

Digital Marketing Strategies and Challenges in Tourism and Local MSMEs

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Abstract-The development of digital technology has driven significant changes in marketing strategies within the tourism sector and local micro, small, and medium enterprises (SMEs). Digital marketing not only serves as a promotional tool but also functions as a primary strategy to enhance destination visibility, SME competitiveness, and consumer engagement in the digital economy era. This study aims to comprehensively examine digital marketing strategies and challenges in tourism and local SMEs through a structured literature review approach. The research method follows the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines by analyzing 38 reputable national and international articles published between 2020 and 2025. Bibliometric analysis was conducted using VOSviewer software to map thematic clusters, research trends, and gaps in the literature. The findings indicate that social media, digital promotion, and brand awareness development are the most dominant digital marketing strategies in tourism and local SME development. However, the implementation of these strategies still faces challenges, including limited digital literacy, human resource capacity constraints, and infrastructure gaps, particularly in non-urban areas. This study emphasizes the importance of contextual, collaborative, and sustainable digital marketing approaches to support tourism and local SME development.

Keywords: Digital Marketing; Local Tourism; SMEs; Digital Transformation; Public Policy

1. INTRODUCTION

The advancement of digital technology has driven fundamental changes in marketing practices across various economic sectors, including tourism and micro, small, and medium-sized enterprises (SMEs). This transformation is characterised by shifts in consumer behaviour, with increasing reliance on digital platforms for information seeking, comparison of alternatives, and purchasing decisions. In this context, digital marketing is no longer positioned as a complement to conventional marketing but rather as a primary strategy for enhancing competitiveness and business sustainability, particularly for small-scale enterprises and local tourism destinations (Nurhasanah & Sukardi, 2024; Chamboko-Mpotaringa & Tichaawa, 2021). The tourism sector is among those most affected by digital transformation. The utilisation of social media, visual content, and online platforms has reshaped how tourism destinations build their image and reach potential visitors. Research indicates that digital marketing enhances destination visibility, strengthens destination image, and fosters tourist engagement through electronic word-of-mouth and experience-based interactions (Iswanto et al., 2024; Maulana & Merdiani, 2024). This is particularly important for local tourism destinations that face constraints in promotional budgets and market access.

At the same time, SMEs play a strategic role as key contributors to tourism activities, particularly through the provision of local products and services such as culinary offerings, handicrafts, and tourism support services. Digital marketing creates opportunities for SMEs to expand their market reach more efficiently while reducing dependence on traditional marketing channels. Previous studies demonstrate that the use of social media, e-commerce, and digital content contributes to increased brand awareness and improved SME performance (Parebong, 2024; Wahyuni et al., 2023). Nevertheless, the success of digital marketing among SMEs is highly dependent on human resource capacity and the digital literacy of business actors. Numerous studies in Indonesia reveal that limited technological knowledge, content management skills, and the use of marketing data remain major barriers to the implementation of digital marketing, particularly in non-urban areas (Noor et al., 2023; Hasanuddin et al., 2023). This condition suggests that digital transformation is not solely technological but also human and institutional in nature.

In the local context, digital marketing challenges are closely linked to infrastructure gaps and unequal access to technology. Several studies emphasise that SMEs and tourism actors in rural areas face significant obstacles, including limited internet connectivity, inadequate supporting facilities, and underdeveloped digital ecosystems (Nuryani & Munawaroh, 2024; Fauzi & Kurniawan, 2024). These challenges highlight the need for digital marketing approaches that are contextual and adaptive to regional conditions. Beyond technical and resource-related aspects, governance and institutional support also play a crucial role in the success of digital marketing initiatives. Studies conducted by Rahayu and colleagues emphasise that accountability, transparency, and the quality of organisational and human resource management significantly influence the performance and sustainability of local economic entities, including SMEs (Rahayu & Kurnianingsih, 2020; Astuty et al., 2021). These findings are particularly relevant in digital marketing contexts, where information management and public trust are critical factors.

Furthermore, post-pandemic research on SMEs indicates that adaptation to digital technology has become an important strategy for recovery and for enhancing local business competitiveness. Noor et al. (2023) and Siregar et al.

(2025) show that SMEs capable of integrating digital strategies into marketing and business management tend to be more resilient in responding to economic pressures and market changes. This reinforces the argument that digital marketing cannot be separated from comprehensive SME development strategies. Although the literature on digital marketing, tourism, and SMEs continues to expand, most studies still address these topics in isolation. Research that simultaneously integrates digital marketing strategies across the tourism sector and local SMEs, particularly within non-urban and local economic contexts, remains relatively limited. This is noteworthy given that local social, cultural, and economic characteristics require marketing approaches that differ from those applied in urban settings or major tourism destinations (Adebola & Evans, 2023).

In addition, public policy approaches and the role of stakeholders in supporting digital marketing for tourism and local SMEs have not been extensively explored. Several studies indicate that digital literacy training, business mentoring, and the provision of digital infrastructure by governments and related institutions contribute positively to SME performance (Rahayu et al., 2023; Wahjoedi et al., 2022). However, these findings have not yet been systematically integrated into tourism digital marketing frameworks. Based on these conditions, a study that systematically synthesises empirical and conceptual findings related to digital marketing strategies and challenges in tourism and local SMEs is required. A structured literature review approach is appropriate for mapping research developments, identifying thematic clusters, and highlighting existing research gaps. Bibliometric analysis further enables a more objective understanding of research directions and dynamics in this field.

Therefore, this study aims to comprehensively examine digital marketing strategies and challenges in the tourism sector and local SMEs through a PRISMA-based structured literature review and bibliometric analysis using VOSviewer. The main contribution of this study lies in integrating tourism and SME digital marketing literature within the Indonesian local context and in formulating theoretical and practical implications for the development of more contextual, inclusive, and sustainable digital marketing strategies.

2. RESEARCH METHODS

2.1 Basic Research Framework

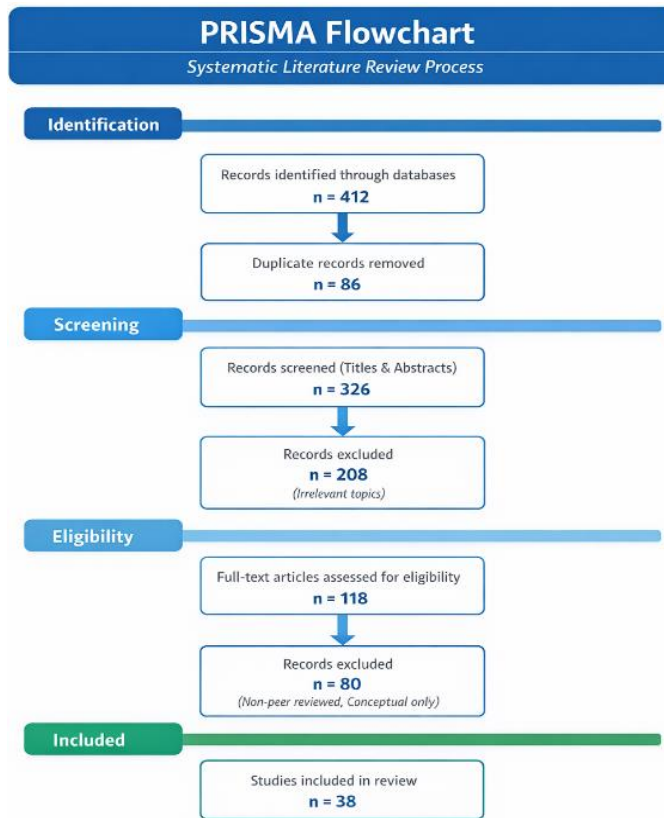
This study adopts a structured literature review approach by referring to the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines to ensure transparency, replicability, and rigour in the literature selection process (Page et al., 2021). This approach was selected because it is appropriate for synthesising empirical and conceptual findings related to digital marketing strategies and challenges in the tourism sector and local small and medium-sized enterprises (SMEs), which have developed rapidly in recent years. The literature search was conducted systematically across several reputable academic databases, including Scopus, Web of Science, ScienceDirect, Emerald Insight, and Google Scholar. These databases were selected based on their academic credibility, multidisciplinary coverage, and consistent publication records in the fields of marketing, tourism, and SMEs (Donthu et al., 2021). The search covered the period from 2020 to 2025 to capture recent developments in digital marketing in the post-pandemic context and the era of global digital transformation.

The search strategy employed a combination of English and Indonesian keywords, such as *digital marketing*, *tourism marketing*, *SMEs*, *UMKM*, *local tourism*, *digital promotion*, and *marketing challenges*. These keywords were combined using Boolean operators to systematically broaden and refine the search results. All retrieved records were managed using reference management software to remove duplicates and ensure citation consistency in accordance with APA standards. The literature selection process followed the PRISMA flow, consisting of identification, screening, eligibility assessment, and final inclusion. During the identification stage, a total of 412 articles were retrieved from all databases. After duplicate removal, 326 articles remained and were screened based on titles and abstracts. This screening aimed to ensure the relevance of the articles to the research focus, namely digital marketing strategies and challenges in tourism and local SMEs. The initial screening resulted in 118 articles deemed suitable for further full-text review.

The subsequent stage involved eligibility assessment through full-text reading. Articles that were not published in reputable journals, had not undergone peer review, or did not directly address digital marketing within the context of tourism or SMEs were excluded. In addition, conceptual articles lacking clear analytical contributions and publications from non-academic sources were also removed from the analysis. Following this process, 38 articles met all inclusion criteria and were used as the basis for analysis in this study. The inclusion criteria comprised articles published in accredited national journals and reputable international journals that addressed digital marketing strategies, implementation challenges, and their relevance to the tourism and SME sectors. Conversely, the exclusion criteria included articles published prior to 2020, non-academic publications, and studies that did not provide clear empirical or conceptual contributions. This approach is consistent with best practices in systematic reviews within the fields of management and marketing (Tranfield et al., 2003; Paul & Criado, 2020).

Data analysis was conducted using a thematic analysis approach, in which findings from each article were coded and grouped into major themes, such as types of digital marketing strategies employed, outcomes achieved, and implementation challenges at organisational and regional levels. This approach enables a comprehensive synthesis of the literature and the derivation of relevant theoretical and practical implications for the tourism and local SME context (Snyder, 2019). By applying the PRISMA framework and systematic thematic analysis, this study is expected to provide

a comprehensive overview of the development of digital marketing strategies and to identify existing research gaps that warrant further investigation in the context of regional tourism and SME development.



Gambar 1. PRISMA Flowchart

3. RESULTS and DISCUSSION

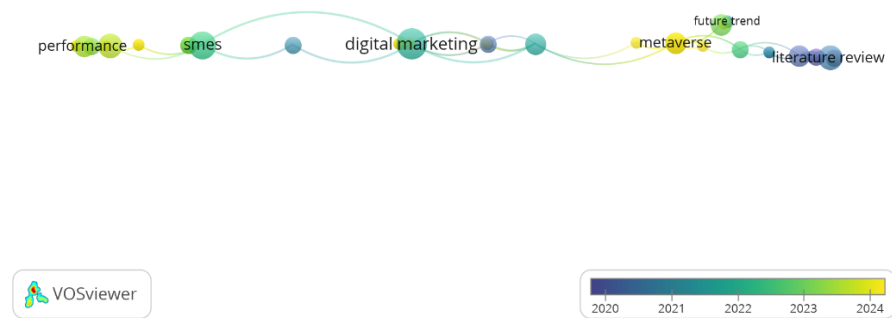
3.1 Result

Analisis Bibliometric analysis using VOSviewer software was conducted on 38 selected articles that had passed the inclusion stage based on the PRISMA framework. This analysis aimed to map the intellectual structure of the research, identify major thematic clusters, and examine the dynamics of research topic development related to digital marketing strategies and challenges in tourism and local small and medium-sized enterprises (SMEs). Bibliographic data were extracted from standardised reference files and analysed using three main types of visualization: network visualization, overlay visualization, and density visualization.



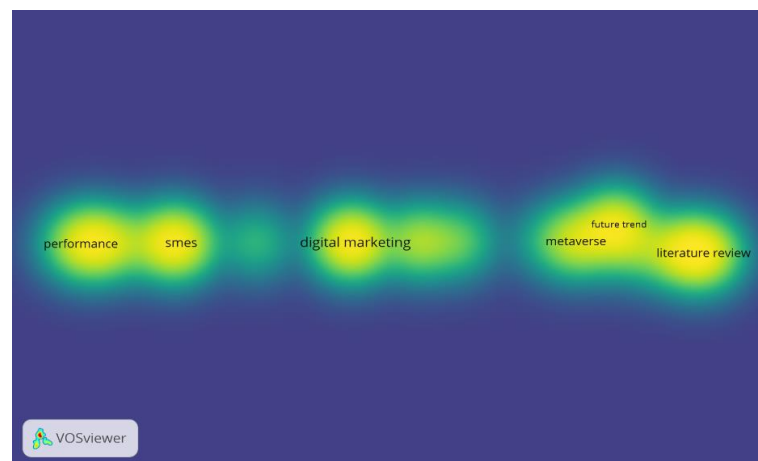
Gambar 2. Network Visualization

The network visualization presented in Figure 1 illustrates the co-occurrence relationships among keywords in the analyzed literature. This mapping indicates that research on digital marketing in tourism and SMEs forms several interrelated thematic clusters. The largest cluster is dominated by the keywords *digital marketing*, *SMEs*, and *tourism marketing*, indicating that these three concepts constitute the primary foundations of the reviewed literature. The strong interconnections among these keywords suggest that most studies conceptualize digital marketing as a strategic instrument for enhancing SME competitiveness and increasing the attractiveness of local tourism destinations. In addition to the main cluster, the network visualization also reveals other clusters that focus on implementation aspects and challenges, such as *marketing challenges*, *digital capability*, *technology adoption*, and *infrastructure*. The presence of these clusters indicates that the literature not only emphasizes the benefits of digital marketing but also consistently examines the structural and organizational barriers faced by SMEs and local tourism managers. The interrelationships among clusters further demonstrate that digital marketing challenges are frequently associated with limitations in digital literacy, access to technology, and human resource readiness, particularly in non-urban areas.



Gambar 3. Overlay Visualization

The overlay visualization presented in Figure 2 provides a temporal overview of the development of research topics. This visualization indicates that early studies during the 2020–2021 period tended to focus on the basic adoption of digital marketing, such as the use of social media and online platforms for promoting tourism destinations and SME products. Keywords such as *social media marketing* and *online promotion* appear in colours representing the earlier period, indicating an exploratory focus on the initial use of digital technologies. In more recent periods, particularly from 2023 to 2025, the overlay visualization reveals a shift in research focus towards more strategic and complex topics. Keywords such as *brand awareness*, *customer engagement*, *digital capability*, and *sustainability* appear in brighter colours, indicating emerging research trends. This shift suggests that the literature has moved beyond mere technology adoption towards evaluating the long-term impacts of digital marketing on SME performance and the sustainability of local tourism. In addition, the emergence of keywords such as *influencer marketing* and *data-driven marketing* reflects the integration of more advanced digital marketing approaches within the tourism and SME contexts.



Gambar 4. Density Visualization

The density visualization presented in Figure 3 reinforces the findings of the two previous visualizations by illustrating the intensity of research topic occurrences. Areas with the highest density are concentrated around the keywords *digital marketing*, *tourism*, and *SMEs*, indicating that these topics have been extensively examined and constitute the mainstream of the literature. High density is also observed for the keywords *local tourism* and *digital promotion*, reflecting increasing academic attention to the development of local tourism through digital strategies. Conversely, several areas with lower yet meaningful density indicate potential research gaps. Keywords such as *marketing challenges*, *rural areas*, and *digital inequality* appear with lower density, suggesting that although these issues are widely recognised as important, the number of studies addressing them remains relatively limited. These findings highlight opportunities for future research to explore digital marketing challenges in local and rural contexts more deeply, particularly those related to digital divides and resource constraints.

Overall, the results of the VOSviewer analysis demonstrate that the literature on digital marketing in tourism and local SMEs has developed significantly over the past five years, both in terms of publication volume and thematic complexity. This bibliometric mapping confirms that digital marketing is positioned as a core strategy for enhancing destination visibility and SME competitiveness, while also highlighting persistent implementation challenges that continue to attract academic attention. Consequently, these results provide a strong empirical foundation for further discussion of the theoretical contributions and practical implications of digital marketing in the development of tourism and local SMEs, which will be elaborated in the subsequent discussion section.

3.2 Discussion

The bibliometric mapping results generated using VOSviewer provide a comprehensive overview of the knowledge structure and research development trends related to digital marketing strategies and challenges in tourism and local

SMEs. The main cluster, dominated by the keywords digital marketing, tourism marketing, and SMEs, indicates that the literature consistently positions digital marketing as a core strategy in tourism development and in strengthening SME competitiveness. This finding aligns with the view that digital marketing has evolved into a strategic instrument that not only serves as a promotional tool but also functions as a mechanism for value creation and differentiation of destinations and local products in increasingly competitive markets (Chamboko-Mpotaringa & Tichaawa, 2021; Centobelli et al., 2021).

The strong interconnection between tourism and SMEs within the main cluster further confirms the existence of a symbiotic relationship between the two sectors. The literature suggests that SMEs act as primary providers of tourism-related products and supporting services, while tourism serves as a key driver of demand for local SMEs. In this context, digital marketing functions as a bridge that connects SME offerings with broader tourism markets through digital platforms, social media, and online marketplaces (Nurhasanah & Sukardi, 2024; Parebong, 2024). This discussion reinforces the argument that the success of digital marketing strategies in the tourism sector cannot be separated from the capacity and readiness of local SMEs as key economic actors.

The findings from the overlay visualization indicate a shift in research focus from issues of technology adoption towards more complex strategic concerns, such as brand awareness, customer engagement, and sustainability. This shift reflects the maturation of digital marketing research, where studies no longer merely examine whether digital technologies are adopted, but rather how these technologies generate long-term impacts on business performance and the sustainability of tourism destinations (Kumar & Gupta, 2024; Maulana & Merdiani, 2024). In the context of local SMEs, the emphasis on brand awareness and customer engagement becomes particularly important, as resource constraints require SMEs to maximise digital interactions in order to build sustainable relationships with consumers. Further discussion reveals that social media is the most dominant digital marketing channel addressed in the literature. This is evident from the high density of keywords such as social media marketing, influencer marketing, and electronic word-of-mouth. Both international and national studies concur that social media provides opportunities for tourism destinations and local SMEs to construct authentic, experience-based brand narratives that are difficult to achieve through traditional marketing approaches (Iswanto et al., 2024; Sánchez-Amboage et al., 2024). Nevertheless, critical discussions in the literature also highlight that excessive reliance on social media without a well-planned strategy may result in limited and unsustainable outcomes.

Clusters focusing on marketing challenges reveal that digital marketing implementation challenges remain a central issue, particularly in local and non-urban areas. Limitations in digital literacy, weak marketing data analysis capabilities, and inadequate digital infrastructure consistently emerge as major barriers across various research contexts (Siahaan et al., 2024; Rahman & Hassan, 2023). This discussion reinforces earlier findings that the digital divide is not solely technological in nature but also institutional and social, influencing the ability of SMEs and local tourism managers to fully leverage the potential of digital marketing. In addition, the results of the density visualization indicate that topics related to *rural areas* and *local tourism* exhibit lower density compared to other core topics. This finding suggests that although digital marketing has been widely discussed, studies that specifically explore local and rural contexts remain relatively limited. This opens up important discussions regarding the need for contextual approaches in designing digital marketing strategies, given that the social, cultural, and economic characteristics of local areas often differ from those of urban regions or major tourism destinations (Nuryani & Munawaroh, 2024; Fauzi & Kurniawan, 2024).

This article also demonstrates that policy dimensions and the role of stakeholders have not received balanced attention in the existing literature. Most studies focus on the organisational or firm level, while the roles of local governments, supporting institutions, and local digital ecosystems remain underexplored. In fact, several studies emphasise that the success of digital marketing in SMEs and local tourism is strongly influenced by policy support, training programmes, and the provision of adequate digital infrastructure (Adebola & Evans, 2023; Nurhasanah & Sukardi, 2024). This discussion points to the need for a collaborative, multi-actor approach in developing inclusive and sustainable digital marketing strategies.

From a theoretical perspective, these discussion results reinforce the relevance of digital marketing as part of the modern marketing paradigm that emphasises consumer engagement, co-creation of value, and the use of technology as a strategic enabler. However, the literature also indicates that the application of global digital marketing theories to local contexts requires careful adaptation to specific regional conditions and the capacities of business actors (Paul & Criado, 2020; Snyder, 2019). Accordingly, the main contribution of this study lies in bridging global digital marketing literature with the local realities of tourism and SMEs.

Overall, the VOSviewer results confirm that research on digital marketing in tourism and local SMEs has developed significantly, yet several research gaps remain. These gaps primarily relate to contextual studies in local and rural areas, the integration of public policy perspectives, and the evaluation of the long-term impacts of digital marketing strategies. Therefore, the findings of this discussion provide a strong conceptual foundation for future research to develop more adaptive, inclusive, and sustainable digital marketing models to support the development of tourism and local SMEs.

4. CONCLUSION

This study presents a structured literature review on digital marketing strategies and challenges in tourism and local SMEs by employing VOSviewer-based bibliometric analysis of 38 selected articles. The mapping results indicate that digital

marketing has become a central strategy in tourism development and in enhancing SME competitiveness, particularly through the use of social media, digital promotion, and brand awareness building. The findings also reveal a strong interconnection between the tourism and SME sectors, underscoring the important role of digital marketing as a bridge between local products and broader tourism markets. Nevertheless, this article highlights that the implementation of digital marketing continues to face various challenges, particularly those related to limited digital literacy, human resource capacity constraints, and infrastructure gaps, especially in local and non-urban areas. In addition, the bibliometric analysis identifies research gaps in contextual perspectives, policy integration, and the evaluation of the long-term impacts of digital marketing. Therefore, future research should develop more contextual and collaborative approaches to support inclusive and sustainable digital marketing strategies for tourism and local SMEs.

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