

UTILIZATION OF DIGITAL MARKETING AND TECHNOLOGY CAPABILITIES BY MSMEs IN DEVELOPING MARKETING PERFORMANCE IN PEMANGKAT

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Abstract

Advances in digital technology have triggered changes in business marketing methods, including in the Micro, Small, and Medium Enterprises (MSMEs) sector. This study aims to analyze the use of *digital marketing* and technology capabilities by MSMEs in developing marketing performance in Pemangkat District. The methodology used is a descriptive qualitative approach through a literature review that includes various scientific journals, research articles, and other relevant sources that discuss digital marketing, technological capabilities, and MSME marketing performance. The findings of this study show that the implementation of digital marketing through social media platforms, marketplaces, WhatsApp Business, and other digital platforms can expand market reach, improve interaction with customers, and increase sales of MSME products. However, its implementation is still faced with a number of challenges, such as low levels of digital literacy, limitations in technological capabilities, and lack of support for businesses. Technology capabilities are proving to be an important element that influences the success of digital marketing implementation. Therefore, it is necessary to strengthen digital competence through training, mentoring, and cooperation between the government, educational institutions, and the business community to improve the competitiveness and marketing performance of MSMEs in Pemangkat. This research provides insight into the real state and strategies for strengthening digital marketing as well as technological capabilities to support sustainable digital transformation in MSMEs.

Keywords: Digital Marketing, Technology Capabilities, Marketing Performance.

Background

The growth of digital technology has resulted in significant transformations in business activities, including for Micro, Small, and Medium Enterprises (MSMEs). In the context of the current digital economy, business people are required not only to create quality products, but also to market these products in an effective way to be able to compete in an increasingly competitive market. One of the increasingly popular approaches is digital marketing, as it can expand market reach, increase interaction with customers, and help businesses build brand image faster and more efficiently (Al-Atsari *et al.*, 2025).

MSMEs play a very crucial role in supporting local economic development, including in the Pemangkat area. Pemangkat, as an area with fairly dynamic economic activities, has great potential for the development of MSMEs, especially in the trade, culinary, and business sectors based on daily needs. This potential should be effectively utilized by utilizing digital technology, so that MSME products are not only known in the surrounding area, but also able to penetrate to a wider market.

Digital marketing offers a variety of benefits for MSMEs, including low promotional costs, wider market reach, better communication with customers, and ease in measuring marketing success. In addition, the success of the implementation of digital marketing is also influenced by the technological capabilities possessed by business actors, which include the ability to use digital devices, manage social media, utilize the marketplace, and analyze customer data (Febriyantoro & Arisandi, 2018).

However, there are still many MSMEs that have not maximized the use of digital technology. Limited knowledge, low levels of digital literacy, and lack of training are obstacles in the implementation of digital marketing. Therefore, research on the use of digital marketing and technological capabilities in improving MSME marketing performance is very important to be carried out (Aini *et al.*, 2024). This condition indicates that success in digital marketing depends not only on the availability or absence of digital platforms, but also on how ready human resources are to take advantage of them. Without qualified

technological capabilities, digital marketing will be stuck in a routine without being able to have a real influence on marketing results. Therefore, strengthening initiatives through training, mentoring, and improving digital literacy are very important so that MSMEs can utilize technology more efficiently.

In the Pemangkat area, MSMEs have significant potential to advance the local economy. However, there are still many business actors who have not optimized digital marketing in their marketing strategies. This results in less effective marketing performance, such as limited market reach and minimal sales increase (Limbong, 2025).

From this presentation, it is important to conduct research on the use of digital marketing and technological capabilities by MSMEs in order to improve marketing performance in Pemangkat. This research is expected to provide a real picture of the state of MSMEs in Pemangkat, the challenges faced, and steps that can be taken to strengthen competitiveness and improve the marketing performance of MSMEs in the digital era.

Methodology

Research Approaches and Methods

This study uses a qualitative descriptive approach with a literature review method. The literature review method is defined as a research design that involves collecting, analyzing, criticizing, and synthesizing previously studied literature material to build a theoretical foundation or to understand phenomena in depth. In the view of modern sociologists and methodologists, this method emphasizes substantial analysis of texts and contexts. The definition of the literature review method is affirmed by Taylor (2021) who states that:

"A literature review is a systematic, explicit, and reproducible method for identifying, evaluating, and synthesizing a collection of completed and documented works produced by researchers, academics, and practitioners."

Using this method, qualitative data on the use of digital marketing and technological capabilities were analyzed to assess its influence on the marketing performance of Micro, Small, and Medium Enterprises (MSMEs).

Data Source and Number of Documents

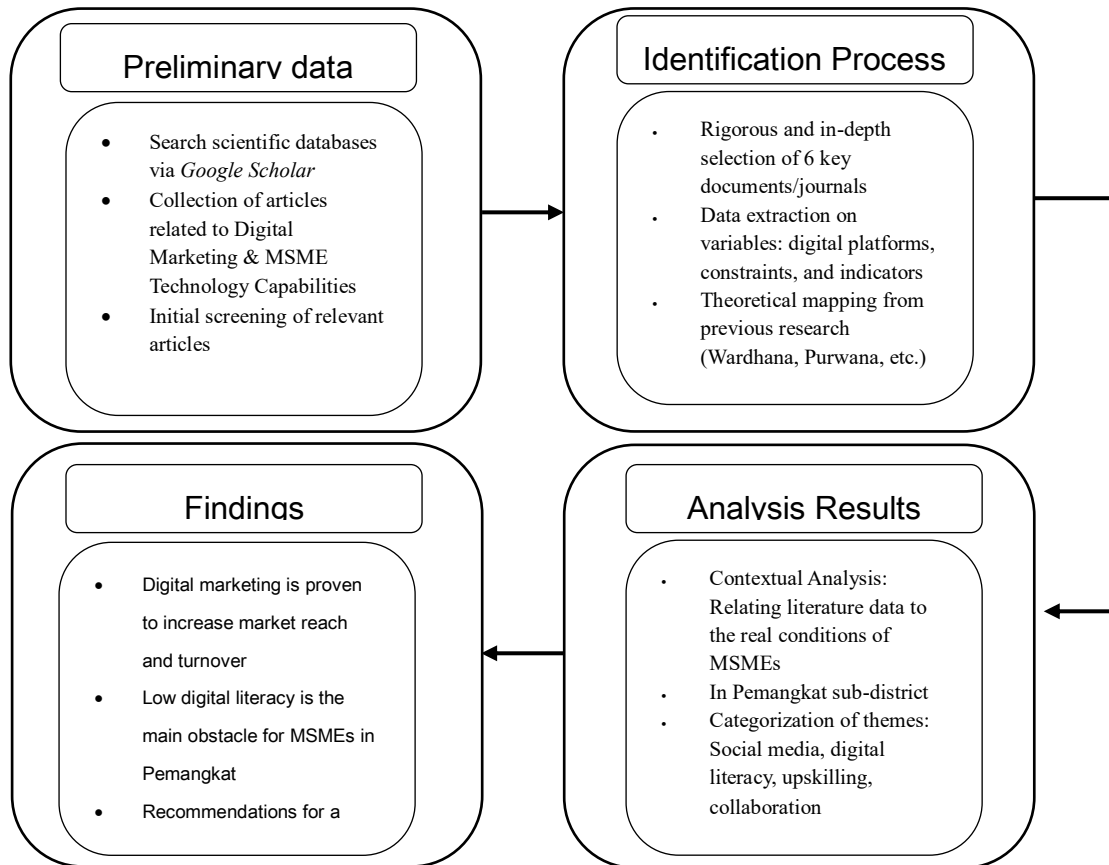
The data in this study is entirely taken from secondary data sources derived from scientific journal articles from previous research. The researcher conducted an online document search by accessing the Google Scholar database.

From the search results with specific keywords such as "MSME Digital Marketing", "Technology Capabilities", and "Marketing Performance", the researcher identified and carefully studied six main journal documents/articles that best suited the focus of the study. The six documents consist of prominent articles published by experts.

Data Analysis Techniques

The methods applied to data analysis include content analysis and thematic analysis. The researcher recognized the patterns, propositions, obstacles, and main results of the six selected documents, then contextualized them with a description of the current conditions and characteristics of the Pemangkat District, Sambas Regency.

The process of data management from the initial step to the final result in this literature review methodology is explained through the following systematic steps:



Literature Review

• Digital Marketing

Digital marketing is an activity that uses digital technology and the internet to promote products and services to consumers. Digital marketing provides businesses with the opportunity to reach a larger market, establish interactive relationships with customers, and increase the effectiveness of promotions at a lower cost than traditional marketing methods. In the context of MSMEs, digital marketing usually involves the use of social media, marketplace platforms, WhatsApp Business, and digital advertising to improve business visibility. The success of digital marketing is greatly influenced by technological capabilities, namely the skills of business

actors in understanding, operating, and utilizing digital tools efficiently (Syahputra *et al.*, 2026).

- Technology Capabilities

Technology capability refers to the ability of an individual or organization to utilize, manage, and develop technology to support business operations. This includes expertise in the use of digital devices, social media management, the use of business applications, and the ability to process technology-based information. In the context of local MSMEs, strengthening technological capabilities is not only about facilities, but also includes training, mentoring, internet access, and changes in perspectives related to business (Kusnadi, 2023).

- MSME Marketing Performance

Marketing performance is a measure of the success of marketing activities carried out by a business. Marketing performance indicators usually consist of increased sales, growth in the number of customers, expansion of market share, and increased operating profits. For MSMEs, improving marketing performance is not only influenced by product quality, but also by the ability of business actors to adopt digital technology and implement marketing strategies in accordance with the development of consumer behavior (Al-Atsari *et al.*, 2025).

- The Relationship between Digital Marketing and Technology Capabilities on MSME Marketing Performance

There is a strong relationship between digital marketing and technological capabilities in improving the marketing performance of MSMEs. The use of digital media supported by adequate technological capabilities allows business actors to reach consumers more widely, increase interaction with customers, and obtain market information quickly and accurately. Various studies show that digital marketing has a positive impact on improving MSME marketing performance, especially if supported by good technological capabilities from business owners and managers. Thus,

strengthening digital literacy and technological capabilities is a crucial element in supporting the competitiveness of MSMEs in the digital economy era (Anugrah, 2023).

Some previous research on this can be seen in Table 1 below:

Table 1. List of Past Research

Yes	Author	Year	Location	Research Topics	Results
1.	Wardhana	2015	Indonesia	Digital Marketing Strategy and Its Implications for MSME Competitive Advantage	Digital marketing is able to increase the competitive advantage of MSMEs through market expansion and effective customer communication.
2.	Purwana, Rahmi & Aditya	2017	Jakarta	Utilization of Digital Marketing for MSMEs	The use of social media and digital marketing helps MSMEs increase sales volume and expand the market with relatively low promotional costs.
3.	Hapsoro, Palupiningdyah & Slamet	2019	Central Java	The Role of Digital Marketing in MSME Development	Digital marketing has a positive effect on increasing the competitiveness and sustainability of MSME businesses.
4.	Pradiani	2018	Malang	The Influence of Digital Marketing System on Increasing MSME Sales Volume	Social media has proven to be effective in increasing sales volume and expanding the MSME customer network.
5.	Febriyantoro & Arisandi	2018	Indonesia	Utilization of Digital Marketing for Micro, Small and Medium Enterprises	Digital marketing is an alternative marketing that is able to increase the effectiveness of promotions and strengthen relationships with consumers.
6.	Setiawan & Savitri	2020	Indonesia	The Influence of Technology Capabilities on MSME Performance	Technological capabilities have a significant effect on the ability to innovate and improve the business performance of MSMEs.
7.	Aini <i>et al</i>	2024	Indonesia	Technological Opportunities and Challenges for MSME Empowerment in	Digital technology plays a role in market expansion, business efficiency, and digital marketing. However,

				Indonesia	strengthening infrastructure, improving the quality of human resources, and financing are needed to encourage the digital transformation of MSMEs.
8.	Anugrah <i>et al</i>	2023	Palembang (MSMEs Snack Mumus)	Improving MSME Performance Through Digital Marketing	Digital marketing 77.2% of MSME performance, where The Instagram feature as a promotional medium has proven to be effective in increasing sales volume.
9.	Maharani <i>et al</i>	2023	Palu City	The Effectiveness of Using Instagram Ads as a Promotional Media for MSMEs	Instagram Ads have proven to be effective as a promotional medium that helps increase consumer reach and sales of MSME products.
10.	Limbong <i>et al</i>	2025	Indonesia	The Influence of Digital Marketing Technology Adoption and Market Orientation on MSME Marketing Capabilities and Business Growth	Manager knowledge and competitive pressures have a positive effect on the adoption of digital marketing technology. Market orientation has a positive effect on the marketing capabilities and business performance of MSMEs.
11.	Komalasari <i>et al</i>	2025	Pekanbaru	Digital transformation of MSMEs: information communication technology (ICT) and digital finance.	ICT capabilities have a positive effect on business performance of digital financial capabilities. The use of ICT has also been proven to increase operational efficiency, service innovation, and business digitalization.
12.	Syahputra <i>et al</i>	2026	Indonesia	Empowering MSMEs Based on Digital Marketing Through E-COMMERCE Platform Optimization	Digital marketing training and mentoring through e-commerce platforms improves digital literacy, the ability to manage online stores, data-based marketing strategies, product branding, and MSME business performance. The program also encourages the formation of collaborative networks between MSME actors and accelerates business digital transformation.
13.	Al-Atsari <i>et al</i>	2025	Majalengka	The Influence of	Improving digital capabilities

			Regency, West Java	Digital Marketing and Entrepreneurial Competence on MSME Marketing Performance	and entrepreneurial competencies creates a competitive advantage that ultimately improves the marketing performance of MSMEs.
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Discussion

1. Current Conditions Related to Digital Marketing and Technology Capabilities by MSMEs in Pemangkat

MSMEs in Pemangkat District have a significant role in supporting local economic activities, especially in the fields of trade, culinary, services, and household businesses. With the advancement of digital technology, a number of MSME players have begun to utilize social media platforms such as Facebook, Instagram, TikTok, and WhatsApp Business to promote their products. The use of digital platforms provides an opportunity for MSMEs to reach a wider reach of consumers without spending a lot of money on promotion (Purwana *et al.*, 2017). However, the use of digital marketing in Pemangkat is still not optimal. Many MSME actors only use digital media in a simple way, such as simply uploading product photos without careful marketing planning. The use of digital features such as paid advertising, content optimization, customer data analysis, and marketplace usage is still relatively low (Aini *et al.*, 2024).

In terms of technological capabilities, MSMEs in Pemangkat show differences in digital skills between business actors. MSMEs managed by the younger generation are generally faster to adapt to technology than those who have been running businesses traditionally for many years. Limited digital understanding, lack of technology training, and lack of insight into digital marketing are obstacles in optimizing technology for business activities (Komalasari, 2025).

In addition, there are still several other challenges such as uneven internet network quality, limited digital equipment, and lack of ability to use technology-based business applications. This results in many MSMEs not being able to effectively take advantage of opportunities in the digital economy sector to improve their marketing performance (Aini *et al.*, 2024). Even so, the high use of the internet and social media among the public offers a great opportunity for Pemangkat MSMEs to expand the market and increase business competitiveness, as long as it is supported by adequate technological capabilities (Wardhana, 2015).

2. Efforts to Strengthen Digital Marketing and Technology Capabilities by MSMEs in Developing Marketing Performance in Pemangkat

Strengthening digital marketing and technological capabilities is a crucial step to improve the marketing performance of MSMEs in Pemangkat. The first effort that needs to be made is to increase digital understanding among business actors through continuous training and mentoring programs. This training can include the use of social media, marketing content creation, marketplace management, product photography, and the use of digital business applications (Syahputra *et al.*, 2026).

The second step is to encourage more effective use of digital platforms. MSMEs should not only use social media as a means of promotion, but also use marketplaces such as Shopee, Tokopedia, and TikTok Shop to expand their market reach. Using WhatsApp Business can improve communication with customers through more product and service catalog features *professional* (Febriyantoro & Arisandi, 2018).

Furthermore, improving technological capabilities can be done through strengthening the use of digital devices, managing customer data, and utilizing information technology for business decision-making. This ability will help MSMEs in understanding market needs, evaluating the

effectiveness of promotions, and developing more appropriate marketing strategies (Komalasari, 2025).

Local governments, universities, financial institutions, and the business community also have an important role in supporting the digital transformation of MSMEs. Support can be provided in the form of providing digital training, internet access, online marketing facilitation, and technology-based business incubation programs (Aini *et al.*, 2024). Cooperation between various parties is expected to increase the digital readiness of MSMEs so that they can create competitive advantages, expand market share, increase customer loyalty, and encourage sustainable sales growth (Al-Atsari *et al.*, 2025).

CONCLUSION

Conclusion

The use of digital marketing and technological capabilities has a very significant role in improving the performance of MSME promotion in Pemangkat. Digital marketing provides an opportunity for MSMEs to expand market reach, improve communication with consumers, and maximize promotions at a more affordable cost. However, its implementation still faces various challenges such as low digital knowledge, limited technological capabilities, and the use of digital platforms that are not optimal.

Technology capabilities are a key element in the success of digital marketing because it affects the ability of business people to operate, manage, and utilize digital technology to support marketing activities. Therefore, strengthening digital competence is an urgent need to increase the competitiveness of MSMEs in the digital economy era.

Recommendations

1. Local governments need to improve digital marketing training and mentoring programs for MSMEs in a sustainable manner.
2. MSME actors need to improve their ability to use social media, marketplaces, and digital business applications as a means of marketing.
3. Universities can play a role in providing education, mentoring, and knowledge transfer related to the digital transformation of MSMEs.
4. There needs to be collaboration between the government, academics, the private sector, and the business community to strengthen the MSME digital ecosystem in Pemangkat.
5. Further research can be carried out in the field with an in-depth interview method to obtain an empirical picture of the condition of MSME digitalization in Pemangkat.

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