# Unique and Attractive Digital Marketing Strategies for MSMEs in Indonesia

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# **ABSTRACT**

Digital marketing has become a key instrument for MSMEs (Micro, Small, and Medium Enterprises) to expand their market reach and compete in the digital era. Although numerous studies have explored digital marketing in general, few have specifically examined unique and engaging strategies that can enhance consumer engagement, brand differentiation, and loyalty in the context of Indonesian MSMEs. This article proposes a strategic framework for distinctive digital marketing by integrating content creativity, personalization, local storytelling, gamification, and omnichannel integration. The research method employed is a literature review and comparative analysis of empirical findings from Indonesian academic journals. The findings indicate that strategies combining interactivity, emotional elements, and adaptation to local characteristics have the potential to significantly improve digital marketing effectiveness. In conclusion, MSMEs need to develop digital marketing strategies that are not only operationally sound but also inspirational. Further field research is recommended to validate this proposed framework.

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## 1. INTRODUCTION

The digital era has fundamentally transformed how businesses operate across nearly all sectors, including at the level of Micro, Small, and Medium Enterprises (MSMEs). Digital transformation is no longer a choice but a necessity for MSMEs that wish to remain relevant and competitive in an increasingly dynamic market landscape. Shifts in consumer behavior, technological advancements, and the integration of digital media into daily life have made digital marketing a key strategy that MSME actors in Indonesia must adopt. Digital marketing offers broader access to larger markets, cost efficiency, and more targeted personalization (Sapthiarsyah & Junita, 2023).

Many MSMEs in Indonesia have utilized various digital platforms such as social media (Instagram, TikTok, Facebook), marketplaces (Tokopedia, Shopee), and personal websites to market their products or services. However, the majority still rely on generic approaches. The content they produce tends to be monotonous, lacks interactivity, and fails to reflect a strong brand identity, making it difficult to establish emotional appeal and long-term consumer engagement (Putri & Laksniyunita, 2022). These "ordinary" marketing strategies hinder MSMEs from effectively competing, especially against larger brands or competitors that already master more advanced and creative digital marketing techniques.

Previous research has highlighted the positive contribution of digital marketing to business performance, including sales growth, operational efficiency, and brand image enhancement. Santoso (2020), for example, in a study published in the E-Journal of Universitas Airlangga, examined the role of digital marketing in sustaining e-commerce during the COVID-19 pandemic in Indonesia. He concluded that effective digital communication via social media and other online platforms was crucial in maintaining brand awareness and customer loyalty during times of crisis. This emphasizes that digital marketing functions not only as a promotional tool but also as a means to build long-term relationships with consumers.

However, a major gap that remains underexplored in digital marketing studies for MSMEs is the implementation of innovative and creative elements that can differentiate one marketing strategy from another. Components such as local storytelling, gamification, interactive content, and deep personalization hold great potential to make digital marketing strategies more unique and engaging. Unfortunately, these concepts are still minimally applied by MSMEs and are rarely discussed in local academic research.

Local storytelling, for instance, is a narrative approach that highlights the story behind a product, cultural values, and the entrepreneurial journey all of which can foster emotional bonds between brands and consumers. According to Sihura (2022), using narratives that reflect local wisdom not only strengthens brand identity but also increases consumer engagement by making them feel more connected to the story and values conveyed. Yet, only a small number of MSMEs actually present their stories in strong visual or narrative formats.

Similarly, gamification the application of game-like elements in marketing, such as reward challenges, point systems, or loyalty levels has proven effective in boosting engagement and customer retention, especially among younger generations familiar with reward-based and interactive digital experiences. Wahyudi et al. (2024) assert that gamification in digital marketing encourages consumers to actively participate in brand campaigns through quizzes, social media challenges, or referral-based promotions.

Furthermore, deep personalization remains an essential aspect that is rarely utilized by MSMEs. Digital personal branding is often one-way and does not consider individual consumer behavior. In fact, with the data available from digital platforms such as shopping habits, content interaction, and geographic location MSMEs should be able to tailor their strategies to meet the specific needs and preferences of each customer. Research by Adam, Wenas, and Worang (2021) shows that consumers respond more positively to personalized content and offers compared to generic ones.

The main challenge in applying these unique and engaging strategies lies in the low level of digital literacy among MSME actors. Many still do not understand the importance of creative content, lack the skills to use appropriate digital tools, or rely on third parties without a clear long-term strategy (Safitri et al., 2022). In addition, limitations in time, human resources, and financial capacity also serve as major barriers to implementing more complex marketing strategies.

Therefore, a systematic approach is needed to explore and develop digital marketing strategies that are not only operationally effective but also unique, creative, and inspirational. This study aims to formulate a digital marketing strategy framework that combines interactivity, local storytelling, gamification, and personalization, and to analyze its implementation within the context of Indonesian MSMEs through literature reviews and available empirical data.

The results of this research are expected to contribute both theoretically and practically and serve as a guide for MSME actors in crafting digital marketing strategies that stand out, emotionally engage consumers, and ultimately enhance their business competitiveness in a sustainable manner.

#### 2. METHODS

This study employs a descriptive qualitative approach using a literature review method as the primary data collection technique. This approach was chosen to explore in depth various concepts, strategies, and implementations of unique and engaging digital marketing, particularly in the context of MSMEs (Micro, Small, and Medium Enterprises) in Indonesia.

The data sources used in this research consist of nationally accredited academic journals (SINTA), conference proceedings, and other relevant scholarly publications published between 2018 and 2024. The sources were selected purposively based on the following criteria: (1) discussing digital marketing practices among MSMEs in Indonesia; (2) addressing creative strategies such as storytelling, gamification, personalization, or interactive content; and (3) published in nationally accredited journals or reputable international publications.

The analysis process involved several stages: data reduction, thematic categorization, and conceptual synthesis. The collected literature was classified based on the types of digital marketing strategies, their implementation objectives, and the reported outcomes or impacts. From this analysis, a conceptual framework was developed, illustrating unique and engaging digital marketing strategies that are relevant and applicable for Indonesian MSMEs, as well as the common challenges they face in implementing such strategies.

#### 3. FINDINGS AND DISCUSSION

## Local Storytelling as a Differentiation Power

A phenomenological study on culinary MSMEs in Semarang by Kaharudin (2025) found that brand storytelling plays a crucial role in building customer loyalty. The study revealed that narratives based on family heritage, cultural locality, and sustainability are appreciated by consumers as added emotional value, strengthening brand attachment (Kaharudin, 2025).

In the context of digital marketing, local storytelling can serve as a bridge between brand identity and the consumer. When MSMEs share the story behind their products, the origin of local ingredients, traditional production processes, or the struggles of their entrepreneurial journey, consumers feel an emotional connection they are not just buying a product, but becoming part of a story. A study titled "Digital Marketing Training and Mentorship Using Storytelling Techniques for the Teras Ciapus MSME Community" by Pratiwi, Yuliana, Silitonga, and Dewi (2024) showed that storytelling training enabled MSME actors to craft product narratives into more engaging and communicative content (Pratiwi et al., 2024).

A key aspect is narrative consistency and authenticity. Overly fabricated or inconsistent stories tend to reduce consumer trust. Sihura (2022) noted that many MSMEs struggle to maintain consistent narratives, especially when they frequently change strategies or need to produce large volumes of content (Sihura, 2022). Therefore, storytelling must be designed to remain flexible while staying true to the brand's core values.

# **Interactive Content: Building Two-Way Engagement**

Interactivity is a key indicator of how far consumers not only receive content but also participate in and contribute to it. Interactive content strategies may include polls, quizzes, live Q&A sessions, challenges (#challenges), or user-generated content (UGC).

The study "Digital Marketing Strategy via Instagram to Increase MSME Revenue" by Rizkiani (2023) found that the MSME Seblak Nyenyenye leveraged Instagram features such as Stories and Reels, as well as influencer collaborations, resulting in increased engagement and audience reach.

Consequently, their revenue grew by approximately 35% within three months (Rizkiani, 2023). In this case, interactive features served as channels to draw audiences into "playing" with the content, rather than merely watching.

However, interactivity alone is insufficient without driving mechanisms. To encourage consumer response, interactive content must be easily accessible, relevant, and offer incentives—such as small prizes, public recognition, contests, or "invite-a-friend" referral features. This is where gamification elements can be reinforced.

# Gamification: High Potential, Limited Implementation

Gamification refers to the use of game elements (points, badges, leaderboards, challenges) in non-game contexts to enhance user motivation. Despite being a trend across various industries, its application in local MSME digital marketing remains limited.

A study titled "Application of Gamification Concepts in E-commerce Apps for Food MSMEs" by Ningsih (2023) showed that implementing ratings and badges in e-commerce apps successfully motivated customers to continue transacting within the platform (Ningsih, 2023). Similarly, another study, "Gamification Implementation in a Web-Based Marketplace for Coffee Seed Products" by Rinjeni, Lemantara, and Wardhanie (2024), highlighted that gamification elements can improve user experience and loyalty (Rinjeni et al., 2024).

However, most research on gamification and MSMEs remains at the prototype or experimental stage. Practical challenges include avoiding overly complex designs (to prevent user fatigue), developing sustainable reward systems, backend integration, and user literacy. In a community service context, Sabilirrasyad, Firdausi, Prasetyo, and Hermansyah (2024) emphasized that webinars and gamification education can increase MSMEs' understanding of the concept, but adoption remains slow due to limited awareness and skill sets (Sabilirrasyad et al., 2024).

Importantly, the study "Information System Analysis for Enhancing MSME Productivity Through a Gamification Approach" by Riwanda and Nasution (2023) indicated that gamification can also be integrated into management information systems to monitor operational progress not just for marketing purposes (Riwanda & Nasution, 2023). This opens opportunities for gamification to play a broader role, both in consumer-facing interactions and internal business processes. Effective gamification must be enjoyable yet unobtrusive, and offer rewards perceived as valuable by consumers. Integration with storytelling elements can enhance the gamified experience as part of the brand narrative.

# Deep Personalization: Implementation Challenges and Untapped Opportunities

In digital marketing, personalization refers to delivering content, offers, or experiences tailored to individual preferences, behaviors, or characteristics. In Indonesian MSME literature, deep personalization (beyond basic segmentation) is rarely explored empirically.

For instance, in a study of MSMEs in Tomohon, Adam, Wenas, and Worang (2022) stated that social media marketing offers great potential but emphasized the need for training so that MSME owners can utilize interaction data and understand the most effective marketing channels (Adam, Wenas & Worang, 2022). However, this study focused more on channel usage rather than content personalization based on individual behavior.

In content marketing literature, Mustofa, Anah, and Ningsih (2023) found that for Apelicious culinary MSME in Malang, text, image, and video content aligned with local themes and ingredients could enhance brand awareness and engagement (Mustofa et al., 2023). Still, the study did not explore personalization based on customer history or automated recommendations.

The lack of personalization may stem from:

- a. Absence of customer data collection systems (e.g., simple CRMs or databases),
- b. Limited technological and data analysis capabilities,
- c. The time and cost required to build advanced segmentation systems,

• Insufficient interaction volume for meaningful segmentation.

Yet, the potential remains high. For example, sending personalized offers to returning customers based on purchase history or creating content aligned with specific preferences can drive higher response rates than generic messaging.

# Strategy Integration: Synergy Between Storytelling, Interactivity, Gamification, and Personalization

To ensure that digital marketing strategies are truly unique and engaging, these elements cannot stand alone they must be smartly integrated. For instance:

- a. Local storytelling can serve as the main narrative for gamified missions or challenges tied to the brand's journey.
- b. Interactive content (quizzes, polls) can be embedded into the narrative so users feel part of the story, not just forced to "play."
- c. Personalization can be implemented at the user interaction level, such as recommending specific challenges or rewards based on user segments (e.g., new customers, loyal users, or active participants).
- d. Content interaction data can be used to tailor future content. For example, if a user participates in a poll, subsequent content can be adjusted based on their response creating an experience that feels "attentive," not generic.

A study titled "Building Brand Image in the Digital Era" by Pratama, Rokibullah, and Nappisah (2025) on the MSME brand Kafani Bandung emphasized that integrated marketing communication (IMC) through TikTok and other digital platforms should be paired with educational and edutainment content to strengthen brand image (Pratama et al., 2025). In this context, the integration of narrative, engaging content, and channel strategies is essential.

# **Real Barriers and Mitigation Strategies**

Based on a review of the literature, several practical obstacles frequently arise:

- a. Low digital literacy: Many MSME actors still lack understanding of creative elements, storytelling techniques, gamification management, or data analytics (Safitri et al., 2022; Sihura, 2022).
- b. Human resources and budget constraints: Developing creative content, interactive campaigns, gamified systems, and personalization strategies requires significant investment.
- c. Technological infrastructure: Poor or unstable internet connections in some areas hinder digital content operations.
- d. User volume: Meaningful segmentation or gamification relies on a sufficient user base to ensure relevant interactions and data.
- e. Design complexity: Gamification and interactivity must remain simple to avoid overwhelming users unfamiliar with digital experiences.
- f. Long-term maintenance: Systems for gamification or personalization require regular updates and maintenance to stay relevant.

To overcome these barriers, the following mitigation strategies can be applied:

- a. Provide gradual digital literacy training, focusing initially on creative aspects such as storytelling and interactivity.
- b. Start with simple gamification elements (e.g., basic point systems or light challenges) before developing complex mechanics.
- c. Collaborate with tech providers, digital platforms, or local digital communities to offer tools and support.
- d. Utilize free or low-cost tools (e.g., social media platforms with built-in polls, badges, or simple reward features) to minimize technical burdens.
- e. Conduct **ongoing evaluation and iteration** based on real interaction data—successful strategies can be expanded, and less effective ones improved.

In conclusion, while many MSMEs in Indonesia have adopted basic digital marketing practices such as social media and visual content, creative elements like local storytelling, interactive content, gamification, and deep personalization are still underutilized. Strategic integration and adaptation to resource conditions are key to making digital marketing not only effective but also unique and emotionally engaging for consumers.

#### 4. CONCLUSION

Digital marketing has become a vital tool for MSMEs to survive and grow in the digital era, particularly in the post-pandemic period, which accelerated digital transformation. This study reveals that although many MSMEs have adopted digital platforms such as social media and online marketplaces, the strategies employed remain largely generic and have yet to fully optimize consumer engagement on a deeper level.

Innovative elements such as local storytelling, interactive content, gamification, and deep personalization have been shown to add significant value to digital marketing strategies. Storytelling rooted in local values is effective in building an authentic and emotionally resonant brand image, while interactive content fosters two-way engagement between MSMEs and their consumers. Gamification though still rarely applied holds great potential to foster customer loyalty in an enjoyable way. Meanwhile, deep personalization remains significantly underutilized, despite the availability of technology and data that can support its gradual development.

However, the success of these unique digital marketing strategies is highly dependent on the digital literacy of MSME actors, the availability of technological infrastructure, human and financial resources, and the capacity to produce creative and sustainable content. Therefore, synergy is needed between training, mentorship, and the effective use of appropriate technologies to ensure MSMEs not only exist in the digital space but also stand out, remain relevant, and stay competitive.

This study emphasizes that for digital marketing to become a true driving force for MSMEs, strategies must go beyond mere digital presence. They must be developed into meaningful, engaging, and distinctive digital experiences in the eyes of consumers.

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