces a broader dimension in shaping a strong brand image in the minds of online consumers [12]. For Micro, Small and Medium Enterprises (MSMEs), an in-depth understanding of the significance of digital branding is crucial in an effort to increase consumer trust and build sustainable customer loyalty. Digital branding offers a tremendous platform to communicate brand values, deliver compelling narratives, and create meaningful interactions with consumers [13]. By thoroughly understanding how their brand is perceived in the digital world, MSMEs can direct their branding efforts more strategically, create strong emotional bonds with consumers, and ensure that every online interaction reinforces a positive impression of their brand. Thus, digital branding is not only a tool to increase sales, but also a foundation for building long-term relationships with consumers.

Digital literacy challenges and technological limitations may be real barriers for some Micro, Small and Medium Enterprises (MSMEs). Faced with this reality, in-depth research is needed to identify effective ways of providing support and training to MSMEs, with the aim of improving their understanding of digital marketing strategies. This process could involve a holistic approach, including the provision of easy-to-understand resources and educational materials, practical training on the use of digital tools, as well as consultative assistance to apply the knowledge gained in their business context. Thus, providing comprehensive support can help overcome digital and technological literacy barriers, enabling MSMEs to adopt digital marketing strategies with the confidence and capabilities needed to compete in the ever-evolving digital sphere.

1.1 Digital Marketing

Digital marketing is a form of marketing that leverages digital platforms and channels to promote products or services, engage with audiences, and enhance brand presence and image online [14], [15]. In this modern era, digital marketing encompasses various strategies such as content marketing, social media, SEO (Search Engine Optimization), email marketing, and online advertising [16]. Through the use of digital technology, companies can reach their target markets more precisely, monitor campaign performance in real-time, and interact directly with consumers. Furthermore, digital marketing provides opportunities for companies to build more personal and sustainable relationships with customers, allowing them to measure campaign effectiveness and adapt marketing strategies more rapidly in response to changing trends and market needs [17]–[20]. By integrating these various elements, digital marketing becomes a crucial foundation for companies to achieve marketing goals, increase sales, and build a strong online presence.

1.2 Small and Medium Enterprises (SMEs)

Small and Medium Enterprises (SMEs) refer to a business sector that involves companies with relatively small operational and financial scales [21], [22]. SMEs encompass various types of businesses, ranging from micro-enterprises consisting of only a few individuals with limited capital to medium-sized businesses that may have more employees and resources [23], [24]. Common characteristics of SMEs involve smaller production scales, direct owner involvement in day-to-day operations, and significant contributions to the local economy. SMEs often serve as the backbone of a country's economy by making substantial contributions to job creation and economic development at the local level [25]. Despite facing challenges such as limited capital, restricted access to resources, and intense competition, SMEs play a crucial role in building a diverse and sustainable business ecosystem.
2. Method

In this investigation, we employ a qualitative literature review methodology to gain a profound insight into the development of a sustainable digital marketing strategy for the long-term prosperity of Micro, Small, and Medium Enterprises (MSMEs) from 2018 to 2023. The principal aim of this approach is to recognize, evaluate, and integrate pertinent scholarly works distributed across diverse academic journals, conference papers, and reputable sources accessible through Google Scholar. The research process comprises several pivotal stages. Initially, the researcher identifies a specific and relevant research topic, establishing a comprehensive understanding of the background and research objectives. Subsequently, well-defined and specific search criteria are established to guide the exploration of literature through Google Scholar, encompassing the timeframe from 2018 to 2023. Once the search results are obtained, the researcher carries out a literature selection process, assessing the abstracts and summaries of each identified article or source. Any literature lacking relevance or failing to meet the research criteria is excluded from the analysis. The chosen literature undergoes a meticulous examination, focusing on identifying crucial discoveries, concepts, theories, and trends inherent in the literature. A qualitative approach is implemented to achieve a thorough understanding of the research subject. The results of the literature review are then synthesized and expounded upon by the researcher to form a comprehensive comprehension of the research topic. Additionally, these findings are organized into a detailed research report with a structured and cohesive format, encompassing key discoveries, analyses, and in-depth interpretations. The research culminates by formulating concise conclusions summarizing the central findings and implications of the literature review in relation to the research subject. This methodology enables researchers to acquire an extensive and profound understanding of the research topic without the necessity for primary data collection. By drawing upon existing literature, this research has the potential to make significant contributions to the advancement of theories, problem-solving, or decision-making in various scientific domains, particularly within the context of a sustainable digital marketing strategy for the enduring growth of MSMEs.

3. Result and Discussion

Amidst the challenges of intensifying competition in the ever-evolving dynamics of the digital era, Micro, Small, and Medium Enterprises (MSMEs) are facing an urgent need to formulate and implement digital marketing strategies that are not only effective in the short term but also sustainable to support their business growth in the long term. This article will take a deep dive into the strategic steps that MSMEs can take to shape, strengthen and maintain their business sustainability amidst the ever-changing sea of competition in the digital realm. By analysing key aspects such as target market identification, effective use of digital marketing tools, and data utilisation for decision-making, this article aims to provide a holistic guide for MSMEs to adapt and thrive amidst the complexities of a dynamic digital marketplace.

The first step towards a successful digital strategy is to build a solid foundation through a deep understanding of the market and target audience. Micro, Small and Medium Enterprises (MSMEs) need to engage in careful market research to thoroughly identify the needs and preferences of their customers. By gaining a deep understanding of audience characteristics and behaviour, MSMEs can shape a more targeted and effective digital marketing strategy [26]. In this process, a focus on market segmentation, consumer trend analysis, and comprehensive data collection can open up opportunities to create digital campaigns that are not only responsive to current market needs but also provide a basis for continuous adaptation as consumer dynamics change. By utilising market research as a foundation, MSMEs can build a strong foundation for a results-oriented and sustainable digital strategy [27].

Furthermore, it is important to highlight continuity in brand building as a key focus. In this context, Micro, Small, and Medium Enterprises (MSMEs) should ensure that their brand message, espoused values, and visual aesthetics are consistent across various online platforms, including but not limited to websites, social media, and digital advertising campaigns [28], [29]. Sustainability in branding includes the development and implementation of a strong and up-to-date brand identity, so as to provide a uniform and lasting impression in the minds of consumers, not only building trust but also triggering more effective brand recognition [30]. By enforcing consistency in every digital interaction, MSMEs can strengthen their brand image, broaden their appeal, and provide a solid foundation for increasing brand sustainability and recognition in the dynamic online ecosystem [31].
Search Engine Optimisation (SEO) is not just an element, but a critical cornerstone of a sustainable digital marketing strategy. By focusing efforts on ensuring that online content is effectively optimised for keywords relevant to their industry and target market, Micro, Small and Medium Enterprises (MSMEs) can unlock opportunities to increase their visibility in search results [32]. This process not only leads to an improved position in search engines, but also allows MSMEs to gain greater organic traffic, targeting an audience that matches their ideal customer profile. As such, SEO is not just about improving rankings, but also describes a holistic approach to building a sustainable online presence, optimising every element from content and site structure to ensuring that their website becomes a recognised and reliable source of information online.

The role of social media as a highly effective marketing tool requires a thoughtful and planned approach [33]. Micro, Small and Medium Enterprises (MSMEs) need to strategically identify the social media platforms that are most relevant to their target audience, recognising that each platform has unique characteristics and a different demographic. In this context, it is not enough to simply have a presence on the platform, rather MSMEs should also design and implement engaging and value-added content. This will not only create meaningful interactions with customers but also help in building an engaged community, strengthening brand engagement, and stimulating organic growth. Through this approach, MSMEs can maximise the potential of social media as a platform to effectively build long-term relationships with customers, generate trust and increase brand awareness in a dynamic and interactive environment.

Relevant content marketing occupies a central position in modern marketing strategies. Micro, Small, and Medium Enterprises (MSMEs) require a holistic approach in producing high-quality content, spanning multiple formats such as blogs, videos, infographics, and other forms of content [34]. Not only as an effort to attract the attention of potential customers, but also as a means of providing added value to the audience. By presenting informative, entertaining, and quality content, MSMEs can build credibility, increase trust, and form closeness with customers. In a broader scope, content marketing is not just about selling products or services, but also a channel to educate, inspire, and foster long-term relationships with consumers [35]. By focusing on relevant content, MSMEs can form a deep brand image, position themselves as thought leaders in their industry, and forge closer relationships with their audience.

Data collection and analysis is not just a step, but a crucial foundation in designing and executing a sustainable digital marketing strategy. For Micro, Small and Medium Enterprises (MSMEs), the utilisation of web and social media analytics tools is a must to gain deep insights into their campaign performance [36]. By detailing data on user behaviour, consumer trends, and responses to content, MSMEs can form a more comprehensive understanding of their campaign effectiveness [37]. From here, MSMEs can make relevant strategic adjustments, respond to market dynamics in real-time, and optimise every element of their digital campaigns. Through this approach, data becomes not only a tool to measure success, but also a valuable source of information for informed decision-making, helping MSMEs achieve better results and create sustainability in their digital marketing efforts.

The use of effective email marketing remains one of the most essential pillars in maintaining a strong relationship with customers. Micro, Small and Medium Enterprises (MSMEs) need to adopt a thoughtful approach in designing email campaigns that are not only relevant but also personalised, able to tailor themselves to the individual needs and preferences of customers. Through customised messaging that adds significant value, MSMEs can strengthen interactions with customers, create engaging experiences, and build fundamental trust. In addition, focused email marketing can help MSMEs maintain top-of-mind awareness, inform customers about the latest products or services, and lead them to desired actions [38]. By designing email campaigns as more than just promotional tools, MSMEs can foster ongoing relationships with customers, making email marketing an effective means of communicating their brand, values, and unique offerings.

Investment in learning and innovation plays a key role in dealing with constant change in the dynamic digital era [39]. Micro, Small and Medium Enterprises (MSMEs) need to adopt a progressive approach by continuously learning, keeping up with the latest trends, and adopting new technologies. By making these investments, MSMEs not only improve their adaptability to rapid market changes, but also position themselves for competitive advantage. Continuous learning provides the foundation for a deep understanding of changes in consumer behaviour, technology, and industry trends, while innovation enables MSMEs to develop creative and relevant solutions [40]. Therefore, MSMEs' long-term strategies should include a commitment to investment in skills development, knowledge enhancement, and innovative inventions, paving the way for sustainable growth and resilience amidst a rapidly changing business environment.

By diving into a deep understanding of market dynamics, building a brand with high consistency, performing effective SEO optimisation, leveraging social media with thoughtful strategies, serving relevant and quality content marketing, applying in-depth data analysis, implementing focused and effective email marketing, and investing in learning and innovation efforts, Micro, Small and Medium Enterprises (MSMEs) can achieve
sustainable long-term growth in this ever-evolving digital era. By integrating these elements in their holistic strategy, MSMEs can position themselves for success in the face of challenges and opportunities that arise in the digital world. As a ship sailing on boundless seas, these steps become a strong pillar to navigate a future full of potential, open up new opportunities, and carve out sustainable success. Happy sailing into a future filled with innovation and glorious achievements.

4. Conclusion

To overcome the intense challenges in the increasingly competitive business landscape of the digital era, Micro, Small, and Medium Enterprises (MSMEs) need to actively adopt a holistic and sustainable digital marketing strategy. In the pursuit of sustainable business growth, MSMEs must possess a profound understanding of their market and audience. This involves establishing and maintaining consistency in branding processes, optimizing search engines through effective SEO strategies, harnessing the power of social media, engaging in relevant content marketing, conducting valuable data analysis, implementing efficient email marketing strategies, and, equally importantly, investing in continuous learning and innovation to stay at the forefront of evolving technology and market trends. Through this approach, MSMEs can build a robust foundation to achieve their long-term growth objectives amid the dynamic landscape of digital business.

In facing the intensifying competition in the digital era, MSMEs are advised to adopt a sustainable digital marketing strategy. Firstly, continuous market research is essential to better understand customer needs and preferences, enabling them to design more targeted campaigns. Consistent branding is key, ensuring brand messages, values, and visual aesthetics are consistent across all online platforms, building a strong and memorable image. Furthermore, ongoing SEO optimization is crucial to monitor trends and search engine algorithm changes, ensuring online content remains effectively optimized. Thoughtful use of social media is also necessary, identifying relevant platforms and developing engaging content to build communities and engage with customers. High-quality content marketing must be consistently produced to capture customer attention and add value to the audience. In-depth data analysis using web and social media analytics tools is necessary to understand campaign performance and be ready to adjust strategies based on the analysis results. Relevant, personalized, and value-added email marketing campaigns can help maintain strong customer relationships. Finally, investing in learning and innovation is crucial to staying open to changes, continuously learning, and adopting new technologies to remain relevant in the ever-changing digital world. By implementing these steps, MSMEs can build a strong foundation for long-term growth in the dynamic digital era. Sail into the future full of potential.

References


