

Strategies for Increasing the Competitiveness of MSMEs in the Digital Economy Era: A Study of Spicy Soy Sauce Chicken MSMEs

Siti Nur Aini^{1*}, Wahyu Alya Larasati², Arti Widyaningsih³

¹²³Tidar University

Corresponding Author e-mail: siti.nur.aini@students.untidar.ac.id

Article History:

Received: 09-01-2025

Revised: 12-01-2025

Accepted: 15-01-2025

Keywords: Competitiveness;
Digital Economy; MSME

Abstract: MSMEs play an important role in Indonesia's economy but face significant challenges in adapting to digital transformation. This study aims to analyze opportunities and formulate strategies to enhance the competitiveness of MSMEs in the digital economy era, using a case study of the “Ayam Kecap Pedas” (AKP) MSME in Magelang. The research employs a descriptive qualitative approach with a case study strategy. Data collection techniques include observation, document analysis, and interviews. The results identify several key opportunities, such as broader market access through e-commerce, operational efficiency through digitalization, and government support programs. Based on these findings, strategies for enhancing competitiveness are formulated in four main aspects: (1) operational system digitalization through the implementation of POS systems and digital literacy training; (2) marketing digitalization through social media optimization, digital promotions, and expanding e-commerce partnerships; (3) improvement of internal management; and (4) service innovation. The implementation of these strategies is expected to strengthen the competitiveness of AKP MSME and serve as a reference model for similar culinary MSMEs in adapting to the digital era.

How to Cite: Siti Nur Aini, Wahyu Alya Larasati, Arti Widyaningsih. Strategies for Increasing the Competitiveness of MSMEs in the Digital Economy Era: A Study of Spicy Soy Sauce Chicken MSMEs. 2(3). pp.199-205 <https://doi.org/10.61536/escalate.v2i3.379>



<https://doi.org/10.61536/escalate.v2i3.379>

This is an open-access article under the [CC-BY-SA License](https://creativecommons.org/licenses/by-sa/4.0/).



Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in the Indonesian economy, both in terms of employment and their contribution to Gross Domestic Product (GDP). MSMEs employ approximately 97% of the national workforce and contribute more than 60% to Indonesia's GDP. However, in the digital economy era, marked by the rapid development of information technology, MSMEs face increasingly complex challenges. Increasing competition, demands for operational efficiency, and changes in consumer behavior that increasingly prioritize ease and speed of access require MSMEs to adapt and innovate to survive and thrive.(Efilia et al., 2024; Harahap et al., 2025; Maria et al., 2024).

Among various sectors, the culinary industry is one of the MSME sectors most significantly affected by digital transformation. Consumers increasingly prefer digitally integrated services, ranging from ordering systems to cashless payment methods. Consequently, culinary MSMEs are required not only to maintain product quality but also to effectively utilize digital technology as a means to enhance competitiveness. However, in practice, many MSMEs continue to face substantial barriers in adopting digital technologies, including limited digital literacy, inadequate resources, and the absence of appropriate digital strategies (Alviani & Munawaroh, 2025; Morisson & Fikri, 2025; Nasution & Silalahi, 2022).

The "Ayam Kecap Pedas" (AKP) MSME located in Magelang is a prime example of this phenomenon. Despite having a strong customer base and a product that is well-received by the market, AKP still relies on manual recording and has not yet maximized its digital marketing potential. This has the potential to hinder its growth amidst the rise of competitors who have shifted to digital platforms. Therefore, a comprehensive strategy is needed to help AKP increase its competitiveness through digital transformation, across operational, management, and marketing aspects.

Although numerous studies have examined digital transformation and competitiveness among MSMEs, existing research predominantly emphasizes general adoption patterns, technological impacts, or quantitative performance outcomes at a broad sectoral level. Limited scholarly attention has been given to qualitative, in-depth case studies that explore how culinary MSMEs at the micro-business level identify digital opportunities and design integrated strategies encompassing operational systems, internal management, and digital marketing. Furthermore, context-specific strategic frameworks tailored to MSMEs that are still in the early stages of digital adoption remain underexplored. This study addresses this gap by providing a detailed qualitative case analysis of the "Ayam Kecap Pedas" MSME, offering practical and replicable strategic insights to strengthen the competitiveness of culinary MSMEs in the digital economy era.

Based on this background, this study aims to analyze opportunities and formulate strategies to increase the competitiveness of Spicy Soy Sauce Chicken (Spicy Soy Sauce Chicken) MSMEs in the digital economy era. Using a qualitative case study approach, it is hoped that the results of this research will provide practical recommendations for AKP (Agricultural and Food Security Agency) and contribute scientifically to the development of other culinary MSMEs facing similar challenges.

Research Methods

This research applies a descriptive qualitative approach with a case study strategy. The data collection techniques used include:

1. Observation: Directly observing the work process, from receiving orders to the payment stage.
2. Document Analysis: Includes daily reports, sales recaps, and promotional materials (AKP social media).
3. Interviews: Conducting dialogues with owners and employees to understand operational challenges and existing information needs.

The data were analyzed descriptively to identify information system needs and design an appropriate Management Information System (MIS) model. The unit of analysis selected was the "Ayam Kecap Pedas" (AKP) UMKM, a small-scale culinary business located in Magelang. The selection of this single case study was based on the consideration that AKP is striving to increase its competitiveness through various initiatives (such as digitalization, service innovation, etc.), making it relevant to the research objectives.

Results and Discussion

Opportunity Analysis

(Language Center, Department of National Education, 2008) Opportunity is defined as a chance or possibility to do something. In a business context, opportunity refers to a chance that can be exploited to develop a business, increase revenue, or expand the market.

1. Wide Market Access

The We Are Social 2025 report states that 80% of Indonesia's population are internet users with 180 million people as active subscribers. *e-commerce platform*. This data is concrete evidence of the huge opportunity for MSMEs to enter the e-commerce market. *E-commerce* is a major driver of Indonesia's digital economic growth. The total value of e-commerce transactions in Indonesia is estimated to reach USD 100 billion by 2025, a significant increase from the previous year. This trend is further supported by the proliferation of digital payment methods, including digital wallets like GoPay, OVO, and Dana, which are gaining popularity among consumers.

2. Operational Efficiency

Digitalization allows MSMEs to automate various activities that were previously carried out manually and were time-consuming. (Mardiah et al., 2024) In financial recording, digital cashier applications and automated bookkeeping systems support real-time transaction recording, reducing errors and accelerating financial reporting. Meanwhile, customer service becomes more responsive thanks to the use of chatbots and CRM systems. These systems can automatically respond to customer inquiries and store interaction histories to improve service quality.

3. Increasing Competitiveness

(Jannatin et al., 2020)revealed that in the digital era, increasing competitiveness is crucial for MSMEs to remain relevant and thrive. The ability to adapt quickly to market changes and industry trends is key. One effective form of adaptation is utilizing e-commerce. By accessing digital platforms like Tokopedia, Shopee, or even opening their own online stores, MSMEs can reach a wider range of consumers without geographical boundaries. Data shows that MSMEs active in e-commerce experience sales increases of up to 30–50% compared to those relying solely on offline sales.

4. Government Programs

The Indonesian government is actively promoting the growth of MSMEs through various strategic programs, particularly microfinance and empowerment programs. The goal is to enable MSMEs to develop, upgrade, and become competitive in the digital era. The Ministry of Cooperatives and SMEs runs various training programs focused on digitalization to improve the competency of MSMEs, such as the EduKUKM platform and the Level Up program.

Proposed Competitiveness Enhancement Strategy

Based on the profile and opportunity analysis presented, the following strategies have been identified to strengthen the competitiveness of Spicy Soy Sauce Chicken MSMEs in the digital era. These strategies are divided into four categories: digitalization, internal management, service innovation, and marketing.

1. Digitalization of Operational Systems

a. Digitalization of Financial Recording and Implementation of Digital Cashier System (Point-of-Sale/POS)

Implementing a digital cashier system (Point-of-Sale/POS) integrated with QRIS and online delivery services is highly recommended to improve transaction recording efficiency. With this system, all transactions are automatically recorded, reducing the possibility of errors in manual recording and simplifying daily sales monitoring. Research conducted by(Misriati et al., 2025)also shows that the use of similar digital tools can help MSMEs save time and reduce errors.

As a first step, AKP can use a simple Excel-based Order Control Sheet to record online orders to prevent misses or duplicate entries. In the long term, a POS system connected directly to platforms like GoFood and GrabFood will automate the entire process, collecting all orders in a single view, resulting in more accurate and efficient financial reporting.

Beyond sales, financial aspects such as recording expenses, purchasing raw materials, and payroll should be digitized. For example, by utilizing structured spreadsheets or easy-to-use MSME accounting software. This is crucial for streamlining profit and loss and cash flow analysis. Currently, the manual process of reconciling QRIS transactions with cash books is time-consuming and carries the risk of discrepancies. Creating a simple daily reconciliation sheet can be a good starting point (by matching bank account transactions with daily sales records). With a POS system, the reconciliation process can be automated. Digital recording will also

facilitate future financing access for AKP (due to the organized financial records).

b. Digital Literacy Training

For technology to provide optimal benefits, AKP owners and employees need to understand how to use it. Therefore, it is highly recommended to provide a brief training on digital literacy to Ms. Wati and her staff. This training could cover the use of a digital cashier application, understanding the sales reports generated by the system, and the basics of data security. The goal is to build their trust in the digital system so they no longer rely entirely on physical records. Recommendations for improving the digital capabilities of MSMEs like this have also been suggested by various parties, as seen in publications from ejournal.utp.ac.id and deb.sv.ugm.ac.id. To achieve this, AKP can seek mentoring programs from the local Cooperatives Office or the business community in Magelang. With adequate digital capabilities, AKP will be better prepared and more easily able to adopt various other technological innovations in the future.

2. Digitalization of Marketing

a. Maximizing Social Media Utilization

To optimize its marketing strategy, AKP needs to maximize its use of social media with more planned and consistent content. Although already present on platforms like Instagram and TikTok, AKP is advised to increase its posting frequency, content creativity, and engagement with followers. A regular posting schedule, for example, three times a week, can showcase visuals of menus, cooking processes, customer testimonials, or current promotions. Short video content like Reels or TikToks featuring secret recipes or customer reactions also have the potential to go viral. In addition to organic content, AKP can utilize paid advertising on Instagram with a limited budget to target student audiences around Magelang. Digital advertising is considered affordable and measurable, allowing promotions to reach thousands of potential customers with costs starting at Rp 50,000.

b. Digital Promotions and Flash Sales

Online promotional strategies such as flash sales, limited-time discounts, or digital coupons can increase purchase interest and customer visits. Flash sales announced through Instagram Stories or TikTok can create a sense of urgency, encouraging customers to make a purchase before the promotion ends. Furthermore, AKP can utilize paid advertising features on social media (such as Instagram Ads and TikTok Ads) to reach a wider audience with precise demographic targeting. Targeted digital campaigns like these are effective in accelerating new product exposure and attracting new customers. Regular and measurable digital promotions will strengthen AKP's market position compared to competitors who are less active online.

c. Adding E-commerce Partnerships and Food Delivery Services

Registering your AKP on culinary e-commerce platforms and food delivery apps is a crucial step in the digital era. Digital marketing platforms introduce your AKP products to thousands of app users across a wider area without geographical

limitations. To date, AKP has partnered with two food platforms, Grabfood and Gofood. Case studies of culinary MSMEs show that sales increased significantly after joining the GoFood platform. In fact, using multiple platforms simultaneously can multiply market reach. By being present on GoFood/GrabFood, AKP makes it easier for customers to order online, thereby increasing revenue, especially among segments that prioritize convenience and speed of service. Furthermore, digital platforms often provide customer review features; AKP can utilize these to collect positive testimonials as social proof that strengthens the trust of potential buyers.

After analyzing the digital market on various platforms, we believe additional partnerships, such as those with ShopeeFood, are necessary to expand our marketing reach. ShopeeFood's popularity in Magelang City is significant, even surpassing Grabfood and Gofood. Furthermore, this platform sometimes offers attractive promotional vouchers to consumers. This, of course, will provide free promotion for AKP.

Conclusion and Recommendation

The Spicy Soy Sauce Chicken MSME has a significant opportunity to increase its competitiveness in the digital economy era through the use of technology and planned digital transformation. These opportunities include broad market access through e-commerce with more than 180 million users, increased operational efficiency through digital systems, increased competitiveness with the potential to increase sales by 30–50%, and government support in the form of training and financing. Strategies to strengthen competitiveness include operational digitization with QRIS-integrated POS and a delivery platform, digital marketing through social media and paid promotions, expanding e-commerce partnerships, and improving internal management through digital financial records. Service innovation is also needed to maintain product relevance. The implementation of this strategy is expected to strengthen the MSME's position in the local market and serve as a model for other culinary MSMEs, with success highly dependent on the business owner's commitment to adopting technology, innovating, and utilizing government support and the available digital ecosystem.

References

- Alviani, NA, & Munawaroh. (2025). Digital Transformation in MSMEs in Increasing Market Competitiveness: data collection and characterization, analysis, interpretation of results, and recommendations. The data obtained includes qualitative data through a data selection and simplification process. *MASMAN: Master of Management*, 3(1), 134–140. <https://doi.org/https://doi.org/10.59603/masman.v3i1.717>
- Efilia, RY, Putri, SA, Riskiyana, S., Azizah, AN, & Saridawati. (2024). The role of MSMEs in improving the Indonesian economy. *Journal of Multidisciplinary Scientific Research*, 8(10), 217–225.



- Harahap, LM, Situngkir, J., & Wijaya, RA (2025). The Role of MSMEs in Driving Indonesia's Economic Growth. *PESTEL: Management and Marketing Journal*, 1(1), 16–21.
- Jannatin, R., Wardhana, MW, Haryanto, R., & Pebriyanto, A. (2020). Implementation of Digital Marketing as a Marketing Strategy for MSMEs. *Jurnal Impact: Implementation and Action*, 2(2).
- Mardiah, A., Sunarni, Putri, NR, Sono, MG, & Putra, JE (2024). Digital Marketing Strategy for MSMEs in the Digital Era. *El-Mal: Journal of Islamic Economics and Business Studies*, 5(11), 5464–5474.
- Maria, V., Aziz, AF, & Rahmawati, D. (2024). Improving the Competitiveness of Local MSMEs through Digital Marketing Strategies in the Digital Era. *OPTIMAL: Journal of Economics and Management*, 4(2), 208–220. <https://doi.org/https://doi.org/10.55606/optimal.v4i2.3471>
- Misriati, T., Dyah, SE, & Aryanti, R. (2025). Optimizing Financial Management through Digital Recording in Micro and Small Enterprises. *JPM: Journal of Community Service*, 6(2), 280–287. <https://doi.org/10.47065/jpm.v6i2.2744>
- Morisson, B., & Fikri, AAHS (2025). Digitalization of MSMEs as a Strategy to Increase Competitiveness in the Digital Economy Era. *EBISNIS (Scientific Journal of Economics and Business)*, 18(1), 289–299.
- National, PBDP (2008). *Indonesian Dictionary*.
- Nasution, S., & Silalahi, PR (2022). The Role of Digital Marketing in Increasing the Revenue of Sharia-Based Culinary MSMEs in Medan City. *Jurnal Masharif Al-Syariah: Journal of Islamic Economics and Banking*, 7(2), 510–519. <https://doi.org/http://dx.doi.org/10.30651/jms.v7i2.13785>