

ADOPTION OF MEDIA INNOVATIONS FOR MARKETING COMMUNICATIONS FOR UMKM FOR THE LATEST COLD DRINK IN THE DIGITALIZATION ERA

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ABSTRACT

The implementation of innovation in digital communication media by MSMEs in the cold beverage sector faces several significant challenges, including lack of technical knowledge, limited resources, and limited access to digital training. This study aims to investigate the effect of digital technology adoption on MSME business performance, especially in terms of increasing customer engagement, sales, and expanding market reach. The methodology applied is a qualitative approach through in-depth interviews with MSME owners in the cold beverage industry. The research results revealed that despite the challenges faced, the use of social media can increase interaction with customers, expand market reach beyond local areas, and increase sales by up to 40%. The findings of this study indicate that support in the form of digital training and access to resources is essential to optimize the use of digital media by MSMEs. Implementing the right digital strategy has the potential to strengthen the competitiveness of MSMEs amidst increasingly tight global market competition.

Keywords: MSMEs, Digital Media, Technology Adoption, Customer Engagement

INTRODUCTION

The development of digital technology has brought significant changes to business management, especially MSMEs in the cold beverage sector, especially interacting with customers (Cunningham *et al.*, 2023; Martínez-Peláez *et al.*, 2023; Sagala and Óri, 2024). Platforms such as social media and e-commerce offer wider opportunities to expand market reach and build closer relationships with consumers (Banerji and Singh 2024; Bryła, Chatterjee, and Ciabiada-Bryła 2022; Husriadi and Ode Muhammad Sardin 2024). This opportunity provides great potential for MSMEs to increase interaction with customers. Innovation in digital marketing strategies is a key factor in maintaining relevance and competitiveness in a market that is constantly changing and developing rapidly (Husriadi, Aswin, and Wahidin 2024; Saad, Elgazzar, and Mlaker Kac 2022).

However, many MSMEs still experience difficulties in adopting digital marketing technology due to limited knowledge and resources (Hendrawan *et al.* 2024; Husriadi and Nurjanah 2024; Kallmuenzer *et al.* 2024; Sagala and Óri 2024). Therefore, it is very important for MSMEs in this sector to develop innovative and sustainable digital communication strategies. Many MSMEs face challenges in leveraging digital technology for their marketing strategies.

Limitations in terms of knowledge and skills in managing digital media are one of the main obstacles, in addition to limited financial resources and manpower. As a result, some MSMEs prefer to use traditional marketing strategies that are considered more



affordable even though their effectiveness is not comparable to digital-based marketing (Anakpo, Xhate, and Mishi 2023; Chyntia and Rahmadanita 2021; Gao et al. 2023; Husriadi, M.; Musawir, L.O.A.; Darwin, L.O.A. dan Muslimin 2024; Liu and Hou 2023). Although digital media offers great opportunities, many MSMEs are still unable to maximize their potential (Cueto 2022; Husriadi, Bahar, and Windayani 2024; Thrassou et al. 2020). Therefore, this study aims to analyze how MSMEs in the cold beverage sector adopt innovations in digital marketing communications in this era.

This study will also identify factors that encourage or inhibit the implementation of digital marketing technology, as well as provide strategic recommendations to improve the effectiveness of digital-based marketing communications among MSMEs. This research is expected to provide a new perspective on the challenges faced by MSMEs in utilizing digital technology effectively, as well as provide relevant guidance for business actors in this sector. MSMEs in the cold beverage sector have unique characteristics, such as consumption patterns influenced by seasons and intense local competition, making this sector a relevant object to study in the context of adopting digital technology for marketing activities.

This research aims to generate new insights regarding the right strategies in adopting digital communication media for this sector. The urgency of this research lies in the effort to help cold beverage MSMEs optimally utilize digital innovation in order to compete in an increasingly competitive business climate.

In the digital era, reliance on information and communication technology is a determining factor for business success, but many MSMEs are still lagging behind in terms of adopting digital innovation. The importance of this research lies not only in identifying problems, but also in offering solutions that can be applied to improve the effectiveness of digital marketing communications.

By implementing the right strategy, MSMEs in the cold beverage sector can expand their market reach, reach consumers more efficiently, and strengthen their competitiveness amidst an increasingly fragmented market. This research is also expected to provide a significant contribution to the development of literature related to digital marketing innovation in MSMEs. Through an in-depth analysis of the factors influencing the adoption of digital technology in the cold beverage sector, the results of this study can be an important reference for further research, both from an academic and practical perspective.

In addition to theoretical aspects, this study will also provide practical guidance for MSMEs in designing effective digital marketing communication strategies. Thus, this study not only provides academic contributions but also practical solutions for MSMEs in overcoming challenges and taking advantage of opportunities in the digital era.

METHOD

This study adopts a qualitative approach with a case study method to explore how MSMEs in the cold beverage sector adopt innovation in digital marketing communication media. A qualitative approach was chosen to gain a deeper understanding of the behavior, motivations, and challenges faced by MSMEs in implementing digital technology.

The case study design was chosen because it allows a comprehensive analysis of a particular phenomenon in a real context, especially among MSMEs that have limited resources and technological knowledge. This research was conducted through several stages, including initial exploration, purposive participant selection, and in-depth interviews with MSMEs in the cold beverage sector that have used digital marketing communication media.

Primary data were collected through interviews that focused on the experiences, perceptions, obstacles, and opportunities faced by MSME actors. In addition, observations of digital marketing activities were also carried out to complement the data obtained. Secondary data from business reports and previous studies were also integrated to provide context and validation for the findings.

Data analysis was carried out using thematic analysis techniques to identify main themes, group them based on themes, and analyze patterns and relationships between themes. Data validity is maintained through data triangulation to ensure consistency and reliability of findings related to factors influencing the adoption of digital marketing communication media by MSMEs.

RESULT and DISCUSSION

1. Motivation for Adoption

The results of this study found that the adoption of innovation in digital communication media by Micro, Small, and Medium Enterprises (MSMEs) in the cold beverage sector can be seen from several motivational factors, such as consumer demand, competition, and increased visibility. First, consumer demand is the main driver for MSMEs to switch to digital platforms.

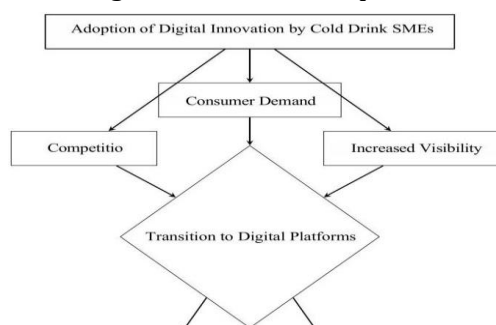
In this digital era, customers increasingly expect convenience in communicating and placing orders online. This is in line with the research findings conducted by (Díaz-Arancibia *et al.*, 2024; Kallmuenzer *et al.*, 2024) that around 70% of MSME customers prefer to order products through digital platforms, such as ordering applications or social media, compared to traditional methods.

This demand not only increases the efficiency of the ordering process but also creates a better customer experience. In addition, the results of this study indicate that market competition is an important factor driving the adoption of digital technology. MSMEs realize that without utilizing digital technology, they risk being left behind by competitors who have implemented this innovation.

This creates a huge opportunity for MSMEs to utilize digital communication media in building brand awareness and attracting young customers. By adopting platforms such as Instagram and TikTok, MSMEs can increase their product visibility and strengthen relationships with customers through engaging content. Overall, the motivation of cold beverage MSMEs in adopting digital communication media innovations is driven by high consumer demand, the need to remain competitive in the market, and efforts to increase visibility, especially among the younger generation.

These factors emphasize that the use of digital technology is not just a trend, but a necessity for MSMEs to be able to adapt to dynamic changes in the market. This study emphasizes the importance of integrating digital technology into MSME business strategies to meet consumer expectations, compete effectively, and expand product visibility amidst increasingly fierce market competition.

Figure 4.1 digital innovation adoption network



Source: processed, 2024

2. Challenges in Adoption

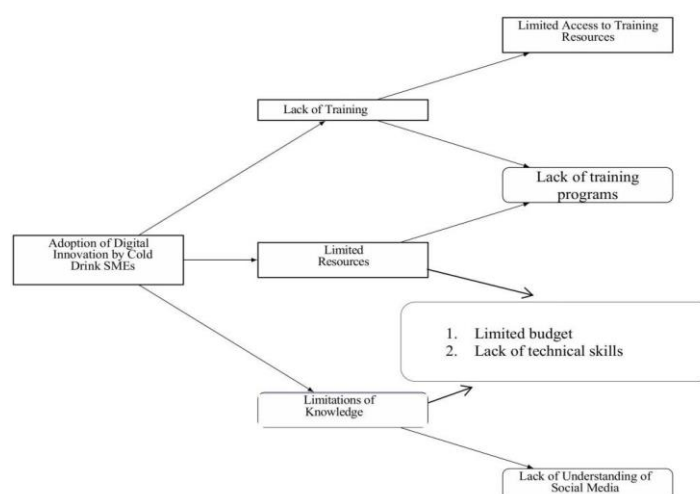
The results of this study found that the process of adopting digital communication media innovation by Micro, Small, and Medium Enterprises (MSMEs) in the cold beverage sector faces a number of significant challenges, mainly due to limited knowledge, resources, and minimal training. One of the main obstacles is limited knowledge which often becomes an obstacle for MSME owners in utilizing social media optimally.

Many MSMEs feel they lack sufficient technical skills to manage digital marketing strategies effectively. This is in line with research findings conducted by (Loo, Ramachandran and Raja Yusof, 2023; Kallmuenzer *et al.*, 2024) that more than 60% of MSME owners admit to having difficulty understanding how social media algorithms work and interacting effectively with their audiences. This lack of understanding causes them to miss opportunities to increase customer engagement and expand their market.

In addition, limited resources are also a significant challenge in managing digital communication media. Many MSMEs operate on a limited budget, making it difficult to allocate funds for digital marketing strategies. In general, the challenges in adopting digital communication media innovations by MSMEs in the cold beverage sector come from limited knowledge, minimal resources, and lack of access to training. These three factors are interrelated and create complex barriers in the process of adopting digital technology.

To overcome these challenges, efforts are needed from the government, educational institutions, and non-governmental organizations to develop affordable and easily accessible training programs, and provide adequate support for MSMEs to improve their digital skills. Thus, MSMEs will be better prepared to utilize digital communication media and be able to compete more effectively in the market.

Figure 4.2 the process of adopting digital communication media innovation



Source: processed, 2024

3. Impact on Cold Beverage Sector

The results of this study found that the application of innovation in digital communication media by Micro, Small, and Medium Enterprises (MSMEs) in the cold beverage sector has a significant effect on business performance. This is seen especially in aspects of customer engagement, increased sales, and expansion of market reach.

One of the positive results that can be observed is the increase in customer engagement that occurs after the use of digital media. Through social media platforms, interactions between MSMEs and customers become faster and more personal.

This is in line with research findings conducted by (Chen et al. 2022; Jos and Oliveira 2024; N 2024; Rosário and Raimundo 2021) found that MSMEs that actively utilize digital communication media recorded an increase in sales of up to 40% in a one-year period. This shows that the implementation of an effective digital marketing strategy not only contributes to increasing product visibility but also has an impact on consumer purchasing decisions.

By implementing innovative marketing techniques, such as the use of visual content and interactive promotions, MSMEs are able to attract the interest and desire of customers to buy the products offered. In addition, one of the significant impacts of implementing digital communication media is expanding market reach. By utilizing digital platforms, MSMEs are no longer limited by physical location and can reach consumers outside the local area.

Overall, the application of innovation in digital communication media in MSME businesses in the cold beverage sector is seen through increased customer engagement, increased sales, and expanded market reach. These three elements are interrelated and contribute to business growth and sustainability. By utilizing digital technology, MSMEs can design more effective strategies to attract and retain customers, while increasing their market share. This confirms that investment in digital communication media is not just a trend, but a crucial strategic step for the long-term growth and success of MSMEs in today's digital era.

CONCLUSION

The implementation of innovation in digital communication media by MSMEs, especially in the cold beverage sector, has a positive impact on increasing customer engagement, sales, and market reach. Despite challenges such as limited technical knowledge and minimal resources, the use of digital media can still create significant business opportunities.

This study shows that the use of social media can drive sales increases of up to 40% and expand the market geographically. To strengthen the adoption of digital communication media, it is crucial for the government and related institutions to provide more affordable digital training programs, especially for MSMEs in remote areas.

The training should focus on developing technical skills related to social media management and digital marketing. Additional support in the form of access to technical and financial resources is also needed to help MSMEs manage their digital strategies effectively. In addition, MSMEs are encouraged to continue to innovate in digital marketing content and strategies by utilizing new features offered by digital platforms, such as paid advertising and customer data analysis. Through these steps, MSMEs can be

better prepared to face challenges and increase their competitiveness in an increasingly competitive market.

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