

A Comparison of The Effectiveness of Digital Marketing Strategies on Instagram and TikTok in Boosting Sales for MSMEs in Denpasar

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Abstract

Digital technology has transformed the way micro, small, and medium enterprises (MSMEs) promote products, interact with consumers, and increase sales. In Denpasar, MSMEs increasingly use Instagram and TikTok as marketing platforms because both offer broad reach, interactive features, and relatively low promotional costs. However, each platform has different characteristics and effectiveness in influencing consumer behavior. This study aims to compare the effectiveness of digital marketing strategies on Instagram and TikTok in boosting MSME sales in Denpasar. This research used a descriptive qualitative approach involving MSME actors who actively utilized Instagram and/or TikTok for at least six months. Data were collected through in-depth interviews, direct observation of social media accounts, and documentation of promotional content, engagement, and sales-related information. The data were analyzed using the Miles and Huberman model, consisting of data reduction, data display, and conclusion drawing, with source and method triangulation to ensure validity. The findings show that TikTok is more effective in attracting new audiences, creating viral exposure, increasing brand awareness, and encouraging impulse buying through short videos, live streaming, and affiliate collaboration. Meanwhile, Instagram is stronger in building credibility, displaying product catalogues, maintaining customer relationships, and supporting planned purchases. Therefore, the most effective strategy for MSMEs in Denpasar is a hybrid cross-platform model that positions TikTok as a traffic generator and Instagram as a conversion and customer-retention platform.

INTRODUCTION

The development of digital technology in recent years has drastically changed the face of the business world (Amin et al., 2024; Dsouza, 2023; Lukita et al., 2023; Manduva, 2024). The way business actors market products no longer depends on conventional media such as banners, brochures, or radio advertisements. The presence of the internet, especially social media, opens up a new space that is much more dynamic, interactive, and efficient. In this era, digital marketing is no longer just an option, but a strategic need for business actors, including Micro, Small, and Medium Enterprises (MSMEs).

For MSMEs, digital marketing provides a great opportunity to reach a wider range of consumers at a relatively affordable cost (Suhaida et al., 2025; Wahyuni et al., 2025). They don't have to have a physical store in a strategic location to be known, just with interesting content and the right digital strategy, products can go viral and be known by thousands or even millions of people (Setyowati et al., 2025; Wahyuni et al., 2025). Two platforms that are

currently widely used and proven effective are Instagram and TikTok (Suhaida et al., 2025; Setyowati et al., 2025; Soni et al., 2024).

Instagram is known as a powerful social media when it comes to visual branding and storytelling (Lim & Childs, 2020; Ye et al., 2025). Through aesthetic photos, video reels, and direct shopping features, business actors can display their brand identity while building emotional closeness with consumers (Ye et al., 2025; Kusumasondjaja, 2020). Meanwhile, TikTok comes with a different approach. The platform emphasizes creativity through short videos that are easy to grab attention and have the potential to go viral in a short period of time (Meng et al., 2025; Vo et al., 2025). Its unique algorithm allows content from even small accounts to reach a wide audience (Meng et al., 2025; Pratama et al., 2025) — a golden opportunity for MSMEs to increase visibility and sales (Vo et al., 2025; Pratama et al., 2025; Kusumasondjaja, 2020).

However, behind this great potential, there is still an interesting question: which platform is actually more effective in encouraging MSME sales, especially in the city of Denpasar? The city is known as one of the centers of creative economy growth in Bali, with many MSME players starting to actively utilize social media to expand their markets. However, there have not been many studies that specifically compare the effectiveness of digital marketing strategies on Instagram and TikTok in the local context of Denpasar.

Therefore, this research was conducted to fill this gap. The results are expected to provide a clearer picture of which platforms are more effective, as well as how MSME players can optimize their digital marketing strategies to be able to compete and grow in the midst of increasingly digital market competition.

According to Kotler and Keller (2016), digital marketing is the process of creating, communicating, and conveying value to customers through various digital platforms. In the context of modern business, digital marketing is not only a promotional activity, but also a means of building long-term relationships between sellers and consumers. Through a digital approach, businesses can interact directly with customers, understand their needs in a more personalized way, and adjust marketing strategies in real-time based on data and evolving trends.

This transformation makes digital marketing one of the important factors in expanding market reach. Business actors are no longer limited by geographical location, because products can be promoted to various regions and even across countries just by utilizing social media, websites, and e-commerce platforms. In the context of MSMEs, this is a great opportunity to increase visibility and competitiveness, as well as a challenge to be able to adapt to changes in consumer behavior that are increasingly digital.

Instagram and TikTok have emerged as two dominant platforms in digital marketing because they offer different mechanisms for attracting and converting consumers. Instagram is strongly associated with visual branding, product catalogues, aesthetic presentation, customer testimonials, and direct interaction through comments, stories, reels, and direct messages. For MSMEs, Instagram is useful for building brand identity, credibility, and consumer trust because it allows businesses to present products in a curated and professional manner. TikTok, on the other hand, is more strongly associated with short-form video, entertainment, trends, algorithmic discovery, live streaming, and spontaneous engagement. Its algorithm allows small accounts to reach wider audiences even with limited followers, making it highly relevant for

MSMEs that seek rapid visibility and viral exposure. Therefore, the comparison between Instagram and TikTok is important because both platforms support digital marketing, but they may influence sales through different consumer behavior pathways.

The issue becomes more specific in Denpasar, Bali, where MSMEs are closely connected with tourism, creative economy activities, culinary products, fashion, crafts, and local cultural commodities. Denpasar is not only the capital city of Bali, but also an economic and creative hub where many small businesses depend on visibility, product uniqueness, and consumer experience. MSMEs in Denpasar increasingly use social media to promote local products, communicate with tourists and local consumers, and maintain business continuity in a competitive market. However, the effectiveness of social media marketing in Denpasar cannot be generalized from national-level studies because the city has unique cultural, tourism, and creative industry characteristics. Products such as Balinese crafts, fashion, culinary goods, and souvenirs require different communication strategies, ranging from visual trust-building to entertaining product storytelling. This makes Denpasar a relevant research location for examining how Instagram and TikTok contribute differently to MSME sales performance.

Previous studies have shown that social media marketing can improve MSME performance, but the findings vary depending on the platform, product type, consumer segment, and marketing strategy used. Lestari (2024), in a study on social media marketing and SMEs' business performance, found that social media marketing could influence annual sales performance by approximately 10% to 30%, showing that digital channels have measurable economic value for small businesses. Saputra (2025) also indicated that Instagram utilization had a positive impact on increasing MSME sales, particularly when businesses were able to manage content consistency, interaction, and product presentation. These findings support the argument that Instagram is useful not only as a promotional tool but also as a medium for strengthening brand awareness and customer relationships. Nevertheless, many Instagram-based studies still focus on one platform and do not sufficiently compare its effectiveness with newer short-video platforms such as TikTok.

Other studies have emphasized the growing role of TikTok in shaping consumer purchasing behavior, especially through short videos, live streaming, interactivity, and impulse buying. Research on TikTok live streaming commerce in Indonesia found that viewing frequency, parasocial relationships, and social interactivity influenced purchasing decisions, mediated by shopping value and consumer attitudes. Adha (2025) also demonstrated that TikTok live streaming could stimulate impulse buying among Generation Z consumers through utilitarian, hedonic, symbolic value, trust, and customer engagement. These findings suggest that TikTok is powerful in creating immediate attention and rapid transaction potential, particularly among younger and digitally active consumers. However, TikTok-driven sales may be more volatile because they often depend on trends, viral content, live interaction, and algorithmic exposure. This indicates the need to examine whether TikTok is more effective than Instagram in increasing MSME sales, or whether both platforms work best when integrated.

Despite the growing number of studies on social media marketing, there remains a clear research gap in the direct comparison of Instagram and TikTok marketing effectiveness for MSMEs in a local creative economy context. Many previous studies examine Instagram or TikTok separately, while fewer studies investigate how both platforms differ in their

contribution to sales, customer engagement, brand trust, and purchase conversion. Existing research also tends to focus on general MSME performance or consumer intention, while fewer studies explore the lived experiences of MSME actors in choosing, combining, and evaluating digital platforms. In the case of Denpasar, this gap is more evident because MSMEs operate within a tourism-based and culturally distinctive market environment. Therefore, a comparative study is needed to understand whether Instagram functions more effectively as a credibility-building platform, whether TikTok works better as a visibility and traffic generator, and how both can be integrated into a sustainable digital marketing strategy.

The urgency of this research lies in the increasing dependence of MSMEs on digital platforms amid intense market competition and changing consumer behavior. MSMEs that fail to adopt effective digital marketing strategies risk losing visibility, customer engagement, and sales opportunities, especially as consumers increasingly search, compare, and purchase products through online channels. At the same time, choosing the wrong platform or using social media without a clear strategy may cause wasted time, inconsistent branding, and weak sales conversion. For MSMEs with limited financial and human resources, understanding platform effectiveness is crucial because they must allocate effort efficiently. This study is therefore urgent because it can provide evidence-based guidance for MSME actors in Denpasar to determine which platform is more suitable for their product characteristics, market target, and sales objectives.

The novelty of this research lies in its comparative and contextual focus on Instagram and TikTok as digital marketing platforms for MSMEs in Denpasar. Rather than treating social media as a single general marketing channel, this study distinguishes the strategic functions of each platform by examining how Instagram and TikTok differ in content style, audience interaction, consumer trust, promotional reach, and sales outcomes. The study also contributes novelty by situating the analysis within Denpasar's creative economy ecosystem, where local culture, tourism demand, product aesthetics, and digital consumer behavior interact with MSME marketing practices. Through a qualitative approach, this research can capture not only measurable sales outcomes but also the practical experiences, challenges, and strategic reasoning of MSME actors in using both platforms. This contextual understanding is important for developing a more realistic model of MSME digital marketing in local economic settings.

Based on the identified problems and gaps, the purpose of this study is to compare the effectiveness of digital marketing strategies on Instagram and TikTok in boosting sales for MSMEs in Denpasar. Specifically, this study aims to identify the types of content, platform features, interaction patterns, and promotional strategies used by MSME actors; analyze how Instagram and TikTok contribute to consumer engagement and sales growth; and explain the advantages and limitations of each platform from the perspective of MSME practitioners. The research is expected to contribute theoretically to the literature on digital marketing, social media strategy, and MSME development by offering a platform-specific understanding of marketing effectiveness. Practically, the findings can benefit MSME actors, local government, business mentors, and digital marketing practitioners by providing strategic recommendations for optimizing Instagram and TikTok as complementary tools for increasing visibility, trust, customer interaction, and sustainable sales growth.

METHOD

Research Approach

This study used a descriptive qualitative approach, because the main focus is not just to measure, but to understand in depth how digital marketing strategies are carried out by MSME actors in Denpasar City through Instagram and TikTok platforms. This approach allows researchers to explore the experiences, motivations, and challenges faced by business actors in optimizing social media as a means of promotion and sales.

Through a qualitative approach, the researcher seeks to capture the meaning behind digital marketing behavior how MSME actors build relationships with customers, how they adapt to the platform's algorithms, and how their creative strategies are formed from real-world experiences in the field. Thus, this research is expected not only to produce descriptive data, but also to provide rich contextual insights into digital marketing practices at the local level.

Research Location

This research was carried out in Denpasar City, Bali Province, which is one of the centers of creative economy growth in eastern Indonesia. Denpasar was chosen because it has a very dynamic MSME ecosystem, with many business actors in the fields of culinary, fashion, crafts, and Balinese products that have begun to transform into the digital realm.

In addition to being the provincial capital, Denpasar also has a community character that is open to innovation and technology, as well as a high level of internet penetration. This condition makes this city a relevant location to research how MSME actors utilize digital platforms, especially Instagram and TikTok, to increase the visibility and sales of their products. A creative social environment and strong local culture also influence how businesses shape their brand identity and digital communication style.

Research Subject

The subjects in this study are MSME actors who actively use Instagram and/or TikTok as a medium for promoting and selling their products. The main criteria for the subject include business actors who have implemented a consistent digital marketing strategy for at least the last six months, have an active account with regular activities, and show real interaction with customers on social media.

The focus on MSME actors aims to understand the authentic experiences of those who are truly involved in the daily business digitization process. By exploring their point of view, the researchers hope to get a complete picture of the dynamics, strategies, and effectiveness of the two platforms in the context of Denpasar's local business.

Data Collection Techniques

Data collection in this study was carried out through several main methods, namely:

In-depth Interview

The researcher will conduct direct interviews with around 10-15 MSME actors. This interview is designed to explore their experience in running a digital marketing strategy, including how to choose a platform, the type of content created, the obstacles faced, and the results obtained. With a semi-structured approach, researchers can adjust the direction of the questions based on the context and dynamics of the conversation, so that the information obtained is richer and more in-depth.

Direct Observation

The researcher will also observe promotional activities on the social media accounts of MSME actors. This observation includes the analysis of the type of content posted, the frequency of uploads, interaction with the audience, and the use of features such as reels, stories, hashtags, or live sessions. Through observation, researchers can see how digital marketing theory is applied in real practice.

Documentation

Documentation is done by collecting data in the form of screenshots of content, comments, account insights (such as reach and engagement rate), and other forms of digital promotion used. This data serves as supporting evidence as well as verification material for the results of interviews and observations.

Data Analysis Techniques

Data analysis was carried out using the model of Miles and Huberman (1994), which consists of three main stages:

Data Reduction

Data obtained from interviews, observations, and documentation will be selected, simplified, and focused on aspects relevant to the research objectives. This stage helps researchers identify important patterns and themes emerging from the field.

Data Display

The results of the data reduction are then compiled in the form of narratives, tables, or matrices to make it easier for researchers to understand the inter-themes. This stage aims to make complex information more structured and easier to analyze.

Conclusion Drawing and Verification

In the final stage, the researcher draws conclusions based on the findings that have been processed. The verification process is carried out on an ongoing basis to ensure that the conclusions are truly supported by valid and consistent data.

Data Validity

To maintain the validity and credibility of the research results, a triangulation process of sources and methods is carried out. This means that the data obtained from the interviews will be compared with the results of observation and documentation, to ensure the suitability and accuracy of the information. In addition, the researcher will also conduct a member check, which is to reconfirm the results of the interpretation to the informant so that there are no misunderstandings in the interpretation of the data. This approach is important to ensure that the research findings truly reflect the real experiences and views of the MSME actors who are the subject of the research.

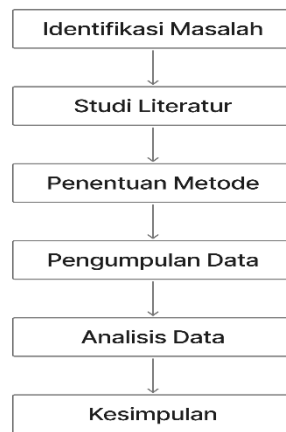


Figure 1. Research Flow Diagram

RESULTS AND DISCUSSION

Based on the collection of qualitative data from MSME informants in Denpasar City, several important field findings were obtained regarding the operation of social media platforms.

Business actors in Denpasar separate their creative strategies. On Instagram's platform, content creation requires careful planning (such as *mood boarding*, lighting editing, and content scheduling). Instagram accounts function like portfolios or official storefronts of business institutions to build a trusted impression. No wonder in the arrangement of the feed on Instagram it emphasizes the aesthetic aspect.

Meanwhile, on TikTok, the type of content that gets the fastest wide interaction is spontaneous content with minimal editing. The video with the theme of storytelling by business owners about the loneliness of orders or the busyness of the process of wrapping Balinese handicraft products (*packing orders*) is considered by the audience to be much more humanistic and bring sympathy that converts into transactions (Zuhul & Prasetyo, 2021). So that many MSME actors whose videos go viral even without editing that uses special techniques.

Based on the data of internal MSME financial documents studied, TikTok has proven to have succeeded in triggering a very sharp spike in daily turnover in the souvenir and casual clothing culinary business units (*distros*). This is supported by the consistent use of *Live Streaming* interactive features. In addition, the use of collaboration with affiliates also supports the sale of MSMEs in the city of Denpasar. However, the surge in sales on TikTok is volatile and very unstable, because sales are highly dependent on videos that are both from the MSME account and videos produced by affiliates. On the other hand, the silver craft and *songket/kebaya* traditional clothing business unit in Denpasar recorded a much more stable turnover conversion on Instagram, because these types of products require the interaction of size consultation and in-depth validation of old customer reviews before purchase (Nursatyo & Shaddiq, 2021).

The fundamental difference in the effectiveness of the two platforms is rooted in the psychology of social media users themselves. Users open the TikTok application with the main motive to seek entertainment. Therefore, sales occur spontaneously (*impulse buying*) when the audience is entertained by the narrative of the product presentation during *Live Streaming* (Saraswati et al., 2023).

Instead, users open Instagram with more planned buying motives. Consumers use keyword- or *hashtag-based* searches on Instagram to deliberately hunt for specific quality

items, compare credibility between brands through testimonial highlights, and negotiate prices in Direct Message chat rooms.

Valuable field findings show that the most successful MSME actors in Denpasar City (experiencing a consistent turnover increase of over 25%) are those who run a cross-platform marketing mix.

MSMEs take advantage of the mass reach advantage of the TikTok (*Top of Funnel*) algorithm to attract the widest possible new audience outside Bali, then put digital instructions (*Call to Action*) that direct viewers to visit the store's official Instagram account (*Middle to Bottom of Funnel*). On Instagram, these new consumers are tied to their loyalty through an established visual catalog portfolio and are served with private transactions. This integration minimizes the risk of operational bottlenecks for micro business actors who lack dedicated booking admin staff.

CONCLUSION

This study concludes that Instagram and TikTok have different but complementary levels of effectiveness in supporting MSME sales growth in Denpasar. TikTok is more effective in increasing visibility, attracting new audiences, creating viral exposure, and encouraging spontaneous purchases through short videos, trends, live streaming, and affiliate-based promotions. Its algorithm provides MSMEs with an opportunity to reach wider consumers even without a large follower base. However, TikTok-driven sales tend to be volatile because they depend heavily on content virality, audience trends, and the consistency of creative engagement. Meanwhile, Instagram is more effective in strengthening brand credibility, maintaining customer relationships, displaying product catalogues, presenting testimonials, and supporting planned purchase decisions. For products that require consumer trust, visual detail, consultation, and long-term customer retention, Instagram functions as a more stable platform. Therefore, the most effective digital marketing strategy for MSMEs in Denpasar is not the use of one platform alone, but a hybrid cross-platform strategy in which TikTok acts as a traffic generator and Instagram functions as a credibility-building and transaction-conversion platform. Future research is suggested to expand the scope of analysis by involving a larger number of MSMEs from different business sectors, such as culinary, fashion, handicrafts, beauty, and tourism-based products, so that the findings can be compared more comprehensively. Further studies may also apply a quantitative or mixed-method approach to measure the direct relationship between platform use, engagement rate, conversion rate, customer loyalty, and sales performance. In addition, future researchers should examine the role of specific platform features, such as TikTok Live, TikTok Shop, Instagram Reels, Instagram Story, paid advertisements, influencer collaboration, and affiliate marketing, in shaping consumer purchase decisions. Longitudinal research is also recommended to observe whether the effectiveness of Instagram and TikTok remains stable over time or changes according to digital trends, algorithm updates, and consumer behavior. These future studies are expected to provide stronger empirical evidence and more practical digital marketing models for MSMEs in Denpasar and other local creative economy regions.

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