

Research Article

# Analysis of MSME Owners' Perceptions of the Use of Instagram as a Digital Media Platform Among MSMEs Under the Mentorship of Rumah BUMN in Denpasar

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## ABSTRACT

Micro, small, and medium enterprises (MSMEs) increasingly use social media as a digital marketing channel, but the perceived value of Instagram may differ according to users' experience and digital capabilities. This study analyzes how MSME actors assisted by Rumah BUMN Denpasar perceive and interpret Instagram as a marketing medium. A descriptive qualitative approach was applied to 30 MSME actors selected through purposive sampling. Data were collected through in-depth interviews, participatory observation, and documentation of Instagram content. The data were organized thematically and interpreted using Stuart Hall's encoding-decoding framework. The findings show that Instagram is generally perceived positively because it helps expand promotional reach, introduce products, increase customer interaction, and strengthen business visibility. However, the perceived effectiveness is not uniform. Experience, digital literacy, ability to use Instagram features, and business characteristics shape how MSME actors interpret the platform. Most participants occupy the dominant-hegemonic position, while others adopt a negotiated position. No oppositional position was identified. The findings imply that MSME digital marketing assistance should be differentiated according to users' capabilities and business contexts.

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## 1. Introduction

Digital transformation has changed the way small and medium-sized businesses communicate with consumers, promote products, and build market relationships. For micro, small, and medium enterprises (MSMEs), digital marketing provides opportunities to reach consumers beyond conventional geographic boundaries and to communicate more directly with customers. The increasing use of social media therefore places digital platforms not only as promotional channels but also as part of the way business actors manage market communication and develop relationships with customers (Chaffey & Ellis-Chadwick, 2019; Kotler et al., 2021).

Instagram is one of the social media platforms used by MSMEs because its visual orientation supports product presentation, promotional content, customer interaction, and brand communication. Previous studies have reported that Instagram can support brand awareness, market reach, customer interaction, and digital marketing activities among MSMEs (Watajdid et al., 2021; Trulline, 2021; Maharani, 2023). Recent research in Indonesia also indicates that social media marketing is associated with MSME performance and that business actors face both drivers and obstacles when adopting social media for marketing activities (Tatik & Setiawan, 2024; Sulasih et al., 2024).

Nevertheless, the existence of a digital platform does not mean that all MSME actors obtain or interpret the same value from it. The use of social media requires time to create consistent content, knowledge of platform features, and the ability to adjust communication to the characteristics of the business and its target market. Sulasih et al. (2024), for example, identified time constraints and difficulty in creating attractive and consistent content as important barriers to social media marketing. Studies on digital literacy also indicate that the digital capability of MSMEs is uneven, meaning that differences in capability can shape the way business actors engage with digital technologies (Arninda et al., 2025; Sulistyowati et al., 2025).

These conditions are relevant to the MSMEs assisted by Rumah BUMN Denpasar. The research report shows that the assisted MSMEs have experience using Instagram as a promotional medium, but the intensity of use and ability to exploit its features vary. Some actors view Instagram as a strategic opportunity for expanding promotion and customer reach, whereas others still experience difficulties in producing attractive content, maintaining posting consistency, understanding platform mechanisms, and optimizing available features. This variation indicates that Instagram should not be examined only from the perspective of whether the platform is effective, but also from the perspective of how business actors understand and give meaning to its use.

Previous studies have largely examined social media from an outcome-oriented perspective, including marketing effectiveness, purchase decisions, brand image, and MSME performance (Farida, 2023; Kusuma Negara, 2024; Tatik & Setiawan, 2024). More recent management research has also emphasized digital marketing capability, digital literacy, and the ability of MSMEs to transform marketing practices (Farid et al., 2025; Suasana et al., 2025). While these studies are important, they predominantly explain relationships between digital marketing practices and measurable business outcomes. Less attention has been given to the interpretive process through which MSME actors construct meaning around Instagram based on their own experiences, capabilities, and business contexts.

To address this gap, this study applies Stuart Hall's encoding-decoding perspective. Hall (1980) argues that meaning is not automatically transferred in a uniform manner from a message producer to a receiver. Interpretation is influenced by knowledge, experience, values, and social context. Applied to this study, Instagram can be understood as a digital communication environment that provides marketing messages, features, and opportunities, while MSME actors interpret those opportunities through their own experiences. Their interpretations can therefore be positioned as dominant-hegemonic, negotiated, or oppositional.

The contribution of this study lies in connecting the management issue of MSME digital marketing with an interpretive perspective on how marketing technology is understood by its users. Rather than assuming that Instagram has a uniform value for MSMEs, the study identifies differences in meaning-making and relates those differences to experience, digital capability, feature utilization, and business context. The research is conducted among MSMEs assisted by Rumah BUMN Denpasar, providing an empirical setting for understanding digital marketing adoption at the business-actor level. The research framework is presented in Fig. 1, showing that MSME actors' perceptions of Instagram are interpreted through Stuart Hall's encoding-decoding theory and categorized into dominant-hegemonic, negotiated, and oppositional positions.

Based on this background, the objective of this study is to analyze the perceptions of MSME actors assisted by Rumah BUMN Denpasar toward Instagram as a digital marketing medium, identify factors that shape those perceptions, and interpret their meaning-making using Stuart Hall's encoding-decoding framework.

## 2. Literatur Review

### 2.1. Digital Marketing and MSMEs

Digital marketing refers to marketing activities that use digital technologies and channels to communicate value, reach customers, and maintain customer relationships. For MSMEs, digital channels can reduce geographic limitations and create opportunities for direct interaction with consumers. However, digital marketing is not solely a technological issue; it also involves organizational capability, skills, content management, and adaptation to changing customer behavior. Recent studies

show that digital marketing and social media use have become increasingly relevant to MSME competitiveness and marketing performance in Indonesia (Tatik & Setiawan, 2024; Farid et al., 2025; Arista & Hermawan, 2025).

## 2.2. Instagram as a Social Media Marketing Platform

Instagram combines visual content and interactive communication through features such as feed, story, reels, live, comments, and direct messages. This combination enables MSMEs to present products while maintaining interaction with customers. Research on Instagram-based MSME marketing has identified content, communication, connection, and collaboration as important elements of social media marketing practices (Maharani, 2023). Instagram has also been examined as a communication medium for developing MSME brand image (Farida, 2023). From a management perspective, these capabilities make Instagram relevant not only as a promotional channel but also as an instrument for customer engagement and market communication.

## 2.3. Digital Capability, Experience, and Perception

The benefits of digital marketing are not necessarily interpreted equally by all business actors. Digital literacy, experience, available resources, and the ability to use platform features can influence how MSMEs adopt and manage digital channels. Arninda et al. (2025) found differences in digital literacy among micro and small enterprises, while Sulistyowati et al. (2025) showed that digital literacy can relate to productivity through marketing intensity. In the context of social media marketing, Sulasih et al. (2024) found that lack of time and difficulties in producing consistent content can inhibit use. These findings support the view that perceptions of digital platforms are connected to the capabilities and circumstances of the users.

## 2.4. Encoding-Decoding Stuart Hall

Hall's (1980) encoding-decoding model views communication as a process in which meaning is produced and interpreted rather than simply transmitted. The receiver may accept the dominant meaning, negotiate it according to personal circumstances, or oppose it. In this study, dominant-hegemonic position refers to MSME actors who accept Instagram as a useful marketing medium and use it in accordance with its intended marketing function. Negotiated position refers to actors who recognize the benefits of Instagram but adapt its use to their capabilities, experience, resources, and business conditions. Oppositional position refers to actors who reject or substantially question the suitability of Instagram for their marketing needs. This framework allows the study to examine variation in meaning rather than treating all Instagram users as having the same perception. The research framework is presented in Fig. 1.

## 2.5. Research Gap

The reviewed studies demonstrate the strategic importance of social media marketing for MSMEs, but much of the recent literature emphasizes adoption, performance, customer response, or measurable marketing outcomes (Kusuma Negara, 2024; Tatik & Setiawan, 2024). Research on digital marketing transformation in Bali likewise emphasizes organizational and environmental factors influencing digitalization (Suasana et al., 2025). These studies leave room for a complementary interpretive explanation of how MSME actors themselves construct the meaning of a specific social media platform. The present study addresses this gap by examining Instagram through the lived experiences and perceptions of MSMEs assisted by Rumah BUMN Denpasar and by interpreting those perceptions through Hall's encoding-decoding positions.

## 3. Research Method

This study employed a descriptive qualitative approach because the research objective was to understand the experiences, perceptions, and meaning-making of MSME actors regarding Instagram as a digital marketing medium. The study was conducted at Rumah BUMN Denpasar, Bali, an institution that provides assistance, education, digitalization, and capacity development for MSMEs. The research focused on MSME actors who had experience using Instagram to promote products or services.

The participants were 30 MSME actors selected through purposive sampling. The selection criterion was that the business actor had used Instagram as a marketing medium. The use of purposive sampling was intended to ensure that participants could provide information relevant to the research

focus. The participants represented different types of businesses, allowing the study to capture variation in experience and the use of Instagram.

Data were collected through three techniques: in-depth interviews, participatory observation, and documentation. Interviews were used to explore participants' perceptions, experiences, benefits, difficulties, and interpretations of Instagram. Participatory observation was used to observe the practical use of Instagram in business activities. Documentation included Instagram posts and other content produced by the MSMEs. The combination of these techniques allowed the researchers to compare participants' statements with observed practices and available digital content.

Data analysis followed a qualitative descriptive process. Interview data were transcribed and organized, followed by thematic grouping of statements related to perceived benefits, experience, ability to use Instagram features, difficulties, and the perceived role of Instagram in marketing. The identified themes were then interpreted using Hall's encoding-decoding framework. Each participant's meaning-making was considered in relation to the dominant-hegemonic, negotiated, and oppositional positions. The final interpretation was used to describe the overall pattern of perceptions among the MSME actors.

The analytical procedure can be summarized as: (1) identifying the research problem; (2) reviewing relevant literature; (3) preparing the interview guide; (4) selecting participants purposively; (5) conducting interviews, observations, and documentation; (6) organizing and thematically analyzing the qualitative data; (7) interpreting the themes using encoding-decoding positions; and (8) drawing conclusions regarding MSME perceptions and the implications for digital marketing assistance. The sequence of these stages is presented in Fig. 1. The sequence of the research stages is presented in Fig. 2, covering problem identification, literature review, interview-guide development, informant selection, data collection, data analysis, and conclusion drawing.

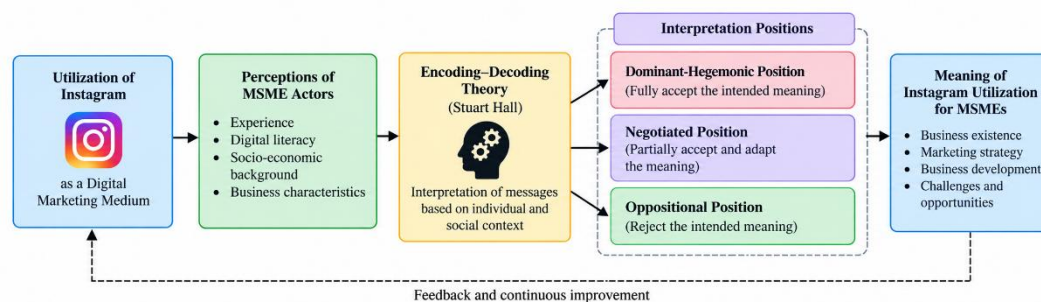


Fig. 1. Research stages.

#### 4. Result and Discussions

Thirty MSME actors assisted by Rumah BUMN Denpasar participated in the study. All participants had experience using Instagram as one of their promotional media, but the intensity of use and the ability to exploit platform features varied. This variation became important because the study did not treat Instagram use as a uniform activity. Instead, the meaning attached to Instagram was shaped by the participants' prior experience, digital ability, business needs, and the results they perceived from using the platform.

Overall, the participants expressed positive perceptions of Instagram as a marketing medium. Instagram was perceived as useful for extending promotional reach, introducing products to potential customers, increasing product visibility, and interacting with customers. One participant stated that Instagram was "very helpful for my business and an important marketing medium." Another explained that before using Instagram, the reach of the product was limited, whereas after using Instagram the product could reach customers in several districts. These statements indicate that participants associated Instagram with the expansion of market communication rather than merely with posting product information.

The positive perception is consistent with previous research showing that social media can support MSME marketing activities and customer interaction. Tatik and Setiawan (2024) found that social media marketing has a relationship with MSME performance in Indonesia, while Kusuma Negara (2024) reported that interaction, customization, and trendiness in social media marketing can influence

consumer purchase decisions. The present study complements these findings by showing the user-side interpretation behind the adoption of Instagram: participants perceive the platform as valuable because they experience wider communication opportunities and greater visibility.

However, positive perception was not equivalent to an unconditional assessment of Instagram. Some participants stated that Instagram was helpful but that the results depended on business conditions and how the platform was used. This finding is important because it shows that perceived value is contextual. Instagram provides the same technical environment to users, but users do not necessarily obtain the same meaning or benefit from it. The finding corresponds with Sulasih et al. (2024), who identified limited time for creating consistent content and difficulty in determining attractive topics as inhibiting factors in social media marketing. Thus, the management challenge is not simply encouraging MSMEs to open an Instagram account, but helping them develop the capability to use it appropriately.

Experience emerged as one of the factors shaping perception. Participants with longer experience tended to express greater confidence in Instagram, whereas participants who had not obtained optimal results still viewed the platform as something that required further learning. One participant stated that experience made them increasingly confident in using Instagram, while another indicated that experience led them to use Instagram selectively according to particular conditions. This finding suggests that repeated interaction with the platform becomes a source of learning through which MSME actors assess whether Instagram fits their marketing needs.

The importance of experience is closely related to digital capability. Participants differed in their ability to operate Instagram features. Some considered Instagram easy to use, while others still needed assistance and further learning. This finding is aligned with research showing that digital literacy differs among micro and small enterprises and can affect how business actors engage with digital opportunities (Arninda et al., 2025). It also supports recent research linking digital literacy and marketing intensity with SME productivity (Sulistyowati et al., 2025). In the context of this study, digital capability should therefore be understood not only as the ability to access Instagram but also as the ability to select, create, manage, and evaluate marketing content.

Feature utilization was another theme identified from the interviews. Participants considered visual content and customer interaction particularly helpful, including feed, story, reels, comments, and direct messages. Nevertheless, some participants acknowledged that they used Instagram features but had not optimized them. This finding reinforces the distinction between platform adoption and effective platform utilization. An MSME may already use Instagram but still have limited marketing capability if its content planning, consistency, interaction, or use of analytical features remains underdeveloped.

From Hall's encoding-decoding perspective, these findings demonstrate that the meaning of Instagram is not produced by the platform alone. The dominant-hegemonic position was found among most participants. They accepted Instagram as an important and effective marketing medium because they perceived concrete benefits such as broader promotion, increased customer interaction, and additional customers. Their interpretation largely aligned with the dominant meaning of Instagram as a digital marketing platform.

The negotiated position was also identified. Participants in this position acknowledged that Instagram was useful but did not accept its usefulness as universally applicable. They adjusted their interpretation according to their business conditions, experience, content-management ability, and level of feature utilization. The statement that Instagram was helpful but that the result depended on the business and how the platform was used illustrates this negotiated meaning. From a management perspective, this group is particularly important because their continued use of Instagram may depend on whether support programs address the practical barriers they encounter.

No participant was categorized into the oppositional position. All participants still recognized some value in Instagram as a marketing medium, even though they differed in the level of effectiveness they perceived. The absence of an oppositional position does not mean that all participants had identical experiences. Rather, it indicates that variation in this setting occurred mainly between acceptance and negotiated acceptance, rather than between acceptance and rejection.

**Table 1.** Summary of MSME meaning-making toward Instagram based on the encoding-decoding framework.

| Position           | Empirical interpretation                                                                                                                      | Implication for MSME marketing management                                                                                                   |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Dominant-hegemonic | Instagram is accepted as an important and effective marketing medium; users perceive wider promotion and customer interaction.                | Support can focus on scaling practices that are already perceived as valuable and improving content quality.                                |
| Negotiated         | Instagram is considered useful, but effectiveness is adjusted to business conditions, experience, and ability to manage content and features. | Assistance should be differentiated and practical, emphasizing content planning, feature utilization, and problem-solving.                  |
| Oppositional       | No participant showed a clear rejection of Instagram as a marketing medium.                                                                   | Future research should examine whether oppositional meanings emerge among MSMEs with different sectors, resources, or platform preferences. |

The pattern identified in this study has implications for MSME assistance programs. First, digital marketing training should move beyond basic platform introduction. Because the participants already use Instagram, assistance should address the next level of capability, such as content planning, consistent publication, feature selection, customer response, and interpretation of platform insights. Second, assistance should recognize differences among MSMEs rather than applying one uniform training package. Participants with strong experience may need advanced strategy and analytics, while those in the negotiated position may need practical guidance and mentoring.

This implication is consistent with recent studies emphasizing that digital marketing transformation requires organizational and environmental readiness and that MSMEs in Bali still face adaptation challenges (Suasana et al., 2025). It is also consistent with research that identifies digital marketing capability and related organizational resources as important components of MSME competitiveness (Farid et al., 2025; Arista & Hermawan, 2025). The contribution of the present study is to add an interpretive layer: capability is not only a resource that affects outcomes, but also a condition through which business actors construct the meaning and value of digital marketing tools.

Thus, the central finding of this study is not merely that Instagram is beneficial for MSMEs. The more specific finding is that the perceived value of Instagram is constructed through experience, digital capability, feature utilization, and business context. This explains why the same platform can be experienced as highly useful by one actor and only conditionally useful by another. The finding strengthens the argument that digital marketing management for MSMEs should combine technology provision with capability development and contextual mentoring.

## 5. Conclusion

This study concludes that MSME actors assisted by Rumah BUMN Denpasar generally perceive Instagram positively as a digital marketing medium because it helps expand promotional reach, introduce products, increase customer interaction, and strengthen business visibility. However, the perceived effectiveness of Instagram is not uniform. Experience, digital literacy, ability to use platform features, and business characteristics shape how MSME actors understand and use Instagram. Using Stuart Hall's encoding-decoding framework, most participants were positioned in the dominant-hegemonic category, while others occupied the negotiated position; no clear oppositional position was identified. These findings indicate that MSME digital marketing assistance should not stop at encouraging platform adoption. Management and mentoring programs should be differentiated according to the capabilities and business conditions of MSME actors, with emphasis on content management, feature utilization, consistency, customer interaction, and digital analytics. Future research may extend the study to other social media platforms and compare meaning-making across business sectors or combine qualitative interpretation with quantitative measurement of digital marketing capability and business outcomes.

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