

# DIGITAL MARKETING COLLABORATION IN IMPROVING MSME PERFORMANCE

Alsya Nurliza Shamsudin <sup>1</sup>, Nazla Nafisal Hakim <sup>2</sup>, Tiara Zahara Zulva <sup>3</sup>, and Muhammad Khairul Amal<sup>4</sup>

<sup>1234</sup> Department of Retail Management, Faculty of Economic, University Muhammadiyah Sukabumi, Sukabumi, 43113, Indonesia

## ABSTRACT

One of the most important factors that can improve the performance of MSMEs is collaboration, especially digital marketing. The purpose of this study is to find out and explain digital marketing collaboration in improving the performance of MSMEs in Sukabumi Regency. This research data is MSME players in Sukabumi Regency with the population of this study being food MSMEs in Sukabumi Regency, with a total of 95,051 business actors obtained from West Java. This study's methodology is descriptive and quantitative in nature. Using a web.raosoft.com sample size and a 10% error rate, a sample of 100 respondents was obtained for this study's sampling technique. Respondents were given questionnaires in the form of questions as part of the data collection approach used in this study. This study's analysis technique was simple linear regression analysis. The study's findings demonstrated that, with a 69.8% influence from digital marketing and a 30.2% influence from other factors, MSMEs' sustainability is positively and significantly impacted by this strategy.

## ARTICLE INFO

Keywords:  
Digital Marketing  
Collaboration, MSME  
Performance, Sukabumi  
Regency

\* Corresponding Author at Department of Retail Management, Faculty of Economic, Universitas Muhammadiyah Sukabumi, Jl. R. Syamsudin, S.H. No. 50, Kota Sukabumi, 43113, Indonesia  
E-mail address: [alsya030@ummi.ac.id](mailto:alsya030@ummi.ac.id), [nzlanfsl@ummi.ac.id](mailto:nzlanfsl@ummi.ac.id), [ztiazahara24@ummi.ac.id](mailto:ztiazahara24@ummi.ac.id), [khairulamal@ummi.ac.id](mailto:khairulamal@ummi.ac.id)

## 1. Introduction

In an increasingly advanced digital era, the marketing of products and services has undergone significant changes. One of the sectors affected by this change is Micro, Small and Medium Enterprises (Daud et al., 2022). MSMEs play an important role in the global economy, but they often face major challenges in marketing products and reaching a wider target market (Sangadji et al., 2022). In recent years, the trend of digital marketing collaboration has become an effective strategy in improving the performance of MSMEs (Zhang, 2018). Digital marketing collaboration involves cooperation between MSMEs and third parties such as social media influencers, e-commerce platforms, or technology companies (Lim & Rasul, 2022). The goal of this collaboration is to increase brand visibility, grow customer base, and drive sales (Lamberton & Stephen, 2016).

One of the main benefits of digital marketing collaboration is wider access to the market. By collaborating between social media influencers who have a large following and MSMEs can reach a

wider market (Muniroh., 2023). Through content delivered by influencers, MSMEs can introduce their products or services to potential customers. In addition, collaboration with e-commerce platforms is also an effective strategy to improve the performance of MSMEs (Sugiharto, (2024). By utilizing popular e-commerce platforms, MSMEs can expand their market reach both nationally and internationally.

Technology companies also play an important role in digital marketing collaboration. With the help of technology companies, MSMEs can take advantage of various digital tools and services such as analytics, marketing automation, and sophisticated customer targeting techniques (Chinakidzwa d&; Phiri, 2020). This helps MSMEs optimize their marketing efforts and identify new customers. However, although digital marketing collaboration offers many benefits, MSMEs also need to consider the challenges and opportunities (Telukdarie et al., 2022; Turkyilmaz et al., 2020). One of them is the selection of the right partner for collaboration (Sopanah et al., 2023). MSMEs must conduct careful research and evaluation before working with third parties. In addition, MSMEs also need to have a strong understanding of digital marketing strategies and the skills needed to manage effective promotions.

By understanding the role and potential of digital marketing collaboration, it is hoped that MSMEs can optimize their marketing efforts to achieve greater success in the growing digital era. In digital marketing collaboration to improve MSME performance, of course, several problems must be faced such as limited resources, difficulty choosing the right partner, digital ecosystem management, changing trends and technology, and fierce competition (Wang, 2020). From some of the problems above, this study aims to find out and explain digital marketing collaboration in improving MSME performance.

## 2. Literature Review

### 2.1. Digital Marketing Collaboration

Digital marketing collaboration is a collaboration between two or more business actors to achieve a common goal. This collaboration includes the promotion of service products from brands that are already owned. In addition, brand collaborations can be more than one, which aims to develop and market products together (Budiman 2023). In this case, both brands leverage each other's strengths and uniqueness to create added value for customers. MSMEs can collaborate with affiliates or marketing partners who help promote their products or services. MSMEs can work with popular e-commerce platforms to market and sell their products. E-commerce platforms provide wider infrastructure and reach for MSMEs to reach potential customers (Purba et al., 2021). MSMEs can collaborate with technology companies to take advantage of various digital tools and services, such as marketing automation, analytics, or sophisticated customer targeting techniques. This collaboration helps MSMEs optimize their marketing efforts and achieve better results (Aziz 2022). Digital marketing collaboration has several benefits, namely wider reach, increased customer trust, access to resources and skills, and business growth potential.

### 2.2 MSME Performance

The performance of MSMEs (Micro, Small, and Medium Enterprises) refers to the extent to which these businesses achieve the goals and targets set. The performance of MSMEs can be assessed from various aspects, including income, growth, productivity, innovation, and contribution to the local and national economy (Susanti et al., 2023).

Several factors affect the performance of MSMEs, including income is the main indicator of MSME performance. The profits obtained from the business must be sufficient to cover production costs and provide adequate profits to business owners. The growth of MSMEs can be measured in terms of increasing income, number of employees, production scale, and market expansion (Wahyudin et al., 2022). Sustainable growth shows good performance. MSME productivity can be increased through operational efficiency, optimal use of resources, and the application of appropriate technology. High productivity means MSMEs can earn more using the same resources. MSMEs that can innovate have a competitive advantage (Sultoni et al., 2022). Innovation can include the development of new products, more efficient production processes, creative marketing, or the use of new technologies to increase competitiveness. MSMEs need to have adequate access to markets, both local and export markets. In addition, access to affordable financing is also important to support business growth and development (Raharja et al., 2024). The quality of the workforce and the skills possessed by MSME owners and employees can affect performance. Training and skill development can help improve product efficiency and quality (Sanusi & Roostika, 2023). MSMEs need to comply with applicable laws and regulations to avoid legal problems that can disrupt business operations and reputation.

### 3. Method, Data, and Analysis

#### 3.1 Types and Objects of Research

This study uses a quantitative approach with a type of causality associative relationship, which is research that aims to reveal problems that are causal relationships between two or more variables. Research to decipher or explain something as it is is called descriptive research. The purpose of this study is to give a condition or description. The purpose of this study is to examine how digital marketing collaboration might enhance the performance of micro, small, and medium-sized enterprises (MSMEs). The research will focus on MSMEs in the Sukabumi Regency (Arikunto, 2013).

#### 3.2 Data Types and Sources

Primary data, or information gathered via the dissemination of questions or surveys about MSME performance (Y) and digital marketing collaboration (X), is used in this study. MSMEs in the Sukabumi Regency, who are the study's respondents, received the primary data.

#### 3.3 Population and Sample

The population of this study is food MSMEs in Sukabumi Regency, with a total of 95,051 business actors obtained from the West Java open data web. A 90% data accuracy rate and a 10% margin of error were observed when taking samples utilizing the online raosoft.com sample size calculator. So that respondents will be sampled as many as 100 people.

#### 3.4 Data Analysis Technique

Statistical data analysis is carried out in stages, namely first carried out data feasibility tests (validity and reliability tests). The analysis techniques used are simple linear regression and determination coefficient tests.

$$Y = \alpha + bX + e$$

### 4. Result and Discussion

#### 4.1. Characteristics Respondent

The respondents in this study amounted to 100 people who were MSMEs in Sukabumi Regency. Especially those that take data in the field. Based on gender, these respondents' characteristics show

that there are more female respondents than male respondents. Respondents' ages ranged from 17 to more than 38 years old. The respondent has completed high school and obtained a bachelor's degree (S1).

**Table 1.** Characteristics Respondent

Information	Frequency	Percentage %
<b>Gender</b>		
Male	30	30%
Female	70	70%
<b>Age</b>		
18 – 27	40	40%
28 – 37	30	30%
> 38	30	30%
<b>Education Level</b>		
SMA/SMK	30	30%
SMA/SMK	40	40%
SMA/SMK	30	30%

## 4.2. Data Due Diligence

### 4.2.1 Validity Test

All of the variables related to MSME performance and digital marketing collaboration tools are tested as part of the validity test. The comparison between  $r$  calculate and  $r$  critical 0.3 establishes the validity of an instrument. The end result is the validity of each and every instrument. The table 2 below illustrates this:

**Table 2.** Instrument Validity Test Results

Question Item	r Count	r table/ r critical	Criteria
<b>Digital Marketing (X)</b>			
1	0,920	0,3	Valid
2	0,891	0,3	Valid
3	0,790	0,3	Valid
4	0,827	0,3	Valid
5	0,852	0,3	Valid
6	0,852	0,3	Valid
7	0,891	0,3	Valid
<b>MSME Performance (Y)</b>			
1	0,748	0,3	Valid
2	0,712	0,3	Valid
3	0,846	0,3	Valid
4	0,764	0,3	Valid
5	0,721	0,3	Valid
6	0,694	0,3	Valid
7	0,731	0,3	Valid
8	0,658	0,3	Valid

9	0,695	0,3	Valid
---	-------	-----	-------

#### 4.2.2 Reliability Test

The Cronbach alpha formula approach is used to conduct reliability tests, and a test is deemed reliable if its Cronbach alpha value is more than 0.600. According to the study's reliability test results, every variable was deemed reliable (>0.600). As seen below in Table 3:

**Table 3.** Reliability Test Results

Variable	Reliability Coefficient	Alpha Cronbach	Information
Digital Marketing (X)	0,937	0,600	Reliable
MSME Performance (Y)	0,885	0,600	Reliable

#### 4.2.3 Multiple Regression

The following equation represents the multiple regression test findings that were created for this study:

$$Y = 5.351 + 1.033 X + e$$

Explanation:

Y: MSME Performance

X: Digital Marketing

e: epsilon/error

Multiple linear regression results provide an explanation for the following:

A constant value of 5,351 means that if Digital Marketing (X) is 0, then MSME Performance (Y) is 1,033. The value of the digital marketing regression coefficient is 1,033 and is marked positively, meaning that if digital marketing increases it will increase digital marketing by 1,033.

#### 4.2.4 Determination Test

Determination tests refer to statistical methods used to measure the extent to which the independent variable (explanatory variable) can explain variation or variability in the dependent variable (the variable to be explained). In the context of linear regression, determination tests generally refer to the use of coefficients of determination (R-squared) to measure how well linear regression models can account for variations in data. A statistical measure with a range of 0 to 1 is the coefficient of determination (R-squared). The R-squared number shows how much of the variance in the dependent variable the independent variable in the regression model can account for. Whereas a lower value suggests that the independent variable in the model is unable to adequately explain the variance in the dependent variable, a higher R-squared value suggests that the independent variable better explains the variation in the dependent variable. The following table displays the results of the determination test:

**Table 4.** Determination Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.835 <sup>a</sup>	.698	.695	3.09278

a. Predictors: (Constant), Digital\_Marketing Collaboration

Table 4 above indicates that the impact of digital marketing on MSME performance is indicated by the R Square coefficient of determination value of 0.698 is 69.8%. While 30.2% was influenced by other variables that were not studied, such as marketing strategy, collaboration strategy, and others.

## Discussion

### Digital Marketing on MSME Performance

The statistical test findings indicate that the p-value for digital marketing is  $0.000 < 0.05$ , which indicates a substantial impact of digital marketing on MSMEs' performance. With a coefficient of determination of 0.698, digital marketing has a 69.8% impact on MSME performance, with other factors accounting for the remaining variation. Digital marketing is a method to improve the performance of MSMEs. The greater the digital marketing, it will be able to improve the performance of MSMEs.

## 5. Conclusion and Suggestion

Digital marketing and MSME performance have a favorable and significant impact on enhancing MSME performance, according to the results of statistical test analysis. Whereas other factors not included in the study influence 30.2% of the performance of MSMEs, digital marketing has a 69.8% influence. The academic community and corporate actors who serve as study sites and can aid in the addition and expansion of information for researchers are anticipated to benefit from the research's findings. It is anticipated that the findings of this study will influence policy makers and the Sukabumi Regency's Office of Cooperatives, Micro Enterprises, Industry, and Trade with recommendations for bettering MSMEs' performance. It is intended that this study will serve as a resource for other studies studying the impact of MSME performance on digital marketing collaboration. In addition, recommendations are made for future studies that should include a large number of business actors—not just in Sukabumi Regency but also in other towns and regencies in West Java—adding respondents and utilizing additional techniques to enhance the quantitative data obtained via the distribution of questionnaires.

## Reference

- Arikunto, S. (2013). *Prosedur Penelitian Suatu Pendekatan Praktek*. Rineka Cipta.
- Aziz, M. N. L., Nurhayati, P., Yudha, A., & Annisa, N. N. (2022). E-marketing usage as an increase in competitive advantage through product innovation and marketing performance (Survey On MSMEs In Central Java). *Journal of Business and Management Review*, 3(5), 400-414.
- Budiman, A. (2023). Analysis of The Effect of Collaboration and Product Innovation on Business Performance Through Information Technology on Msmes In DKI Jakarta. *PalArch's Journal of Archaeology of Egypt/Egyptology*, 20(2), 2409-2416.
- Chinakidzwa, M., & Phiri, M. (2020). Exploring digital marketing resources, capabilities and market performance of small to medium agro-processors. A conceptual model. *Journal of Business and Retail Management Research*, 14(2).
- Daud, I., Nurjannahe, D., Mohyi, A., Ambarwati, T., Cahyono, Y., Haryoko, A. E., ... & Jihadi, M. (2022). The effect of digital marketing, digital finance and digital payment on finance performance of Indonesian smes. *International Journal of Data and Network Science*, 6, 37-44.
- Djakasaputra, A., Wijaya, O., Utama, A., Yohana, C., Romadhoni, B., & Fahlevi, M. (2021). Empirical study of Indonesian SMEs sales performance in digital era: The role of quality service and digital marketing. *International Journal of Data and Network Science*, 5(3), 303-310.
- Lamberton, C., & Stephen, A. T. (2016). A thematic exploration of digital, social media, and mobile marketing: Research evolution from 2000 to 2015 and an agenda for future inquiry. *Journal of Marketing*, 80(6), 146–172. <https://doi.org/10.1509/jm.15.0415>

- Lim, W. M., & Rasul, T. (2022). Customer engagement and social media: Revisiting the past to inform the future. *Journal of Business Research*, 148, 325–342. <https://doi.org/10.1016/j.jbusres.2022.04.068>
- Muniroh, L., Diposumarto, N. S., & Muharam, H. (2023). The influence of digital marketing on competitive advantage, as well as its implications for marketing performance in Bag Msmes in Bogor. *Technium Soc. Sci. J.*, 51, 236.
- Nadliroh, I. D., & Sudarmiati, S. (2024). The Relationship Between Digital Innovation, Digital Marketing, and MSME Performance: The Mediation Role of Processed Fish Environmentally Friendly Supply Chain Management. *International Journal of Business, Law, and Education*, 5(1), 1231-1240.
- Purba, M., Simanjutak, D., Malau, Y., Sholihat, W., & Ahmadi, E. (2021). The effect of digital marketing and e-commerce on financial performance and business sustainability of MSMEs during COVID-19 pandemic in Indonesia. *International Journal of Data and Network Science*, 5(3), 275-282.
- Raharja, R. M., Irawan, M. A. Y., Fitri, A., Aisyah, A., & Khairunnisah, N. A. (2024). Innovative Marketing Strategies in Human Resource Management: Improving Organizational and Marketing Performance in the Digital Era. *JIHAD: Jurnal Ilmu Hukum dan Administrasi*, 6(1).
- Sangadji, M., Parera, J. M., & Layn, Y. Y. (2022). The Digital Economy Booster the Growth of Micro, Small and Medium Enterprises in Ambon City. *Enrichment: Journal of Management*, 12(3), 2365-2375.
- Sanusi, Z. M., & Roostika, R. (2023). Digital Skills, Digital Entrepreneurship, Job Satisfaction, and Sustainable Performance of MSMEs: A Survey on MSMEs in Indonesia. *International Journal of Sustainable Development & Planning*, 18(2).
- Sopanah, A., Rusyad, Z., & Zulkarnain, Z. (2023). Optimizing small business management through collaborative training and education in business applications. *TGO Journal of Community Development*, 1(2), 45-50.
- Sugiharto, B. H. (2024). The Role of E-commerce for MSMEs as a Digital Marketing Strategy in Facing Industrial Revolution 4.0. *Management Studies and Business Journal (PRODUCTIVITY)*, 1(1), 99-107.
- Sugiharto, B. H. (2024). The Role of E-commerce for MSMEs as a Digital Marketing Strategy in Facing Industrial Revolution 4.0. *Management Studies and Business Journal (PRODUCTIVITY)*, 1(1), 99-107.
- Sultoni, M., Sudarmiati, S., Hermawan, A., & Sopiha, S. (2022). Digital marketing, digital orientation, marketing capability, and information technology capability on marketing performance of Indonesian SMEs. *International Journal of Data and Network Science*, 6(4), 1381-1388.
- Susanti, E., Mulyanti, R. Y., & Wati, L. N. (2023). MSMEs performance and competitive advantage: Evidence from women's MSMEs in Indonesia. *Cogent Business & Management*, 10(2), 2239423.
- Telukdarie, A., Dube, T., Matjuta, P., & Philbin, S. (2022). The opportunities and challenges of digitalization for SME's. *Procedia Computer Science*, 217, 689–698. <https://doi.org/10.1016/j.procs.2022.12.265>
- Turkyilmaz, A., Dikhanbayeva, D., Suleiman, Z., Shaikholla, S., & Shehab, E. (2020). Industry 4.0: Challenges and opportunities for Kazakhstan SMEs. *Procedia CIRP*, 96, 213–218. <https://doi.org/10.1016/j.procir.2021.01.077>
- Wahyudin, N., Herlissha, N., & Aldiesi, D. R. (2022). The Utilization of E-Commerce and QRIS as Digital Payment Tools to Improve Sales Performance through Competitive Advantage in MSME. *Journal of Consumer Sciences*, 7(2), 134-147.
- Wang, F. (2020). Digital marketing capabilities in international firms: a relational perspective. *International Marketing Review*, 37(3), 559-577.



---

Zhang, R. (2018). Product market competition, competitive strategy, and analyst coverage. *Review of Quantitative Finance and Accounting*, 50(1), 239–260. <https://doi.org/10.1007/s11156-017-0629-x>