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Optimizing MSME Product Marketing Using the SOSTAC Method Through the Digital Study Platform in Blitar City

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Abstract

MSMEs in Blitar City still face difficulties in marketing. Globalization and digitalization require MSMEs to be able to compete competitively in the virtual market. This community service seeks to increase the literacy of MSMEs in Blitar City in implementing the SOSTAC method so that they can compete globally in their marketing. The method used is Participatory Rural Appraisal (PRA) to encourage active community involvement, in this case MSMEs with universities as facilitators. Based on the activities that have been carried out, it was found that MSMEs in general are still unfamiliar with digital platforms. The increase in literacy related to SOSTAC triggers MSMEs' awareness to strategize in marketing and explore the features on digital platforms more thoroughly so that this can have an impact on the engagement of online stores of MSMEs in Blitar City.

Keywords: MSMEs, SOSTAC, Digital Platform

INTRODUCTION

Efforts to develop and empower Micro, Small, and Medium Enterprises (MSMEs) are currently receiving significant attention from various parties, including the government, banks, the private sector, non-governmental organizations, and international institutions. This is driven by the significant potential of MSMEs, which needs to be effectively utilized as a driving force for the national economy following the prolonged economic crisis. According to data from the Ministry of Cooperatives and MSMEs, the number of MSMEs currently reached 64.2 million units in 2022, contributing 61.07% of GDP, or IDR 8,573.89 trillion. Furthermore, MSMEs also play a role in absorbing labor, as micro and small businesses account for 99.9% of the total number of businesses in Indonesia (BPS, 2024).

38 Provinsi	Jumlah Perusahaan Industri Skala Mikro dan Kecil Menurut Provinsi (Unit)	
	Mikro	Kecil
	2023	2023
JAWA TIMUR	862.057	115.414
BANTEN	90.908	6.184
BALI	120.752	5.035
NUSA TENGGARA BARAT	131.958	18.004
NUSA TENGGARA TIMUR	124.566	1.374
KALIMANTAN BARAT	47.435	1.021
KALIMANTAN TENGAH	27.952	599
KALIMANTAN SELATAN	64.528	2.842

Figure 1. Number of Micro and Small Scale Industrial Companies in Several Provinces
2023

The development of MSMEs in Indonesia currently faces a challenging situation due to changes in the complex business environment. Especially in the current digital technology era, there has been a shift in consumer behavior, from direct purchases to online shopping, especially through e-commerce (Iskandar et al., 2022). To compete in the digital era, MSMEs need to adapt to consumer behavior, one of which is in terms of marketing, such as the use of digital platforms. Not only does this platform offer convenience, it can also expand consumer reach. According to Alwendi (2020), digital platforms have a positive impact on a company's business operations, such as increasing efficiency, cost efficiency, easier control of goods, improving product distribution chains, helping companies maintain better relationships with customers, and enabling them to compete broadly and openly with other similar products. Some types of e-commerce currently available in Indonesia are Shopee, TikTok Seller, Blibli.com, Tokopedia, Alibaba.com, and others.

Blitar City is one of the cities in East Java with high potential for MSMEs, which has continued to increase from 2020 to 14,829 MSMEs from various sectors in 2023 (BPS, 2023). However, one of the problems faced by MSMEs is marketing difficulties because they are still carried out personally and have not yet implemented optimal digital marketing. Although the MSMEs in Blitar City already have Instagram accounts, they are not yet functioning optimally because they do not have a significant impact on product sales. Therefore, an effective and efficient digital marketing strategy is needed to increase MSME revenue. One method for designing an effective and efficient digital marketing strategy is by using the SOSTAC method.

SOSTAC stands for *situation, objective, strategy, tactics, action, and control*, a planning development method suitable for designing digital marketing strategies (Chaffey & Smith, 2008). The SOSTAC method is able to review strategies based on problems and situations currently being faced, both internally and externally. The selection of the SOSTAC method is based on this method being the right method for creating a comprehensive digital marketing strategy and being able to build a digital marketing planning structure according to current real conditions (Gunawan & Wahyudi, 2019). Based on the potential of MSMEs in producing products and the support of current internet advances, online marketing training and mentoring are very important. Therefore, this Community Service activity in collaboration with the Blitar City Library Service aims to provide training to improve online marketing literacy through e-commerce so that they can develop digital marketing strategies for MSMEs in Blitar City appropriately, effectively, and efficiently.

METHOD

The method used in this activity is *Participatory Rural Appraisal (PRA)*, which is a method of educating the community through training and mentoring. This method was chosen because PRA has several advantages, including the active involvement of the community (as subjects), while universities act as facilitators. This community service program activity was carried out for 6 months in 10 sub-districts of Blitar City in collaboration with the Blitar City Library Service. The problem-solving framework in this activity is as follows:

1. Socialization

The low understanding of the Blitar community regarding *digital marketing* requires special attention to increase public literacy about *digital marketing* and selling MSME products with *digital platforms*. The socialization was carried out by inviting academics from the Faculty of Economics and Business, Brawijaya University, namely Misbakhul Munir, SE, ME. The materials provided at the socialization included: a) The SOSTAC method as awareness of the importance of digital marketing; b) market analysis by utilizing AI; c) Marketing techniques by utilizing *digital platforms*.

2. Mentoring

The lack of marketing effectiveness of MSME products in Blitar is caused by the limited understanding of business owners in expanding their market reach, particularly through digital access that can open up opportunities for a more global market share. MSME actors as a whole have not optimally utilized the potential of digital technology that can increase product visibility and competitiveness at the regional, national, and even international levels. To overcome this obstacle, efforts are being made to provide simple, comprehensive training to MSME actors in Blitar City on how to manage *e-commerce* effectively. This training is designed to be easily understood by MSME actors from various backgrounds and educational levels, so that they can ultimately be confident in executing their marketing by utilizing *digital platforms*.

3. Review Knowledge and Skills

The participant knowledge and skills review phase aims to evaluate the overall program implementation. The review results indicate that participants' knowledge and skills have developed quite well. More detailed results from the review phase can be found on the post-program implementation indicator form.

To measure the success of a community service program, success indicators are needed, including criteria and an analysis of the participants' condition before and after the program. The community service program indicators are as follows.

Table 1. Analysis of Success Indicators of Community Service Programs

No	Activity	Review Results	Success		
			Not Understood	Understandable but not yet implemented	Understandable and applicable
1	Using the <i>marketplace</i> as a medium to sell business products	MSME participants create <i>marketplace accounts</i> and use them as a medium to market their products.			✓
2	Marketing strategy using the SOSTAC method	MSME participants identify markets and consumers using the SOSTAC method			✓
3	Use of AI technology	Participants use AI to create product designs and engaging <i>captions on social media</i> .			✓

RESULTS AND DISCUSSION

Demographic Conditions

Blitar is one of the areas in East Java with very high MSME potential (source). Various types of businesses ranging from food, beverages, handicrafts, to clothing are growing rapidly in this region, especially after the COVID-19 pandemic. However, limited public knowledge regarding digital technology limits access to product marketing. This condition is evident in several districts, such as Sananwetan, Kepanjen Kidul, Sukorejio, Nglegok, Garum, Kanigoro and Sanankulon in Blitar Regency, where the majority of business actors still rely on sales through physical stores and traditional markets.

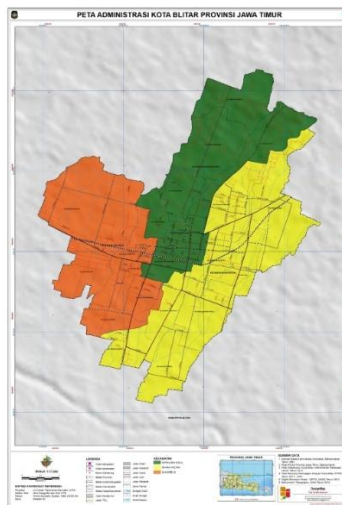


Figure 2. Map of Blitar City

Although some businesses have utilized marketplaces, they generally haven't been able to maximize the various features available to increase sales. This demonstrates the urgent need for digital capacity building and training to enable MSMEs to compete in a broader market and optimally utilize digital technology. This is crucial to ensure more sustainable MSME growth and enhance their competitiveness in this digital era.

Pre-Service Research and Observation

In a survey to identify challenges facing MSMEs in Blitar City, it was discovered that the majority of MSMEs in Blitar are still unfamiliar with using digital platforms to market their products. Most MSMEs still rely on traditional marketing methods, such as word-of-mouth, direct sales in physical stores, and print media. This lack of knowledge about digital marketing is a major obstacle for them in developing their businesses, especially in the face of increasingly fierce competition in the digital era. Previous research by Nugroho et al. (2020) also showed that limited digital literacy is one of the factors affecting the performance of MSMEs in Indonesia.

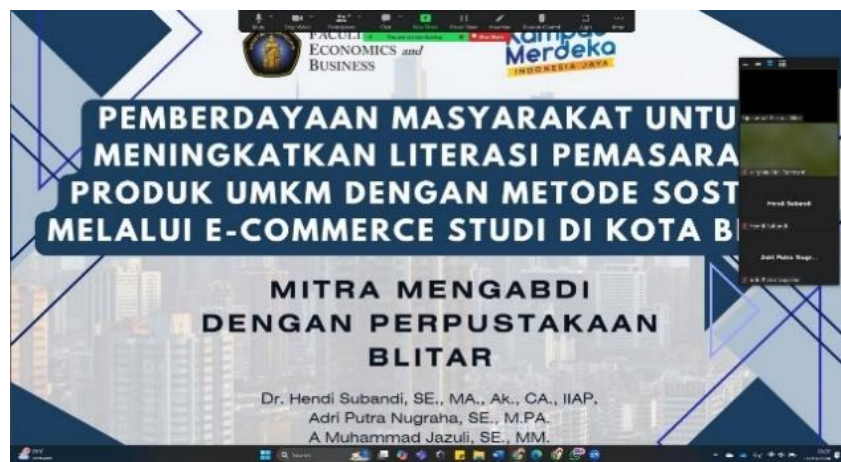


Figure 3. Online Research and Observation with Partners of the Blitar City Library and Archives Department

Therefore, one important outcome of this community service program is an increased understanding of market analysis among MSMEs. Through this analysis, MSMEs are taught how to identify the strengths, weaknesses, opportunities, and threats (SWOT) of their businesses. Many participants were previously unaware of the importance of conducting regular market analysis, especially in the face of changing consumer behavior and technological developments. This aligns with research conducted by Widodo (2019), which found that MSMEs that regularly conduct market analysis tend to be more adaptive to change and have stronger competitiveness.

Furthermore, implementing digital platforms as part of a digital marketing strategy also provided participants with a new understanding of broader market potential. Previously, many MSMEs in Blitar focused solely on the local market, but after this community service, they began to realize that through digital platforms, they could reach consumers beyond the region, even across Indonesia. This is also supported by a study by Prasetyo (2020), which showed that the use of digital platforms can increase MSME revenue by up to 30% compared to traditional marketing methods.

Presentation of Product Marketing Materials using the SOSTAC Method

On December 4, 2024, a community service activity was held in Blitar City, focusing on improving digital marketing literacy among Micro, Small, and Medium Enterprises (MSMEs). This community service program was motivated by the challenges faced by MSMEs in marketing, particularly with the increasing development of digital transformation. One approach used in this activity was the SOSTAC (Situation, Objectives, Strategy, Tactics, Action, Control) method, a comprehensive marketing strategy framework to assist MSMEs in designing and implementing effective digital marketing strategies.

The material on SOSTAC was introduced as a framework for understanding and developing a planned digital marketing strategy. The material provided covered situation analysis, goal setting, strategy formulation, tactics development, action implementation, and control over the implementation of digital marketing strategies. Participants were given a simulation on the use of

digital platforms such as Tokopedia, Shopee, and Bukalapak, and were introduced to the use of *Artificial Intelligence* (AI) as a means of product promotion and market research on *digital platforms*.



Figure 4. Presentation of Material by Academics

After the community service session, the majority of participants expressed their understanding of market analysis and the importance of utilizing *digital platforms*. Many admitted that before the training, they had not yet realized the market potential accessible through *digital platforms* and social media. The market analysis taught in the SOSTAC method helped them better understand market segmentation, consumer behavior, and emerging trends. This aligns with findings from Santoso (2021), who stated that digital literacy can increase the competitiveness of MSMEs by opening broader market access through *digital platforms*.

The implementation of the SOSTAC method in this community service activity has proven to have a positive impact on MSMEs in Blitar. Digital literacy, which has been a challenge for many MSMEs, has been successfully improved through the structured approach taught during the community service. SOSTAC, as a digital marketing framework, provides clear guidance for MSMEs to understand and apply marketing more effectively. As outlined by Smith (2011), the SOSTAC method enables businesses to develop strategies focused on clear and measurable goals, which is crucial in the dynamic world of digital marketing.

AI Utilization Training

Challenges remain in technology implementation. While the MSMEs found the training helpful, some acknowledged the need for further technical guidance, particularly in operating digital platform applications and optimally utilizing existing features. This demonstrates that digital literacy encompasses more than just a basic understanding of technology use, but also requires deeper skills in optimizing that technology for business benefit.



Figure 5. Assistance in Utilizing AI as a Market Research Medium on Digital Platforms

Mentoring related to AI utilization was also provided through various applications. AI was used to assist participants in digital marketing. AI can be used to generate better captions for product descriptions in advertisements and on digital platform profiles. AI was also used to produce more engaging visualizations for use in marketing on each participant's digital platform. By utilizing AI in this way, participants were able to easily execute digital marketing on their respective e-commerce platforms.

Results and Evaluation

This community service has had a significant impact on local economic empowerment. With increased digital literacy, MSMEs in Blitar now have greater opportunities to expand their markets and increase revenue. This potential for increased revenue not only impacts individual MSMEs but also contributes to regional economic growth. As stated by Bappenas (2020), developing digital capacity in MSMEs is one strategy to increase the MSME sector's contribution to national Gross Domestic Product (GDP).



Figure 6. Filling out the form for monitoring and evaluation

As more MSMEs use digital platforms, a more inclusive business ecosystem is created, enabling greater access to markets and capital. This is crucial for promoting economic inclusivity, particularly for MSMEs that have traditionally faced limited access to digital infrastructure. A study by Suhendar et al. (2022) shows that MSME digitalization can reduce economic disparities between regions by opening broader and more equitable market access.

While the results of this community service program have been very positive, several challenges remain. One is the technological gap between younger and older MSMEs. Many older MSMEs report struggling to keep up with rapidly changing technology. Therefore, a long-term mentoring program is needed that focuses not only on basic digital literacy but also on the ongoing development of technological skills.

Furthermore, local governments need to play a more active role in providing adequate digital infrastructure, such as fast and stable internet access, especially in rural areas. Support from the private sector is also needed to provide easily accessible training and mentoring platforms for MSMEs throughout Indonesia. In this regard, collaboration between the public and private sectors is key to accelerating the digital transformation process for MSMEs.

Overall, this community service program successfully improved the digital literacy of MSMEs in Blitar through the SOSTAC method for digital marketing and the use of AI. Participants felt supported and better prepared to face marketing challenges in the digital era. While challenges remain in implementing technology, this community service program opens up new opportunities for MSMEs in Blitar to expand their markets and increase revenue. The next step is to ensure the sustainability of the mentoring program and the development of better digital infrastructure in underdeveloped areas.

CONCLUSION

MSMEs in Blitar City, as a whole, lack adequate digital marketing literacy. Their experience with digital platforms is limited to simply having an account, while their utilization of features that support digital marketing is far from ideal. This is due to the demographic profile of MSMEs, which is almost entirely pre-Millennial. Their unfamiliarity with digital platforms and digital media plays a significant

role in their success in marketing on digital platforms. The SOSTAC concept can mitigate this issue, as it emphasizes that openness and a wealth of information are key to a successful strategy. MSMEs are encouraged to seek out as much useful information as possible that can be utilized for digital marketing. This awareness is a positive start, and it is hoped that it will continue, making digital marketing a common practice for MSMEs in Blitar City.

Strategic programs to improve the quality of MSMEs still need to be widely implemented in Indonesia. Effective marketing is the starting point for MSMEs to generate revenue streams. Consistency and sustainability are closely linked to proper financial record keeping in accordance with accountable principles. Therefore, a follow-up to this program's sustainability is needed, namely the digitalization of financial records for MSMEs in Blitar City.

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