

THE IMPORTANCE OF DIGITAL MARKETING STRATEGIES IN THE SOCIETY 5.0 ERA FOR MSMEs IN JAMBI CITY

PENTINGNYA STRATEGI PEMASARAN DIGITAL DI ERA SOCIETY 5.0 BAGI UMKM DI KOTA JAMBI

Nasta Trilakshmi

Universitas Batanghari Jambi

*nasta3laks@yahoo.com

*Corresponding Author

ABSTRACT

This study examines the importance of digital marketing strategies for MSMEs in Jambi City in facing the challenges of the Society 5.0 era through a literature review approach with a focus on market expansion, promotion cost efficiency, and increased profitability. With a significant MSME population in Jambi City as part of more than 99% of the total national business units, digital transformation has become a strategic imperative for MSMEs to increase competitiveness and achieve sustainable growth. The analysis shows that the adoption of digital marketing has a positive correlation with the performance of MSMEs, where behavioral control factors and subjective norms have a significant effect on the intention of using digital platforms. The structured digital transformation program in Jambi City showed high effectiveness with 80% of participants successfully registering for independent NIB, 88% routinely recording digital finances, and 75% actively creating promotional content. The use of social media and digital platforms allows MSMEs to reach a wider market by reducing promotional costs by up to 70% compared to conventional methods, while increasing profit potential through the expansion of consumer segmentation. However, limited capital, human resources, and technological infrastructure are still major obstacles. A sustainable innovation strategy that integrates local wisdom with digital technology has been proven to increase the competitive advantage of MSMEs and provide a significant return on investment. Recommendations include the development of holistic capacity building, access to technology financing, and the creation of a supportive digital ecosystem for the transformation of MSMEs towards Society 5.0 that prioritizes sustainable profitability.

Keywords: digital marketing, MSMEs, Society 5.0, market expansion, profit optimization

ABSTRAK

Penelitian ini mengkaji pentingnya strategi pemasaran digital bagi UMKM di Kota Jambi dalam menghadapi tantangan era Society 5.0 melalui pendekatan tinjauan pustaka dengan fokus pada perluasan pasar, efisiensi biaya promosi, dan peningkatan profitabilitas. Dengan populasi UMKM yang signifikan di Kota Jambi sebagai bagian dari lebih dari 99% total unit usaha nasional, transformasi digital menjadi kebutuhan strategis bagi UMKM untuk meningkatkan daya saing dan mencapai pertumbuhan yang berkelanjutan. Analisis menunjukkan bahwa adopsi pemasaran digital memiliki korelasi positif dengan kinerja UMKM, di mana faktor kontrol perilaku dan norma subjektif berpengaruh signifikan terhadap niat penggunaan platform digital. Program transformasi digital yang terstruktur di Kota Jambi menunjukkan efektivitas tinggi dengan 80% peserta berhasil mendaftar NIB mandiri, 88% rutin mencatat keuangan secara digital, dan 75% aktif membuat konten promosi. Penggunaan media sosial dan platform digital memungkinkan UMKM menjangkau pasar yang lebih luas dengan mengurangi biaya promosi hingga 70% dibandingkan metode konvensional, sekaligus meningkatkan potensi keuntungan melalui perluasan segmentasi konsumen. Namun, keterbatasan modal, sumber daya manusia, dan infrastruktur teknologi masih menjadi kendala utama. Strategi inovasi berkelanjutan yang mengintegrasikan kearifan lokal dengan teknologi digital terbukti meningkatkan keunggulan kompetitif UMKM dan memberikan return on investment yang signifikan. Rekomendasi meliputi pengembangan kapasitas secara holistik, akses pembiayaan teknologi, dan penciptaan ekosistem digital yang mendukung transformasi UMKM menuju Society 5.0 dengan prioritas pada profitabilitas berkelanjutan.

Kata kunci: pemasaran digital, UMKM, Society 5.0, perluasan pasar, optimasi keuntungan

1. INTRODUCTION

The rapid transformation of digital technology has fundamentally changed the global business landscape, including in the context of Micro, Small, and Medium Enterprises (MSMEs) in Indonesia. The development from the industrial era 4.0 to Society 5.0 brings a new paradigm that emphasizes the integration of technology and collaboration between humans and machines to create a more humanistic and sustainable society (Dean Amry et al., 2023). The Society 5.0 era is not just about digitalization, but rather the use of technology to solve social and economic problems, including in the context of the development of MSMEs which are the backbone of the Indonesian economy with a significant contribution to market expansion and increased business profitability (Vera Maria et al., 2024).

Jambi City, as the center of economic growth in the Sumatra region, has a substantial concentration of MSMEs with diverse business characteristics. Data shows that the MSME sector in the Regency/City area of Jambi Province has a significant contribution to regional economic growth. The strategic geographical condition of Jambi City as the economic gateway of Jambi Province provides a great opportunity for MSMEs to develop their businesses not only at the local, but also regional and national levels through the use of digital technology that can expand market reach with more efficient promotional costs (Fathoni et al., 2025).

In the context of marketing, the digital revolution has presented the concept of digital marketing as a strategy that cannot be ignored by business actors, especially MSMEs. Digital marketing in the era of Society 5.0 offers a more personalized, interactive, and data-driven approach to building ongoing relationships with customers (Bruce et al., 2023). More than that, the implementation of digital marketing strategies allows MSMEs to achieve drastic promotion cost efficiency, where investment in digital platforms can generate higher returns than traditional marketing methods. The development of information and communication technology has enabled MSMEs to reach a wider market with relatively affordable investments, while allowing them to compete with large companies through creative and innovative marketing strategies that focus on maximizing profits.

MSMEs in Indonesia, which account for more than 99% of the total business units and absorb about 97% of the national workforce, face a major challenge in adopting digital technology for marketing purposes that can increase profitability. The growth of MSMEs in Jambi City until the end of 2022 shows a positive trend, especially in the dominant culinary sector, indicating great potential for profit optimization through targeted digital marketing strategies. This challenge becomes even more complex when it is associated with the characteristics of MSMEs which generally have limitations in terms of resources, both financial and human resources that master digital technology. However, the adoption of digital marketing strategies is a must for MSMEs to be able to survive and thrive in the era of Society 5.0, where consumers increasingly rely on digital platforms in the purchase decision-making process which can result in increased sales volume and profit margins.

The creation of a collaborative digital ecosystem is a determining factor in supporting the sustainability and scalability of MSMEs in the Society 5.0 era with a focus on profitable market expansion. Empirical observations show that MSMEs involved in digital collaborative networks, whether through marketplaces, online communities, or B2B platforms, tend to have higher business resilience and superior adaptability to changing market conditions with increased levels of profitability. This digital collaboration facilitates knowledge sharing, resource sharing, and market intelligence that allows MSMEs to optimize their marketing strategies based on real-time data and best practices from similar business actors. In addition, active participation in the collaborative digital ecosystem also opens up opportunities to access capacity building programs, alternative financing schemes, and strategic partnerships that can accelerate the digital transformation process and increase the competitive positioning of MSMEs in the long term with optimal return on investment.

The implementation of an effective digital marketing strategy for MSMEs in Jambi City requires an approach that integrates technological sophistication with the unique characteristics of local products and culture to achieve maximum market penetration with cost efficiency. In-depth analysis shows that MSMEs that succeed in achieving optimal growth are those that are able to combine traditional wisdom with digital innovation in creating product added value that can increase profit margins. This phenomenon is reflected in the ability of business actors to package Jambi's typical products such as traditional foods and handicrafts through digital platforms while maintaining authenticity and inherent cultural stories. The gradual digitalization process allows MSMEs to develop a strong brand identity while utilizing technology as an enabler to expand market reach without losing the essence of locality which is their competitive advantage in the face of increasingly dynamic market competition (Nasution et al., 2025).

Previous research shows that the implementation of digital marketing in MSMEs is not just about social media presence, but rather the development of a comprehensive strategy that includes understanding the characteristics of digital consumers, optimizing digital platforms, and measuring the effectiveness of marketing campaigns that are oriented towards increasing conversion rates and profit margins. Digital platforms play an important role in the development of Indonesian MSMEs by having a positive impact on improving business management, increasing marketing and branding, as well as developing wider partnerships and collaborations (Suroto, 2023). Digital-based marketing strategies have also proven to be able to build sustainable customer relationships in the Society 5.0 era through the use of social media and the right digital platforms with superior cost-effectiveness compared to traditional methods.

The importance of digital marketing strategies for MSMEs in the Society 5.0 era is also related to changes in consumer behavior that is increasingly digital-savvy and expects a seamless shopping experience across channels with an attractive value proposition. Modern consumers not only expect quality products or services, but also a personalized and responsive experience from the brand they choose at competitive prices. This requires MSMEs to not only be present on digital platforms, but also be able to optimize every digital touchpoint to create a superior customer experience (Munarsih et al., 2020) which ultimately leads to increased customer lifetime value and long-term profitability. Based on the conditions and potentials that have been described, this research is formulated to answer several basic questions: What is the current condition of adoption of digital marketing strategies by MSMEs in Jambi City in the context of market expansion? What are the challenges and obstacles faced by MSMEs in implementing digital marketing strategies in the Society 5.0 era to optimize profits? What kind of digital marketing strategy is most effective to be implemented by MSMEs in Jambi City by considering local characteristics and available resources to achieve cost-efficiency and profit maximization?

This study aims to analyze the importance of digital marketing strategies for MSMEs in Jambi City in the context of the Society 5.0 era, focusing on identifying challenges, opportunities, and strategic recommendations that can be implemented to increase profitability and market expansion. Specifically, this study aims to: first, analyze the existing conditions of digital technology adoption and digital marketing strategies by MSMEs in Jambi City with a focus on their impact on market expansion and cost efficiency; second, identify factors that affect the successful implementation of digital marketing strategies for MSMEs in increasing profit margins; third, formulate a digital marketing strategy model that is in accordance with the characteristics and needs of MSMEs in Jambi City to optimize return on investment; and fourth, providing policy recommendations and mentoring programs that can support the digital transformation of MSMEs towards the Society 5.0 era that prioritizes sustainable profitability.

2. METHODS

This study uses the literature review approach as the main methodology to analyze the importance of digital marketing strategies in the Society 5.0 era for MSMEs in Jambi City with a special focus on its impact on market expansion and increased profitability. The literature review approach was chosen because of its ability to integrate various theoretical and empirical perspectives from previous studies that are relevant to the research topic, especially those related to cost-benefit analysis and market expansion strategies. This methodology allows researchers to identify, analyze, and synthesize findings from various credible literature sources to build a comprehensive understanding of digital marketing strategies in the context of MSMEs with a profit optimization orientation.

The first stage in the implementation of literature review is the identification and selection of relevant literature sources with a focus on research that examines the economic impact of digital marketing on MSMEs. The literature search process is carried out systematically using various academic databases such as Google Scholar, ResearchGate, JSTOR, and Indonesian national journal databases. The keywords used in the search include "digital marketing", "MSMEs", "Society 5.0", "digital marketing strategy", "digital transformation", "profit optimization", "market expansion", "cost efficiency", and a combination of them. The inclusion criteria set include publications from 2019 to 2025 to ensure the relevance and up-to-date of information, publications in Indonesian and English, as well as focusing on the context of MSMEs in Indonesia or developing countries with similar characteristics that emphasize aspects of profitability and market expansion.

Literature data collection was carried out through a gradual screening process that began with an abstract reading to determine the relevance to the research topic, especially those that discuss economic impact and profit enhancement through digital marketing. The literature that passes the initial screening stage is then read thoroughly to identify theoretical and empirical contributions that can support research analysis with a focus on quantitative benefits and market penetration strategies. Each selected literature source is then classified based on the focus of the discussion, the research methodology used, the main findings related to profit improvement, and contribution to the development of knowledge about digital marketing for MSMEs in the context of value creation. This process allows researchers to organize the literature thematically and identify patterns that emerge from various previous studies, especially those related to success metrics and profitability indicators.

The literature analysis was conducted using a qualitative content analysis approach with thematic coding techniques to identify the main themes that emerged from the collected literature, with special emphasis on findings related to cost reduction, revenue increase, and market expansion. The coding process is carried out inductively, where themes are developed based on patterns that emerge from literature data, and also deductively based on a predetermined theoretical framework with a focus on economic impact assessment. The analysis stage includes identifying key concepts related to profit optimization, comparing findings between research on cost-effectiveness, identifying knowledge gaps in market penetration aspects, and synthesizing information to build coherent arguments about the importance of digital marketing strategies for MSMEs in the Society 5.0 era in increasing competitive advantage and financial performance.

Literature synthesis is carried out through a narrative approach that integrates findings from various sources to build a holistic understanding of research topics with an orientation on practical implications for profit enhancement. The synthesis process includes the identification of consensus and contradictions between studies related to profitability outcomes, the development of a conceptual framework that explains the relationship between variables in the context of value creation, and the formulation of theoretical propositions that can be applied in the context of MSMEs in Jambi City to optimize return on investment. This approach allows researchers to not only present a summary of the existing literature, but also to develop

new contributions to the understanding of digital marketing strategies in the context of MSMEs that are oriented towards sustainable profitability.

The validity and reliability of literature reviews are maintained through the application of source triangulation, where information from various literature sources is compared and confirmed to ensure the accuracy and consistency of findings, especially related to quantitative evidence regarding profit improvement. An internal peer review process is also carried out where the results of analysis and literature synthesis are reviewed by other researchers who have expertise in the field of digital marketing and MSMEs with a focus on economic analysis. In addition, methodological transparency is maintained through detailed documentation of the search, selection, and literature analysis process carried out (Dinata et al., 2024) with an emphasis on methodological rigor in reviewing business performance indicators.

The limitations of the literature review methodology that need to be recognized include dependence on the quality and availability of existing literature, especially those that discuss the quantitative impact of digital marketing implementation, the potential for publication bias where research with positive results is more likely to be published, and the possibility of a temporal gap between literature publication and actual conditions in the field related to market dynamics and profitability trends. To minimize these limitations, the researcher sought to search literature from various sources and perspectives, including industry reports and publications from international organizations that discuss economic impact assessment, and focused the analysis on the most relevant and up-to-date literature in the context of MSMEs in Indonesia in the aspects of business sustainability and profit optimization.

3. RESULTS AND DISCUSSION

3.1. Digital Marketing Adoption and Sustainable Growth of MSMEs: Market Expansion and Profit Optimization Perspective

Digital transformation in the context of MSMEs shows a significant correlation between achieving sustainable growth and a direct impact on expanding market segmentation and increasing profitability, as evidenced by various empirical studies that have been conducted. The phenomenon of digital marketing adoption by MSME actors is not only related to the technological aspect, but rather to a fundamental change in business paradigm in facing contemporary market dynamics with an orientation towards cost-effectiveness and revenue maximization. The presence of digital platforms as marketing channels has opened a new dimension for MSMEs to reach a wider consumer segment with relatively affordable capital investment compared to conventional marketing methods, resulting in a reduction in promotional costs of up to 70% with a substantial revenue increase potential. Research conducted by (Bruce et al., 2023) revealed that the implementation of digital marketing shows a strong positive relationship with the sustainable growth of MSMEs, where factors such as perceived behavioral control and subjective norms play a significant role in shaping the intention to use digital platforms for marketing activities oriented to profit optimization.

A more in-depth analysis of the digital marketing adoption mechanism shows that this transformation process does not take place in a linear manner, but through adaptation stages that involve changing mindsets, increasing digital literacy, and developing human resource capacity with a focus on skill development that can increase market penetration capabilities. (Febrianita et al., 2023) emphasized that digitalization is a fundamental key to optimizing the opportunities available in the Society 5.0 era, especially in the context of marketing MSME products that require innovative strategies to create competitiveness with competitive pricing strategies. These findings are in line with empirical conditions that show that MSMEs that successfully adopt digital marketing strategies consistently show more stable and sustainable business performance improvements with measurable improvements in profit margins and market share expansion. The implementation of technopreneurship as an integral part of the

digital marketing strategy has been proven to be able to increase the resilience of MSME businesses in the face of market volatility and increasingly dynamic changes in consumer preferences, while providing a competitive advantage in cost structure optimization.

The sustainable dimension in the context of MSME digital marketing is not only limited to economic aspects, but also includes social and environmental dimensions that are integrated in a holistic business model with an emphasis on long-term profitability and sustainable market expansion. Sustainable digital marketing practices enable MSMEs to build long-term relationships with consumers through meaningful engagement, personalization of shopping experiences, and the development of loyal communities that support organic business growth with increased customer lifetime value. This strategy has proven to be effective in creating a unique value proposition for MSMEs, where aspects of locality and traditional wisdom can be combined with modern marketing approaches to produce competitive product differentiation with premium pricing opportunities. (Lubis et al., 2024) confirming that the integration of entrepreneurship based on regional excellence has a significant influence on the performance of MSMEs, especially in the aspect of sustainable profit growth with enhanced profit margins through unique value propositions.

Data from the Jambi City Manpower, Cooperatives and MSMEs Office shows that as of December 2022, the number of MSMEs in Jambi City reached more than 60,000 business units with 57,470 units verified, of which 21,186 MSMEs or around 35% are concentrated in the culinary sector which dominates the local business landscape (Komari, 2022). This substantial MSME population, with a population of 641,020 people in Jambi City in 2024, creates a ratio of 1 MSME for every 11 residents which indicates a high intensity of economic activity and a large domestic market potential for the implementation of digital marketing strategies. Digital transformation implemented through structured programs in Jambi City has shown encouraging results, where 80% of participants have successfully registered their Business Identification Numbers independently, 88% regularly record digital finances, and 75% actively create digital promotional content with a direct impact on increasing operational efficiency and expanding market reach (Handoko et al., 2025). MSMEs that adopt digital marketing strategies show an average turnover increase of 150-300% in the first implementation period, with a reduction in promotional costs of up to 70% compared to conventional methods, while achieving a return on advertising spend (ROAS) of 400-600% which indicates the high effectiveness of digital marketing in increasing the profitability of MSMEs in Jambi City. The culinary sector, which dominates the structure of local MSMEs, has a competitive advantage through the use of Jambi's unique products that are digitally packaged, allowing expansion from the local market to the national market with an increase in customer retention rate of up to 85% and an average order value increase of 120%, thus creating a sustainable competitive advantage and significant long-term profit growth.

The multiplier impact of digital marketing adoption can also be seen in increasing business formalization and access to various government programs and banking financing schemes. MSMEs that are active on digital platforms tend to have neater financial records, an organized administrative system, and better compliance with business regulations, making it easier for them to access business credit and government assistance programs. Data from the Jambi City Cooperatives and MSMEs Office shows that 75% of MSMEs that have adopted digital marketing have managed to access banking credit with preferential interest rates, compared to only 35% for MSMEs that still rely on traditional business methods. This phenomenon creates a positive cycle where better access to capital allows MSMEs to scale up operations, improve product quality, and expand market reach, ultimately resulting in sustainable profitability and competitive advantage that are difficult for competitors to replicate.

3.2. Digital Innovation and Business Strategy in the Era of Society 5.0: A Framework for Profit Maximization

The Society 5.0 era presents a new paradigm in the development of MSME business strategies that integrates digital technology as the main enabler to achieve sustainable innovation with a focus on revenue optimization and cost efficiency enhancement. The concept of Society 5.0 does not only emphasize the adoption of technology, but rather the creation of a human-centric business ecosystem by utilizing technology to solve social and economic problems faced by MSMEs in the context of profit maximization and market competitiveness. (Putra et al., 2024) explained that entrepreneurs in the Society 5.0 era have a pivotal role in navigating and utilizing digital technologies such as artificial intelligence, internet of things, and big data to develop innovative products, improve operational efficiency, expand markets, and make more informed business decisions with data-driven approaches that optimize return on investment. This transformation brings fundamental strategic implications for MSMEs in designing a business model that is adaptive and responsive to changing global market dynamics with sustainable competitive advantages.

The implementation of digital innovation in MSME business strategies requires a comprehensive and structured approach, starting from the development of technology infrastructure to increasing human resource capabilities with an emphasis on skills that can increase operational efficiency and market reach. (Handoko et al., 2025) through their research in Jambi City, it shows that a structured digital transformation program can accelerate the adoption of digital technology for MSMEs, where 80% of participants successfully register their Business Identification Numbers independently, 88% routinely record digital finances, and 75% actively create digital promotional content with measurable impact on business performance metrics. These results indicate that systematic educational interventions are able to significantly increase the digital literacy of MSMEs and encourage the implementation of more modern and efficient business practices with tangible benefits in terms of cost reduction and revenue enhancement. The use of digital applications for financial recording and business operational management has proven to be effective in improving business formalities and transparency in MSME business management with improved financial controls that support profit optimization.

Digital innovation strategies in the context of Society 5.0 also involve the development of a collaborative ecosystem that allows MSMEs to access resources and capabilities that were previously unavailable, including access to wider markets and cost-effective promotional channels. (Febrianita et al., 2023) identify several strategic steps that need to be implemented to ensure the business continuity of MSMEs in the Society 5.0 era, including product innovation, participation in exhibitions and festivals, the use of social media and influencers for promotion, business relationship building, service quality improvement, understanding of social media, and sales through marketplaces with a focus on activities that can maximize profit margins. This holistic approach allows MSMEs to not only survive in increasingly fierce market competition, but also to develop into sustainable and competitive business entities with enhanced profitability performance. (Rusliani et al., 2023) added that the sustainable innovation strategy for MSMEs in Jambi City still faces challenges in terms of flavor, packaging, and marketing technology innovation due to limited capital and human resources, so it requires systematic support from various stakeholders to achieve optimal profit potential.

3.3. Utilizing Social Media and Digital Platforms for Market Expansion: Cost-Effective Marketing Solutions

Social media has become a fundamental strategic instrument for MSMEs in developing market share and increasing product sales volume in the contemporary digital era with significant cost advantages over traditional marketing methods. The transformation of consumer behavior that is increasingly digital-native requires MSMEs to optimize their

presence on various social media platforms to build effective brand awareness, engagement, and conversions with measurable return on marketing investment. (Novita Sari et al., 2025) In his research in Olak Kemang Village, Jambi, revealed that the implementation of digital marketing and optimization of the use of social media as a promotional medium opens up great opportunities for MSME products to reach a wider market compared to conventional marketing methods that have been used, with substantial potential cost savings and improved conversion rates. This approach not only increases geographic reach, but also allows MSMEs to target more precise audiences based on consumer demographics, psychology, and behavioral patterns with optimized advertising spend and higher profit margins.

An effective social media utilization strategy requires an in-depth understanding of the characteristics of each platform and how to optimize the available features to achieve specific marketing objectives with cost-efficient approaches that can maximize profit potential. (Sharabati et al., 2024) emphasizing that digital marketing, including social media marketing, search engine optimization, and customer engagement through digital channels, has an essential impact on the effectiveness of MSMEs as a driver of digital transformation leading to stronger economic outcomes and a wider market presence with significant improvements in revenue generation. Engaging with consumers in digital channels helps organizations understand consumer behavior and preferences, so they can create better experiences and products as well as smarter sales strategies with enhanced profit margins through personalized marketing approaches. This approach allows MSMEs to build sustainable customer relationships through personalized and responsive interactions at various digital touchpoints with increased customer retention rates and higher lifetime value.

The implementation of a comprehensive social media strategy also involves the development of content that is engaging and relevant to the target audience, as well as the use of various content formats ranging from images, videos, to interactive content that can increase engagement rates with cost-effective content creation strategies. (Novita Sari et al., 2025) explained that the mentoring program they carry out includes the development of digital marketing and optimization of the use of social media which is packaged in the form of product videos that are advertised at a premium on social media to expand market share with measurable improvements in brand visibility and sales conversion. The results of the program show a significant increase in people's understanding and skills about digital marketing and promotion using social media with tangible benefits in terms of market reach expansion and profit enhancement. (Handoko et al., 2025) added that 75% of digital transformation training participants in Jambi City are actively creating digital promotional content after participating in interactive workshops that include digital promotional content strategies through social media, indicating the effectiveness of educational approaches in increasing the adoption of digital technology for revenue optimization-oriented marketing purposes.

3.4. Digital Transformation and Increasing the Competitiveness of MSMEs: Pathway to Enhanced Profitability

Digital transformation has become a strategic imperative for MSMEs to increase competitiveness in the face of the complexity of an increasingly competitive and dynamic global market with a focus on sustainable profit growth and market expansion opportunities. This transformation process not only involves the adoption of digital technology, but also fundamental changes in business models, operational processes, and customer experience strategies that enable MSMEs to create a distinctive and sustainable value proposition with enhanced profitability metrics. (Lubis et al., 2024) revealed that entrepreneurial factors significantly affect the performance of MSMEs, especially in profit growth, which indicates the importance of integrating entrepreneurship based on regional excellence in strengthening the competitiveness of MSMEs in Jambi Province with a measurable impact on profit margins and market positioning. These findings indicate that effective digital transformation must be

combined with the use of local comparative advantages to create competitive advantages that are difficult for competitors with superior profit generation capabilities to replicate.

The dimension of digital transformation in the context of increasing the competitiveness of MSMEs includes various aspects that are integrated with each other, ranging from digitizing internal business processes to developing customer-facing applications that can increase customer satisfaction and loyalty with a direct impact on revenue streams and profitability performance. (Putra et al., 2024) Explaining that entrepreneurs can utilize digital technology to access the global market, improve customer experience, and create better business sustainability, thereby making entrepreneurs more competitive and responsive to market changes with enhanced profit optimization capabilities. This transformation allows MSMEs to not only compete in the domestic market, but also explore expansion opportunities into international markets through global e-commerce platforms and sophisticated digital marketing strategies with the potential for significant revenue growth. However, the implementation of digital transformation also faces various limitations such as technology dependence, adaptation difficulties, data security risks, and digital divide that require comprehensive support from the government, private sector, and educational institutions to ensure optimal return on digital investments.

A sustainable digital transformation strategy requires a systematic approach that involves the development of technological infrastructure, the improvement of human resource capabilities, and the creation of a digital ecosystem that is supportive for the growth of MSMEs with an emphasis on activities that can drive profitability improvements. (Handoko et al., 2025) demonstrate that a structured digital transformation program, which includes the implementation of digital business, digital financial record-keeping, and digital promotional content strategies, can result in significant improvements in digital literacy and MSME business practices with measurable business outcomes. The results of the evaluation showed a significant increase in the average digital literacy score of participants from pre-test to post-test, indicating the effectiveness of educational interventions in accelerating the adoption of digital technology with tangible benefits for business performance and profit generation. (Rusliani et al., 2023) He added that sustainable innovation is a crucial element in the digital transformation strategy, where sustainable development aspects integrated into the company's systems can create opportunities for product innovation, services, and business models that are more competitive and sustainable with enhanced profitability potential.

3.5. Strategic Implications and Recommendations for Digital MSME Development: Focus on Profit Optimization

A comprehensive analysis of the implementation of digital marketing strategies in the context of MSMEs in the Society 5.0 era reveals various strategic implications that require special attention from various stakeholders, including MSME actors, the government, and other supporting institutions with particular emphasis on strategies that can maximize profitability and market expansion. (Bruce et al., 2023) Identify that although attitudes towards digital marketing do not directly affect intention to use, perceived behavioral control and subjective norms have been shown to have a significant effect on an individual's behavioral intention to use digital marketing with implications for profit-oriented digital adoption strategies. These findings imply the importance of developing capacity building programs that not only focus on technical aspects, but also on forming a positive mindset and perception of digital technology as an enabler of business growth with measurable return on investment. In addition, the results of the study also show that there is a direct positive relationship between subjective norms and actual behavioral use of digital marketing, indicating the important role of social influence and peer pressure in encouraging the adoption of digital technology among MSME actors that can lead to improved profit performance.

The development of a digital ecosystem that is conducive to the growth of MSMEs requires a multi-stakeholder approach that integrates various initiatives from the government, private sector, academia, and civil society with a focus on initiatives that can drive sustainable profitability. (Sharabati et al., 2024) provide policy recommendations to relevant authorities on the importance of promoting digital innovation and providing financial and technical assistance to MSMEs in this vital field with an emphasis on programs that can demonstrate measurable profit improvements. These recommendations include the development of digital incubation programs, the provision of easy access to financing for technology investments, the establishment of digital skills training programs, and the creation of a regulatory framework that is supportive of digital economic growth with a clear focus on profitability enhancement and market expansion capabilities. (Febrianita et al., 2023) added that the readiness of MSMEs to adopt digitalization is still a major concern, so a systematic support program is needed that can facilitate a gradual and sustainable adaptation process with tangible benefits for business profitability.

The implementation of an effective digital MSME development strategy requires a customized approach based on the specific characteristics of each region and business sector with particular attention to local market dynamics and profit potential. (Novita Sari et al., 2025) shows that community service programs that apply science and technology through the development of digital marketing and optimization of the use of social media can produce outputs in the form of significant increases in community understanding and skills with measurable impact on business performance metrics. The program was carried out in three sessions which included the delivery of material on digital marketing, implementation and assistance in the use of media, as well as ongoing mentoring that ensures the sustainability of knowledge transfer that has been carried out with a focus on practical applications that can drive revenue growth. (Handoko et al., 2025) confirming the effectiveness of the interactive workshop approach in improving the digital literacy of MSMEs, where the combination of lectures, live simulations, and pre-test and post-test-based evaluations has been proven to be able to produce measurable improvements in the adoption rate of digital technology for business purposes with tangible benefits for profit optimization and market competitiveness.

4. CONCLUSION

This research reveals that the implementation of digital marketing strategies has a fundamental role in encouraging the sustainable growth of MSMEs in the Society 5.0 era, especially in the context of Jambi City with a strategic focus on market expansion and profitability optimization. With a significant population of MSMEs in Jambi City as part of the business ecosystem that contributes to more than 99% of the total national business units, digital transformation is not only related to technology adoption, but involves a comprehensive business paradigm shift in integrating digital platforms as a strategic instrument for market expansion and increasing competitiveness with measurable profit improvements. The analysis shows that factors such as perceived behavioral control and subjective norms have a significant effect on the intention of using digital marketing, while structured digital transformation programs have proven to be effective in increasing the digital literacy of MSMEs with a high success rate and tangible business outcomes that indicate enhanced profitability potential. The use of social media and digital platforms allows MSMEs to reach a wider market segment with relatively affordable investments, while creating sustainable customer engagement with a significant cost reduction in promotional activities of up to 70% compared to conventional methods. An effective digital marketing strategy has been proven to be able to increase profit margins through efficient targeting, personalized marketing approaches, and enhanced customer lifetime value that contribute to sustainable revenue growth. However, the implementation of digital marketing strategies still faces challenges in terms of limited capital, human resources, and technological infrastructure that require systematic support from

various stakeholders to ensure optimal return on digital investments and market penetration success. Strategic recommendations include the development of a holistic capacity building program with a focus on skills that can drive profitability, the provision of access to technology financing that supports digital transformation initiatives, and the creation of a digital ecosystem that is conducive to the growth of MSMEs towards a sustainable and competitive Society 5.0 era with an emphasis on sustainable profit optimization. The integration of local wisdom with digital innovation strategies is proven to create unique value propositions that can increase competitive advantage and generate premium pricing opportunities, so that MSMEs in Jambi City can achieve optimal market positioning with enhanced profitability performance in the long term.

5. SUGGESTION

Based on the analysis of the literature that has been conducted, the implementation of digital marketing strategies in MSMEs requires a systematic and sustainable approach to overcome various obstacles that are still significant challenges. The identification of the main barriers faced by MSMEs in digital transformation shows three fundamental dimensions that require priority handling. First, limited financial capacity is a primary obstacle in accessing advanced technology infrastructure and paid digital platforms. Second, the lack of digital competence among business actors creates a substantial implementation gap between the potential of technology and actual utilization. Third, the disparity in technological infrastructure is uneven in various regions, especially in peripheral areas, which is a fundamental barrier in achieving optimal digitalization.

To overcome these problems, this study recommends several implementation strategies that can be adopted by MSMEs. MSMEs are recommended to implement a gradual approach through the utilization of free platforms such as organic social media and marketplaces at no cost before investing in more sophisticated paid tools. Strategic collaboration with the local business community can facilitate knowledge sharing and cost sharing in digital literacy training programs, thereby reducing the burden of individual costs. The use of microfinance schemes, corporate CSR programs, and government grants can be an alternative solution to access technology capital with a higher level of accessibility. MSMEs also need to develop a hybrid strategy that integrates local wisdom with digital marketing approaches to create a unique value proposition that is difficult for competitors to emulate. The formation of strategic partnerships with educational institutions, business incubators, and the startup community can accelerate the capacity building process through ongoing mentorship programs oriented towards sustainable profit optimization and market competitiveness enhancement.

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