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The Competitiveness Of Brick-Making Msmes In Alaskandang Village In The Era Of Digital Commerce: Surviving Or Being Left Behind?

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Abstract

The transformation of digital commerce has changed marketing patterns and business competition in various economic sectors, including Micro, Small, and Medium Enterprises (MSMEs). This study aims to assess the readiness of brick-making MSMEs in Alaskandang Village to face the development of digital commerce, identify factors influencing the digital adaptation process, and analyze its impact on business competitiveness. This study used a qualitative approach with field research. Data were collected through observation, in-depth interviews, and documentation. Data were then analyzed using data reduction, data presentation, and conclusion drawing. The results indicate that the level of digital readiness of brick-making MSMEs is still relatively limited. Although most entrepreneurs have access to technological devices and internet networks, their use for marketing and business development has not been optimal. Factors supporting the digital adaptation process include the availability of technological resources, internet access, and entrepreneurs' awareness of the importance of keeping up with current developments. Obstacles faced include low digital literacy, limited technology-based business management skills, and the characteristics of brick products that are considered unsuitable for marketing through digital media. In terms of competitiveness, brick-making MSMEs are still able to maintain their existence through product quality, customer trust, and established marketing networks. However, strengthening digital capacity is crucial to maintaining and enhancing business competitiveness in the era of digital commerce.

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INTRODUCTION

The rapid advancement of digital technology has brought significant changes to various aspects of life, including commercial and business activities. Technological progress has not only transformed the way businesses market their products but has also reshaped competitive dynamics in the marketplace (Siddiqi et al., 2025). Whereas business competitiveness was previously determined primarily by product quality and price, the ability to utilize digital technology has now become a crucial factor influencing a firm's capacity to sustain its existence in an increasingly competitive environment.

Micro, Small, and Medium Enterprises (MSMEs) constitute a vital sector of the national economy, making substantial contributions to economic development. In addition to generating employment opportunities, MSMEs serve as key drivers of local economic activities, particularly in rural areas (Fahrudin et al., 2022). However, the expansion of digital commerce has compelled MSMEs to adapt to the evolving business landscape. The adoption of digital technology provides business owners with opportunities to reach broader markets, enhance promotional effectiveness, and strengthen their competitive position (Junaedi et al., 2023). Conversely, delays in digital adaptation may hinder business sustainability amid intensifying market competition.

This situation is also evident among brick-making enterprises in Alaskandang Village, Besuk District, Probolinggo Regency. Brick production has long been one of the primary sources of livelihood for the local community and has contributed significantly to the village's economy. Nevertheless, most brick-making MSMEs continue to rely on conventional marketing methods, including repeat customers, personal relationships, and word-of-mouth promotion. Although these traditional approaches have enabled businesses to maintain their operations, technological developments necessitate greater adaptation to ensure long-term competitiveness.

The emergence of various digital platforms has created broader opportunities for MSMEs to promote their products and expand their marketing networks. However, the digital adaptation process has not always been straightforward. Limited digital literacy, insufficient technological skills, and the traditional characteristics of brick-making businesses are among the factors constraining the effective utilization of digital media. These conditions raise an important question regarding the extent to which brick-making

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MSMEs can maintain their competitiveness as commercial activities increasingly shift toward digital platforms.

From a business perspective, competitiveness refers to a firm's ability to sustain its operations while responding effectively to evolving competitive pressures. Competitiveness is reflected in the capacity to maintain product quality, retain customer loyalty, expand market reach, and adapt to changes in the business environment. Therefore, the ability to embrace technological advancements has become an increasingly important determinant of business sustainability, including for brick-making MSMEs in Alaskandang Village.

Previous studies have demonstrated that digital technology adoption offers considerable benefits for business development, particularly in enhancing marketing performance and expanding market access. However, the majority of these studies have focused on MSMEs operating in the trade and consumer goods sectors. Research specifically examining the competitiveness of brick-making MSMEs as production-based enterprises in rural areas remains limited. This represents an important research gap, as brick-making businesses possess distinctive characteristics and face challenges that differ from those encountered by other types of MSMEs in adapting to the digital commerce environment.

Based on this background, this study aims to examine the competitiveness of brick-making MSMEs in Alaskandang Village in the era of digital commerce. Specifically, it seeks to identify the factors that support and hinder business competitiveness and to explore how digital adaptation influences business sustainability. The findings are expected to provide valuable insights for strengthening MSME competitiveness while supporting more sustainable local economic development.

Research Method

This study employed a qualitative approach using field research to obtain an in-depth understanding of the competitiveness of brick-making Micro, Small, and Medium Enterprises (MSMEs) in the era of digital commerce, with particular attention to the role of digital adaptation in sustaining business competitiveness. The research was conducted in Alaskandang Village, Besuk District, Probolinggo Regency, Indonesia, an area recognized as one of the major brick-producing centers with a well-established MSME sector.

The study utilized both primary and secondary data sources. Primary data were obtained through direct interaction with key informants, including brick-making MSME

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owners and customers associated with these businesses. Secondary data were collected from relevant literature, including books, scholarly journal articles, government publications, and other references related to MSME digitalization, digital commerce, competitiveness, and local economic development.

Data were collected using observation, in-depth interviews, and documentation. Observation was conducted to examine business conditions, production processes, and marketing practices implemented by the MSMEs. In-depth interviews were carried out to explore participants' perspectives on business competitiveness, digital readiness, challenges encountered in adopting digital technologies, and strategies employed to sustain their businesses amid the expansion of digital commerce. Documentation served as supporting evidence and included photographs, business records, and other documents relevant to the research.

The collected data were analyzed using the interactive qualitative data analysis model proposed by Miles and Huberman (1994), which consists of data reduction, data display, and conclusion drawing/verification. First, the data were organized and reduced according to the research objectives. Subsequently, the findings were presented in a descriptive format to facilitate interpretation. Finally, conclusions were drawn through a systematic analysis of the data to provide a comprehensive understanding of the competitiveness of brick-making MSMEs in Alaskandang Village in the era of digital commerce.

Results and Discussion

The Influence of Digital Readiness on the Competitiveness of Brick-Making MSMEs

The digital transformation of commerce has fundamentally reshaped the ways in which businesses market their products and interact with consumers. These changes require Micro, Small, and Medium Enterprises (MSMEs) to become more adaptive to technological advancements in order to remain competitive in an increasingly dynamic market environment (Shodiqin & Hamzah, 2025). The findings of this study indicate that the level of digital readiness among brick-making MSMEs in Alaskandang Village remains relatively low. Marketing activities continue to rely predominantly on conventional approaches, including repeat customers, referrals from relatives and business partners, and direct face-to-face transactions.

These findings suggest that digitalization has not yet become an integral component of the marketing strategies adopted by local MSMEs. From the perspective

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of human resources, most business owners already have access to technological devices such as smartphones and internet connectivity. However, these technologies are primarily utilized for personal communication and information exchange rather than for business development. Their use for product promotion, customer acquisition, and market expansion remains limited. This indicates that access to technology alone is insufficient without adequate knowledge and skills to optimize its potential for business development (Handayani, 2023).

The limited utilization of digital platforms is closely associated with the relatively low level of digital literacy among business owners. Most participants acknowledged that they lacked sufficient knowledge regarding the use of social media, online marketplaces, and other digital commerce platforms that could support business activities. Consequently, the opportunities offered by the digital commerce ecosystem have not been fully utilized to expand market reach or strengthen business competitiveness (Arsyad et al., 2023).

In addition to limited digital capabilities, the characteristics of brick products also influence the willingness of business owners to adopt digital technologies. Bricks are bulky, heavy products that require complex logistics and transportation processes. Consequently, many participants perceived digital marketing as being less relevant to their businesses. They preferred to maintain conventional marketing practices, which they considered effective, rather than adopting new approaches whose benefits were not immediately apparent. This perception reflects a limited understanding of digital commerce, viewing it merely as a transaction channel rather than as a strategic tool for promotion, information dissemination, and business networking.

Furthermore, digital readiness has not yet been supported by structured business planning. Most MSME owners have not developed specific strategies for integrating digital technologies into marketing or business development activities. Promotional efforts remain simple and do not fully exploit digital features that could enhance product visibility. These findings indicate that digital transformation has not yet become an integral part of business management among brick-making MSMEs.

Despite these challenges, the study identified several opportunities that could facilitate future digital adaptation. The widespread ownership of digital devices, internet accessibility, and growing awareness of the importance of technological advancement provide a solid foundation for digital transformation. If supported through training programs, mentoring initiatives, and capacity-building efforts, brick-making MSMEs have considerable potential to enhance their digital capabilities in a sustainable manner.

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Overall, the findings suggest that digital readiness depends not only on technological infrastructure but also on business owners' knowledge, skills, and attitudes toward technological change. Therefore, strengthening digital literacy should become a strategic priority to enable MSMEs not only to sustain their businesses but also to improve their competitiveness within the evolving digital commerce environment.

Supporting and Hindering Factors in the Digital Adaptation of Brick-Making MSMEs

Adapting to the expansion of digital commerce has become a major challenge for many MSMEs, including brick-making enterprises in Alaskandang Village. The ability to utilize digital technologies depends not only on the availability of technological infrastructure but also on various internal and external factors that shape business readiness for change (Setiyawan et al., 2025). The findings identified several factors that both facilitate and hinder the digital transformation of brick-making MSMEs.

One of the primary supporting factors is the increasing accessibility of information and communication technologies. Smartphones have become widely used among business owners, enabling easier access to business-related information. In addition, relatively stable internet connectivity provides opportunities to obtain market information, communicate with customers, and explore alternative digital marketing channels (Rafiah et al., 2022). These conditions indicate that the necessary technological infrastructure for digital business development is already available.

Another important supporting factor is the growing awareness among business owners of the need to keep pace with technological developments. Several participants recognized that changes in commercial practices are inevitable. Although the implementation of digital technologies remains limited, their willingness to learn about digital tools and marketing strategies reflects an openness to innovation that could facilitate future business transformation (Pradani et al., 2023).

Despite these opportunities, the study also identified several barriers that limit the effective use of digital technologies. The most significant obstacle is the limited digital knowledge and skills of business owners. Most participants have not yet acquired sufficient understanding of how digital platforms can be utilized for business purposes. Technological devices are primarily used for personal communication rather than for marketing or business expansion. Consequently, the available digital facilities have not yet generated substantial improvements in product marketing.

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Another obstacle relates to the characteristics of brick products themselves. Unlike consumer goods, bricks require bulk transportation and involve relatively high distribution costs. These characteristics lead many business owners to perceive digital marketing as offering limited practical benefits for their businesses. Such perceptions reduce their willingness to experiment with digital platforms that could otherwise serve as effective promotional tools and facilitate broader customer networks.

The study further revealed that business management practices constitute another significant challenge in the digitalization process. Most brick-making MSMEs continue to operate based on inherited experience rather than structured business planning. Business development strategies remain largely dependent on traditional approaches, resulting in relatively slow adoption of digital technologies. Limited strategic planning for digital marketing has prevented these enterprises from fully capitalizing on the opportunities offered by digital commerce.

Based on observations, interviews, and documentation, the study concludes that successful digital adaptation requires not only technological infrastructure and internet access but also competent human resources capable of effectively utilizing these technologies. Therefore, strengthening MSME capacity through training, mentoring, and digital literacy programs is essential. Such initiatives can help reduce existing barriers and enhance the ability of brick-making MSMEs to compete in an increasingly digitalized commercial environment.

Competitiveness of Brick-Making MSMEs in the Era of Digital Commerce

The expansion of digital commerce has fundamentally reconfigured competitive structures across various business sectors, including Micro, Small, and Medium Enterprises (MSMEs). In this context, competitive advantage is determined not only by product quality and pricing but also by business owners' ability to integrate digital technologies into their marketing strategies and market expansion efforts (Mutmainah et al., 2024). Consequently, competitiveness has become a critical determinant of business sustainability and market positioning in an increasingly competitive environment.

The findings from observations, interviews, and documentation indicate that brick-making MSMEs in Alaskandang Village have continued to survive despite their relatively limited adoption of digital technologies. This resilience is supported by a combination of internal factors, including consistent product quality, extensive business experience accumulated over many years, and strong customer trust. These factors function as both

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social and productive capital, enabling businesses to maintain stable demand despite changes in commercial practices.

From a product perspective, locally produced bricks maintain relatively consistent quality standards that have earned recognition among local customers. This consistency serves as a source of competitive differentiation, fostering customer loyalty even when substitute products from other regions are available. Moreover, production expertise inherited across generations contributes to maintaining consistent operational standards and product quality over time.

In terms of marketing, the competitiveness of these MSMEs continues to depend heavily on long-established customer relationships and word-of-mouth promotion. This pattern demonstrates that social relationships remain a primary mechanism for sustaining market demand. However, reliance on conventional marketing practices also limits market expansion, resulting in minimal penetration into new customer segments beyond the local area (Prameswari & Sitorus, 2024).

Meanwhile, the digital transformation of commerce has intensified external competitive pressures. The limited use of social media, digital platforms, and business communication applications reflects a significant technological adaptation gap. As a consequence, product visibility remains low, and opportunities to penetrate broader markets are constrained. Although these MSMEs currently maintain their market position, the findings indicate a potential decline in competitiveness if digital adaptation is not accelerated (El Ghifari & Supendi, 2024).

The findings further reveal that limited digital literacy represents a structural factor constraining technology utilization. Many business owners continue to regard technology primarily as a tool for personal communication rather than as a strategic resource for business development. Consequently, opportunities to improve marketing efficiency, expand business networks, and create additional value through digital commerce have not yet been fully realized.

Overall, this study concludes that brick-making MSMEs in Alaskandang Village remain resilient, yet they are increasingly vulnerable to long-term market disruption. Their current competitiveness is primarily supported by traditional strengths, including product quality, customer loyalty, and accumulated business experience, whereas adaptive capabilities related to digital transformation remain underdeveloped. As market conditions continue to evolve, this imbalance may pose a significant threat to future business sustainability.

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Therefore, strengthening competitiveness should involve integrating improvements in production quality with the enhancement of digital capabilities among business owners. The implementation of digital marketing strategies, including the use of social media, online product catalogs, and business communication platforms, represents an important means of expanding market reach and reinforcing competitive positioning. Through these initiatives, brick-making MSMEs will be better positioned not only to sustain their businesses but also to expand their markets and adapt more effectively to the continuously evolving digital commerce ecosystem.

CONCLUSION

Based on the findings, it can be concluded that the competitiveness of brick-making MSMEs in Alaskandang Village in the era of digital commerce remains relatively resilient but has yet to demonstrate significant progress in the adoption and utilization of digital technologies. Their current competitiveness is primarily supported by consistent product quality, long-established customer trust, and well-maintained traditional marketing networks. However, their capacity to adapt to digital commerce remains limited. The use of digital technologies for marketing purposes has not been fully optimized, resulting in limited market expansion. This condition is largely attributable to low levels of digital literacy and inadequate skills in utilizing digital platforms for business development. At the same time, the rapid expansion of digital commerce presents a significant challenge for the future sustainability of these enterprises. Without greater digital adaptation and improved technological capabilities, brick-making MSMEs face the risk of declining competitiveness and may gradually be displaced by businesses that are more technologically adaptive. Therefore, although these enterprises remain resilient, they are increasingly vulnerable to the changing business environment. Strengthening digital literacy, optimizing technology-based marketing strategies, and providing continuous training and business assistance are essential to enhancing their competitiveness and ensuring long-term business sustainability in the era of digital commerce.

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