

ADAPTATION STRATEGIES OF MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMES) IN FACING DIGITAL ECONOMY DYNAMICS: A QUALITATIVE STUDY IN THE ERA OF TECHNOLOGICAL TRANSFORMATION

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Abstract

The massive technological transformation that has taken place in the last two decades has driven significant changes in the structure and mechanisms of the global and national economies. The development of the internet, digital platforms, and electronic payment systems has created a digital economy ecosystem that changes people's production, distribution, and consumption patterns. In this context, Micro, Small, and Medium Enterprises (MSMEs) are faced with new challenges as well as opportunities. This research aims to analyze in depth the adaptation strategies carried out by MSME actors in dealing with the dynamics of the digital economy in the era of technological transformation. This research uses a qualitative approach with a phenomenological study design to explore experiences, perceptions, and concrete strategies applied by MSME actors in the process of digitizing their businesses. Data was obtained through in-depth interviews, field observations, and documentation of MSME actors who have utilized digital platforms in their business activities. Data analysis is carried out through the stages of data reduction, categorization, data presentation, and inductive conclusion drawn. The results of the study show that the adaptation strategy of MSMEs includes the transformation of digital-based marketing models, increasing technological literacy, utilizing social media and marketplaces, strengthening collaboration networks, and adjusting financial management through digital payment systems. However, the adaptation process still faces obstacles in the form of limited human resources, lack of access to technology training, and fierce competition in the digital space. This study concludes that the success of MSME adaptation in the digital economy is highly determined by the ability to innovate, continuous learning, and support for an inclusive and sustainable policy ecosystem.

Keywords: MSMEs, digital economy, adaptation strategies

Abstrak

Transformasi teknologi yang berlangsung secara masif dalam dua dekade terakhir telah mendorong perubahan signifikan dalam struktur dan mekanisme perekonomian global maupun nasional. Perkembangan internet, platform digital, serta sistem pembayaran elektronik telah menciptakan ekosistem ekonomi digital yang mengubah pola produksi, distribusi, dan konsumsi masyarakat. Dalam konteks tersebut, pelaku Usaha Mikro, Kecil, dan Menengah (UMKM) dihadapkan pada tantangan sekaligus peluang baru. Penelitian ini bertujuan untuk menganalisis secara mendalam strategi adaptasi yang dilakukan oleh pelaku UMKM dalam menghadapi dinamika ekonomi digital di era transformasi teknologi. Penelitian ini menggunakan pendekatan kualitatif dengan desain studi fenomenologis untuk menggali pengalaman, persepsi, serta strategi konkret yang diterapkan oleh pelaku UMKM dalam proses digitalisasi usaha mereka. Data diperoleh melalui wawancara mendalam, observasi lapangan, dan dokumentasi terhadap pelaku UMKM yang telah memanfaatkan platform digital dalam kegiatan usahanya. Analisis data dilakukan melalui tahapan

reduksi data, kategorisasi, penyajian data, serta penarikan kesimpulan secara induktif. Hasil penelitian menunjukkan bahwa strategi adaptasi UMKM meliputi transformasi model pemasaran berbasis digital, peningkatan literasi teknologi, pemanfaatan media sosial dan marketplace, penguatan jaringan kolaborasi, serta penyesuaian manajemen keuangan melalui sistem pembayaran digital. Namun demikian, proses adaptasi tersebut masih menghadapi kendala berupa keterbatasan sumber daya manusia, minimnya akses pelatihan teknologi, serta ketatnya persaingan di ruang digital. Penelitian ini menyimpulkan bahwa keberhasilan adaptasi UMKM dalam ekonomi digital sangat ditentukan oleh kemampuan inovasi, pembelajaran berkelanjutan, serta dukungan ekosistem kebijakan yang inklusif dan berkelanjutan.

Kata kunci: UMKM, ekonomi digital, strategi adaptasi

INTRODUCTION

The development of information and communication technology has brought fundamental changes in the global economic system. Digital transformation is not only affecting large companies, but also touching the micro, small, and medium enterprises sector (Septi et al., 2025). The digital economy creates a new pattern of interaction between producers and consumers through online platforms that are increasingly accessible. This change requires business actors to be able to adapt quickly to market dynamics. Digitalization drives transaction efficiency, expands marketing reach, and accelerates the flow of information. However, on the other hand, this transformation also presents increasingly fierce competition. Therefore, adaptability is a key factor in maintaining business sustainability.

MSMEs have a strategic role in the national economy because they absorb a large number of workers and contribute to gross domestic product. In a situation of rapid economic change, MSMEs are required to be more flexible and innovative (Alfidyah, 2025). Technological transformation is driving changes in the way of promotion, distribution, and payment systems. Many MSME actors who previously relied on conventional marketing are now turning to digital platforms. These changes are not only related to the use of technology, but also to changes in mindset. Adapting to the digital economy requires mental readiness, technical skills, and managerial skills. Without the right strategy, MSMEs have the potential to lag behind the competition.

The digital economy presents wider market opportunities through the use of social media, marketplaces, and online-based applications. MSME actors can reach consumers across regions and even across countries without having to have a physical store (Avianti, 2025). This creates operational cost efficiency while increasing revenue potential. However, access to technology is not always followed by optimal ability to manage it. Many MSME actors still face limitations in digital literacy. In addition, changes in platform algorithms and the dynamics of digital market trends demand

continuous strategy updates. This condition shows that adaptation is not an instant process, but a dynamic process.

In the midst of accelerating technological transformation, MSMEs also face challenges in the form of limited capital and human resources. The implementation of digital technology often requires a significant initial investment (Octiva et al., 2024). Training and capacity building also take time and cost. In addition, not all MSME actors have access to adequate information and assistance. The digital divide is one of the obstacles in the adaptation process. Therefore, a realistic and contextual strategy is needed in accordance with the conditions of each business actor. An adaptive and innovative approach is an urgent need.

The phenomenon of MSME adaptation to the digital economy is interesting to be studied in depth through a qualitative approach. This approach allows researchers to understand the subjective experiences of business actors in dealing with change (Winarsih, 2025). Each MSME has unique characteristics that are influenced by social, cultural, and economic backgrounds. Therefore, the adaptation strategies applied are diverse. This research seeks to explore these dynamics comprehensively. By understanding the experiences of MSME actors, a more complete picture can be obtained of the digital transformation process at the micro level. This is important as the basis for formulating policies that are more targeted.

In addition to internal factors, the external environment also affects the MSME adaptation process. Government policies, financial institution support, and the development of digital infrastructure also determine the success of the transformation (Auliandari et al., 2025). Collaboration between business actors and various stakeholders is an important part of the digital economy ecosystem. Training and mentoring support play a role in increasing the capacity of MSME actors. Without this support, the adaptation process can be slow. Therefore, this study also considers environmental aspects in analyzing adaptation strategies.

Based on this description, this study aims to analyze the adaptation strategies of MSME actors in facing the dynamics of the digital economy. The focus of the research lies in the concrete efforts made by business actors in responding to technological changes (Mubarak, 2025). In addition, this study also identifies supporting and inhibiting factors in the adaptation process. With a qualitative approach, this research is expected to be able to make a theoretical and practical contribution to the development of MSMEs in the digital era. The results of this research are expected to be a reference for policy makers and business actors in formulating sustainable strategies.

METHODS

This research uses a qualitative approach with a phenomenological design. This approach was chosen because the research focuses on understanding the subjective experiences of MSME actors in the process of adapting to the digital economy. The location of the research is determined purposively in areas that have significant digital-based MSME development. The research informants consist of MSME actors who have used digital platforms in their business operations for at least one year. The selection of informants was carried out by purposive sampling by considering variations in business types.

Data collection techniques include in-depth interviews, participatory observations, and documentation studies. The interview was conducted to explore the experiences, strategies, and obstacles faced by MSME actors. Observations were made to see firsthand the practice of using digital technology in business activities. Documentation in the form of screenshots of digital platforms, sales reports, and online promotional materials were also analyzed as supporting data.

Data analysis is carried out through the stages of data reduction, categorization, data presentation, and inductive conclusions. The researcher triangulates sources and techniques to ensure the validity of the data. In addition, member checks were carried out on informants to verify the findings. The research process is carried out ethically by maintaining the confidentiality of the informant's identity. With this method, it is hoped that the research results will have sufficient credibility and validity.

RESULTS AND DISCUSSION

The first strategy found in this study is digital-based marketing transformation. Most informants stated that they began to use social media as the main means of promotion. Platforms like Instagram, Facebook, and TikTok are used to build business branding. MSME actors learn product photography techniques and writing promotional content. This change significantly increases the visibility of the business. However, consistency in content creation is a challenge (Fauziah et al., 2024). This adaptation shows a change in marketing patterns from conventional to digital.

The second strategy is the use of the marketplace as a distribution channel. The informant revealed that the marketplace facilitates access to a wider range of consumers. The customer review system also affects the reputation of the business. Therefore, the quality of products and services is a major concern. MSME players also take advantage of paid promotion features to increase sales. Nevertheless, price competition is a challenge that must be faced (Ibrahim, 2025). The product differentiation strategy is a solution to maintain competitiveness.

The third strategy is to increase digital literacy through self-learning and training. Informants stated that they attended webinars and online training to improve their skills. The learning process is carried out in stages according to business needs. Digital literacy is the main capital in utilizing technology. Without adequate understanding, the use of digital platforms will not be optimal (Sesmiarni, 2025). Therefore, continuous learning is part of the adaptation strategy.

The fourth strategy is the use of digital payment systems. Informants are adopting digital wallets and bank transfers as the primary transaction methods. This system increases the ease and security of transactions. In addition, financial records become neater and more structured. Financial digitalization helps business actors in managing cash flow. Transaction transparency has also increased significantly (Aminin, 2024). This shows the integration of technology in business management.

The fifth strategy is to strengthen collaboration networks. MSME actors build partnerships with influencers and online communities. This collaboration increases market reach. In addition, the community is a means of sharing information and experiences. Social support from fellow business actors accelerates the adaptation process. Collaboration also creates product innovation opportunities. With a strong network, MSMEs are more resilient to change.

The sixth strategy is product innovation based on digital trends. Informants leverage market trend data to customize products. Quick response to changing consumer tastes becomes a competitive advantage. Innovation is carried out through a variety of designs, packaging, and services. Creativity is the key to attracting consumers' attention. This adaptation shows that digital transformation is affecting the production process. Flexibility is an important character in the digital economy (Ahmetya et al., 2023).

Although various strategies have been implemented, there are obstacles in their implementation. Limited capital is an obstacle in the use of premium features of digital platforms. Additionally, algorithm changes often affect the reach of promotions. MSME actors must continue to update their marketing strategies. The instability of the internet network is also a technical obstacle. This challenge requires mental and managerial readiness. Adaptation becomes a sustainable process (Anshori et al., 2025).

The research findings show that the success of adaptation is influenced by an innovative mindset. Business actors who are open to change adapt faster. The courage to try new things is the main driving factor. In addition, family and environmental support also play a role. Internal motivation is a strength in facing challenges. With a learner mentality, MSMEs are better prepared to

face digital dynamics. This strengthens the theory of adaptation in the microeconomy (Supardi & Setiawan, 2025).

Overall, the MSME adaptation strategy is multidimensional. Transformation does not only occur in the technological aspect, but also in the mindset and business management. The adaptation process takes time and consistency. The support of the digital ecosystem is an important external factor. This research confirms that the digital economy opens up great opportunities for MSMEs. However, these opportunities must be balanced with resource readiness and sustainable innovation (Firdaus & Kuswinarno, 2024).

CONCLUSION

This study concludes that the adaptation strategies of MSME actors in facing the dynamics of the digital economy include marketing transformation, marketplace utilization, increasing digital literacy, using digital payments, and strengthening collaboration networks. This adaptation shows a significant change in business management patterns. Technological transformation encourages MSMEs to be more innovative and responsive to market changes.

The success of adaptation is influenced by internal factors such as innovative mindsets and willingness to learn, as well as external factors such as digital ecosystem support and government policies. Despite facing various obstacles, adaptive MSME actors are able to take advantage of digital economy opportunities optimally. The adaptation process is dynamic and sustainable.

This research recommends increasing digital training programs, access to financing, and strengthening technology infrastructure to support the sustainability of MSMEs. With the right strategy and inclusive policy support, MSMEs can become the main actors in the development of the national digital economy.

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