

The Role of The Kebumen Government (Dinas Kumkm) in Digital Marketing Transformation in Marketing Kebumen MSME Products

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ABSTRACT

Digital marketing transformation has become a crucial aspect in the development of Micro, Small, and Medium Enterprises (MSMEs) in Kebumen Regency, especially in facing marketing challenges in the digital era. This study aims to analyze the role of the Department of KUMKM Kebumen in supporting the digital marketing transformation process among MSME actors. The research method employed is a qualitative approach with a case study design, encompassing interviews, observations, and policy document analysis. The findings reveal that the Kebumen KUMKM Service has implemented various programs that facilitate digitalization, such as training on the use of digital platforms and the introduction of effective online marketing techniques. However, challenges such as limited access to technology and low digital literacy remain significant barriers for MSME actors in optimally implementing digital marketing strategies. The study also finds that government policies have positively impacted the marketing of MSME products, leading to increased consumer trust and expanded market reach. To accelerate the adoption of digital marketing, further efforts are needed to enhance technological infrastructure and collaborate with broader digital platforms. This research is expected to contribute to the development of better policies in supporting the digital transformation of MSMEs in Kebumen.

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1. INTRODUCTION

1.1 Background

Digital transformation in marketing products of Micro, Small, and Medium Enterprises (MSMEs) in Indonesia is a very urgent issue, including in Kebumen Regency. In the era of the industrial revolution 4.0, technological developments have brought significant changes to the way MSMEs operate, especially in terms of marketing. MSMEs are one of the economic sectors that are very important for regional economic growth, including Kebumen. However, in facing this technological development and digitalization, many MSMEs are not ready to adapt. As a result, there is a very important need to support digital transformation for MSMEs, so that they can compete in an increasingly competitive global market. Digital transformation not only brings challenges, but also great opportunities for MSMEs.

The challenges faced include limited technical knowledge, lack of digital infrastructure, and minimal access to financial resources to support digitalization. However, digitalization also provides great opportunities,

especially in terms of expanding market access, increasing operational efficiency, and creating product innovation. According to Prihatta (2018), marketing is an important element in the economic system, where product sales targets and business success are highly dependent on effective marketing strategies. Therefore, the adoption of digital marketing is a very relevant solution in increasing the competitiveness of MSMEs.

In Kebumen, the role of the government, especially the Cooperatives, Micro, Small, and Medium Enterprises (KUMKM) Service, is crucial in supporting the digital transformation process. As an agency responsible for developing the MSME sector, the KUMKM Service has the responsibility to provide facilitation, assistance, and access to resources needed by MSME actors to enter the digital era. (Adlan, 2021) stated that the government has a crucial role in saving MSMEs through various supportive policies during the pandemic, and this is also relevant in the context of digital transformation. In the era of the Covid-19 pandemic, digitalization is the main way for MSMEs to survive and adapt to market changes. As stated by Arifqi and Junaedi (2021), digitalization of sharia-based MSMEs has the potential to help economic recovery, especially during times of crisis (Arifqi, 2021).

The importance of this digital transformation lies not only in the aspect of business sustainability, but also in increasing economic inclusiveness. According to the Sharia Knowledge Center (2021), Sharia MSMEs have the potential to drive inclusive economic growth. With digitalization, MSMEs can reach a wider market and access various new opportunities that were previously difficult to achieve. In this context, the Kebumen KUMKM Service is expected to act as a catalyst in integrating digital technology into the marketing strategy of MSMEs in the area.

However, the challenges faced by the Kebumen KUMKM Service in driving this digital transformation are not simple. On the one hand, they must ensure that adequate digital infrastructure is available for MSME actors, including stable internet access and adequate technical training. On the other hand, there is a need to increase digital literacy among MSME actors, so that they are able to utilize digital technology effectively. This is important, considering that there are still many MSMEs in Kebumen that operate traditionally and do not have sufficient understanding of digital marketing. In addition, the KUMKM Service also needs to collaborate with various parties, including technology companies, to provide a user-friendly digital platform for MSME actors.

In this digital transformation process, collaboration between the government, the private sector, and MSMEs is very important. The KUMKM Office can facilitate training and mentoring for MSMEs, as well as connecting them with digital platforms that suit their business needs. For example, studies from various regions show that collaboration between the government and e-commerce platforms can significantly increase the marketing of MSME products. According to Fasa et al. (2020), the existence of Islamic businesses, including sharia MSMEs, is very relevant in the era of the industrial revolution 4.0, where digital technology plays a major role in expanding market reach.

Therefore, the role of the KUMKM Office in encouraging digital marketing transformation for MSMEs in Kebumen is not only limited to providing infrastructure, but also includes ongoing coaching and facilitation. Through a holistic approach, it is hoped that MSMEs in Kebumen can adapt to changing times and take advantage of the opportunities offered by the digital era.

1.2 Problem Formulation

1. What is the role of the Kebumen KUMKM Service in helping MSMEs face digital marketing challenges?
2. What efforts has the Kebumen KUMKM Service made to encourage digital transformation in the MSME sector?
3. What are the results of implementing digital marketing transformation in MSMEs in Kebumen?

1.3 Purpose

The main objective of this study is to analyze the role of the Kebumen KUMKM Office in supporting digital marketing transformation in MSMEs in Kebumen. In addition, this study also aims to identify the challenges faced by MSMEs in adopting digital marketing and evaluate the impact of digital transformation on the development of MSMEs in Kebumen.

1.4 Literature Review

Digital transformation in MSMEs has become an important topic in various academic studies, especially in the era of the Covid-19 pandemic. Arifqi and Junaedi (2021) stated that the digitalization of sharia-based MSMEs is one way to restore the Indonesian economy, especially in the midst of a crisis. The use of digital technology, including e-commerce platforms, has been proven to increase operational efficiency and market access for MSMEs. (Arifqi, 2021). For example, Prihatta (2018) explains that digital marketing is a key factor in business success, where technology helps achieve sales targets more effectively. The role of local governments in supporting the digitalization of the MSME sector is also very important. The government not only plays a role in providing digital infrastructure, but also in providing training and assistance for MSME actors. Adlan (2021) emphasized the importance of the government's role in saving MSMEs during the pandemic through supportive sharia economic policies. This is relevant in the context of digital transformation, where government support is needed to help MSMEs overcome limited access to technology.

2. RESEARCH METHODS

2.1 Data Collection Techniques

Data collection techniques were carried out through three main methods: interviews, observation, and policy document analysis.

1. **Interview:** In-depth interviews were conducted with relevant parties at the Kebumen KUMKM Office, including the head of the office, staff, and several MSME entrepreneurs who have collaborated with the office. This interview aims to explore information about the policies and programs implemented in supporting digital marketing transformation. Through this interview, researchers can get a direct perspective from informants regarding the challenges and strategies implemented. According to Hartini and Fasa (2022), "Digital marketing from an Islamic economic perspective has an important role in increasing the efficiency and effectiveness of sharia product marketing" (p. 197), which shows that understanding the local context can provide a clearer picture of the potential of digital marketing.
2. **Observation:** Observations were conducted at strategic locations where the KUMKM Office conducted promotional and training activities for MSMEs. Researchers recorded interactions between office officers and entrepreneurs, as well as training activities held. These observations helped researchers understand the dynamics of the digital transformation process carried out by MSMEs with government support. In addition, observations also provided rich contextual data on the implementation of digital marketing strategies by MSMEs.
3. **Policy Document Analysis:** Researchers also analyzed policy documents issued by the Kebumen KUMKM Office, such as strategic plans, annual reports, and work programs. These documents provide information on policies that support digital transformation, including resource allocation and implementation strategies. Through document analysis, researchers can evaluate the consistency between policies issued and practices in the field.

2.2 Data Analysis Techniques

The data analysis technique used in this study is a thematic approach. This approach allows researchers to identify patterns and strategies that emerge from the data that has been collected. Researchers coded the data by marking relevant themes and grouping them into larger categories. In this way, researchers can understand how the Kebumen KUMKM Service plays a role in supporting MSMEs in facing digital marketing challenges. Mawarni (2021) stated that "the implementation of digital banking in Islamic banks as an effort to retain customers during Covid-19" provides an overview of how financial institutions use digital technology to maintain relationships with customers. In the context of this study, thematic data analysis techniques can be used to explore how the digital marketing strategies implemented by the Kebumen KUMKM Service help MSMEs in maintaining and developing their customer base.

3. RESULTS AND DISCUSSIONS

3.1 Implementation of Digital Marketing Program

The Kebumen KUMKM Office has committed to encouraging the digitalization of Micro, Small, and Medium Enterprises (MSMEs) in its area through various programs specifically designed to meet the needs of business actors. One of the most significant initiatives that has been implemented is the implementation of digital marketing training. This training aims to improve the skills of MSME entrepreneurs in utilizing digital platforms optimally. With rapid technological advances, it is important for MSMEs to have a deep understanding of how to operate digital tools and appropriate marketing strategies. Through this training, participants are introduced to various techniques and tools needed to increase the visibility of their products in cyberspace.

The training program held covers various important aspects of digital marketing. Among the topics discussed are the creation of interesting content, the use of social media as a marketing tool, and effective online marketing strategies. In the content creation session, participants are taught how to design materials that are not only informative but also interesting to their target audience. Knowledge of the use of social media is also very crucial, because these platforms are an effective means of reaching consumers directly. With a strong understanding of online marketing strategies, it is hoped that participants can more easily adapt to changes in consumer behavior that are now increasingly moving towards digital platforms.

In addition, this program also focuses on the implementation of sharia-based digital marketing strategies. This approach is important, especially considering that many MSMEs in Kebumen operate with sharia principles. According to Aulia and Batubara (2023), "The implementation of sharia strategies in digital marketing can increase Muslim consumer trust in MSME products" (p. 45). This shows that an approach based on sharia values not only serves to strengthen trust among Muslim consumers but can also contribute to expanding the market for MSME products produced in Kebumen. Thus, the implementation of sharia strategies in digital marketing is a must to optimize existing market potential. The Kebumen KUMKM Office is aware of the importance of adapting to changes in consumer behavior that are increasingly digital. Therefore, each

program held is designed to provide relevant insights and skills for MSME actors. This office continues to strive to create an ecosystem that supports digitalization, where MSMEs can innovate and compete effectively.

The Kebumen KUMKM Office actively collaborates with various e-commerce platforms that aim to facilitate Micro, Small, and Medium Enterprises (MSMEs) in selling their products online. This collaboration is very strategic, because it provides an opportunity for MSMEs to expand their market reach, which was previously limited to local areas. By joining an e-commerce platform, Kebumen MSMEs can take advantage of wider market potential, even at national and international levels, so that their products can be known by consumers in various locations. This collaboration not only focuses on increasing product accessibility, but is also designed to increase the visibility of products offered by MSMEs. By including their products in established e-commerce platforms, the KUMKM Office seeks to ensure that local products get the attention they deserve from a wider consumer base. Through this approach, MSMEs in Kebumen can showcase the quality and uniqueness of their products, which in turn can attract the interest of consumers from various backgrounds.

3.2 Challenges faced by MSMEs

Although the Kebumen KUMKM Office has implemented various programs to support digital marketing transformation, Micro, Small, and Medium Enterprises (MSMEs) in this area still face a number of significant challenges. One of the main challenges faced is the lack of access to the technology needed to implement digital marketing effectively. Many MSMEs do not have adequate devices, such as smartphones or computers that can connect to the internet properly. This results in limitations in their access to crucial digital marketing tools. In this situation, Arifqi and Junaedi (2021) emphasized that "adaptation of MSMEs to digital technology is very important to increase competitiveness in the era of the sharia economy" (p. 195).

Without adequate technological support, MSMEs will find it difficult to compete in a market that is increasingly developing towards digitalization. In addition, low digital literacy among MSME entrepreneurs is also a major challenge that hinders their ability to adapt to digital marketing. Many entrepreneurs are not yet familiar with how to use social media and other digital platforms to market their products. This lack of knowledge often causes MSMEs to fail to utilize the full potential of digital marketing, thus missing out on opportunities to reach a wider audience. Without a proper understanding of effective digital strategies, MSMEs may fail to promote their products properly or even fail to reach relevant audiences.

In the context of these challenges, the KUMKM Office needs to take more intensive steps in providing training and mentoring for entrepreneurs. This training should cover various aspects, from the use of digital devices to marketing strategies on social media. By improving the digital skills of entrepreneurs, it is hoped that they will be more confident in utilizing digital platforms to sell their products. Training programs can also include workshops and seminars that focus not only on theory but also on direct practice to give entrepreneurs real experience in the world of digital marketing. In addition to training, collaboration with third parties, such as technology companies and non-governmental organizations, can also be an effective strategy. Through this collaboration, the KUMKM Office can expand the reach of training and provide access to MSMEs to the necessary technology. For example, a device loan program or subsidies to purchase technological devices can greatly assist entrepreneurs who do not have enough capital to invest in technology.

Another challenge faced by MSMEs in Kebumen is resistance to change, especially in the marketing methods used. Many entrepreneurs are still comfortable with traditional marketing approaches, such as direct marketing or through physical markets, and doubt the effectiveness of digital marketing strategies. This discomfort is often caused by uncertainty about the results they will get if they switch to digital marketing. In an increasingly competitive world, this reluctance to adapt can result in MSMEs missing out on valuable opportunities to grow and reach new consumers. This skepticism can also be influenced by a lack of understanding of how digital marketing works. Many entrepreneurs do not know how to utilize digital platforms effectively or how to measure the impact of the marketing strategies they implement. Fasa (2022) emphasized that "the role of MSMEs in improving the welfare of society through the application of sharia principles" (p. 80) is highly dependent on their readiness to adapt to change. Therefore, it is important for MSMEs to obtain adequate knowledge and the necessary support to overcome the doubts and uncertainties that prevent them from adopting new marketing methods.

3.3 Impact of Government Policy

The policies implemented by the Kebumen KUMKM Service have proven effective in increasing the marketing of MSME products through the use of digital marketing. The results of the evaluation of various programs that have been implemented show a significant increase in sales of MSME products after the implementation of this digital strategy. This reflects that the steps taken by the KUMKM Service in encouraging the adoption of digital marketing have produced positive results. For example, the implementation of sharia-based digital marketing not only supports MSMEs in marketing their products but also helps them build a positive and credible image in the eyes of Muslim consumers.

One of the most visible results of the sharia-based digital marketing strategy is the increase in customer loyalty to MSME products. By emphasizing sharia principles in marketing, MSMEs are able to create stronger

and more trusted relationships with consumers. According to research conducted by Arifqi and Junaedi (2021), this has had a significant impact on customer loyalty and created long-term relationships between MSMEs and consumers. In this context, the application of sharia principles not only adds value to the product, but also functions as a strategy to increase the competitiveness of MSMEs in the market.

During the Covid-19 pandemic, the recovery of the Indonesian economy through the digitalization of sharia-based MSMEs has shown encouraging results. Many MSMEs have managed to adapt to this challenging situation by utilizing digital technology to continue operating. Arifqi and Junaedi (2021) stated that "The recovery of the Indonesian economy through the digitalization of sharia-based MSMEs during the Covid-19 pandemic" indicates that the government's efforts to digitize MSMEs are very relevant and contribute to economic recovery. This shows that with the right support, MSMEs can survive even in the most difficult circumstances. In addition, the implementation of digital marketing has helped MSMEs to be more flexible and responsive to market changes. By utilizing digital platforms, MSMEs can quickly adjust their marketing strategies based on consumer feedback and current market trends. This is very important in an era where change can happen very quickly, especially in uncertain situations such as a pandemic. In this way, digital marketing functions not only as a marketing tool but also as a tool for innovation and product development.

3.4 Case Study of MSMEs that Successfully Adopted Digital Marketing

Several micro, small, and medium enterprises (MSMEs) in Kebumen have undergone significant transformation thanks to the support provided by the KUMKM Office. One prominent example is the MSMEs engaged in the culinary sector, which have succeeded in utilizing social media as a platform to promote their products. Through a series of trainings held by the KUMKM Office, these entrepreneurs gained knowledge and skills on how to create interesting and effective content. They were also taught about utilizing advertising features available on various social media platforms. With this more strategic and creative approach, the results achieved were very encouraging; sales of their products increased significantly, and they were also able to reach a wider market, including consumers who were previously inaccessible. Another example that shows the success of this digital transformation is the MSMEs engaged in handicrafts.

With the help of the KUMKM Office, they managed to register and actively sell on various e-commerce platforms. This registration process opened up new opportunities for them to sell products online, which not only increased sales volume but also introduced local products to consumers outside Kebumen. Their presence on e-commerce platforms allowed them to compete in a wider market, reaching customers who were previously unimaginable. Through digital marketing strategies, these handicraft products receive more attention, thereby increasing public awareness of the diversity of local products offered by Kebumen MSMEs.

The digital transformation experienced by MSMEs not only provides economic benefits for entrepreneurs, but also has a positive social impact on society. The increase in public awareness of local products produced by MSMEs can be seen from the increasing interest of consumers in buying domestic products, which in turn supports local economic growth. In addition, this success also inspires other MSMEs to follow in the same footsteps, thus encouraging a healthy competitive climate among business actors. In this context, the KUMKM Service has an important role as a driver and facilitator in this transformation process, ensuring that entrepreneurs have access to the necessary resources and knowledge.

Furthermore, the success of this transformation also highlights the importance of collaboration between the government and MSME actors in facing the challenges of an ever-changing market. The KUMKM Service not only functions as a training provider, but also as a liaison between MSMEs and various available resources and technologies. With this synergy, entrepreneurs can more easily access the latest information on market trends and effective marketing strategies. This is an important step in ensuring that MSMEs are not only able to survive, but also thrive in this competitive digital era.

4. CONCLUSIONS

The role of the Kebumen KUMKM Office in supporting the digital transformation of MSME marketing is very significant. Through various programs and initiatives implemented, the KUMKM Office has succeeded in increasing awareness and understanding of MSME actors regarding the importance of digital marketing. Training programs facilitated by the KUMKM Office not only provide knowledge about the use of digital platforms, but also encourage MSME actors to be more creative in marketing their products online.

The positive impact of this effort can be seen from the increasing number of MSMEs that have begun to adopt digital technology in marketing their products, which has an impact on increasing sales and market reach. However, despite much progress, there are still several areas that need to be improved. Challenges such as lack of access to technology, low digital literacy, and resistance to change are still obstacles for some MSME actors in carrying out digital transformation optimally. Therefore, concrete steps are needed to address these issues so that digital marketing can be adopted more widely and effectively among Kebumen MSMEs.

Based on the results of the analysis, several recommendations can be submitted to the Kebumen KUMKM Service in increasing the adoption of digital marketing among MSMEs. First, there needs to be

increased training and counseling on digital technology for MSMEs. A more structured training program that focuses on practical skills will help them be better prepared to face the challenges of digital marketing. Second, the Kebumen KUMKM Service should propose broader cooperation with national and international digital platforms. By establishing strategic partnerships, MSMEs will have greater access to a wider and more diverse market, which will provide opportunities to increase sales and introduce their products to global consumers. Third, strengthening the technology infrastructure in Kebumen is also very important to facilitate the adoption of digital marketing. The local government needs to invest in the development of better internet infrastructure and the provision of adequate technology facilities for MSMEs. With these steps, it is hoped that the digital transformation of MSME marketing in Kebumen can take place more effectively and sustainably.

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