

MARKETING STRATEGIES IMPLEMENTED BY MICRO, SMALL, AND MEDIUM ENTERPRISES IN SURABAYA: A DESCRIPTIVE STUDY

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Abstract: This study aims to describe the marketing strategies implemented by micro, small, and medium enterprises (MSMEs) in Surabaya, identify the use of social media, and examine the application of the marketing mix. A descriptive qualitative method was applied, focusing on food and beverage MSMEs in Surabaya that actively promote their products through social media, with the research conducted from April to August 2025. The findings indicate that MSMEs are still less optimal in managing their marketing strategies, which has an impact on sales volume. Although some MSMEs have shifted to digital platforms to expand market reach, the adoption is not yet widespread. The marketing mix practices include efforts to improve product quality, setting consumer-friendly prices, utilizing social media as an affordable promotional tool, and reducing distribution costs through collaboration with delivery services such as GoFood and GrabExpress. The study concludes that marketing strategies for MSMEs in Surabaya should emphasize digitalization and innovation. Combining online presence with personalized local approaches is considered an effective way to attract consumers and enhance competitiveness in a dynamic market environment.

Keywords: MSMEs, marketing strategy, social media, marketing mix

1. Introduction

Micro, small, and medium enterprises (MSMEs) in Surabaya play a crucial role in local economic development through employment creation, local product innovation, and contributions to the trade and services sectors. According to data from the Surabaya City Cooperatives and SMEs Office, the city has over 90,000 active MSMEs across various sectors, including culinary, crafts, fashion, services, and trade (Disperindagkop Surabaya, 2024). MSMEs are a key pillar of the regional economy, supporting the balance between economic growth and social inclusion in urban areas.

The majority of MSMEs in Surabaya are micro and small businesses still in their early stages or in their growth stages. Nevertheless, many demonstrate significant potential for growth through innovative approaches and technological adaptation. The Surabaya city government, through various programs such as entrepreneurship training, business incubation, and digitalization facilitation, has encouraged MSMEs to be more competitive in an increasingly competitive market. However, challenges remain. Limited financial resources, market access, and human resource capacity are major obstacles in developing business strategies, including in the marketing aspect. Many business actors still rely on conventional marketing strategies such as word-of-mouth and offline marketing, which are not always able to reach a wider market effectively. There is still much that needs to be improved in the digital realm for marketing efforts. There is still a need for mentoring regarding digital marketing strategies including IG, TikTok, and other digital media, (Aditya & Rusdianto, 2023).

With the advancement of digital technology and changes in consumer behavior, digital-based marketing strategies such as utilizing social media, e-commerce, and local applications like e-Peken and SSW (Surabaya Single Window) have proven to open significant opportunities to expand market reach, build brand awareness, and increase sales. Unfortunately, not all MSMEs are able to optimally utilize these technologies due to limited digital knowledge, access to infrastructure, and a lack of technical assistance.

In this context, it is important to understand how small businesses in Surabaya design and implement their marketing strategies. This understanding not only provides an overview of local business practices but can also serve as a basis for formulating more targeted policies to strengthen MSMEs. The right online marketing strategy can be a key factor in developing and expanding markets for MSMEs, thereby supporting local economic growth (Hidayati & Dwiridotjahjono, 2024). Marketing strategies are crucial for companies to achieve their planned goals, particularly those related to business development. (Haninda et al., 2021). Currently, business actors are required to keep up with developments so that marketing remains up-to-date. (Budiman & Faujiah, 2023). The results of research conducted by (Lestari & Krisnaningsih, 2022) show that what MSMEs do in marketing their products is by using E-Commerce media.

Based on this background, the problem formulation in this study is as follows: 1. What marketing strategies are implemented by MSMEs in Surabaya? 2. To what extent do MSMEs in Surabaya utilize digital media in their marketing strategies? 3. And how are marketing mix elements implemented in marketing practices by MSMEs in Surabaya? This study aims to: 1. Describe the marketing strategies implemented by MSMEs in Surabaya. 2. To determine the extent to which MSMEs in Surabaya utilize digital media in their marketing strategies. 3. Examine the implementation of the marketing mix (product, price, distribution, and promotion) in the context of micro, small, and medium enterprises in Surabaya.

2. Literature Review

The main theory used in this study is: Marketing Mix theory developed by (McCarthy, 1978) and expanded by (Kotler & Keller, 2016), which includes four main elements: 1. Product: The quality, variety, and innovation of products offered by small businesses. 2. Price: Pricing strategy based on market purchasing power. 3. Place: Distribution channels used to reach consumers, both offline and online. 4. Promotion: Communication strategies used, including the use of social media and digital promotional techniques.

Digital Marketing Strategy: According to several studies, digital marketing such as social media, company profiles, and e-commerce can increase the visibility and turnover of small businesses. Customer Orientation & Product Innovation: MSMEs are encouraged to integrate product innovation and customer orientation to make marketing strategies more relevant and effective. (Sinambela & Darmawan, 2025). Social media marketing, product innovation, entrepreneurial orientation, and human resource development each significantly influence the marketing performance of MSMEs. Handicraft MSMEs in Surabaya, Product innovation and social media marketing strategies were shown to increase the company's competitive advantage, (Mardikaningsih, 2023)

Putri & Septiawan (2024) conducted a case study on the Sambal rujak manis Cak Mimin MSME in Surabaya. It was found that despite having national potential, the marketing strategy is still predominantly traditional and not optimal for national market penetration. (Pratama, 2024) studied MSMEs in South Surabaya, finding that digital marketing strategies and the use of social media have a positive impact on increasing sales. (Rahmawati et al., 2024). Digitally

Capable MSMEs through E-Commerce Implementation: An Empirical Study in Tarakan City. Firdaus et al., (2024). Shows that the more experience customers gain from purchasing Erigo products and the higher the brand image built by Erigo, the more satisfied and loyal the customers are. Yusmalina & Dharmawan (2023) studied marketing communications through the E Peken application. The results showed a dynamic implementation of the 4Ps according to the characteristics of MSMEs, as well as local digital applications that facilitate marketing, Aulia et al., (2024). Utilization of Digital Marketing Branding as an Effort to Improve the Quality and Competitiveness of Penjaringsari MSME Products. Amanah et al., (2024) on MSME Kali Kepiting Sejahtera, digital marketing strategies and company profile creation are able to expand market reach and strengthen the branding of small businesses in Surabaya. From the review above, most studies focus on specific MSMEs or specific sectors (culinary and crafts), and predominantly examine social media and digital strategies. Few studies have comprehensively integrated the marketing mix approach within the context of MSMEs across various sectors in Surabaya. Furthermore, quantitative descriptive research rarely combines customer orientation and product innovation within a single strategy evaluation model. Some marketing strategies that can be used to market small business products include:

1. **Creating Unique and Quality Products**
Creating unique and high-quality products with advantages over similar products, thus gaining an edge over competitors' products.
2. **Determining Market Segmentation**
Small business owners must determine market segmentation by categorizing consumers into subgroups within the product market.
3. **Leveraging E-commerce for Marketing**
By leveraging e-commerce, businesses have the opportunity to reach a broad market, thereby streamlining the distribution chain, enabling consumers to obtain products at lower prices.

3. Method

This research employs a descriptive qualitative method with the aim of describing and in-depth analyzing the marketing strategies implemented by MSMEs in Surabaya. This approach was chosen because it allows for a narrative analysis of the strategies and experiences of MSMEs, as well as the actual practices of business actors. The research focused on MSMEs in the food and beverage sector in Surabaya that actively market their products through social media, with the implementation period running from April 1, 2025, to August 2025.

The research subjects were MSMEs in the food and beverage sector. Informants were selected using a purposive sampling technique based on the following criteria: owners or managers of MSMEs in Surabaya in the food and beverage sector, and direct experience in managing business accounts. The research data were sourced from primary and secondary sources. Data collection techniques included in-depth interviews, observation, and documentation. Data analysis followed the model of (Miles & Huberman, 1994) which includes data reduction, data presentation, drawing conclusions and recommendations, and triangulation to ensure the validity of the data, sources, and techniques.

4. Result and Discussion

This section presents the research results obtained through a qualitative descriptive approach. Data collected from the field are systematically described according to the research focus, then

analyzed to identify patterns, meaning, and relationships with the theoretical framework used. The results of this study not only describe the actual conditions encountered but also integrate them with theoretical studies and previous research to provide a deeper understanding of the phenomena studied.

Table 1. Marketing strategies and digital marketing for MSMEs

No	Company Name	Product Type	Marketing Strategy	Digital Marketing
1	Sambal Rujak manis Cak Mimin	Rujak chili sauce	Targeting everyone at an affordable price. Maintaining the highest quality. Product innovation and differentiation to adapt to market trends	E-commerce: Shopee, Tokopedia, Lazada Instagram · cakmimin.id Cooperation with resellers
2	UD Bumi	Cassava chips	A unique chip product, created through a pressure-cooking process, resulting in a crispier texture and a variety of unique flavors. Product innovation and differentiation provide consumers with a variety of flavor options.	E-commerce: Shopee, Tokopedia, Lazada Instagram: Cutella Presto (@Cutellapresto) Cooperation with resellers
3	UD BAF	potato donuts	Product innovation and differentiation to provide consumers with a variety of flavors. Offline sales in strategically located stores	Go food, Shopee food Instagram: TiRa Baf (@tirabaf)
4	UD Anggrek	Egg peanuts, banana chips	High-quality products with unique flavors make them perfect souvenirs. We also serve offline sales by supplying to convenience stores.	
5	UD Asma'	Bakpia	The unique flavors and soft texture provide a superior value compared to other products. Offline sales by opening stores in strategic areas.	Online marketing through accounts Instagram PIA ASMA' (@neng_shofy85)

No	Company Name	Product Type	Marketing Strategy	Digital Marketing
6	UD Tunggal jaya	Banana chips	Offline sales by opening a conventional store	E-commerce: Shopee, Tokopedia, Lazada Cooperation with resellers
7	UD Satay Banana Ira	Satay Banana	Offline sales by opening a conventional store	Online sales through Go food & Shopee food online marketing on social media Instagram sataybanana.ira

Source: Results of observations and interviews

Small business owners are very committed to maintaining product quality to maintain their competitiveness with competitors. Starting from the quality of raw materials, production quality, taste quality, product shape, packaging and cleanliness, all of which are strategies used to compete by these MSMEs. Of the 7 small business owners studied, 1 business owner: UD Anggrek has not used digital marketing in the product sales process, while 6 business owners have used online sales on social media, in addition to using social media, they also use e-commerce platforms in the sales and marketing process of their products. Marketing strategies using digital marketing on social media have been widely implemented by micro, small, and medium enterprises, this has become a trend that many MSMEs have followed to be able to compete with other MSMEs, of the 7 MSME informants, only one did not use a digital marketing strategy, from the analysis it was found that the MSME did not use online sales on social media or on digital platforms because the manager did not want to use social media in its marketing strategy. According to him, with traditional marketing, there are still many visitors who buy. A total of 6 MSMEs studied have implemented digital marketing strategies so that they can improve their marketing performance. This is in line with the findings of (Sinambela & Darmawan, 2025), In terms of price, the average price of MSME products observed is friendly to buyers' pockets. In addition to selling online, they also conduct offline sales around the house so that sales locations can be easily found. Another marketing strategy for online sales is to collaborate with expeditions (GoSend and GrabExpress) for online orders. (Kotler & Keller, 2016) discusses four main elements in marketing: product, including quality, variety, and innovation, while pricing is adjusted to consumer purchasing power. Place or distribution is provided to reach consumers. Strategies for communicating with potential consumers can utilize social media with attractive promotional techniques.

Of the six micro, small, and medium-sized businesses studied, most had not yet conducted market segmentation. Many micro, small, and medium-sized businesses have already employed segmentation, targeting, and positioning strategies in their marketing, although they are still in the segmentation stage. However, Sambal Rujak Cak Mimin offers specific spice levels to target the spicy-loving market segment, thus tailoring the spice level to consumers' preferences.

Several business actors have carried out product innovations to avoid customer saturation, including presto cassava chips and banana satay, they are aware of the continuity of their business so that innovation becomes an agenda that must be carried out in order to increase

product competitiveness and marketing performance, this is in line with research conducted by (Aulia et al., 2024) , (Sinambela & Darmawan, 2025).

5. Conclusions

From the analysis of the marketing strategies of micro, small, and medium enterprises (MSMEs) above, it can be concluded that small businesses are still less than optimal in developing marketing strategies that can increase production volume and scale their businesses to a larger level. One of the MSMEs studied, Sambal Rujak Manis (sweet rujak chili sauce), has penetrated the Taiwanese and Hong Kong markets. MSMEs are now shifting to selling on social media and digital platforms to increase their sales reach, although not all have implemented this. The downside is that not all businesses have implemented market segmentation, and product innovation has not been maximized.

The marketing mix implemented by MSMEs includes improving product quality to win over consumers. Regarding pricing, we now often find quality products at affordable prices. Most MSMEs have used social media for affordable promotions. Regarding location or distribution, many MSMEs have reduced product distribution costs by collaborating with shipping companies. Marketing strategies for small businesses in Surabaya should focus on digitalization, personalization, and innovation. Combining an online presence with a personalized, local approach is an effective way to win over consumers and survive the competition.

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