

# Evaluating the Role of Polbeng Business Expo in Enhancing the Technological and Marketing Capabilities of MSMEs for Domestic Market Competition

Wan Junita Raflah <sup>1,\*</sup>, Marhadi Sastra <sup>2</sup>

<sup>1</sup> International Business Administration Study Program, Bengkalis State Polytechnic, Bengkalis City, Indonesia.

<sup>2</sup> Civil Engineering Department, Bengkalis State Polytechnic, Bengkalis City, Indonesia.

Correspondence Author Email: [junita@polbeng.ac.id](mailto:junita@polbeng.ac.id)

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## ABSTRACT

This study aims to evaluate the role of the Polbeng Business Expo in enhancing the technological and marketing capabilities of Micro, Small, and Medium Enterprises (MSMEs) in Bengkalis to face domestic market competition. Employing qualitative insights from in-depth interviews and focus group discussions. The findings demonstrate that the expo significantly improved participants' technological capabilities, including digital tool awareness, e-commerce utilization, social media marketing, and digital payment systems. Marketing capabilities, particularly brand identity development and digital content creation, also showed substantial enhancement.

digital tool awareness, e-commerce utilization, social media marketing, and digital payment system adoption. Marketing capabilities, particularly in brand identity, that enhanced capabilities positively increased competitive performance. However, the study identifies persistent barriers to long-term success, including limited digital literacy, financial constraints, and a critical lack of sustained post-expo mentoring. The findings conclude that while the expo serves as an effective catalyst for initial capability building, its sustainable impact requires a more integrated empowerment model. Practical recommendations are offered for organizers, educational institutions, and local governments, emphasizing the need for structured pre-expo assessments, an enhanced curriculum, and a robust post-expo support system to ensure sustainable MSME development.

**Keywords:** MSMEs, Business Expo, Technological Capability, Marketing Capability, Domestic Competition, Digital Transformation

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## 1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) constitute a fundamental pillar of the Indonesian economy, demonstrating remarkable resilience and contribution to national economic indicators. According to recent data from the Ministry of Cooperatives and SMEs (2024), MSMEs in Indonesia comprise more than 99% of businesses and absorb approximately 97% of the total workforce and contributes 61% on Gross Domestic Product (GDP). The significance of MSMEs extends beyond mere statistics, representing a crucial mechanism for poverty reduction, income distribution, and regional economic development throughout the Indonesian archipelago.

However, despite their substantial contributions, MSMEs face increasingly complex challenges in adapting to the rapidly evolving business

landscape. The domestic market competition has intensified significantly, characterized by the influx of large-scale corporations and global e-commerce platforms that offer competitive pricing and extensive market reach (Porter, 1990). Recent data from Bank Indonesia (2022) reveals a concerning digital adoption gap, with only 23% of Indonesian MSMEs having integrated digital technology into their business operations, while 68% continue to rely on conventional marketing methods such as direct promotion and word-of-mouth.

The digital transformation era presents both challenges and opportunities for MSMEs. Studies by Kotler et al. (2021) indicate that MSMEs failing to optimize digital technology and modern marketing strategies risk losing 40-60% of their market share within the next five years.

\* Corresponding author

E-mail addresses: [junita@polbeng.ac.id](mailto:junita@polbeng.ac.id)

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Conversely, technology adoption through inventory management applications, e-commerce platforms, and digital marketing has proven to enhance operational efficiency by up to 35% while expanding market reach substantially (Lee & Sukoco, 2020). The persistent challenges include technical knowledge limitations, funding access constraints, and insufficient structured training programs (World Bank, 2021).

Raflah & Marhadi (2025) stated that MSMEs are universally acknowledged as the engine of economic growth, particularly in regions like Bengkalis, Indonesia. While statistical data reveals challenges in technology adoption and market access in the subjective experience of the entrepreneurs themselves. The struggles, motivations, and perceptions of support programs for MSMEs are less frequently documented. The Polbeng Business Expo, initiated and organized by the International Business Administration Study Program at Politeknik Negeri Bengkalis, emerges as a strategic intervention to address these challenges. This annual event represents an innovative blend of academic learning and practical business exposure, designed as a collaborative platform that provides entrepreneurship training, digital marketing assistance, and valuable networking opportunities with industry practitioners.

Now in its second iteration (Chapter 1 in 2024 and Chapter 2 in 2025), the expo has evolved into a significant local economic event, featuring business competition events, sales tenants, and creative competitions while simultaneously serving as a Project-Based Learning (PBL) platform for students. However, despite its growing prominence, no empirical study has systematically evaluated its effectiveness in enhancing MSME capabilities and competitiveness.

Previous research by Suryana et al. (2020) on similar exhibition programs in West Java revealed that only 30% of participating MSMEs maintained enhanced technological capabilities post-event, with 70% reverting to conventional practices due to inadequate follow-up support. This finding highlights the critical need for comprehensive evaluation and continuous improvement of such initiatives.

This study aims to conduct a comprehensive evaluation of the Polbeng Business Expo's effectiveness by addressing three primary objectives:

1. To evaluate the contribution of Polbeng Business Expo in enhancing the technological and marketing capabilities of participating MSMEs
2. To identify the primary challenges and barriers in implementing modern technology and marketing strategies post-expo participation
3. To analyze the impact of enhanced technological and marketing capabilities on MSMEs' competitiveness in the domestic market

### Resource-Based View (RBV) of MSMEs

The Resource-Based View (RBV) theory provides a robust theoretical foundation for understanding how MSMEs can develop sustainable competitive advantages through their internal capabilities (Barney, 1991). In the context of this study, technological and marketing capabilities represent valuable, rare, and imperfectly imitable resources that can generate competitive superiority for MSMEs in the domestic market.

### Technology Adoption Model (TAM)

The Technology Adoption Model (Davis, 1989) offers insights into how MSMEs perceive and adopt new technologies. According to TAM, perceived usefulness and perceived ease of use significantly influence technology adoption decisions, which aligns with the challenges faced by MSMEs in digital transformation.

### Digital Marketing Transformation

The evolution from traditional to digital marketing represents a paradigm shift in how MSMEs engage with customers. Kotler et al. (2021) emphasize that modern marketing requires customer-centric approaches leveraging data analytics for market segmentation and personalized engagement.

International research by Lee and Sukoco (2020) demonstrates that business exhibitions significantly enhance SMEs' market knowledge and business networks through direct consumer interaction and competitor analysis. The Global Association of the Exhibition Industry (UFI, 2021) further confirms that exhibitions serve as crucial platforms for product validation and brand credibility building.

Research in the Indonesian context by Suryana et al. (2020) revealed significant short-term benefits but limited long-term impact, emphasizing the importance of post-event support systems. Studies by Priyono et al. (2020) identified that 72% of Indonesian MSMEs still rely on conventional marketing strategies due to a limited understanding of digital platform algorithms.

While substantial research exists on business exhibitions globally and in major Indonesian regions, limited studies have examined locally-organized expos in emerging economic regions like Bengkalis. This research addresses this gap by providing empirical evidence on the effectiveness of the Polbeng Business Expo while proposing context-specific improvement strategies.

## 2. Research Method

This study employed a qualitative method with an explanatory sequential design to obtain an in-depth understanding of the phenomena under investigation. The research population comprised all MSMEs participating in the Polbeng Business Expo 2025.

An initial descriptive mapping of the research field using a purposive sampling technique, 100 MSMEs were selected based on the following criteria:

1. Active business operation status
2. Minimum participation in one of the Polbeng Business Expo events
3. Willingness to participate in both the survey and follow-up interviews

This systematic pre-screening aligns with Patton's (2015) principles of criterion and maximum variation sampling, in which the sample characteristics ensured maximum variation across business sectors and scales.

From the initial descriptive mapping, 25 MSME owners were purposively selected to participate in a series of Focus Group Discussions (FGDs). According to Guest et al. (2006), this sample size is determined by the qualitative principle of data saturation. 25 participants engaged in interactive FGDs, providing depth and diversity of perspective to achieve a comprehensive and nuanced understanding of the phenomena, aligning with established norms for robust qualitative inquiry (Creswell & Poth, 2018).

## 3. Results and Discussion

The study encompassed 100 MSMEs with diverse characteristics representing the local business ecosystem in Bengkalis. Detailed demographic analysis revealed:

Table 1. Demographic Characteristics of Respondent MSMEs

Characteristic	Category	Frequency	Percentage
Business Scale	Micro	68	68%
	Small	22	22%
	Medium	10	10%
Business Sector	Culinary	48	48%
	Handicraft	28	28%
	Fashion	24	24%
Business Age	< 2 years	25	25%
	2-5 years	45	45%
	> 5 years	30	30%
Digital Literacy	Basic	65	65%
	Intermediate	30	30%
	Advanced	5	5%

Source: Processed data 2025

The profile indicates a predominance of micro-enterprises with relatively limited digital literacy, highlighting the importance of targeted interventions.

### Impact on Technological Capabilities

The quantitative assessment revealed substantial improvements in technological capabilities across multiple dimensions:

Table 2. Technological Capability Enhancement

Capability Dimension	Pre-Expo Mean	Post-Expo Mean	Improvement
Digital Tool Awareness	2.45	3.85	1.40
E-commerce Utilization	1.95	3.75	1.80
Social Media Marketing	3.15	4.02	0.87
Digital Payment Systems	2.80	3.95	1.15
<b>Overall Average</b>	<b>2.59</b>	<b>3.89</b>	<b>1.30</b>

Source: Processed data 2025

The results demonstrate statistically significant improvements across all measured technological capabilities. The most substantial improvement was observed in e-commerce utilization, indicating the expo's effectiveness in introducing and encouraging the adoption of online sales platforms.

Qualitative findings provided deeper insights into this transformation. MSME owners in fashion expressed that According to the respondent, before joining the expo, their use of WhatsApp had been limited to customer orders. They reported that the guidance and training sessions introduced them to Instagram Shopping and other platforms, which enabled them to expand their customer base beyond Bengkalis.

Another participant in the culinary sector reported that the hands-on session on digital payment systems had been highly enlightening. Motivated by the training, the respondent promptly implemented QRIS for their business. As a result, approximately 40% of their transactions are now conducted digitally, leading to improved safety and operational efficiency.

### Enhancement of Marketing Capabilities

The expo's impact on marketing capabilities was equally significant, with notable improvements in strategic marketing approaches:

Table 3. Marketing Capability Development

Marketing Aspect	Pre-Expo Mean	Post-Expo Mean	Improvement
Brand Identity Development	2.60	4.15	1.55
Customer Engagement	3.05	4.05	1.00
Market Segmentation	2.25	3.70	1.45
Digital Content Creation	2.50	3.95	1.45

Source: Processed data 2025

The most remarkable improvement was observed in brand identity development, suggesting that the expo's emphasis on branding and presentation significantly influenced participants' understanding of brand value.

According to an FGD participant in the culinary sector, the expo taught them that selling involved more than just products; it was about telling their

brand story. They stated they learned how to create attractive packaging and maintain consistent messaging across various platforms.

Despite the demonstrated improvements, the research identified several persistent barriers that hinder optimal implementation of enhanced capabilities:

1. Digital Literacy Constraints.

Approximately 65% of respondents cited limited digital literacy as a primary constraint. Many MSME owners, particularly from older demographics, struggled with the technical aspects of digital tools despite recognizing their importance.

2. Financial Limitations.

Financial constraints affected 55% of participants, with limited capital allocation for technology investment and digital marketing campaigns. The initial costs of setting up e-commerce platforms and maintaining online presence were cited as significant barriers.

3. Infrastructure Challenges.

About 40% of respondents mentioned inadequate technological infrastructure, including unreliable internet connectivity in certain areas of Bengkalis, which limited consistent implementation of digital strategies.

4. Sustained Mentoring Gap.

A critical finding was the lack of sustained mentoring, reported by 70% of participants. While initial training during the expo was valuable, the absence of follow-up support resulted in knowledge attenuation and reverting to conventional practices.

### Domestic Market Competitiveness

Analysis of data revealed a positive impact of capability enhancement and competitive performance through an increase in Technological Capability, Marketing Capability, and Digital Literacy Level, along with an increase in business experience due to participating in Polbeng Business Expo.

### 4. Discussion

The findings of this study contribute significantly to several theoretical domains. From the Resource-Based View perspective, the research demonstrates how temporary interventions like business expos can help MSMEs develop valuable capabilities that enhance their competitive positioning. The study extends the Technology Adoption Model by identifying context-specific barriers in emerging regions like Bengkalis, suggesting that perceived usefulness alone may be insufficient without addressing infrastructure and literacy constraints.

The research also contributes to the literature on entrepreneurial ecosystems by highlighting the importance of integrating academic institutions as capability-building actors. The Polbeng Business Expo represents an innovative model of town-gown collaboration that facilitates knowledge

transfer and resource sharing between educational institutions and local businesses.

### Practical Implications

1. For MSMEs

The findings emphasize the importance of continuous learning and adaptation. MSMEs should:

- Develop structured digital transformation roadmaps
- Allocate specific budgets for technology adoption
- Establish peer learning networks for knowledge sharing
- Leverage academic partnerships for skill development

2. For Educational Institutions

Politeknik Negeri Bengkalis and similar institutions can:

- Integrate MSME development into curriculum design
- Establish permanent business incubation centers
- Develop structured mentoring programs beyond expos
- Create technology resource centers for MSMEs

3. For Local Government

Policy recommendations include:

- Developing digital infrastructure in underserved areas
- Creating MSME technology adoption grants
- Facilitating industry-academia collaboration platforms
- Establishing progress monitoring systems for MSME development

### Integrated MSME Empowerment Model

Based on the research findings, we propose an Integrated MSME Empowerment Model that addresses identified gaps:

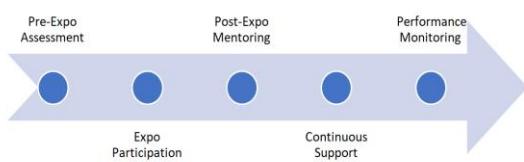


Figure 1. Integrated MSME Empowerment Model  
(Source: Processed data 2025)

This model emphasizes the importance of sustained engagement beyond the expo event itself, incorporating continuous learning, resource sharing, and performance monitoring to ensure long-term impact.

### 5. Conclusion and Recommendations

#### Conclusion

This comprehensive evaluation demonstrates that the Polbeng Business Expo serves as an effective catalyst for enhancing technological and marketing capabilities among MSMEs in Bengkalis. The research confirms significant improvements in digital tool adoption, e-commerce utiliza-

tion, brand development, and customer engagement strategies following expo participation. However, the study also reveals critical challenges that limit long-term impact, particularly limited digital literacy, financial constraints, and inadequate sustained mentoring. The strong correlation between capability enhancement and competitive performance underscores the importance of addressing these barriers through collaborative efforts.

The research contributes to both theoretical understanding and practical implementation of MSME development programs in emerging regions, offering insights that can inform similar initiatives elsewhere.

### Recommendations for Future Expos

Based on the research findings, we recommend the following enhancements for future Polbeng Business Expos:

1. Structured Pre-Expo Assessment
  - a. Conduct digital literacy mapping of participants
  - b. Identify specific capability gaps for targeted intervention
  - c. Develop customized learning paths for different MSME segments
2. Enhanced Expo Curriculum
  - a. Incorporate hands-on technology workshops
  - b. Include sessions on financial planning for digital transformation
  - c. Add modules on measuring digital marketing ROI
3. Post-Expo Support System
  - a. Establish a 6-month mentoring program
  - b. Create online resource portals for continuous learning
  - c. Organize quarterly progress review sessions
4. Stakeholder Collaboration Framework
  - a. Develop formal partnerships with technology providers
  - b. Create industry mentorship programs
  - c. Establish monitoring and evaluation mechanisms

### Limitations and Future Research

This study has several limitations that present opportunities for future research. The focus on a single geographic region limits generalizability, suggesting the need for comparative studies across different regions. The relatively short-term assessment period calls for longitudinal studies to examine sustained impact. Future research could also explore gender dimensions in technology adoption and the role of generational factors in digital transformation among MSMEs.

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