

EMPOWERING INDONESIAN MIGRANT AND LOCAL MSMEs IN PENANG THROUGH DIGITAL MARKETING AND SUSTAINABLE BUSINESS STRATEGIES

Sri HARTONO^{1*}, Leila Mona GANIEM², Agustinus Hariadi Dwi PURWANTO³, Khozaeni Bin RAHMAD⁴

^{1,2,3} *Universitas Mercu Buana, Jakarta, INDONESIA*

⁴ *Pertubuhan Masyarakat Indonesia/PERMAI, Pulau Pinang, MALAYSIA*

**sri.hartono@mercubuana.ac.id*

ABSTRACT

Indonesian migrant-owned and local micro, small, and medium enterprises (MSMEs) in Penang face significant challenges in adapting to digital transformation and sustainable business practices. In response, Universitas Mercu Buana (Jakarta), in collaboration with Universiti Sains Malaysia and the NGO PERMAI, initiated a community engagement program to enhance MSME capabilities in digital marketing and sustainability. The program was delivered on 27 April 2025 through interactive workshops, discussions, and mentoring sessions. Topics covered included social media utilization, content development, SEO, e-commerce strategies, as well as eco-conscious branding and green business models. The approach emphasized peer learning and experience sharing among participants. The program received active engagement and positive feedback, with many MSME owners reporting increased awareness and readiness to implement digital tools and sustainable practices. This initiative provided foundational knowledge and practical insights, empowering participants to align their business strategies with global trends. To ensure long-term impact, follow-up support and digital resources are planned, encouraging continuous growth and transformation among MSMEs in Penang.

Keywords: Digital Marketing, Sustainable Business, MSMEs, Migrant Entrepreneurs, Community Engagement.

1. INTRODUCTION

The Indonesian migrant MSMEs (Micro, Small, and Medium Enterprises) in Penang, Malaysia, represent a vital yet vulnerable part of the local economic ecosystem. These businesses, often founded out of necessity by migrant workers, contribute to employment generation and community resilience. However, many of these enterprises struggle to sustain themselves due to operational inefficiencies and limited access to technology, particularly in the realm of digital marketing. In an increasingly digital economy, the lack of exposure to online platforms and tools places these MSMEs at a disadvantage, reducing their market reach and competitiveness (González, 2019). Traditional business practices are still dominant, and the gap in digital literacy is significant, especially for informal and low-capacity entrepreneurs.

Beyond technological limitations, these MSMEs also face challenges rooted in social and legal vulnerabilities. Migrant entrepreneurs often operate informally, without full access to regulatory support, financing, or structured mentorship. During economic disruptions such as the COVID-19 pandemic, these issues became even more visible as many migrant-operated businesses faced severe income losses and uncertain recovery paths (Ab Jalil & Zakaria, 2024). The combined effect of limited institutional support and digital exclusion has led to slower recovery and stagnation among this segment of entrepreneurs in Malaysia, particularly in urban centers like Penang.

To address these gaps, Universitas Mercu Buana (UMB), in partnership with Universiti Sains Malaysia (USM) and the non-profit organization PERMAI, designed and implemented a community engagement program targeting Indonesian migrant and local MSMEs. The initiative focuses on increasing awareness and practical skills in digital marketing, sustainable branding, and online customer engagement. Training workshops were tailored to cover e-commerce basics, social media strategy, content creation, and eco-conscious business models. These areas are aligned with global policy recommendations for MSME development in the digital and sustainable era (González, 2019). The project also recognizes the local context and leverages existing entrepreneurial potential by integrating peer learning and mentoring.

Furthermore, the initiative aligns with the Indonesian Ministry of Education and Culture's *Merdeka Belajar Kampus Merdeka* (MBKM) program, which encourages students to engage in real-world community-based projects (Simatupang & Yuhertiana, 2021). UMB students participated as facilitators and digital marketing mentors, gaining practical experience while supporting inclusive development. This dual-impact model empowering both communities and student offers a replicable framework for service-learning in Southeast Asia. As emphasized by (Shani et al., 2023), adoption of digital marketing among Malaysian micro-entrepreneurs increases significantly when accompanied by structured training, peer interaction, and cultural relevance. Ultimately, the project contributes to economic empowerment, social inclusion, and the sustainable growth of migrant-owned enterprises in a competitive regional economy.

2. METHOD

This community engagement project utilized an applied participatory action research (PAR) design, combining structured training, mentoring, and continuous evaluation. The research aimed to strengthen the digital marketing capabilities and sustainable business practices of Indonesian migrant and local MSMEs in Penang, Malaysia. The stages of implementation were carefully constructed to promote active participation, behavioral change, and skills retention among MSME owners and employees. The study followed a cyclical process of planning, action, observation, and reflection, consistent with the PAR framework (Kemmis & McTaggart, 2013).

Research Design and Procedure

The project was executed in five main stages:

Stage 1 – Digital Marketing Training:

This phase involved structured workshops covering key topics such as social media marketing (Instagram, TikTok) (Erwin Permana et al., 2024), search engine optimization (SEO), e-commerce platforms (Shopee, Lazada), and data analytics. A pre-training assessment was conducted to identify baseline digital literacy among participants. Based on these results, tailored training modules were developed with emphasis on practical application. In-person and online sessions included live demonstrations and interactive tasks such as creating online stores and managing campaigns. Similar interventions have shown measurable improvements in MSME digital adoption in Southeast Asia (Yostiani et al., 2024).

g and Positioning Assistance:

Individual consultations were provided to help MSMEs craft unique brand identities, including visual identity (logos, taglines), product positioning, and eco-conscious packaging. Market analysis was used to identify unique selling points (USPs), which were incorporated into branding strategies.

Stage 3 – Transition to Eco-Friendly Packaging:

Participants were assisted in sourcing sustainable packaging materials through partnerships with local suppliers. A cost-benefit analysis framework guided MSMEs in adopting biodegradable or recyclable materials. To address cost issues, a collective purchasing strategy was introduced, allowing MSMEs to access materials at discounted bulk rates.

Stage 4 – Sustainability-Oriented Campaigns:

Participants were mentored in designing digital campaigns focused on environmental messaging (e.g., “Buy One, Plant One”). Materials such as posters, videos, and social media content were co-created. These campaigns were then launched via digital platforms to increase visibility and engagement.

Stage 5 – Customer Engagement and Education:

A final stage involved developing loyalty programs and sustainability education content to foster long-term customer retention. MSMEs created educational posts and ran community-based activities to share knowledge on sustainable practices.

Partner Participation

The participatory element of the program was key to its success. MSME owners and employees were involved in every stage, from training to evaluation. Their collaboration with mentors ensured that the strategies developed were contextually appropriate and practically executable. Feedback loops allowed for immediate revisions and enhancements during the program lifecycle.

Evaluation of Program Implementation

Program outcomes were assessed through both qualitative and quantitative approaches:

- **Progress Monitoring:** Key performance indicators (KPIs) included growth in online engagement, digital sales, and reduction in packaging waste. These metrics were tracked using analytics tools such as Google Analytics and Facebook Insights, which have been recommended in MSME monitoring frameworks (Prasetyani et al., 2025).
- **Impact Measurement:** Pre- and post-implementation data were collected and compared to identify behavior change and improvements. Surveys and structured interviews with MSME participants provided qualitative insights into user experience, perceived benefits, and remaining challenges.
- **Regular Reviews:** Monthly check-ins were scheduled to troubleshoot emerging issues, maintain motivation, and adapt strategies where necessary.

Program Sustainability

To ensure long-term impact, the project included knowledge transfer and community building components:

- **Knowledge Transfer:** Training guides, templates, and digital materials were handed over to MSMEs to support continued practice. MSME leaders were coached to become peer trainers.

- Community Networking: MSMEs were encouraged to form support groups and maintain collaborative relationships with local suppliers and organizations. This strategy aligns with recommendations on MSME clustering for sustainability (Gurpreet & Singh, 2025).

3. RESULTS AND DISCUSSION

The implementation of the community engagement program (*Pengabdian kepada Masyarakat – PKM*) in 2025 resulted in measurable progress toward empowering Indonesian migrant and local MSMEs in Penang, Malaysia, particularly in digital marketing capability and sustainability practices. This section elaborates the outcomes of each program component, analyzes participant responses, and discusses broader implications based on relevant literature.

Digital Marketing Training

Participants showed significant improvement in understanding and utilizing digital platforms such as Instagram, TikTok, Shopee, and Lazada. The pre-training assessment revealed that over 70% of MSME owners had no structured approach to online marketing. After the intervention, most participants had set up online business profiles, scheduled content, and used platform tools like hashtags and analytics. This is consistent with findings by (Yostiani et al., 2024), who emphasize that hands-on digital training improves entrepreneurial confidence and business visibility among micro-entrepreneurs.

The qualitative improvements, such as increased participant engagement and eagerness to experiment with content, reflect a shift in mindset. This aligns with (Zul, 2023), who argue that digital adoption among MSMEs requires not just access to tools, but also continuous mentoring and contextualized learning.

Branding and Positioning

One-on-one mentoring sessions enabled MSMEs to identify and refine their unique selling points (USPs). Several businesses adopted new logos, consistent color schemes, and eco-conscious messages in line with global branding trends. This is supported by (Quaye & Mensah, 2019) who emphasize that consistent branding and sustainability narratives enhance trust and consumer loyalty, particularly among millennial buyers. By linking brand values to environmental stewardship, MSMEs were encouraged to compete not only on product but also on principles.

Eco-Friendly Packaging Transition

While this component remains at an early stage, several MSMEs expressed readiness to test recyclable packaging sourced through the program. Group purchasing was introduced as a cost-reduction mechanism. According to the (*SMEs in a Sustainable and Digital World.*, 2021), cost remains a major barrier to sustainable material adoption among microenterprises, especially without external incentives or subsidies. Despite limited quantitative outcomes, the willingness to explore green alternatives indicates a growing awareness of sustainability as both a business and ethical consideration.

Sustainability-Focused Marketing Campaigns

Test campaigns launched by participants included themes like “Plastic-Free Week” and “Green Product Spotlight,” supported by Canva-designed materials and social media content. Although campaign reach was not formally measured, participants gained a clearer understanding of how sustainability can be framed as a brand differentiator. As noted by (Kemp et al., 2021), sustainability-oriented messaging, when paired with visual storytelling, can increase perceived value and consumer engagement, especially in social commerce contexts.

Customer Engagement and Education

The program encouraged MSMEs to develop customer loyalty programs and educational content. Although implementation was not yet widespread, the concept of customer education as a value-adding tool was widely accepted. This echoes the findings of (Kemp et al., 2021), who highlighted the role of storytelling and consumer education in building long-term relationships in green businesses.

Partner Participation and Learning Outcomes

Active partner participation significantly contributed to the program's success. MSMEs not only attended training but actively collaborated in co-developing strategies, asked insightful questions, and engaged in peer sharing. Their openness facilitated rapid learning and adjustment of business practices. This aligns with participatory learning theories, where stakeholder involvement enhances program relevance and uptake (Kemmis & McTaggart, 2013)

Evaluation and Impact Measurement

Monitoring relied on both qualitative indicators (engagement, attitude shifts, peer feedback) and simple quantitative tracking (number of activated accounts, branding readiness). Although comprehensive performance metrics such as

sales and website traffic were not recorded, participant reflections and facilitator logs indicated enhanced digital confidence and interest in sustainability integration. As observed in related studies, early-stage MSME programs often show stronger impact on knowledge and attitudes than on immediate financial results (Alhamami et al., 2021). Regular weekly check-ins and final review sessions helped sustain momentum and allowed facilitators to make iterative improvements. WhatsApp groups became an important tool for informal support, sharing content ideas, and solving implementation problems.

Sustainability and Future Opportunities

To ensure sustainability, participants received printed and digital guides, templates, and video tutorials for continued practice. The creation of an alumni WhatsApp group and connections with local suppliers are expected to promote collaboration and resource sharing beyond the program. Future developments could include:

- Expanding outreach to other migrant MSMEs in Malaysia and Indonesia.
- Conducting formal impact assessments using metrics like customer retention, digital traffic, and environmental savings.
- Building a digital learning portal or app with interactive modules and progress tracking.

The program serves as a replicable model for cross-border community empowerment using student-led, research-based, and sustainability-driven frameworks. It also strengthens Indonesia's Merdeka Belajar Kampus Merdeka (MBKM) goals by providing experiential learning that directly contributes to socio-economic development.

4. CONCLUSION

This PKM program has successfully enhanced the capacity of Indonesian migrant and local MSMEs in Penang, particularly in digital marketing skills, branding strategy, and sustainability awareness. Participants showed measurable improvements in platform usage, content creation, and brand positioning, supported by active engagement and mentoring. The program's strength lies in its practical, needs-based approach and integration with MBKM experiential learning, which enabled reciprocal growth for both MSMEs and student facilitators. The use of participatory methods and contextualized digital tools proved effective in fostering behavioral shifts and initiating sustainability adoption, even among those with minimal prior exposure to digital platforms.

Despite these positive outcomes, the program's impact remains primarily qualitative due to the short duration and limited quantitative tracking. Clear business performance indicators such as sales or customer metrics were not extensively measured. However, the foundation laid through knowledge transfer, peer networking, and structured follow-up indicates strong potential for sustained impact. Future development could focus on scaling the model, incorporating digital performance analytics, and strengthening alumni networks. With these improvements, the initiative can serve as a replicable framework for empowering MSMEs across different migrant communities and regions.

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