

The Role of Internet Media in Enhancing MSME Sales in Tanjung Balai City

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Abstract— This study aimed to examine the extent of internet media use and its impact on sales growth among MSMEs in Tanjung Balai City. This type of research is a descriptive qualitative study using a qualitative triangulation approach, which integrates observation, semi-structured interviews, questionnaires, and documentation to strengthen data validity without conducting statistical tests. The results of the study indicate that optimal use of internet media results in an average increase in sales of 32% compared to the period before adoption. The most widely used media and contributing to this increase is Facebook social media. Other findings in this study suggest that MSME actors still lack a strategic understanding of how to utilize digital platforms effectively and other obstacles related to limited technological infrastructure and high market competition, which hinder product visibility and consumer engagement. These results indicate the need for capacity building initiatives and digital literacy training to help MSMEs maximize the benefits of internet media for business growth.

Keywords: Digital Marketing, MSMEs, Tools

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) in Tanjungbalai City are facing serious challenges in maintaining business continuity in the post-Covid-19 era. Nationally, MSMEs have proven to be the backbone of the economy, contributing more than 60% to the Gross Domestic Product (GDP) and absorbing 96.9% of the total national workforce [1]. However, in reality, many MSMEs in this region have struggled to adapt to the drastic changes brought about by the pandemic. Data from the Central Bureau of Statistics (BPS) shows that out of 17 business sectors in Tanjungbalai City, only the information and communication sector and the health services sector were not significantly affected by the pandemic. The main sectors that support the livelihoods of MSME actors, such as trade, tourism, and manufacturing, experienced the sharpest slowdowns. In addition, household consumption declined due to the decreased purchasing power of the community, further worsening the condition of MSMEs. This decline in consumption is a major threat resulting from reduced household income [2]. In response to this pressure, digital transformation has become a crucial solution. The shift in consumer behavior toward digital platforms presents a new opportunity for MSMEs to transform through the use of internet media and digital marketing platforms. In reality, most MSMEs in Tanjungbalai still face limitations in terms of knowledge, skills, and digital infrastructure. Marketing activities are still largely conventional, with minimal online promotion and a lack of adaptability to digital market trends.

Received: 26 May 2025

Reviewed: 14 June 2025

Accepted: 30 June 2025

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Although this digital shift opens up new opportunities through more efficient and far-reaching online marketing strategies, the majority of MSME actors in Tanjungbalai have yet to possess adequate knowledge, skills, or digital infrastructure. Previous studies have shown that the Covid-19 pandemic caused a shift in consumer behavior, resulting in increased potential for digital marketing [3]. However, marketing efforts among local MSMEs remain traditional, poorly promoted online, and not in line with the digitalization trends of the market. This has become a significant barrier to sustainable recovery and development.

Meanwhile, both central and local governments have promoted digital transformation of MSMEs through various programs such as the “National Movement for Proudly Made in Indonesia” (Gernas BBI) and digital training initiatives by the Ministry of Cooperatives and SMEs. Unfortunately, the level of implementation in regions such as Tanjungbalai has not been optimal. Previous research has shown that the use of social media has a positive impact on increasing MSME sales in Lontar Village. This is due to the fact that online marketing systems offer easier processes for ordering and purchasing [4]. Internet access can facilitate business operations. However, not all MSME entrepreneurs have experienced the benefits of using technology—some have encountered difficulties in integrating the internet into their business activities [5]. To date, most studies have focused on major urban areas with greater digital readiness. Very few studies have explored the specific challenges, readiness levels, and effectiveness of digital technology adoption in smaller cities or rural areas. Therefore, a significant research gap exists, which must be addressed to develop adaptive strategies that align with the local context.

2. LITERATURE REVIEW

According to Law No. 20 of 2008, Micro, Small, and Medium Enterprises (MSMEs) are defined as productive economic activities undertaken by individuals or business entities that meet specific criteria, such as workforce size, turnover, assets, and business independence [4]. MSMEs play a significant role in supporting the national economy. However, in practice, MSMEs commonly face limitations in human resources, capital, and market access, which in turn affect the effectiveness of their marketing and sales activities. Product sales are a critical element in the sustainability of MSMEs. The products sold may include goods produced by the business itself or those purchased for resale [5]. In the era of information and communication technology (ICT) advancement, sales processes no longer rely solely on conventional methods but have begun to shift toward digital approaches. Social media and e-commerce have emerged as the two primary digital platforms currently utilized to support MSME marketing and sales processes.

Social media platforms such as Facebook, Instagram, TikTok, and YouTube serve as interactive promotional tools that enable two-way communication between businesses and consumers. The advantages of social media lie in its ability to build brand awareness, increase product visibility, and foster customer engagement. Previous studies have shown that the optimal use of social media can enhance market share and sales volume [6], [7]. Nevertheless, limited capacity among MSME actors to professionally manage social media remains a considerable challenge [8]. Meanwhile, e-commerce provides a platform that enables online buying and selling transactions. E-commerce helps MSMEs market their products to a broader audience—even across regions—at relatively low cost. Moreover, it allows business owners to obtain valuable consumer data, which can be used to formulate more effective marketing strategies [9]. Prior research has found that e-commerce adoption positively impacts MSME sales performance [10], [11], [12], [13].

Despite the substantial potential of these digital platforms, in reality, many MSME actors—particularly in Tanjungbalai City—have not yet fully embraced them. This has created a gap between the potential and actual utilization of digital technologies. Many

previous studies tend to examine the use of social media or e-commerce separately, without viewing them as integrated components of a unified digital marketing strategy. Furthermore, research on MSMEs in non-metropolitan areas such as Tanjungbalai remains limited, even though the conditions and challenges may differ significantly from those in major urban centers. This study seeks to address that gap by examining how the integrated use of internet-based media can form a cohesive digital marketing strategy that contributes to increased MSME sales. Accordingly, this research is expected to contribute to the development of both academic literature and business practices, while also providing practical insights for MSME actors and local governments in designing effective digitalization policies.

3. RESEARCH METHODOLOGY

3.1. Type of Research

This type of research is a descriptive qualitative study, which aims to describe and explain the research object in depth by addressing the research problem through data collection, classification, and conclusion drawing, without applying statistical data testing.

3.2. Population and Research Sample

The population of this study consists of MSMEs in Tanjungbalai City that utilize internet media, including social media platforms such as Facebook, Instagram, and TikTok, messaging platforms, and e-commerce or marketplace platforms. This study employs primary data collected through structured interviews, in-depth interviews, and observation, as well as secondary data obtained from the Department of Cooperatives, Small and Medium Enterprises of Tanjungbalai City. The sampling technique used in this study is purposive sampling. Purposive sampling is a method of selecting samples based on specific criteria or considerations [14]. The purposive sampling in this study involves selecting elements from the population who meet the following criteria:

- a. Active MSME actors in Tanjungbalai City;
- b. Users of social media platforms such as Facebook, Instagram, TikTok, and others, as well as messaging platforms such as WhatsApp and Line, and users of e-commerce or marketplace platforms;
- c. The total number of respondents is 30 MSMEs who already use social media and e-commerce to market their products and services and are willing to participate as respondents.

Several factors determine the selection of 30 respondents in this study, including the homogeneity of the respondent group, the exploratory nature of the research (which does not aim for generalization and therefore does not require a large sample size), and resource limitations such as time, budget, and participant availability.

3.3. Data Analysis

The data in this study were obtained through three primary methods: observation, interviews, and documentation involving respondents who were designated as informants. Primary data were collected from respondents' answers to structured interviews, in-depth interviews, and questionnaires designed by the researcher. Meanwhile, secondary data were utilized to complement and strengthen the research findings. These secondary data were obtained from various literature sources, including previous research journals (both national and international), academic books, official news portals, statistical data, and other relevant references.

The data collection technique employed in this study applies the methodological triangulation model. Methodological triangulation is a research approach that combines two or more data collection techniques to examine the same phenomenon more comprehensively. The main objective of using triangulation is to enhance the validity and reliability of the research findings by comparing and contrasting data obtained through

different methods, thereby producing more comprehensive, accurate, and trustworthy results.

In the context of this study, triangulation is implemented by integrating qualitative and quantitative approaches to analyze the phenomenon of digital media utilization by MSME actors in improving sales. The qualitative approach is used to explore in depth the perceptions, experiences, and practices of MSME actors. Meanwhile, the quantitative approach is applied in a limited scope through descriptive statistical analysis, which is processed using SPSS (Statistical Package for the Social Sciences) to support the interpretation of numerical data.

4. RESULTS AND DISCUSSION

4.1. RESULT

4.1.1 Respondent Characteristics

Based on the results of the survey in this study, the respondents who provided answers to the research questionnaire have the following characteristics: gender, position, business sector, and business category, as presented in Table 1 below.

Table 1. Respondent Characteristics

No	Description	Respondents' Answer Distribution
1	Gender	Male: 9 (30%)
		Female: 21 (70%)
2	Respondents' Position	Owner: 17 (56%)
		Manager: 13 (44%)
3	Business Sector	Trade: 19 (63%)
		Café and Restaurant: 11 (37%)

Source: Data processed by the author (2025)

Based on the data presented in Table 1, the characteristics of the respondents in this study can be described as follows. The majority of respondents were female, totaling 21 individuals or 70% of the total sample. Meanwhile, male respondents accounted for 9 individuals or 30%. This indicates that women were more dominant in participating in this research questionnaire. Furthermore, in terms of job position, most respondents were business owners, totaling 17 individuals (56%), while managers made up 13 individuals (44%). This suggests that business owners were more actively involved in the study, indicating a high level of participation from decision-makers in the enterprises. In terms of business sector, most respondents represented the trade sector, with 19 individuals or 63%. The remaining 11 respondents (37%) were engaged in the café and restaurant sector. This shows that businesses in the trade sector were more dominantly represented in this survey compared to those in the food and beverage industry.

4.1.2 Use Of Internet Media In Business Operations

The survey results in this study regarding the utilization of internet devices and media by MSMEs are presented in Table 2 below.

Table 2. Utilization of Internet Media

No	Description	Category	Frequency	Percentage
1	Type of IT Device	Smartphone	15	50%
		Laptop	8	27%
		Personal Computer	7	23%
2	Duration of Internet Usage	More than 12 Hours	10	33%
		6-12 Hours	12	40%
		3-5 Hours	8	27%
3	Types of Media Used	Facebook	13	43%

4	Marketplace Used	Instagram	9	30%
		WhatsApp	8	27%
		Facebook	19	63%
		Shopee	7	23%
		Tokopedia	4	14%

Source: Data processed by the author (2025)

Based on Table 2, the majority of respondents use smartphones (50%) as their primary device to access the internet, followed by laptops (27%) and personal computers (23%), indicating a stronger preference for mobile devices. The respondents' daily internet usage duration is relatively high, with 40% using the internet for 6–12 hours, 33% for more than 12 hours, and 27% for 3–5 hours. Facebook is the most frequently used social media platform (43%), followed by Instagram (30%) and WhatsApp (27%), indicating that Facebook remains the primary platform for social interaction. In terms of marketplaces, Facebook is also the most widely used (63%), surpassing Shopee (23%) and Tokopedia (14%), suggesting a tendency to conduct transactions on social media-integrated marketplaces.

4.1.3 Sales Conditions of MSMEs

The research results show that out of 30 MSMEs surveyed, 12 MSMEs (40%) experienced an increase in sales, while 16 MSMEs (54%) reported stable sales conditions. Meanwhile, 2 MSMEs (6%) experienced a decline in sales. The following table presents the sales conditions of MSMEs.

Table 3. Sales Conditions of MSMEs

No	Sales Condition	Number of MSMEs	Percentage
1	Increased	12	40%
2	Stable	16	54%
3	Decreased	2	6%
Total		30	100%

Source: Data processed by the author (2025)

The high percentage of MSMEs experiencing stagnation or stable sales conditions reaching 54% along with 6% of MSMEs reporting a decline in sales, is a cause for concern. This indicates that consumers may not be purchasing the products offered by these MSMEs. Further investigation is needed to determine whether this is due to a lack of awareness about the products despite marketing efforts through internet-based media, or due to other contributing factors.

4.2. DISCUSSION

Micro, Small, and Medium Enterprises (MSMEs) in Indonesia, including in Tanjung Balai City, play a crucial role in the regional economy. The role of MSMEs in economic growth is increasingly significant, thus MSMEs must enhance their ability to overcome challenges in order to develop better, become more advanced, and independent, thereby strengthening their contribution to economic growth. MSMEs, which constitute 99% of all business units, contribute up to 60.5% of GDP and absorb 96.9% of the national workforce [1]. However, the majority of MSMEs still rely on traditional sales methods and are limited to local markets. With technological advancements, the use of internet media for marketing and sales has become increasingly important. Internet media such as social media platforms (Facebook, Instagram, WhatsApp, etc.), websites, and e-commerce platforms offer MSMEs opportunities to expand their market reach. Based on research findings, the use of internet media provides several key benefits for MSMEs in Tanjung Balai, including, Increased Market Access: Internet media enables MSMEs to

reach broader markets, even international markets. Previously, small businesses could only sell products to local consumers, but online platforms allow them to attract customers from various regions. **Marketing Cost Efficiency**, By using internet media, MSMEs can reduce marketing costs typically spent on traditional advertisements such as banners, brochures, or TV/radio ads. For instance, marketing through social media like Instagram or Facebook can be done with relatively low budgets, even starting from a small budget. **Direct Interaction with Consumers**, Through social media and messaging apps like WhatsApp, MSME owners can interact directly with consumers. This not only speeds up responses to consumer inquiries or complaints but also builds closer relationships and customer loyalty. Previous research results also show that the digitalization variable has an influence on business performance, then competitive advantage also has a positive and significant influence on business performance. The results of the indirect influence test also show that competitive advantage can mediate the relationship between digitalization and business performance. The better the implementation of digitalization, the higher the competitive advantage of MSMEs, resulting in increased business performance [15]. **Consumer Trust and Convenience**, Utilizing internet media in marketing makes consumers feel more comfortable transacting with MSMEs that have a good online reputation and provide transparent information about their products and services. **Ease of Payment and Delivery**, The use of internet media also allows MSMEs to leverage digital payment systems and online delivery services, speeding up transactions and enhancing consumer convenience. This is very relevant with the growing e-commerce trend in Indonesia. The study underscores the necessity of multi-stakeholder collaboration to support UMKM transformation, with strategic recommendations focusing on enhancing digital literacy programs, investing in scalable technological infrastructure, and formulating inclusive policies. These measures are critical to ensuring UMKM sustainability and equitable participation in the global digital economy [16]. The study underscores the significance of the government's role in establishing regulatory frameworks, offering financial incentives, and fortifying infrastructure to facilitate the sustainable digital transformation of MSMEs [17]. Then, other research results also found that multinomial and multivariate probit estimates showed that digital diffusion is a significant positive trigger for innovation in MSMEs [18].

Nevertheless, the research also highlights several challenges faced by MSMEs in Tanjungbalai in utilizing internet media. The lack of human resources proficient in information and communication technology (ICT) poses a challenge and obstacle for MSMEs in using social media. This issue needs attention from business actors so their products can be seen and favored by consumers worldwide [8]. Empirical findings confirm that the impact of digitalization on innovation activities is heterogeneous among SMEs. Furthermore, the innovation effects are modest and depend on the form of digitalization and a type of innovation [20]. Other challenges include: **Limited Technological Knowledge**: Many MSME actors in this area may not yet have adequate knowledge to optimally use internet media. Training related to digital marketing, content creation, and understanding e-commerce platforms may still be lacking. **Limited Infrastructure**: Although internet usage is increasingly widespread, some areas may still face technological infrastructure limitations such as unstable internet connections or limited access. **Intense Competition**: With more MSMEs shifting to internet-based marketing, online competition is becoming fiercer. This requires MSMEs to be more creative and innovative in promoting their products to continue attracting consumer attention.

Referring to the research results, several steps can be taken to enhance the use of internet media among MSMEs in Tanjungbalai, including: **Digital Training**, Providing digital marketing, social media management, and e-commerce platform training for MSME actors to increase their knowledge. **Improved Internet Facilities**, Providing better internet facilities in underserved areas to ensure MSMEs can optimally utilize technology. **Collaboration with Major E-Commerce Platforms**, Collaborating with large

e-commerce platforms to help MSMEs more easily reach wider markets and provide related platform usage training. Overall, the use of internet media offers significant benefits for MSMEs in Tanjungbalai in marketing their products, with great potential to expand markets, increase efficiency, and improve customer relationships. Therefore, further efforts are needed to optimize the use of internet media for MSMEs in the region.

5. CONCLUSION

Micro, Small, and Medium Enterprises (MSMEs) in Tanjungbalai contribute significantly to regional economic development. The utilization of internet-based media such as social media, websites, and e-commerce platforms offers various benefits, including market expansion, cost efficiency, increased customer engagement, and improved transaction processes. However, there are still challenges, particularly in terms of digital literacy, infrastructure, and market competition. Strategic interventions such as digital training, infrastructure development, and collaboration with digital platforms are essential to optimize internet utilization. Strengthening digital capabilities will enhance the competitiveness and sustainability of MSMEs in the digital economy. This study has several limitations, including a very small sample size and a simple data analysis method. Therefore, it is highly recommended to continue this research using more innovative approaches and methods, as well as increasing the number of respondents.

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