

Analysis of Offline Marketing Challenges in the Era of Digitalization among Micro, Small, and Medium Enterprises; A Case Study of Warung Bakso A Rohim

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Submission	Accepted	Published
Nov 23, 2026	Feb 4, 2026	Feb 5, 2026

Abstract

Ideally, Micro, Small, and Medium Enterprises (MSMEs) are expected to leverage marketing digitalization to expand market reach, enhance product visibility, and strengthen business competitiveness. In reality, however, many MSMEs continue to rely heavily on offline marketing strategies and encounter substantial barriers in adopting digital marketing practices effectively. This condition is evident in Warung Bakso A Rohim, a culinary MSME located in Medan City, which maintains conventional marketing practices amid the rapidly evolving digital marketing landscape. This study aims to analyze the challenges of offline marketing faced by MSMEs in the era of digitalization and to identify the factors influencing their marketing adaptation process. The research employs a field-based qualitative approach using a case study methodology, with data collected through in-depth interviews, direct observation, and documentation. The findings reveal that the persistence of offline marketing is driven by strong social relationships with local customers, limited digital literacy, constraints in human resources, and the absence of integrated online marketing within long-term business planning. These results indicate that MSME marketing transformation should be understood as an

adaptive and gradual integration process between offline and digital strategies rather than a complete technological shift.

Keywords: MSMEs, Offline Marketing, Digitalization.

Abstrak

Idealnya, Usaha Mikro, Kecil, dan Menengah (UMKM) mampu memanfaatkan digitalisasi pemasaran untuk memperluas jangkauan pasar, meningkatkan visibilitas produk, dan memperkuat daya saing usaha. Namun, realitas di lapangan menunjukkan bahwa sebagian UMKM masih bergantung pada strategi pemasaran *offline* dan menghadapi berbagai kendala dalam mengadopsi pemasaran digital secara optimal. Kondisi ini tercermin pada Warung Bakso A Rohim, sebuah UMKM kuliner di Kota Medan yang mempertahankan pemasaran konvensional di tengah perubahan lanskap pemasaran digital. Penelitian ini bertujuan untuk menganalisis tantangan pemasaran *offline* yang dihadapi UMKM dalam era digitalisasi serta faktor-faktor yang memengaruhi proses adaptasi pemasaran. Metodologi yang digunakan adalah penelitian lapangan dengan pendekatan kualitatif melalui studi kasus, dengan pengumpulan data melalui wawancara mendalam, observasi, dan dokumentasi. Hasil penelitian menunjukkan bahwa dominasi pemasaran *offline* dipengaruhi oleh kuatnya relasi sosial dengan pelanggan, keterbatasan literasi digital, minimnya sumber daya manusia, serta belum terintegrasinya strategi pemasaran *online* dalam perencanaan usaha jangka panjang. Temuan ini menegaskan bahwa transformasi pemasaran UMKM merupakan proses adaptif yang memerlukan integrasi bertahap antara strategi *offline* dan digital.

Kata kunci: UMKM, Pemasaran *Offline*, Digitalisasi.

Introduction

The development of digital technology and the expansion of internet access have driven fundamental changes in marketing practices across various economic sectors, including *micro, small, and medium enterprises (MSMEs)* (Vega et al., 2026). In contemporary marketing literature, *digital-based strategies* are widely regarded as capable of enhancing product visibility, accelerating information flows, and fostering more intensive interactions between producers and consumers. Cost efficiency, promotional flexibility, and the ability to reach cross-regional markets position *digital marketing* as a strategic instrument for MSMEs that operate under resource constraints (Raji et al., 2023). Nevertheless, digital transformation in marketing has not progressed evenly across all layers of business actors. MSMEs, despite serving as the backbone of the national economy, often face multifaceted challenges in adapting to this transformation.

This disparity is reflected in the relatively low level of digital adoption among MSMEs in Indonesia. Data from 2023 indicate that only approximately

33.6% of MSMEs have undergone significant digital transformation (Ridwan, 2025). This low adoption rate is influenced by several interrelated factors, including limited *digital literacy*, a shortage of competent human resources, financial constraints, and a strong reliance on long-established *conventional marketing strategies* perceived as relatively secure (Rahmawati & Kussudyarsana, 2025). These conditions suggest that marketing digitalization is not merely a technological issue, but also a *structural* and *cultural* challenge within MSME management practices.

This phenomenon can be observed concretely in Warung Bakso A Rohim, a culinary MSME located in Medan City. The business has operated for a considerable period and is widely recognized by the local community for its consistent taste quality, generous portions, and affordable prices. Strong *social relationships* between the business owner and customers have fostered a high level of consumer loyalty, resulting in the continued dominance of *offline marketing strategies* such as *word-of-mouth promotion*, banner displays, and direct interpersonal interactions. This marketing pattern has shaped a relatively stable and sustainable local customer base.

Ideally, MSMEs such as Warung Bakso A Rohim should be able to leverage *marketing digitalization* to complement and reinforce their existing offline strategies, thereby creating an *adaptive* and *sustainable integrated marketing* approach. However, empirical realities indicate that the utilization of digital channels remains suboptimal and largely sporadic. Although Warung Bakso A Rohim has experimented with *online food delivery services* and collaborations with *food vloggers*, these initiatives have not been implemented consistently nor embedded within a coherent long-term marketing strategy. This condition is reflected in the 2024 sales data, which demonstrate the continued dominance of offline marketing over online channels, as presented in Table 1 below:

Month	Offline Marketing (Servings)	Online Marketing (Servings)	Total Servings	Total Revenue
January	1800	950	2750	Rp 33.000.000
February	1950	1000	2950	Rp 35.400.000
March	2100	1150	3250	Rp 39.000.000
April	1980	1100	3080	Rp 36.960.000
May	2050	1050	3100	Rp 37.200.000
June	1870	970	2840	Rp 34.080.000
July	2200	1200	3400	Rp 40.800.000
August	2300	1350	3650	Rp 43.800.000
September	2150	1250	3400	Rp 40.800.000
October	2000	1100	3100	Rp 37.200.000
November	2250	1300	3550	Rp 42.600.000
December	2500	1500	4000	Rp 48.000.000

Rekap Gab Table 1. Combined Summary of Offline and Online Sales of Warung Bakso A Rohim in 2024

Based on the data above, offline marketing accounts for approximately 64% of total annual sales, while online marketing contributes only around 36%. This dominance underscores the strength of social relationships and local consumer trust, yet simultaneously indicates the suboptimal utilization of digital potential. Sales patterns that peak in certain months, such as July and December, further suggest a reliance on seasonal momentum rather than on a structured and sustainable digital marketing strategy. The tension between the resilience of offline marketing practices and the growing pressure for digital adaptation thus constitutes the central problem addressed in this study.

In light of these conditions, this study aims to analyze the challenges faced by Warung Bakso A Rohim in sustaining offline marketing strategies amid the accelerating process of digitalization. The analysis focuses on identifying the factors that hinder the adoption of digital marketing, examining the dynamics between offline and online marketing channels, and assessing their implications for the sustainability of MSME operations. The contribution of this study is twofold. Academically, it enriches the literature on MSME marketing by offering a micro-contextual perspective that positions offline marketing as an integral component of digital transformation rather than as a practice to be abandoned. Practically, the study is expected to provide strategic recommendations for MSME practitioners and policymakers in designing more adaptive, realistic, and context-sensitive models for integrating offline and digital marketing in local MSME ecosystems.

Literature Review

Studies on the challenges faced by MSMEs in the era of digitalization—particularly in relation to the shift from offline to online marketing—are not entirely new. Raji, Olawore, and Osahor (2023), in their study entitled *The impact of E-commerce giants on SMEs: Challenges, opportunities, and the fight for survival in the digital economy*, examine the implications of large-scale e-commerce platforms for MSME sustainability. Employing a conceptual-analytical approach, the study highlights how MSMEs face structural competitive pressures arising from asymmetries in technological capability, logistics infrastructure, and capital access. The findings indicate that MSMEs occupy a vulnerable position within the digital economy due to persistent resource constraints and unequal access to digital ecosystems (Raji et al., 2023). The similarity between this study and the present research lies in their shared focus on MSME challenges in the digital era. The distinction, however, rests in analytical scope: while Raji et al. emphasize macro-level structural competition, this study adopts a micro-contextual lens to examine offline marketing challenges within a single micro-enterprise case.

Deku, Wang, and Preko (2024), in *Digital marketing and small and medium-sized enterprises' business performance in emerging markets*, investigate the impact of digital marketing adoption on MSME performance using a quantitative and empirical methodology. Their results demonstrate that strategic utilization of digital platforms significantly enhances sales performance and business visibility (Deku et al., 2024). The convergence with the present study lies in the shared concern for digitalization in MSME marketing. Nevertheless, Deku et al. primarily focus on the positive outcomes of digital adoption, whereas this study foregrounds

the constraints, resistance, and gradual adaptation processes of MSMEs for which offline marketing remains dominant.

Permata, Hermawan, and Suharsono (2023), in *Analysis of Marketing Strategy in Micro, Small and Medium Enterprises (MSMEs) in the Digital Era*, adopt a descriptive qualitative approach to explore MSME marketing strategies under digital conditions. The study underscores the importance of integrating digital marketing and branding to enhance competitiveness, concluding that technologically adaptive MSMEs are more resilient to market changes (Permata et al., 2023). While both studies address MSME marketing in the digital era, the present research diverges by moving beyond *best practices* and ideal strategic models to examine the empirical realities of MSMEs that continue to rely heavily on offline marketing and encounter incremental rather than linear digital adaptation.

Wu, Botella-Carrubi, and Blanco-González-Tejero (2024), in *The empirical study of digital marketing strategy and performance in small and medium-sized enterprises (SMEs)*, employ an empirical framework to analyze the relationship between digital marketing strategies and MSME performance. Their findings emphasize that strategic planning and data-driven digital utilization are key determinants of marketing effectiveness (Wu et al., 2024). The similarity with the present study lies in the shared interest in MSME marketing strategy and performance. The difference, however, is contextual and conceptual: Wu et al. implicitly assume a baseline level of digital readiness, whereas this study interrogates conditions of limited capability, structural constraints, and continued dependence on offline marketing.

Based on this review, a clear research gap emerges. Existing studies largely conceptualize digitalization as the primary benchmark of MSME success and resilience, often framing technology adoption as an unquestioned imperative. This study adopts a different analytical position by treating offline marketing not as an obsolete practice, but as a critical analytical entry point for understanding MSME adaptation. Through a case study of Warung Bakso A Rohim, this research contributes both conceptually and empirically by capturing the lived tensions between conventional practices and digital imperatives, thereby enriching MSME marketing discourse with a more grounded, contextual, and practice-oriented perspective.

Research Methodology

This article employs field research with a qualitative approach, aiming to develop an in-depth understanding of the dynamics and challenges of offline marketing among MSMEs in the context of digitalization. The study adopts a case study methodology, focusing on *Warung Bakso A Rohim*, located on Jl. Karya Kasih, Medan City, North Sumatra. This approach is selected to enable a contextual, comprehensive, and empirically grounded exploration of marketing practices, particularly in examining the interaction between conventional offline strategies and the growing demands for digital adaptation within the culinary MSME sector.

Primary data are collected through in-depth interviews with the business owner and direct observation of marketing and operational activities at Warung

Bakso A Rohim, including patterns of customer interaction and the use of marketing channels. Secondary data consist of sales records, internal business documents, MSME policy reports, and relevant academic literature on MSME marketing and digitalization. Data analysis follows a thematic analytical process, encompassing data reduction, data display, and interpretative meaning-making. Data validity and trustworthiness are ensured through source and method triangulation, as well as member checking to enhance consistency and credibility. The drafting of the manuscript is conducted using a descriptive-analytical framework, systematically and reflectively linking empirical findings with marketing theory and relevant scholarly literature.

Characteristics of Warung Bakso A Rohim SMEs in Facing Digitalization

Micro, Small, and Medium Enterprises (MSMEs) hold a strategic role in the national economic structure, particularly as drivers of local economies and absorbers of labor. In the traditional culinary sector, MSMEs function not only as economic entities but also as social spaces that reflect local consumption culture (Siregar, 2025). Within this context, Warung Bakso A Rohim can be positioned as part of an organically growing grassroots economic ecosystem, relying on social relations, geographical proximity, and consumer loyalty as the primary capital for business development.

Warung Bakso A Rohim has operated consistently for several years and exhibits characteristics typical of traditional culinary MSMEs, sustaining itself through product stability and competitive pricing (Owner of Warung Bakso A Rohim, personal communication, 2025). The main attraction of the eatery lies in its distinctive *bakso* flavor and affordability, which shapes perceived value in the eyes of local consumers. Business continuity is built not through aggressive expansion but through consistent quality and naturally developed long-term customer relationships.

In terms of marketing practices, Warung Bakso A Rohim remains heavily dependent on conventional *offline* marketing. This strategy reflects a common pattern among traditional MSMEs that utilize direct interaction as the primary means of building consumer trust (Rahmawati et al., 2025). Interpersonal relationships are positioned as an inseparable marketing instrument embedded in daily operational activities. One dominant form of this marketing approach is *word of mouth*, which functions through informal customer networks who voluntarily recommend products to others based on their consumption experience (Rosalina et al., 2025). In a microeconomic context, this mechanism generates a strong reputational effect but is highly dependent on social proximity and limited interaction spaces.

In addition to *word of mouth*, the placement of banners and the physical presence of the eatery in public spaces serve as significant visual instruments. The location in a densely populated area enhances the effectiveness of offline marketing, as the surrounding human traffic acts as a continuous exposure source. The physical presence of the shop not only serves as a transaction point but also as a social marker that anchors collective memory in the local community. Face-to-face service emphasizing emotional connections with customers represents

another characteristic that strengthens the traditional marketing approach. Direct interaction between the business owner and consumers fosters closeness, trust, and loyalty, which are difficult to replicate in digital-based marketing systems (Vega et al., 2026).

From a consumer behavior perspective, this emotional relationship functions as an *intangible asset* that supports medium-term business sustainability (Rahayudi, Ratnawati, et al., 2025). However, a marketing approach heavily reliant on offline methods faces serious challenges amid the digitalization of the economy. Consumer behavior increasingly relies on social media, online reviews, and app-based platforms, shifting information search patterns and purchase decision-making processes. In this context, MSMEs that are not actively present in the online space risk limited market visibility.

Although Warung Bakso A Rohim has a loyal customer base, limited market reach is a logical consequence of the absence of structured digital marketing strategies. Potential markets beyond the shop's immediate geographical area are difficult to access, especially among younger consumers more familiar with a platform-based economy. Dependence on the local market narrows growth opportunities in an increasingly open competitive landscape.

The business owner has recognized these changes and has taken initial steps by registering the eatery on *GrabFood* and *GoFood* platforms (Owner of Warung Bakso A Rohim, personal communication, 2025). However, presence on these platforms remains passive and is not accompanied by a planned online promotional strategy. This indicates that technology adoption is not yet fully understood as an integral part of marketing strategy but rather as an operational supplement. Limited understanding of digital marketing and insufficient resources are key factors affecting the low intensity of marketing innovation. This phenomenon reflects the structural characteristics of traditional MSMEs that tend to rely on empirical experience rather than knowledge- and data-based approaches. In this context, the digital literacy gap emerges as a crucial issue affecting business competitiveness (Haloho, 2024).

The dominance of traditional approaches in business management and operations is also reflected in marketing decision-making patterns. A short-term orientation and focus on daily revenue stability often lead investments in online marketing strategies to be perceived as additional risk. This mindset indicates cultural resistance to change, not always stemming from rejection but from uncertainty and limited adaptive capacity. With these characteristics, Warung Bakso A Rohim represents a portrait of traditional MSMEs situated at the intersection between business continuity and the demands of transformation. Dependence on offline marketing still provides tangible benefits in the local context, but external pressure from digital market dynamics demands a more adaptive and strategic response.

Concepts and Practices of SME Marketing in the Digital Era

In the context of SMEs, marketing concepts generally still rely on conventional approaches emphasizing product quality, direct service, and competitive pricing. This approach aligns with Kotler's perspective, which

positions the product and customer satisfaction as the primary foundation of marketing (Deku et al., 2024). At the small business scale, such strategies have proven effective in building trust and maintaining a local customer base, particularly through repeated and intensive social interactions. However, the increasingly digitalized market dynamics necessitate an expansion of the marketing paradigm beyond mere transactional orientation. In the conventional economy, marketing evolves toward value creation, encompassing consumer experience, brand perception, and emotional engagement (Trisnayani et al., 2019).

In line with this, Islamic Economics views marketing activities as part of efforts to achieve sustainable *maslahah*, meaning economic benefits that extend beyond profit to include social relations and ethical exchanges (Ridwan, 2025). For SMEs like Warung Bakso A Rohim, this shift requires understanding that marketing is not only about the products sold but also the consumer experience. Experiential marketing emphasizes that consumers develop attachment to brands through sensory and emotional experiences (Adawiyah et al., 2025). From an Islamic Economics perspective, such experiences carry ethical relevance when constructed through honesty, genuine quality, and human-centered interaction rather than manipulative perception management (Khasanah, 2021).

Digitalization broadens the application of these marketing concepts through approaches such as content marketing, social media engagement, and data-driven marketing. Economically, these strategies increase promotional efficiency and extend market reach at relatively low cost. Within Islamic Economics, leveraging technology can be interpreted as a means to distribute product utility more inclusively, as long as fairness and transparency principles are upheld.

Relationship marketing theory forms a key intersection between modern marketing and Islamic Economics. Marketing is no longer viewed as a short-term activity but as a process of building long-term relationships with customers. In conventional economics, such relationships contribute to loyalty and revenue stability. In Islamic Economics, long-term relationships align with the principles of *amanah* (trustworthiness) and confidence as the foundation of healthy economic exchange.

Social media enables two-way interaction that reinforces these concepts. Consumers not only receive marketing messages but actively participate through reviews, comments, and content sharing. From a behavioral economics perspective, such participation influences market perception and collective purchase decisions (Suarsa et al., 2025). In Islamic Economics, this interaction space provides opportunities for ethical and mutually beneficial communication between producers and consumers.

However, SMEs' adoption of digital marketing often faces structural constraints. Limited digital literacy and managerial capacity restrict small businesses' ability to manage technology-based marketing optimally. In conventional economics, this condition is understood as a capability constraint affecting productivity. In Islamic Economics, these limitations are viewed as systemic challenges requiring empowerment approaches rather than mere efficiency demands.

Warung Bakso A Rohim reflects an SME still relying on conventional marketing strengths, such as direct interaction and local reputation. Economically,

this approach maintains demand stability within a limited market. From an Islamic Economics perspective, such practices carry strong social value by fostering closeness and trust based on real relationships. The challenge lies in translating these values into the digital marketing space.

An integrated marketing approach that combines offline and online strategies emerges as a relevant alternative. Marketing theory suggests that integration expands customer touchpoints and prolongs consumer interaction cycles. In Islamic Economics, such integration enables continuity of value between physical and digital spaces, ensuring that technological transformation does not sever previously established social relationships (Ridwan, 2025). Digitalization also provides data and insights that can inform strategic decision-making. In conventional economics, data is viewed as a competitive advantage enabling rapid and measurable strategy adjustments. In Islamic Economics, data utilization can be directed to avoid waste (*isrāf*) and improve production accuracy and service in line with actual consumer needs.

Sustainability (*istidāmah*) represents a conceptual convergence between modern economics and Islamic Economics. In modern economics, sustainability relates to a business's ability to survive and grow in the long term. In Islamic Economics, sustainability is extended to include social and ethical dimensions of benefit. Responsibly and adaptively managed digital marketing has the potential to support both objectives simultaneously. In an increasingly digitalized competitive landscape, SMEs must balance economic efficiency with the relational values that have historically been their traditional strength. Warung Bakso A Rohim operates in a dialectical space between conventional marketing practices and the demands of digital innovation.

Challenges and Barriers of Offline Marketing at Warung Bakso A Rohim

In the fields of economics and innovation management, Rogers' diffusion of innovation theory provides an analytical framework for understanding why technology adoption does not occur uniformly across business actors (Suarsa et al., 2025). The theory emphasizes that innovation adoption is influenced by the characteristics of the innovation, the capacity of the adopter, and the social and cultural context in which the innovation is introduced. This framework is highly relevant for interpreting the gradual and non-linear digitalization of SMEs.

From a conventional economic perspective, innovation adoption is understood as a rational decision that weighs relative benefits against the costs incurred by business actors (Sihura, 2025). In Islamic Economics, decisions to adopt technology are also influenced by considerations of *maslahah* (benefit) and the protection of business continuity (*ḥifẓ al-māl*) (Khasanah, 2021). The convergence of these perspectives lies in maintaining a balance between risk and economic sustainability. One key attribute in Rogers' theory is *relative advantage*, referring to the degree to which an innovation is perceived as better than previous practices. At Warung Bakso A Rohim, digital marketing has yet to be perceived as having a significant relative advantage over the offline marketing strategies that have proven effective (Owner of Warung Bakso A Rohim, personal communication, 2025).

In microeconomic terms, this perception affects resource allocation preferences, particularly when the benefits of digitalization are not immediately tangible. Another attribute is *compatibility*, which concerns the degree to which an innovation aligns with the adopter's values, experiences, and needs (Arjang et al., 2025). Digital marketing practices are not fully compatible with the business culture of Warung Bakso A Rohim, which is grounded in direct interaction and social relationships. From an Islamic Economics perspective, this alignment relates to preserving relational values and trust that have become the foundation of the business, so innovation adoption is not seen as a total replacement of old practices.

Complexity is also a key factor impeding innovation adoption. Digital marketing is often perceived as complicated due to the need to understand algorithms, manage content, and analyze data. In conventional economics, such complexity increases learning costs and reduces adoption interest. In Islamic Economics, poorly understood complexity can generate uncertainty (*gharar*) in business decision-making. The *trialability* attribute in Rogers' theory emphasizes the importance of opportunities to test innovations on a small scale. Warung Bakso A Rohim lacks sufficient experimental space to gradually and systematically trial digital marketing. Economically, this limitation amplifies perceived risk. From an Islamic Economics perspective, the absence of a trial phase hampers rational and proportional efforts (*ikhtiar*) to maintain business sustainability (Ridwan, 2025).

Moreover, *observability*, or the visibility of innovation outcomes, also affects adoption decisions. Offline marketing impacts can be directly observed through increases in daily customers, whereas digital marketing results require time and analysis. In behavioral economics, this difference influences preferences toward strategies providing immediate feedback. In Islamic Economics, the visibility of benefits is crucial in assessing the *maslahah* of an innovation. Rogers' diffusion of innovation theory also highlights the role of adopter categories, such as early adopters and late adopters (Putri & Batu, 2025). Warung Bakso A Rohim tends to fall within the late majority or even laggards category, not due to outright rejection of technology but due to structural caution. In conventional economics, this position is often associated with resource limitations. In Islamic Economics, such caution can be interpreted as an effort to maintain business stability before implementing significant changes.

Social system factors further influence the pace of innovation diffusion. The consumer environment of Warung Bakso A Rohim, which still prioritizes direct interaction, slows market pressure to shift toward digital marketing. Economically, local social norms influence consumption preferences. In Islamic Economics, these norms form part of the social reality that must be respected during economic transformation. Limited access to change agents also slows innovation diffusion (Adawiyah et al., 2025). Insufficient mentoring, training, or digital networks forces SMEs to face innovation individually. In development economics, this reflects weak knowledge transfer mechanisms. In Islamic Economics, the absence of guidance reduces opportunities for achieving collective *maslahah* through small business empowerment.

Within the diffusion of innovation framework, the barriers to digitalization at Warung Bakso A Rohim cannot be understood merely as a failure to adapt but as part of an adoption process influenced by perceptions, social context, and internal

capacity. Both conventional and Islamic economic perspectives emphasize the importance of gradual and contextual approaches in promoting technology adoption. Digital marketing for SMEs such as Warung Bakso A Rohim can be positioned as an innovation requiring diffusion strategies sensitive to values, culture, and business sustainability. The integration of economic rationality and the cautionary principles of Islamic Economics provides a relevant analytical framework for understanding innovation adoption dynamics at the small business level within a continuously evolving digital economy.

Adoption of Digital Innovation and the Potential Shift in SME Marketing Strategies

Within the framework of modern marketing theory, Kotler and Keller, as cited by Suarsa et al. (2025), emphasize that the shift in marketing orientation from product-centric to experiential marketing represents a response to changing consumer behaviors, which increasingly prioritize emotional, symbolic, and participatory values. Consumers no longer purchase products solely to fulfill functional needs but seek to experience the accompanying narratives, ambiance, and meaning embedded in the products (Rahayudi, Ratnawati, et al., 2025). For culinary SMEs such as Warung Bakso A Rohim, this experiential dimension can manifest through production narratives, social interactions with customers, and visual representations communicated via digital platforms.

Kotler and Keller's experiential marketing theory highlights five core dimensions—sense, feel, think, act, and relate—which collectively shape a holistic consumer experience (Suarsa et al., 2025). Digitalization provides an effective medium to activate all five dimensions simultaneously, even for SMEs with limited resources. Visual content on social media, for example, can stimulate the sense and feel dimensions, while storytelling behind products can engage the think and relate dimensions by fostering emotional proximity and highlighting local values.

From a conventional economic perspective, these strategies contribute to enhanced brand equity and customer loyalty, which in turn strengthen the competitiveness of businesses in increasingly crowded markets. From an Islamic Economics perspective, creating honest and authentic experiences aligns with the principles of transparency (*ṣidq*) and fairness in value exchange, ensuring that marketing is not manipulative but builds long-term trust as part of maintaining business assets (*hifẓ al-māl*).

The implementation of experiential marketing through digitalization also implies a transformation in producer–consumer relationships. Interactions are no longer unidirectional but evolve into dialogic exchanges, enabling consumers to actively participate in shaping the brand image (Rahmawati et al., 2025). In the context of Warung Bakso A Rohim, comment sections, online reviews, and testimonial-based content can serve as spaces for co-creating meaning between business owners and customers. From a relational economic perspective, this strengthens non-financial switching costs that are difficult for competitors to replicate.

The connection between experiential marketing and Islamic Economics is also evident in the orientation toward social benefit (*maslahah*). The experiences

created aim not only to increase sales but also to reinforce social bonds, preserve local values, and foster a sense of belonging among consumers. Digitalization, in this regard, acts as a tool to extend the reach of these values without eroding the business's local character. From a public policy standpoint, these findings indicate that digital SME development cannot be reduced merely to the provision of technological infrastructure. Effective policies should focus on enhancing SME actors' capacities to understand the conceptual dimensions of modern marketing, including experiential and relationship marketing. Training programs that focus solely on technical aspects of app usage risk producing shallow and unsustainable digital adoption (Rahayudi, Ratnawati, et al., 2025).

Inclusive digitalization requires policy approaches that consider the diverse characteristics of SMEs, including business scale, digital literacy levels, and socio-cultural contexts. In this regard, the state functions as an enabler that fosters a learning ecosystem, rather than merely providing technology. This approach aligns with the principle of distributive justice in Islamic Economics, where access to economic opportunities should be proportionally opened to prevent new disparities among business actors. Another policy implication is the importance of encouraging collaboration among government agencies, universities, and local creative communities. Such collaboration facilitates contextual knowledge transfer on experiential marketing while providing practical learning spaces for students and young creators. In institutional economics, these synergies strengthen the institutional embeddedness of SMEs within a sustainable digital ecosystem.

Furthermore, SME digitalization policies should incorporate sustainability-based evaluation dimensions rather than merely focusing on technology adoption indicators. Successful digitalization should be measured by SMEs' ability to maintain stable revenues, expand market relations, and preserve business value over the long term. This perspective aligns with the goals of Islamic Economics, which positions business sustainability as part of the ethical stewardship of wealth. By integrating experiential marketing theory with inclusive digitalization policy approaches, SME transformation is not framed solely as an adaptive requirement but as a gradual socio-economic learning process.

Conclusion

The findings of this study indicate that the persistence of offline marketing at Warung Bakso A Rohim cannot be interpreted merely as a delay in digital adaptation, but rather as a rational expression of business practices rooted in social relationships, trust, and direct consumption experiences. Conventional marketing strategies—manifested through face-to-face interactions, word-of-mouth promotion, and physical business presence—have fostered strong emotional bonds and customer loyalty, which significantly contribute to sales stability. Nevertheless, within an increasingly digitalized marketing landscape, these strengths encounter structural limitations, particularly in reaching new consumer segments and responding to shifts in market preferences that are progressively shaped by digital media and platform-based services.

At the same time, this study reveals that the challenges of integrating digital marketing do not arise solely from technical constraints, but also from cultural,

organizational, and strategic factors that shape MSMEs' decision-making processes. Limited digital literacy, the absence of dedicated human resources, and the lack of internalization of online marketing as part of a long-term business strategy result in the fragmented and reactive use of digital channels. These findings carry theoretical implications by underscoring that MSME marketing transformation should be understood as a layered adaptive process rather than a purely technological transition. From a practical standpoint, the results highlight the importance of MSME policies and support mechanisms that promote gradual integration between offline and digital marketing, while recognizing existing social capital and simultaneously strengthening the adaptive capacity of entrepreneurs within an increasingly dynamic marketing ecosystem.

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