

## KNOWLEDGE OF MEDAN CITY UMKM ACTORS IN MARKETING STRATEGIES IN THE DIGITAL ERA

Nurhayati <sup>1\*</sup>, Sahnan Rangkuti <sup>2</sup>

Accounting Study Program <sup>1</sup>, Management Study Program <sup>2</sup>,  
Economics and business Faculty, Dharmawangsa University, Indonesia

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**\*Correspondence Address:**

nurhayati@dharmawangsa.ac.id

**Abstract:** This study aims to analyze the knowledge of Micro, Small, and Medium Enterprises (UMKM) in Medan City regarding marketing strategies in the digital era. With the increasing number of UMKM, the main challenges faced are the low understanding of digital marketing and limitations in utilizing technology. The research method used is qualitative with a case study approach, collecting secondary data from various literature sources, including articles, books, and related reports. The results of the study show that many UMKM still rely on traditional marketing methods and are less familiar with digital platforms. In addition, it was found that limited access to technology and minimal training are significant obstacles for UMKM in implementing digital marketing strategies. This study recommends the need for training programs and infrastructure support from the government and related institutions to improve the knowledge and skills of UMKM. Thus, it is hoped that UMKM can take advantage of opportunities in the digital era more effectively, contributing to local economic growth.

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### INTRODUCTION

Information technology plays a crucial role in increasing the efficiency of marketing costs. The use of sophisticated digital marketing tools can help reduce production costs and increase the efficiency of product distribution systems. Digital marketing contributes significantly to the promotion of products and businesses through digital channels, which allows for more effective targeting of potential customers and helps build a customer base (Nezamova & Olentsova, 2021). In Resky's (2023) research, technological innovation was identified as a major driver of economic growth in various countries, playing a key role in creating new opportunities, increasing efficiency, and changing the way we live and interact. In an era dominated by technological advances, the role of innovation in driving economic growth is becoming increasingly important. From the description above, it can be concluded that technology has had a significant

impact on marketing, especially with the advancement of the global internet.

In recent years, technology has changed the way marketing is done, affecting the form and capacity of products and increasing the existence of companies. The use of new technologies requires rapid adjustments in socio-cultural structures, which can produce new groups or entities. In this context, marketing supported by technology is very important to increase the existence of a company or business entity. Currently, if marketing is not supported by advanced technological developments, it is likely that it will not be able to achieve maximum results. Technology allows interconnected activities so that marketing of goods and services can run optimally. Examples of modern marketing methods include the use of social media, influencers, and digital content. All of these methods refer to promotional methods that utilize technological developments to reach more interested parties.

The focus of this research is on the UMKM (Micro, Small and Medium Enterprises) sector which has grown rapidly in Indonesia, including in Medan City. UMKM are an important part of the economy of a country or region; in Indonesia, UMKM have a vital role in supporting the economic growth of the community (Law, 2008). Micro, Small and Medium Enterprises also contribute to the creation of new jobs and the formation of new work units that support household income (Panga, 2014). According to Blasius (2023), UMKM have high flexibility compared to larger-scale businesses. Therefore, UMKM require special attention and accurate information support in order to establish targeted business relationships with competitive elements such as market networks.

UMKM refer to productive businesses owned by individuals or business entities that meet the criteria as micro, small, and medium enterprises—for example, food stalls, online stores, kiosks, service businesses, agriculture, tailors, and others. When starting a new business, it is important to have an initial marketing strategy plan to introduce the product to the market. The plan includes three parts: the first is product positioning or market share; the second is distribution and budget strategy; the third is a marketing mix strategy that includes price, distribution, product, and promotion. The rapid development of technology in this digital era has created new habits in marketing activities that are now all online. This may be the impact of the previous COVID-19 which accelerated

changes in the economic sector and people's shopping behavior.

In this technological era, people tend to choose fast, easy, and efficient methods to adapt to current developments and trends. Based on these facts, UMKM should be responsive to these changes. Many UMKM have adapted by marketing online or digitally. An example is a clothing or accessory store that does live streaming on TikTok or Shopee to increase promotions and attract customers from outside their reach. Other methods in online marketing include building strong relationships with other UMKM, creating marketing content according to current trends, and collaborating with consumers through sponsorship offers or becoming a resource person at seminars. However, there are still a number of UMKM who do not understand the ever-evolving world of technology. Some older UMKM find it difficult to keep up with digital marketing developments and utilize social media. In traditional markets, many still rely on direct or offline marketing systems because they consider digital marketing complicated with complex procedures. This is very unfortunate because in reality digital marketing offers many advantages with a wider reach. From this situation, it can be concluded that UMKM' knowledge of marketing strategies in the digital era is still limited. Some of them are still trapped in traditional principles in running their businesses.

## **RESEARCH METHODS**

This study applies a qualitative method with a case study approach to explore certain phenomena in a real-life context (Nurahma & Hendriani, 2021). The data sources used are secondary data taken from various literatures, including articles, books, and news that are relevant to the research topic. The data analysis process was carried out using qualitative descriptive analysis techniques. The collected data will be analyzed to gain deeper insight and understanding of the marketing strategies implemented by Micro, Small, and Medium Enterprises (UMKM) in the digital era. Through this approach, it is hoped that comprehensive information can be produced about the challenges and opportunities faced by UMKM in utilizing digital marketing effectively.

## **RESULTS AND DISCUSSION**

The results of this study indicate that the knowledge of UMKM actors in Medan City regarding marketing strategies in the digital era is still relatively low. Based on the analysis of secondary data obtained from various sources, several key findings were found:

1. **Level of Knowledge about Digital Marketing:** Many UMKM do not fully understand the concept of digital marketing. Only a few have tried using social media or e-commerce platforms to market their products.
2. **Limited Access to Technology:** Several UMKM expressed that they have difficulty accessing the technology needed to implement digital marketing strategies. These limitations include a lack of adequate devices, unstable internet access, and minimal technical knowledge to use digital marketing tools.
3. **Lack of Training and Support:** Research shows that UMKM in Medan City often do not receive adequate training or support from the government or related institutions in terms of digital marketing. This causes them to feel insecure about switching from conventional to digital marketing methods.

The results of this study are in line with previous findings showing that many UMKM in Indonesia, including in Medan City, are still trapped in traditional marketing practices. In the context of globalization and technological developments, the inability to adapt to digital marketing can be a barrier to the growth and sustainability of their businesses. Digital marketing offers various advantages, such as more efficient costs and wider market reach. However, without sufficient knowledge, UMKM will find it difficult to utilize this potential. Therefore, it is important for them to receive education and training on digital marketing strategies in order to compete effectively in local and global markets.

Limited access to technology is also an important factor that needs to be considered. Local governments and related institutions need to provide support in the form of providing technology infrastructure and relevant training programs. Thus, UMKM will be better prepared to adopt new technologies and implement digital marketing strategies effectively. In addition, this study highlights the need for collaboration between the public and private sectors in supporting UMKM

development. Partnership programs can help UMKM gain access to the resources and knowledge needed to improve their marketing capabilities. Overall, the results of this study indicate that although the potential of UMKM in Medan City is very large, challenges in implementing digital marketing strategies need to be addressed immediately. By improving the knowledge and skills of UMKM in digital marketing, it is hoped that they can be more competitive and contribute to the overall economic growth of the region.

## **CONCLUSION**

This study has analyzed the knowledge of Micro, Small, and Medium Enterprises (UMKM) in Medan City regarding marketing strategies in the digital era. The results of the study show that although the potential of UMKM in Medan City is very large, many business actors still rely on traditional marketing methods and have limited knowledge about digital marketing. Several factors that influence this low knowledge include lack of access to technology, minimal training and support from related parties, and uncertainty in implementing new marketing strategies. This makes it difficult for c to compete in an increasingly competitive market. From these findings, it can be concluded that to increase the competitiveness of UMKM in Medan City, collaborative efforts are needed between the government, educational institutions, and the private sector in providing relevant training programs and adequate technological infrastructure. By increasing the knowledge and skills of UMKM in digital marketing, it is hoped that they can take advantage of the opportunities available in the digital era more effectively, thereby contributing to local and national economic growth. Overall, this study provides important insights for the development of policies and programs that support the development of UMKM in the digital era, and emphasizes the need for more attention to education and training in the field of digital marketing to ensure the sustainability of their businesses in the future.

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