

## THE DYNAMICS OF MSME MARKETING NETWORK DEVELOPMENT IN ENCOURAGING THE WELFARE OF BUSINESS ACTORS

**Faris Aus<sup>1\*</sup>**

Halu Oleo University, Kendari, Indonesia  
[fariaus2017@gmail.com](mailto:fariaus2017@gmail.com)

**Nada Kusuma<sup>2</sup>**

Halu Oleo University, Kendari, Indonesia

**Muh. Husriadi<sup>3</sup>**

Halu Oleo University, Kendari, Indonesia

### ABSTRACT

*Marketing network development is a crucial issue for MSMEs because not all business owners are able to transform social relationships and digital access into sustainable economic strength. In Kendari City, limited networks, digital literacy, and reliance on informal relationships remain obstacles to improving business prosperity. This study aims to analyze the experiences of MSME owners in building marketing networks and understand their contribution to business prosperity. The method used is qualitative research with a phenomenological approach through in-depth interviews, observation, and documentation of purposively selected informants. The results show that marketing networks are understood as relational capital that expands market access, strengthens trust, and maintains income stability. The use of digital media such as WhatsApp, Facebook, and Instagram also help expand promotional reach despite still facing limited technological literacy. These findings confirm that MSME prosperity is not solely determined by product quality. But also, by the quality of the socially and digitally built networks. Consequently, strengthening MSMEs needs to be directed at developing collaborative networks, digital literacy, and supporting an inclusive marketing ecosystem.*

**Keywords:** Marketing network, MSMEs, welfare, phenomenology, Kendari City.

### INTRODUCTION

MSMEs play a crucial role in the national and regional economy, driving job creation, supporting local economic resilience, and promoting income equality. However, their small scale, limited capital, and limited managerial capacity make many MSMEs vulnerable to demand fluctuations and supply chain disruptions. (Husriadi 2025; Khumairo 2025). In the era of digital transformation and global value chain integration, the marketing paradigm is shifting from individual transactions to marketing networks. so that impact on relational structures that enable market access, information flow, and resource sharing between actors

(Koporcic, Kumar, and Stefan 2026) . Marketing networks function as relational capital that lowers transaction costs, accelerates the diffusion of innovations, and strengthens the bargaining power of small suppliers. (Putri 2026) . In a heterogeneous local context , limitations in digital infrastructure, social norms, and an unequal supporting ecosystem make The dynamics of network formation and maintenance are the main determinants of the effectiveness of MSME marketing strategies. (Noer, Chan, and Tresna 2025) . In addition , it is seen existence network fragmentation such as low trust between actors, gaps in access to digital information, and imbalances in absorptive capacity that limit the translation of networks into real economic benefits. (Kustiningsih 2022) . The impact is seen in low margins, revenue volatility, and limited scale that hinder business sustainability. (Listiani, Alliyah, and Meiriyanti 2026) .

In connection with this matter, there is several previous studies such as research (Sharabati et al. 2024) that the orientation of MSMEs is still strong on digital media adoption and marketing models, not on structure relational or network supporting marketing improvement welfare . Findings (Purwanti, Lailyningsih, and Suyanto 2022) that MSME actors are increasingly adaptive to the dynamics of the online market, but the focus still on promotional strategies and responses to behavior consumer so it's not yet how the network works marketing built, maintained, and translated into the welfare of business actors. In addition, the findings (Purwanti, Lailyningsih, and Suyanto 2022) that MSME actors show tendency to highlight experience subjective and endurance business However, the dimensions of network embeddedness, social capital, and mechanisms network marketing still not in focus main. Therefore, third the research findings are still oriented towards the adoption of marketing strategies, experience business, and response to the digital market and has not yet been specific describe how the dynamics of network development marketing which includes formation, strengthening, and maintenance relation between actors that impact the welfare of business actors.

Therefore, this study aims to analyze the dynamics of MSME marketing network development and its implications for the welfare of business actors. And the novelty the strength of this research lies in its theoretical and practical novelty through the combination of a network dynamics approach with a social capital and digital capability framework. Its practical contributions include mapping intervention strategies that take into account the heterogeneity of local contexts and the role of external actors. so that the results of the study are expected to provide a basis for more targeted policies to increase market inclusion and the welfare of MSMEs in Kendari City.

## **RESEARCH METHODS**

This study uses a qualitative phenomenological approach because it aims to understand the subjective meanings constructed by MSME actors in Kendari City regarding their

experiences in developing marketing networks and their relationship to welfare. at a time using a phenomenological approach. The phenomenological approach was chosen to capture the essence of participants' life experiences in depth. The research design is descriptive-qualitative. because the focus is not on testing hypotheses, but rather on interpreting the social reality experienced by informants in the context of daily business. The research population includes all MSME actors in Kadi and West Kendari districts, while the sample was purposively selected as many as 8-12 informants consisting of MSME owners, marketing network members, and business assistants. This composition is appropriate because they have direct experience, contextual knowledge, and the ability to explain the dynamics of marketing relations.

The research location was chosen in the MSME centers in the two sub -districts that actively interact with the digital market because these areas represent real changes in marketing networks and are relevant to assessing their impact on welfare. The research procedure was carried out through field orientation stages, in-depth interviews, participant observation, and documentation, because these procedures allow researchers to obtain rich and contextual data. Data analysis used the Miles and Huberman model through data reduction, data presentation, and drawing conclusions, because this model is systematic, adaptive, and effective for managing complex phenomenological data.

## **HAIL AND DISCUSSION**

### **MSME Actors' Understanding of Marketing Networks**

Based on the results of this study, it shows that MSME actors interpret marketing networks as a relational space that connects products with the market. And also, as a pillar of business sustainability. Informants' experiences, networks are not understood solely as distribution channels but as social assets that generate repeat customers, word-of-mouth recommendations, and access to collaboration opportunities. This understanding aligns with findings (Dio et al. 2026). This shows that digital marketing for culinary MSMEs in Malang is understood by business actors as a way to expand market reach and strengthen product visibility, not simply as a way to move promotions to digital platforms. Furthermore, the findings (Pellegrino and Abe 2023) also found that MSMEs use social media to read market behavior and maintain closeness with consumers, so that digital networks become part of business survival strategies.

Therefore, this confirms that MSMEs' understanding of marketing networks is strongly influenced by daily life experiences, social proximity, and the need to maintain a stable sales flow. A strong network provides a sense of security by opening wider access to buyers, reducing dependence on a single market, and strengthening the bargaining position of business actors. Therefore, the results of this study show that marketing networks function as relational capital that directly contributes to the economic stability and well - being of

MSMEs in Kendari City. This argument strengthens the research's position that network development is not only a technical marketing issue, but also a socio-economic strategy that determines business resilience in an increasingly competitive market ecosystem.

### **The Importance of Social Relationships**

The results of this study indicate that the importance of social relationships is the main foundation for developing MSME marketing networks in Kendari City. Informants interpreted social relationships as more than just ordinary friendships. but as relational capital that maintains the flow of information, strengthens trust and open access to buyers and business partners. In practice, closeness to customers, fellow traders and business communities makes the marketing process feel easier because there's a sense of mutual support and mutual respect. This pattern shows that in the context of MSMEs, social relationships act as an invisible mechanism but are crucial for business continuity. This finding aligns with research (Supke et al. 2024) which confirms that social connectedness improves coordination, ease of communication, and resilience of small business actors in facing market pressures.

In addition, these results are supported by research (Anam 2025) who found that digitalization of culinary MSME marketing not only expands market reach but also strengthens the quality of relationships between sellers and buyers through more intense and responsive interactions. This means that social relationships in marketing are not eliminated by technology, but rather transformed into more fluid relationships that remain based on trust. In the Kendari context, warm, polite, and intimate relationships have proven to be a crucial force in making marketing networks more vibrant and sustainable. Therefore, these findings emphasize that strengthening MSMEs is not only achieved through access to capital and digital promotion alone, but also through managing healthy, consistent, and mutually beneficial social relationships for all actors in the marketing network.

### **Network Functions in Business**

The results of this study indicate that MSMEs understand the function of networks in business as a strategic mechanism for maintaining sales flow, expanding market access, and strengthening business resilience. Networks are viewed not merely as a list of relationships but as active channels connecting products with buyers, partners, and new opportunities. Informants' experiences indicate that well-functioning networks make marketing processes more efficient because information spreads quickly, customers are more easily reached, and collaborations are formed more quickly. This understanding demonstrates that networks function as social infrastructure that supports day-to-day business operations. This is especially true when MSMEs face fluctuating markets and increasingly fierce competition. This finding is supported by research (Suryati et al. 2025). which shows that digitalizing culinary MSME marketing not only expands promotional reach but also enhances the network's function as a link between products and consumers through social media. In much the same way, the findings (Jayanto, Anggraeni, and Alfakih 2025) found that MSMEs'

strategies for dealing with FOMO in online markets hinge on the ability to build responsive connections with consumers, making networks an adaptive tool for maintaining sales sustainability. These two findings reinforce the research's understanding that marketing networks are not an additional element, but rather a core resource that determines business performance.

Therefore, the network function becomes increasingly important because businesses often rely on close relationships and informal communication to maintain market share. A strong network helps MSMEs more quickly identify consumer needs, adapt promotional strategies, and maintain revenue stability. Therefore, these results confirm that strengthening MSMEs is not sufficient only through increasing capital or production, but also through developing a vibrant, active, and mutually beneficial marketing network.

## **CONCLUSION**

This study concludes that marketing network development is a strategic factor determining the sustainability and well-being of MSMEs in Kendari City. The network serves not only as a distribution channel, but also as a marketing strategy. But also, as social capital that strengthens trust, expands market access, and improves business stability. These findings confirm that the success of MSMEs is greatly influenced by the quality of social relationships and the ability to utilize digital media adaptively. Therefore, suggestions For MSMEs, the key is to continue strengthening business networks through collaboration, consistent communication, and more productive use of digital technology. Local governments and business partners need to expand digital literacy programs, strengthen community networks, and facilitate market partnerships so that MSMEs not only survive but also thrive. But also move up a class. Future research is recommended to explore differences in network dynamics across different MSME sectors or use a longitudinal approach to capture changes in marketing relationships more comprehensively.

## **REFERENCE**

- Anam, Budi Safatul. 2025. "DIGITAL MARKETING STRATEGIES FOR CULINARY MSMEs THROUGH TIKTOK AND INSTAGRAM." 2(2): 44–55.
- Dio, Fajar et al. 2026. "Digital Technology-Based Assistance for De Jenangs MSME in Malang City." (November 2025): 655–64.
- Husriadi, Muh. 2025. "THE ROLE OF SOCIAL BUSINESS STRATEGY IN IMPROVING." 3(1): 3030.
- Jayanto, Imam, Inda Permata Anggraeni, and Ahmad Fauzi Alfakih. 2025. "FOMO on New Year's Eve : The Role of Social Media in Transforming How MSMEs Interact with Consumers. " 3(3): 701 – 8.
- Khumairo, Hazmatul. 2025. "The Role of MSMEs in Driving Economic Growth and Income Equality in." 3(1): 22–32.
- Koporcic, Nikolina, Prasanna Kumar, and Kukkamalla Stefan. 2026. "Resilience of Small and Medium-Sized Enterprises in Times of Crisis : An Umbrella Review. " : 301 – 29.

- Kustiningsih, Nanik. 2022. "Projecting Experience of Technology-Based MSMEs in Indonesia : Role of Absorptive Capacity Matter in Strategic Alliances and Organizational Performance Relationships."
- Listiani, Nur, Siti Alliyah, and Rita Meiriyanti. 2026. "Revenue Diversification Capability and Financial Sustainability of Culinary MSMEs : The Mediating Role of Income Stability." 11(1): 275–85.
- Noer, Mochamad Yasin, Arianis Chan, and Pratami Wulan Tresna. 2025. "Digital Marketing and Sustainable Innovation in SMEs through Bibliometric and Systematic Review." *Cogent Business & Management* 12(1). <https://doi.org/10.1080/23311975.2025.2548953>.
- Pellegrino, Alfonso, and Masato Abe. 2023. "Leveraging Social Media for SMEs : Findings from a Bibliometric Review. " : 1 – 15.
- Purwanti, Ika, Dwi Reni Nisvul Lailyningsih, and Umar Yeni Suyanto. 2022. "Digital Marketing Capability and MSMEs Performance: Understanding the Moderating Role of Environmental Dynamism." *Journal of Theory and Applied Management* 15(3): 433–48.
- Daughter, Rasti Maita. 2026. "Relational Capital And Innovation As Drivers Of Micro Small And Medium Enterprise Sustainability Capital." 27(1): 1–17.
- Sharabati, Abdel Aziz Ahmad et al. 2024. "The Impact of Digital Marketing on the Performance of SMEs: An Analytical Study in Light of Modern Digital Transformations." *Sustainability (Switzerland)* 16(19).
- Supke, Max, Corinna Kausmann, Lea M Schaubruch, and Klaus Lieb. 2024. "A Systematic Review of Individual, Social, and Societal Resilience Factors in Response to Societal Challenges and Crises." *Communications Psychology* . <http://dx.doi.org/10.1038/s44271-024-00138-w>.
- Suryati, Desi, Rohmiati Amini, Meiyanti Widyaningrum, and Samsuriadi Samsuriadi. 2025. "ECONETICA Empowering Culinary Micro, Small, and Medium Enterprises through Digital Marketing" : A Qualitative Study in Mataram City, Indonesia." 5(1): 77–87.