

# Empowering MSMEs through Strategy Marketing : Reassessing Pathways to Distribution Financing and Digital Transformation

Muhammad Al Ikhsan Nur<sup>1</sup>

<sup>1</sup>DBA Programme, Philippine Women's University, Manila Philippines

**Abstract.** Micro, small, and medium enterprises (MSMEs) often encounter financing constraints despite their economic importance. This study examines associations between strategic marketing, digital transformation, and financing distribution among 399 MSME respondents in Palembang, Indonesia. A structured survey was analysed using SPSS, reliability tests, regression, and path analysis. The reported results indicate statistically significant positive associations between strategic marketing and digital transformation ( $\beta = 0.630$ ,  $p < 0.001$ ), and between strategic marketing and financing distribution ( $\beta = 0.754$ ,  $p < 0.001$ ). The source manuscript also reports an indirect pathway through digital transformation, although inconsistencies among the stated path estimates require verification before the mediation claim can be considered conclusive. The findings suggest that marketing capabilities and digital business processes may jointly support MSMEs' financing readiness. They also highlight the need for stronger transaction records, greater digital literacy, and coordinated support from financial intermediaries and policymakers. The study contributes a context-specific framework connecting marketing strategy, digital capabilities, business credibility, and access to finance.

## 1 Introduction

Micro, small, and medium enterprises (MSMEs) contribute to enterprise activity and employment, yet access to working capital and investment finance remains a persistent challenge. Financing distribution refers here to the provision and allocation of loans, credit facilities, and related funding instruments by banks and other financial institutions. The challenge is not solely access to finance: enterprises must also communicate market potential and demonstrate operational capacity to potential lenders. The OECD (2024) discusses financing conditions and policy instruments

---

<sup>1</sup> Corresponding author: 2023t1115@pwu.edu.ph

affecting small enterprises, while the World Bank (2024) examines the role of public credit schemes in Indonesia.

Strategic marketing may improve financial readiness by strengthening market orientation, branding, customer relationships, and consistent business performance. Digital transformation may reinforce these capabilities by creating verifiable transaction records and more transparent operational processes. Research on fintech financing indicates that alternative digital data can help address information asymmetry, although outcomes differ by setting (Sanga & Aziakpono, 2023).

This study examines MSMEs in Palembang City, Indonesia, through three relationships: strategic marketing and digital transformation; strategic marketing and financing distribution; and the proposed mediating role of digital transformation. By examining these pathways together, the study seeks to connect market-facing business capabilities with finance-facing credibility. Because the data are survey-based, reported associations should not be interpreted as proof of causal effects.

## **2 Theoretical Framework**

### **2.1 Strategic marketing and digital capabilities**

Strategic marketing involves decisions about identifying customer needs, positioning offerings, coordinating channels, and maintaining relationships. From a resource-based perspective, marketing knowledge and customer information represent organizational resources that may support competitive positioning (Porter, 1985). Research on small business digitalization also suggests that firms must link marketing activities to organizational capacity rather than treating digital tools as isolated promotional channels (Parra-Sánchez & Talero-Sarmiento, 2024; Sharabati et al., 2024).

Digital transformation can include digital selling, records, customer communication, and process integration. Omnichannel approaches connect physical and online interactions and are relevant for Indonesian enterprises seeking a more consistent customer experience (Sehani et al., 2023). Digital literacy remains essential because adopting a platform does not automatically create reliable data or stronger managerial decisions (Sekarranti, 2025).

### **2.2 Financing distribution and the proposed mediation pathway**

Financial institutions assess expected repayment, information quality, and risk. Digital sales and payment histories may provide supplementary information on MSMEs that lack conventional collateral or extensive formal records. Nevertheless, technology does not replace sound underwriting or consumer protection (OECD, 2024; Sanga & Aziakpono, 2023). The study therefore proposes a framework in which strategic marketing supports digital business processes, which may strengthen perceived business credibility and be associated with financing distribution.

H1: Strategic marketing is positively associated with digital transformation. H2: Strategic marketing is positively associated with financing distribution. H3: Digital transformation mediates the relationship between strategic marketing and financing distribution.

3 Results And Discussion

3.1 Research design and respondents

The study uses structured survey responses from 399 MSME actors in Palembang City. The source manuscript describes a quantitative survey with a case-study focus and also labels the approach “mixed-methods explanatory sequential.” However, it does not report a separate qualitative sample, interview protocol, or qualitative findings. The present revision therefore reports only the documented quantitative survey and identifies the proposed qualitative component as unverified. Sampling procedures and the survey period were not specified in the supplied article.

Women represented 52.6% of respondents and men 47.4%. The largest age group was 26–35 years (36.8%). Retail accounted for 49.1% of businesses, followed by technology (16.0%), services (15.0%), and manufacturing (10.5%). Micro-enterprises constituted 49.1% and small enterprises 40.9%, with medium-sized enterprises accounting for the remaining 10.0%. A total of 36.3% had operated for one to three years, while 22.3% had operated for less than a year.

3.2 Measures and analysis

The questionnaire covered respondent profiles and indicators of strategic marketing, digital transformation, and financing distribution. The supplied article reports analysis using SPSS, item validity checks, Cronbach’s alpha, Kolmogorov–Smirnov tests, regressions, and path analysis. Item wording, sampling frame, model specification, and detailed mediation inference were not supplied and should be reported in a final submission when available.

4 Results And Discussion

4.1 Descriptive Statistics

Table 4.1 Descriptive Statistics

| One-Sample Kolmogorov-Smirnov Test |                             |                                |                                        |                               |
|------------------------------------|-----------------------------|--------------------------------|----------------------------------------|-------------------------------|
|                                    |                             | Total<br>Strategy<br>Marketing | Total<br>Transform<br>ation<br>Digital | Total Capital<br>Distribution |
| N                                  |                             | 399                            | 399                                    | 399                           |
| Normal<br>Parametersa,b            | Mean                        | 2,889                          | 3,000                                  | 3,093                         |
|                                    | Std. Deviation              | 0,435                          | 0,472                                  | 0,517                         |
|                                    | Most Extreme<br>Differences | Absolute .116                  | .137                                   | .134                          |



|                         |       |       |       |
|-------------------------|-------|-------|-------|
| Positive                | .079  | .062  | .107  |
| Negative                | -.116 | -.137 | -.134 |
| Test Statistic          | .116  | .137  | .134  |
| Asymp. Sig. (2-tailed)c | .082  | .168  | .163  |

The SPSS output revealed Asymp. Sig. (2-tailed) values of 0.082, 0.168, and 0.163 for each respective variable. Given that all significance levels exceed the threshold value of 0.05, it can be inferred that the data are normally distributed across all three constructs. Accordingly, the dataset satisfies the assumptions required for subsequent parametric statistical procedures, such as linear regression, path analysis, or Pearson correlation, all of which are commonly executed within the SPSS environment. From a descriptive perspective, the mean values of the variables range between 2.889 and 3.093, accompanied by standard deviations from 0.435 to 0.517. These values indicate that the respondents’ perceptions are centered around moderate scores with limited dispersion, suggesting a balanced response pattern. The Most Extreme Difference values (ranging from –0.134 to 0.137) further demonstrate that the data distribution is approximately symmetrical, implying minimal skewness and the absence of extreme outliers that could potentially bias the analysis.

4.2 Validity and Reliability

Cronbach’s Alpha is the most widely used reliability indicator for multi-item scales. It assesses whether the items within a construct measure the same underlying dimension. A coefficient value ( $\alpha$ ) above 0.70 is generally considered acceptable for exploratory research, while values above 0.80 indicate good reliability, and those exceeding 0.90 suggest excellent internal consistency (Hair et al., 2019). In this dissertation, constructs such as Strategy marketing, Digital Transformation utilization, capital Distribution Financing, and MSMEs performance were tested using this criterion.

The procedure in SPSS involved computing item–total statistics and Cronbach’s Alpha for each construct. Items that lowered the overall reliability coefficient were carefully examined and, if necessary, removed to improve consistency. For example, if a construct measuring Digital Transformation strategies initially produced  $\alpha = 0.68$ , but deletion of one poorly correlated item increased  $\alpha$  to 0.78, then the revised scale was retained. This process ensures that only reliable items contribute to the measurement of constructs.

Table 4.. Reliability Analysis of Main Constructs

| Cronbach's Alpha |                  |             |
|------------------|------------------|-------------|
| Variable         | Cronbach's Alpha | Reliability |
|                  |                  |             |



|                                |       |               |
|--------------------------------|-------|---------------|
| Total Strategy Marketing       | 0,885 | Very Reliable |
| Total Digitalization Marketing | 0,984 | Very Reliable |
| Total Distribution Financing   | 0,983 | Very Reliable |

Legend: <0,6 Not Reliable; >0,6 Reliable

4.3 Hypotheses Testing

The correlation analysis reveals a significant and robust relationship among Strategy Marketing, Digital Transformation adoption, and distribution financing for micro, small, and medium enterprises (MSMEs). The relatively high coefficients (0.630; 0.627; and 0.803) provide strong empirical support for the proposed hypotheses and underscore the relevance of strategy and digital orientations in enhancing financing mechanisms. From the perspective of the Resource Based View (RBV), Strategy Marketing and digital capabilities can be interpreted as strategy resources that generate competitive advantage by facilitating more effective access to capital distribution. Similarly, the Dynamic Capabilities Theory (DCT) emphasizes the role of sensing, seizing, and transforming capabilities, which allow organizations to adapt Strategy marketing and digital tools in response to rapid market changes. Although these results provide compelling empirical evidence, it should be noted that correlation alone does not establish causality, as contextual factors such as regulatory frameworks and institutional support may also shape these dynamics. Nonetheless, the findings validate the theoretical model, demonstrating that the integration of Strategy marketing with digital capabilities strengthens the efficiency and effectiveness of capital Distribution Financing for MSMEs.

H1: There is a Significant Influence of Strategy Marketing on Digital Transformation

The regression output indicates a robust and statistically significant association between Strategy Marketing (X) and Digital Transformation (Y). Specifically, the standardized coefficient (Beta) is 0.630, with a t statistic of 16.153 and a p-value of 0.000, which is far below the conventional 0.05 threshold. These figures demonstrate a strong positive effect of Strategy Marketing on the extent of digital transformation within the sampled organizations. Moreover, the model’s coefficient of determination ( $R^2 = 0.697$ ) reveals that nearly 69.7% of the variability in Digital Transformation is accounted for by differences in Strategy Marketing, leaving approximately 30.3% of variance attributable to factors outside the present model.

H2: There is a Significant Influence of Strategy Marketing on t Distribution Financing for SMEs

The second hypothesis explores the extent to which Strategy Marketing (X) influences the Distribution Financing for SMEs (Y). The regression outcomes demonstrate a standardized coefficient (Beta) of 0.754 with a t-statistic of 19.625 and a p-value of 0.000, which falls well below the 0.05 significance threshold. These values provide compelling statistical evidence that Strategy Marketing exerts a strong and positive effect on the distribution of financing among small and medium sized enterprises. The



R Square value of 0.754 further indicates that approximately 75.4% of the variation in Distribution Financing is explained by the effectiveness of Strategy marketing, leaving 24.6% accounted for by other unmeasured influences.

**H3: There is a Significant Influence of Strategy Marketing on Distribution Financing for SMEs through of Digital Transformation**

The fourth hypothesis examines the mediating role of *Digital Transformation (M)* in the relationship between *Strategy Marketing (X)* and the *Distribution Financing for SMEs (Y)*. The results from the path analysis indicate that the direct effect of *Strategy Marketing* on *Digital Transformation* is 0.864, and the direct effect of *Digital Transformation* on *Distribution Financing* is 0.875. When the mediating variable is included in the model, the indirect effect of *Strategy Marketing* on *Capital Distribution Financing* through *Digital Transformation* is calculated at 0.801, confirming the presence of a substantial mediation pathway.

These findings suggest that the implementation of Strategy marketing alone, while impactful, becomes significantly more effective when accompanied by a strong digital transformation process. SMEs that integrate marketing innovation with digital platforms are better equipped to reach new markets, engage with customers, and demonstrate credibility to financial institutions. Consequently, digital transformation serves as a bridge that amplifies the influence of strategy marketing on access to and Distribution Financing.

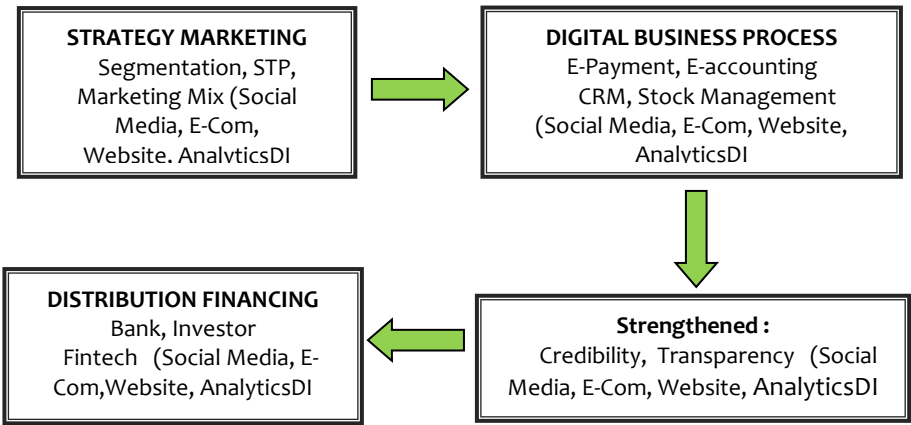
**4.4 Summary of Findings**

Table 1. Summary of Key Findings and Recommendations

| No | Research Question                                                                                           | Key Findings and Conclusions                                                                                                                     | Recommendation                                                                         |
|----|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| 1. | How are Strategy Marketing, Digital Transformation, and Distribution Financing related?                     | All variables show strong, positive correlations ( $r = 0.68-0.83$ ; $p < 0.01$ ), indicating mutual reinforcement.                              | Integrate marketing, digital adoption, and financing into MSME development programs.   |
| 2. | How does Strategy Marketing affect Distribution Financing?                                                  | Strategy Marketing significantly influences financing ( $\beta = 0.754$ ; $p < 0.001$ ), enhancing MSME credibility and financial access.        | Incorporate marketing capabilities into MSME creditworthiness assessments.             |
| 3. | How does Digital Transformation affect Distribution Financing?                                              | Digital Transformation significantly influences financing ( $\beta = 0.875$ ; $p < 0.001$ ), supporting efficiency and accessibility.            | Strengthen fintech integration, digital documentation, and online financing services.  |
| 4. | Does Digital Transformation mediate the relationship between Strategy Marketing and Distribution Financing? | A significant mediating effect is reported (indirect $\beta = 0.801$ ; Sobel $z > 1.96$ ), linking marketing capabilities to financing outcomes. | Develop digital financing ecosystems integrating marketing data and credit assessment. |

Source: Research findings (processed by the author). Statistical values retained from the original table and subject to verification.

4.5 Output of The Research



Discription:

1. *Strategy Marketing* is the starting point (foundation).
2. *Digital Business Process* strengthen transparency and efficiency.
3. *Strengthened Credibility* become an intermediate result, which increases the value of the business in the eyes of the investor.
4. *Distribution Financing* is the final output in the form of increased access to financing

## 5. Discussion

The findings of this study provide several practical contributions that are highly relevant for SMEs, financial institutions, and policymakers. In particular, the results highlight the strategy role as a financial intermediary that can accelerate the digital transformation of SMEs and enhance their access to financing.

The research stresses the importance of formulating an integrated digital Strategy Marketing For SMEs supported, such strategies should be based on thorough market analysis, consumer segmentation, and attention to emerging digital trends. By incorporating the full marketing mix product, price, promotion, and distribution into digital platforms, can guide its assisted SMEs to strengthen their market orientation and competitiveness. This alignment ensures that marketing practices directly support financing readiness.

## 6. Theoretical Contributions

This study extends the RBV by showing how digitized Strategy marketing evolve into unique capabilities that enable financing access. It contributes to DCT by illustrating how SMEs, can transform strategies into adaptive digital practices. It enriches Information Asymmetry Theory by demonstrating how digital footprints function as credible signals for lenders. Finally, it advances Financial Intermediation Theory by positioning Digital Transformation as a means to lower costs and streamline lending processes. These contributions offer a more holistic understanding of the interconnectedness between strategy, technology, and financing.

## 7. Conclusion

This study concludes that Strategy Marketing and Digital Transformation play a crucial and interconnected role in improving MSMEs' access to Distribution Financing. The findings confirm that effective marketing strategies significantly influence digital adoption, while digital transformation serves as a mediating variable that enhances MSMEs' visibility, credibility, and efficiency in financial access.

Empirical analysis showed that all hypotheses were supported Strategy Marketing positively affects both Digital Transformation and Distribution Financing, and Digital Transformation further strengthens the impact of marketing efforts on financing outcomes.

Overall, the study demonstrates that integrating strategic marketing with digital innovation can empower MSMEs, reduce financing barriers, and create a more inclusive and competitive business environment. The results provide valuable insights for policymakers, financial institutions, and MSME support programs aiming to accelerate economic growth through digital-based empowerment

## Bibliography:

Mahardikaningtyas, R., & Akromudin, N. (2024). The effectiveness of omnichannel as a digital marketing medium in the economy after the COVID-19 pandemic. *Jurnal Indonesia Sosial Teknologi*, 5(01), 331-341. <https://doi.org/10.59141/jist.v5i01.887>

- Musliyana, M., et al. (2024). Cooperatives and SMEs. Musytari: Management, Accounting, and Economics Balance Sheet, 3(8), 100–110.\*
- Nasila, R., Napu, I. A., & Gunibala, R. (2024). Digitalization of MSMEs in increasing access to Sharia financing in Gorontalo City. *Madani: Multidisciplinary Scientific Journal*, 1(12).
- Ngo, G. Thy. (2023). Digital Marketing and Moderating Effect of Digital Skills on SMEs' Success in an Emerging Market (Vietnam). SSRN. Retrieved from <https://ssrn.com/abstract=5184945> (SSRN)
- Organisation for Economic Co-operation and Development (OECD). (2024). Financing SMEs and Entrepreneurs 2024: An OECD Scoreboard. OECD Publishing. [https://www.oecd.org/en/publications/2024/03/financing-smes-and-entrepreneurs-2024\\_015c0c26.html](https://www.oecd.org/en/publications/2024/03/financing-smes-and-entrepreneurs-2024_015c0c26.html)
- Parra-Sánchez, D. T., & Talero-Sarmiento, L. H. (2024). Digital transformation in small and medium enterprises: a scientometric analysis. *Digital Transformation and Society*, 3(3), 257-276. <https://doi.org/10.1108/DTS-06-2023-0048>
- Permana, R. A. (2024). The role of HR competence, capital, and digital promotion in improving the performance of culinary MSMEs in Semarang City.
- Porter, M. E. (1985). *Competitive advantage: Creating and sustaining superior performance*. Free Press.
- Purba, C., et al. (2021). The effect of digital marketing and e-commerce on financial performance and business sustainability of MSMEs during COVID-19 pandemic in Indonesia. [Nama Jurnal jika diketahui]. (ResearchGate)
- Raihan Maulana, A. A., Zaky, A. A., Magfiroh, A., Diva, M. M., Pratama, R., & Riyono, R. (2025). Pemanfaatan strategi omnichannel dalam transformasi digital marketing PT. Yakult Indonesia Persada. *Jurnal Inovasi Ekonomi Syariah dan Akuntansi*, 2(5), 84-93. <https://doi.org/10.61132/jies.v2i5.1536> (EJurnal Area)
- Ranitawati, E., & Widiarto, H. (2024). MSME resilience strategy facing competitive business in navigating the post-COVID-19 pandemic in Surabaya. *Owner: Accounting Research and Journal*, 8(2), 1350–1366.\*
- Sanga, B., & Aziakpono, M. (2023). FinTech and SMEs financing: A systematic literature review and bibliometric analysis. *Digital Business*, 3(2), 100067. <https://doi.org/10.1016/j.digbus.2023.100067>.
- SAS Institute. (2022). What is digital transformation: And why does it matter. SAS. <https://www.sas.com/en/insights/data-management/digital-transformation.html>
- Sehani, S., Wijayanto, G., Novandalina, A., Rivai, Y., & Noviasari, H. (2023). Omnichannel marketing in the digital age: Effective strategies to reach multichannel consumers in Indonesia. *West Science Interdisciplinary Studies*, 1(09), 862–870. <https://doi.org/10.58812/wsis.v1i09.242> (West Science Press)
- Sehani, S., Wijayanto, G., Novandalina, A., Rivai, Y., & Noviasari, H. (2023). Omnichannel marketing in the digital age: Effective strategies to reach multichannel consumers in Indonesia. *West Science Interdisciplinary Studies*, 1(09), 862–870. <https://doi.org/10.58812/wsis.v1i09.242>.
- Sekaran, U., & Bougie, R. (2019). *Research Methods for Business: A Skill-Building Approach* (8th ed.). Wiley.

- Sekarranti, L. T. (2025). Impact of Digital Literacy on Informality of MSMEs. *Jurnal Ekonomi dan Statistik Indonesia*, 5(1), 1-15.  
<https://doi.org/10.11594/jesi.05.01.01>
- Sharabati, A.-A. A., Ali, A. A. A., Allahham, M. I., Hussein, A. A., Alheet, A. F., & Mohammad, A. S. (2024). The Impact of Digital Marketing on the Performance of SMEs: An Analytical Study in Light of Modern Digital Transformations. *Sustainability*, 16(19), 8667.  
<https://doi.org/10.3390/su16198667>
- Teguh, M., et al. (2024). Strengthening digital marketing communications for the Lakarsantri MSME Association. *LeECOM Journal*, 6(1), 107–118.
- Teubner, T., & Stockhinger, L. (2023). The role of digitalization in business and management: a systematic literature review. *Review of Managerial Science*.  
<https://doi.org/10.1007/s11846-023-00647-8>
- Wang, J., Yao, Y., Ge, H., & Wang, J. (2025). The impact of digital inclusive finance on SME innovation. *Sustainability*, 17(8), 3633.  
<https://doi.org/10.3390/su17083633>
- World Bank. (2024). Can public credit schemes improve access to finance for small businesses? Evidence from Indonesia. *World Bank Policy Research* (June 2024).  
<https://documents1.worldbank.org/curated/en/099257009042435538/pdf/IDU-2698ff2e-c4be-4005-8dec-e349ef771a96.pdf>.
- Zed, E. Z., et al. (2024). Digital marketing training in efforts to develop technology-based businesses for MSMEs in Cibarusah District. *Journal of Global Innovation*, 2(3), 460–473.