Digital Communication Strategy and Innovation in Coastal Tourism MSMEs: a Case Study of Kota Pari, North Sumatra

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Abstract

This study aims to analyze the business communication transformation undertaken by tourism Micro, Small, and Medium Enterprises (MSMEs) in Kota Pari, North Sumatra, through digital media platforms, and to identify the challenges and innovations they implement. The research employed a descriptive qualitative approach with a case study design in the Kota Pari area, involving 38 key MSME actors predominantly in the culinary and accommodation sectors. Primary data was gathered through interviews, and secondary data from digital documentation (MSME social media). The findings indicate that the transformation is characterized by a shift from traditional word-of-mouth promotion to digital marketing, the use of WhatsApp Business for booking and feedback, Instagram for visual catalogs, and TikTok for destination storytelling. Key challenges identified include low digital literacy, limited internet connectivity, and content inconsistency. Significant innovations include collaboration with local content creators, community-based digital training, and the "Digital Sharing" program as an innovative adaptation effort. Digital media platforms have proven successful in significantly increasing visits, orders, and local brand awareness. The study concludes that adaptation and community-driven innovation are crucial for the sustainability of tourism MSMEs in the digital age.

Keywords: Business Communication, Tourism, MSMEs, Digital Media, Innovation

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Introduction

Kota Pari, a coastal area in Serdang Bedagai Regency, North Sumatra, is emerging as a local tourism destination focusing on ecotourism. Supported by natural attractions like Kuala Lama Beach and mangrove ecosystems, various Micro, Small, and Medium Enterprises (MSMEs) operate within this tourism ecosystem. However, these MSMEs face significant challenges in business communication, particularly in conveying their value and products to potential tourists and customers.

With the rapid development of the digital era and increasing internet penetration in nonurban areas, tourism MSMEs in Kota Pari are compelled to undergo digital transformation to survive and grow. This transformation, however, is often hampered by limited digital literacy, the absence of a proper communication strategy, and minimal training support. The global business landscape, influenced by Industry 4.0 and the shift toward Society 5.0, demands that MSMEs not only adopt technology but also integrate it into their business communication strategies.

Business communication in the digital context is interactive, real-time, and personal, requiring MSMEs to utilize platforms like social media, marketplaces, and instant messaging to strengthen customer relationships. Marketing 5.0 emphasizes understanding digital consumer behavior and leveraging platforms like Facebook, Instagram, WhatsApp Business, and TikTok for relevant value creation. The traditional approach of word-of-mouth promotion is no longer sufficient to reach Millennials and Gen Z travelers who rely heavily on digital media for travel information.

Given these dynamics, this research is crucial for understanding **(1)** the forms of business communication transformation undertaken by tourism MSMEs in Kota Pari via digital media platforms; **(2)** the challenges faced by MSMEs during this transformation process; and **(3)** the innovations implemented to overcome these challenges. The findings are intended to contribute to the literature on business communication transformation in the tourism MSME sector and provide practical input for local policymakers and MSME actors in formulating effective digital communication strategies.

Literature Review

Business Communication is defined as the exchange of information and value between a company and its customers aimed at building long-term relationships. Its purpose is to influence behavior to achieve organizational goals, such as increasing sales and building brand image. For MSMEs, effective communication is vital for promoting products, building customer relationships, and establishing a brand identity. The success of business communication is measured not only by the quantity of information sent but by its impact, including clarity of understanding, desired response/action, and the building of positive relationships. In the digital era, strategic external communication is essential for building a strong image and reputation. Business communication is fundamentally defined as the exchange of information and value between a company and its stakeholders aimed at building sustainable relationships. In the context of MSMEs, communication serves the primary function of promoting products, managing customer relationships, and establishing a distinct brand identity. The goal is to influence consumer behavior to achieve organizational objectives, such as increasing sales and securing positive brand perception [6]. In the digital era, communication has evolved from a linear, one-way process to a multilateral, interactive model. Social media platforms, instant messaging (e.g., WhatsApp), and visual content (e.g., Instagram/TikTok) are essential tools that

enable MSMEs to communicate external messages strategically, build a strong reputation, and manage customer feedback in real-time.

Tourism MSMEs are micro, small, and medium-scale units operating in the tourism sector, providing products and services like local culinary options, accommodation (homestays), souvenirs, and local guides. They are the authentic face of a destination, offering unique, local experiences that larger corporations cannot replicate. The success of tourism MSMEs is measured by indicators such as increased profitability, local job creation, innovation in product offerings, and high customer satisfaction. Tourism MSMEs, as defined by Indonesian Law No. 20 of 2008, are the backbone of local tourism, offering unique, authentic experiences. Their survival and growth are critically dependent on effective communication. Research shows that modern travelers rely heavily on digital sources for travel planning, thus making online presence a prerequisite for tourism MSMEs. The success of digital adoption in this sector is not merely measured by the number of followers, but by tangible indicators such as increased reservations, positive online reviews, and enhanced local employment. Effective digital communication allows these MSMEs to move beyond the limitations of geographic proximity and word-of-mouth marketing, enabling them to compete in the broader market.

Digital Transformation in this context refers to the integration of digital technology, particularly social media and instant messaging platforms, into the communication strategy of MSMEs. This process involves overcoming internal factors such as limited digital literacy and external factors like unstable internet infrastructure and changing platform algorithms. It is noted that the greatest challenge lies not in the technology itself but in the mental block towards change and innovation. This framework highlights the need for businesses to leverage datadriven marketing and agile practices. The transformation is often challenged by internal factors, such as digital skill gaps, and external factors, such as infrastructure limitations, which act as a barrier to the adoption process. Kasali notes that overcoming the "mental block" towards change is the most critical hurdle in achieving successful digital shifting.

Research Methodology

This study employed a descriptive qualitative approach with a case study design focusing on the tourism MSMEs in Kota Pari, North Sumatra. The research was conducted during the period of January–April 2025. The scope of the study was focused on MSMEs engaged in culinary, accommodation, handicrafts, and tourism services who actively use at least one digital media platform for business communication. The sample consisted of 38 primary MSME actors in the Kota Pari area.

Data sources included:

1. Primary Data: Collected through in-depth interviews with the MSME actors/owners.
2. Secondary Data: Obtained from the local Tourism and Cooperatives Office, as well as digital documentation and analysis of the MSMEs' social media platforms.

The data analysis method involved descriptive analysis to categorize and interpret the forms of communication, the challenges, and the innovations observed within the MSMEs of Kota Pari.

Results

The MSMEs in Kota Pari, dominated by the culinary and accommodation sectors, showed a high level of digital adoption, with approximately 60% actively using digital media.

Forms of Business Communication Transformation: The transformation is marked by a structural shift in how MSMEs engage with customers:

a. Promotion Migration: A definitive move from traditional word-of-mouth promotion to digital promotion channels.
b. Relationship Management: Utilization of WhatsApp Business for fast, personal customer service, including reservations and collecting feedback.
c. Visual Branding: Use of Instagram to function as a visual catalog, highlighting the beauty of tourist locations and local food.
d. Storytelling and Reach: Adoption of TikTok for creative video content, allowing for engaging tourism storytelling to attract younger generations.

The findings from 38 MSME actors in Kota Pari indicate a significant, albeit incomplete, transformation in their business communication strategies. The migration from traditional methods to digital platforms is observable across three main operational areas:

a. Platform Diversification: The dominant shift is away from exclusive reliance on traditional word-of-mouth promotion towards a multi-platform digital presence. The core platforms utilized are:
    1. WhatsApp Business: This platform is predominantly used for rapid, personal interaction, including real-time customer inquiries, reservations, and postservice feedback collection. This aligns with the need for immediate response in modern business communication
    2. Instagram: Functioning as a high-impact visual catalog, MSMEs use Instagram to display high-quality photographs of their culinary products, accommodation facilities, and the scenic beauty of Kota Pari. This strategy directly addresses the visual demands of contemporary tourism marketing.
    3. TikTok: The adoption of TikTok signifies a move toward storytelling and viral reach. MSMEs use short-form video to tell the story of their local culture, product creation process, and destination appeal, successfully reaching younger tourist segments (Gen Z) that bypass traditional search engines.
b. Shift in Communication Purpose: Communication has moved from mere informational sharing to strategic relationship building and content creation. The MSMEs that successfully implemented digital tools saw a marked improvement in customer retention through personalized follow-up messages and targeted promotions.

Challenges Faced by MSMEs: Despite the progress, several structural and cultural barriers persist:

a. Digital Literacy: Low proficiency and comfort among many MSME actors in maximizing the use of digital platforms, often perceiving technology as complicated or expensive.
b. Infrastructure: Unstable and limited internet connectivity in certain areas of Kota Pari, hindering consistent online communication and promotion.
c. Content and Strategy: Lack of content consistency and difficulty in measuring the effectiveness and Return on Investment (ROI) of digital campaigns.

Innovations to Overcome Challenges: To counter these limitations, the MSMEs initiated several successful innovations:

a. Local Collaboration: Partnering with local content creators and influencers to generate professional and engaging promotional material.
b. Skill Development: Participating in digital marketing training programs often initiated by local communities.

c. Resource Optimization: Utilizing free visual design tools like Canva and video editing tools like CapCut to produce high-quality content at low cost.
d. Community Support: Implementation of the "Digital Sharing" program by the local youth community, fostering a collaborative approach to digital adoption.

Impact of Digital Media: The utilization of digital media yielded tangible positive impacts:

a. Increased volume of visits and orders.
b. Establishment of long-term customer relationships and retention.
c. Heightened local brand awareness of Kota Pari as a tourism destination.

Conclusion

This study concludes that tourism MSMEs in Kota Pari are actively transforming their business communication by adopting digital platforms, moving beyond traditional methods to engage modern travelers. The transformation is multifaceted, involving the strategic use of platforms such as WhatsApp, Instagram, and TikTok to manage customer relations, visual branding, and storytelling. Although hampered by low digital literacy and inadequate internet infrastructure, these challenges are being addressed through community-based innovations, local collaborations, and the effective use of accessible digital tools.

The study highlights that the principal barriers to this transformation are low digital literacy among owners and persistent challenges with internet infrastructure. However, the success story of Kota Pari lies in its innovative, community-based solutions, particularly the informal peer-to-peer training and strategic collaboration with local content creators. This demonstrates that for MSMEs in developing regions, successful digital transformation is contingent upon low-cost, tactical innovation and collective community action, rather than solely dependent on large technological investments.

The success in Kota Pari demonstrates that for MSMEs in developing regions, digital transformation is less about high-end technology and more about a change in mindset, low-cost tactical innovation, and collective action. The findings provide a roadmap for regional governments, academics, and NGOs, highlighting the need for continuous, practical digital literacy training and sustained infrastructural development to ensure the resilience and sustainability of the local tourism economy.

The findings underscore the critical need for regional governments and educational institutions to implement continuous, practical, and highly localized digital literacy training. Furthermore, sustained investment in internet infrastructure is paramount to ensure the resilience and long-term sustainability of the local tourism economy in the digital age.

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