

# **Empowering Local Food MSMEs through Gen Z Collaboration, Social Commerce, and Influencer Marketing An Innovative Digital Strategy for Competitive Advantage**

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## **Abstract**

Digital transformation is not longer some distant goal for micro small and medium enterprises (MSMEs) it is the very ground on which everyday business takes place and is won. In the local food sector of Indonesia where heritage based recipes and fast movement online markets meet there is a lot at stake. This qualitative study investigates how Gen Z, social commerce and influencer marketing comes together in a way that makes local food MSMEs more empowered in ways that are technologically literate, culturally relevant and commercially impactful. Through in depth interviews with MSME owners, Gen Z content producers and community based microinfluencers in Medan we see how everyday practices of cocreation are drawn into digital visibility, trust and competitive advantage. Findings suggest that Gen Z collaborators often act as digital translators who transform deep rooted cultural narratives into platform sensitive material that comes across as authentic to us as community audiences. Social commerce operates less as a sales channel and more as an engaged public meeting place where identity, taste and trust are calibrated in real time. Microinfluencers act as credible bridge builders between local cultural values and digital discourse building engagement and closing perceived distances between producers and consumers.

**Keywords:** Local Food Msmes; Gen Z Collaboration; Social Commerce; Influencer Marketing; Digital Empowerment

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## Introduction

The rise of digital economies has transformed how small enterprises operate, communicate, and compete. In Indonesia, local food MSMEs represent both an economic pillar and a cultural identity system that links production, tradition, and community (Putra et al., 2023). Yet, these enterprises often face challenges in scaling digitally due to low literacy in marketing technologies and limited strategic exposure to global audiences.

Based on (Djafarova & Bowes, 2021) Generation Z is a digital generation that is culturally flexible with a very high level of social media skill. In addition to their capacity to produce, modify, and disseminate content, Generation Z is an essential collaborator for companies looking to establish a digital presence. By facilitating co-creation with social media and the sharing of content with influencers, Gen Z provides a means for local food MSMEs to connect with consumers' desires for authenticity and social experience (Lim et al., 2022).

While many quantitative studies have examined digital marketing adoption or influencer effectiveness, little is known about the lived experiences and social dynamics underpinning collaboration between MSMEs, digital creators, and online consumers. Hence, this study employs a qualitative phenomenological approach to understand how local entrepreneurs interpret and enact digital empowerment strategies through Gen Z collaboration, social commerce, and influencer marketing.

## Research Methodology

This study adopted a qualitative phenomenological design, aimed at exploring subjective experiences and meanings attributed by participants to digital transformation practices (Creswell & Poth, 2018). The approach emphasizes understanding “how” and “why” MSMEs, Gen Z collaborators, and influencers interact to co-create digital value within cultural contexts. The philosophical stance aligns with constructivism, assuming that social realities are co-created through shared meaning and interpretation (Denzin & Lincoln, 2021). This paradigm supports the exploration of perceptions, emotions, and motivations dimensions often invisible in numerical data.

Participants were selected using purposive sampling, focusing on three categories : (a) Local food MSME owners actively using digital platforms (e.g., Instagram, TikTok, Shopee). (b) Gen Z digital collaborators (students or freelancers assisting MSMEs in content creation). (c) Local micro-influencers with community-based audiences promoting food-related products.

A total of 15 informants were involved five from each group particularly Medan. This regional focus allows exploration of diverse cultural representations of local food brands. The small but information-rich sample suits the interpretive goal of this study.

Data were analyzed using thematic analysis following Braun and Clarke's (2021) six-phase process: familiarization with interview transcripts, generating initial codes, searching for patterns and recurring ideas, reviewing and refining themes, defining and naming the core themes, producing a narrative synthesis connecting empirical patterns with theoretical frameworks. Data triangulation was achieved through cross-verification among participant groups and reflexive journaling to ensure interpretive credibility.

## Findings and Discussion

Participants revealed that Gen Z collaborators serve as catalysts for digital literacy and creativity. MSME owners described them as “digital translators” who transform traditional narratives into compelling social media content. This aligns with Lim et al. (2022), who found that Gen Z's participatory culture fosters co-creation and digital authenticity.

A bakery owner stated, “My daughter and her friends taught me how to make reels and write hashtags. Suddenly, more young people noticed my cakes.” This illustrates how intergenerational collaboration not only improves digital presence but also reconstructs family and community bonds through entrepreneurship.

The analysis identified that social commerce platforms particularly TikTok Shop and Instagram Live function as community-driven marketplaces rather than mere sales tools. Consumers engage not just to purchase, but to participate in shared experiences of taste, culture, and identity. This finding resonates with Zhang et al. (2023), who argue that social commerce redefines trust through user interaction and peer validation. Local MSME actors described how customer comments and live interactions increase brand intimacy: “We are not just selling food, we’re selling stories.”

Influencers emerged as critical intermediaries who humanize digital marketing messages. Unlike macro influencers with national reach, micro-influencers within local communities were perceived as more credible. Their authenticity stemmed from cultural proximity and shared values. A Gen Z participant emphasized, “People believe someone who eats at the same warung they know.” This supports De Veirman et al. (2023), who found that authenticity and audience fit determine influencer effectiveness. For MSMEs, this relational approach enhances both digital visibility and consumer emotional connection.

A novel finding is the emergence of a hybrid entrepreneurial identity a fusion between traditional craftsmanship and digital innovation. MSME actors do not abandon their local roots; instead, they reinterpret them through Gen Z’s creative lens. This phenomenon strengthens cultural sustainability by transforming local wisdom into digital capital (Rahim et al., 2024). As one traditional snack producer shared, “My recipes are from my grandmother, but now I tell her story online it feels like continuing her legacy in a new way.”

The findings reveal that digital empowerment among MSMEs is not merely technological but profoundly social and cultural. The triadic relationship between MSME owners, Gen Z collaborators, and influencers forms a co-creation ecosystem where knowledge, creativity, and authenticity intersect.

Theoretically, this supports the Resource-Based View (RBV) where intangible resources such as creativity, social trust, and cultural narratives function as strategic assets (Barney, 1991). Moreover, it extends Dynamic Capability Theory by illustrating how local enterprises continuously adapt their storytelling and engagement strategies in response to digital shifts (Teece, 2020).

## Conclusion

This study concludes that empowering local food MSMEs through Gen Z collaboration, social commerce, and influencer marketing requires more than digital tools it demands relational engagement rooted in shared identity and trust. Gen Z acts as both a bridge and a catalyst, translating local wisdom into global visibility. Social commerce becomes a participatory arena for storytelling, while influencer marketing transforms cultural familiarity into credibility. Collectively, these findings affirm that sustainable digital competitiveness arises not from technology alone but from human collaboration and cultural authenticity. The study thus contributes a qualitative understanding of digital empowerment as a socially embedded process in the era of cultural-digital convergence.

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