



**INTEGRATION STRATEGY OF DIGITAL AND CONVENTIONAL
MARKETING TO ENHANCE THE COMPETITIVENESS OF HARATEA
SME BASED ON NORTH SULAWESI LOCAL WISDOM**

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Abstract

Digital transformation has fundamentally reshaped the marketing landscape for Micro, Small, and Medium Enterprises (MSMEs). Nevertheless, conventional marketing continues to play a strategic role, particularly for businesses that emphasize local wisdom as a core element of their product identity. Haratea is a start-up MSME based in Manado, North Sulawesi, Indonesia, that produces herbal tea made from banana leaves (*Musa spp.*) by integrating digital and conventional marketing strategies to expand market reach while preserving local cultural values. This study aims to: (1) analyze the digital marketing strategies implemented by Haratea; (2) describe its conventional marketing strategies; (3) examine the integration of both approaches as a holistic marketing ecosystem; and (4) identify the supporting and inhibiting factors affecting their implementation. The research employed a qualitative approach using a single case study design. Data were collected through semi-structured in-depth interviews, participant observation, and document analysis, and were analyzed using the interactive data analysis model developed by Miles and colleagues. The findings are expected to demonstrate that integrating digital and conventional



marketing strategies based on local wisdom can enhance brand awareness, expand market reach, strengthen customer loyalty, and support the long-term sustainability of locally based MSMEs. Furthermore, this study contributes to the development of an integrated marketing framework for MSMEs by highlighting the strategic use of regional resources and local cultural identity as a source of sustainable competitive advantage.

Keywords: Marketing Strategy, Digital Marketing, Conventional Marketing, MSMEs, Haratea, Local Wisdom, North Sulawesi

INTRODUCTION

The Micro, Small, and Medium Enterprise (MSME) sector constitutes the backbone of the national economy and has demonstrated resilience in the face of various economic shocks. In North Sulawesi Province, more than 90% of operating business units are MSMEs (North Sulawesi Cooperative and SME Office, 2023). In 2023, North Sulawesi recorded economic growth of 5.1%, surpassing the national average, largely supported by MSME activities in the trade, culinary, and local natural resource-based product sectors (BPS North Sulawesi, 2024).

Amid the accelerating wave of digital transformation, MSMEs in North Sulawesi face two simultaneous pressures: the demand to adopt digital marketing to remain competitive, and limited access to technology and managerial capacity that has not yet been fully overcome (Manoppo, 2022). An interesting phenomenon has emerged as Manado City recorded the highest number of QRIS users in North Sulawesi, while WhatsApp Business and Instagram have become the most widely used platforms among local MSMEs — indicating a digital ecosystem readiness that can be further optimized.

Haratea emerges as a representation of a local MSME that brings together North Sulawesi's local wisdom with the global trend of herbal functional beverage consumption. The integration of digital and conventional marketing grounded in local cultural values becomes a highly relevant strategy for examination, given the still-wide research gap: in-depth qualitative studies on integrated marketing in local herbal product MSMEs in North Sulawesi remain very limited (Putera & Bintang, 2024).



Problem Statement and Research Objectives

2.1 Problem Statement

Based on the background described above, this study formulates four main research questions:

- How does Haratea implement its digital marketing strategy in promoting banana leaf herbal tea products based on North Sulawesi local wisdom?
- How does Haratea execute its conventional marketing strategy in developing local market penetration in Manado and surrounding areas?
- How does the integration pattern between digital and conventional marketing at Haratea form a holistic and sustainable marketing ecosystem?
- What is the supporting and inhibiting factors in implementing an integrated marketing strategy based on local wisdom?

2.2 Research Objectives

In line with the problem statement, this study aims to:

- Identify and analyze the digital marketing strategies implemented by Haratea in promoting its banana leaf herbal tea products to consumers.
- Describe and analyze the conventional marketing strategies used by Haratea to strengthen local market penetration.
- Analyze the integration pattern between digital and conventional marketing strategies as a mutually complementary and reinforcing marketing system.
- Identify the supporting and inhibiting factors that influence the implementation of integrated marketing strategies in local wisdom-based MSMEs.

LITERATURE REVIEW

A systematic review was conducted to map current research developments and identify research gaps. Prior studies in North Sulawesi have been dominated by quantitative approaches focusing on the culinary industry or general trade, leaving in-depth qualitative studies on local herbal product MSMEs still very limited.



Table 1.
Summary of Prior Literature Review

No.	Author/Year	Short Title	Method	Key Findings	Relevance
1	Putera Bintang (2024)	Digital & Marketing of North Sulawesi MSMEs: SLR	SLR (2018–2025)	Research dominated by culinary industry; no qualitative study on local herbal products.	Identifies the research gap filled by this study.
2	Kumaat al. (2024)	Green Marketing Based on Local Wisdom North Sulawesi MSMEs	Associative of quantitative	Locality-based differentiation proven to increase MSME competitiveness.	Theoretical basis for local wisdom as a differentiation strategy.
3	Manoppo (2022)	Innovation-Based MSME Development Strategy North Sulawesi	Descriptive in qualitative	Limited digitalization is the main barrier to local MSME innovation.	Context of MSME challenges in digital transformation.
4	Bonaldy al. (2023)	Social Media Marketing & Brand Awareness: Cap Tikus 1978	Quantitative regression	Social media marketing significantly influences purchase decisions for local products.	Reference for social media effectiveness with local wisdom products.
5	Nisfiyah al. (2022)	Herbal Functional Beverages: Product Innovation	Experimental	Herbal tea holds high market potential amid growing public	Scientific basis for Haratea's product as a functional beverage.



No.	Author/Year	Short Title	Method	Key Findings	Relevance
		Based on Local Plants		health awareness.	

Source: Literature review by researchers (2025)

Digital Marketing in MSMEs

Digital marketing is defined as a set of activities that utilize internet-based media and platforms to reach consumers more broadly, efficiently, measurably, and interactively (Kotler & Keller, 2016). In the Indonesian MSME context, digital marketing encompasses social media management (Instagram, TikTok, Facebook), presence on marketplaces (Tokopedia, Shopee), use of WhatsApp Business, and the production of creative content based on product video and photography.

Recent research shows that MSMEs that actively adopt digital marketing experience an average revenue increase of 20–35% compared to those that rely solely on conventional channels (Putera & Bintang, 2024). However, the effectiveness of digital marketing for local wisdom-based MSMEs does not depend solely on the intensity of platform use, but also on the ability to package local cultural narratives into authentic digital content formats that are compelling to the target audience. In the context of Haratea, the narrative about banana leaves as a North Sulawesi herbal heritage becomes content with high differentiation value in the digital space.

Conventional (Offline) Marketing

Conventional marketing encompasses various promotional and distribution activities carried out directly without digital intermediaries, including direct selling, consigning products at partner stalls and stores, participating in MSME fairs and bazaars, and leveraging local community networks through word-of-mouth marketing.

Although often viewed as an outdated approach, conventional marketing retains comparative advantages that cannot be fully replaced by digital approaches — particularly in building trust, strengthening personal relationships with consumers, and creating real and memorable product experiences (Kumaat et al., 2024). The success of the Mototabian MSME in building a reputation for local banana-based products through a consistent offline distribution strategy before growing into a North Sulawesi signature souvenir product (Tribun Manado, 2025) serves as evidence that a strong conventional marketing foundation is a prerequisite for MSME sustainability, even in the era of digitalization.



Integration of Digital and Conventional Marketing

The concept of Integrated Marketing Communications (IMC) emphasizes the importance of synergy among various marketing channels and strategies to create a consistent brand message and a cohesive consumer experience (Kotler & Keller, 2016). In the context of local wisdom-based MSMEs, this integration has an additional and distinctive dimension: local cultural values must be authentically translated into various marketing communication formats — both digital and conventional — without losing their essence.

At Haratea, marketing integration is realized through two mutually complementary channels. The digital channel includes social media (Instagram, TikTok, Facebook), marketplaces (Tokopedia, Shopee), WhatsApp Business, local storytelling content, and Google My Business. The conventional channel includes direct sales and product demonstrations, distribution to local stalls and stores, participation in MSME bazaars, word-of-mouth community networks, and partnerships with hotels and local tourist destinations. These two channels are not separate parallel tracks, but rather two elements that mutually reinforce each other within a cohesive marketing ecosystem, with local wisdom as the foundational value that unifies them.

Bioactive Content of Banana Leaves as the Basis of Haratea's Product

One of Haratea's primary competitive advantages lies in the rich bioactive compounds contained in banana leaves (*Musa spp.*) as its primary raw material. This bioactive profile not only forms the scientific basis for the product's health claims, but also provides a powerful marketing narrative for both informative digital content and conventional communication through product demonstrations and direct consumer education.

Table 2.

Bioactive Content of Banana Leaves (*Musa spp.*) and Their Scientific Benefits

Bioactive Compound	Type of Activity	Scientific Benefit
Flavonoids & Polyphenols	Antioxidant	Protects cells from free radical damage; helps reduce the risk of chronic diseases such as cancer and diabetes.
Lectins	Immunomodulator	Increases T-cell proliferation and naturally strengthens the body's immune response.



Bioactive Compound	Type of Activity	Scientific Benefit
Rutin (Flavonoid)	Antidiabetic	Has the potential to help control blood glucose levels and improve insulin sensitivity.
Antimicrobial Compounds	Antibacterial & Antiseptic	Inhibits the growth of pathogenic bacteria, including <i>Staphylococcus aureus</i> and <i>Escherichia coli</i> .
Lignin	UV Antioxidant	Has potential to function as a natural sunscreen with protection equivalent to SPF 5.3.
Phytosterols & Triterpenoids	Anti-inflammatory	Reduces inflammation and pain; documented in various traditional medicine systems across Southeast Asia.

Source: Adapted from Haratea Business Plan (2026), Nisfiyah et al. (2022), and various scientific sources

Haratea SWOT Analysis

Based on the literature review of the North Sulawesi MSME context and the characteristics of local wisdom-based herbal tea products, the following SWOT matrix for Haratea is presented as the foundation for formulating the integrated marketing strategy. Empirical field data at the subsequent research stage will validate this SWOT map more accurately.

Table 3.
Haratea SWOT Matrix

	Strengths	Weaknesses
Opportunities	S-O Strategy (Aggressive): Leverage the global herbal trend supported by the abundance of digitalization programs local raw materials to expand facilitated by the North into national marketplaces. Sulawesi Cooperative Office. Develop digital content based on Build digital marketing HR local wisdom storytelling to capacity through Manado attract tourists and urban MSME community training. consumers. Build collaborations Leverage the rapidly growing	W-O Strategy (Improvement): Participate in MSME programs



	Strengths	Weaknesses
	with tourist villages as exclusive offline distribution channels.	e-commerce ecosystem in North Sulawesi.
Threats	S-T Strategy (Differentiation): Strengthen local wisdom identity as a unique selling proposition that is difficult for competitors to replicate. Pursue BPOM/P-IRT certification to increase consumer trust and product competitiveness. Develop exclusive product variants based on flora native to North Sulawesi.	W-T Strategy (Defensive): Focus on a niche segment: health-conscious consumers and North Sulawesi tourists. Build local customer loyalty through referral programs and the Haratea community. Establish strategic partnerships with complementary MSMEs to share marketing resources.

Source: Adapted from Haratea Business Plan (2026) and researcher's literature review

RESEARCH METHOD

Research Approach and Design

This study employs a qualitative approach with a single case study design. This choice is grounded in the consideration that the research objective is to deeply explore, understand, and interpret the phenomenon of digital-conventional marketing integration at Haratea as a specific, contextual entity rich in local cultural dimensions (Yin, 2018). Haratea was selected because it represents a unique and information-rich case: the combination of product novelty, its strong cultural roots, and the specific North Sulawesi MSME ecosystem context.

Informants and Data Collection Techniques

Informant selection was conducted through purposive sampling based on criteria of direct involvement in Haratea's operations and marketing activities. The total number of informants ranges from 7 to 12 people, consisting of: the founder/manager of Haratea (key informant), the digital marketing team, the offline distribution team, Haratea consumers (triangulation), and herbal product MSME practitioners (comparative informants). The number may increase based on the data saturation principle.

Data were collected through three complementary methods: (1) semi-structured in-depth interviews that were recorded and transcribed verbatim; (2) direct observation of both digital marketing activities (monitoring of social media



content and metrics) and conventional activities (sales, distribution, and exhibition activities); and (3) documentation study of promotional content, product catalogs, exhibition materials, and available sales data.

Data Analysis Technique

Analysis uses the interactive analysis model of Miles, Huberman, and Saldana (2014), which consists of four cyclical stages: (1) data collection — all data are systematically recorded and organized; (2) data condensation — open, axial, and selective coding of interview transcripts; (3) data display — presented in matrix, diagram, or structured descriptive narrative format; and (4) conclusion drawing and verification — interpretation and verification of findings based on all analyzed data.

Data Validity

Data validity is ensured through three validation strategies: (1) source triangulation — comparing data from different informants; (2) technique triangulation — comparing data from different methods for the same phenomenon; and (3) member checking — confirming interim findings with key informants to ensure interpretive accuracy. These three strategies collectively enhance the credibility, transferability, dependability, and confirmability of the research (Lincoln & Guba, 1985, as cited in Yin, 2018).

Contributions and Research Schedule

Theoretically, this research enriches the marketing management literature for MSMEs, particularly in the context of digital-conventional marketing integration based on local wisdom in the Eastern Indonesia region, which has remained very underrepresented. With a qualitative case study design, this research produces deep and contextual understanding that a purely quantitative approach cannot generate, while also enriching the theoretical discussion on the relevance of the IMC model in the context of MSMEs in developing countries with rich local wisdom.

Practically, the findings of this research are expected to serve as an applicable strategic guide for local product MSME operators in North Sulawesi in designing effective integrated marketing strategies. In addition, the findings can serve as policy recommendations for the North Sulawesi Cooperative and SME Office in designing digital marketing assistance programs that are more targeted, contextual, and sustainable.



CONCLUSION

This research is designed to fill a significant literature gap regarding integrated marketing strategies in local wisdom-based herbal product MSMEs in North Sulawesi. Haratea represents a phenomenon worthy of in-depth examination in the context of digital transformation and local MSME sustainability: a start-up that formulates herbal tea from banana leaves with a strong North Sulawesi cultural identity.

The integration of digital and conventional marketing grounded in local wisdom values is not merely a strategic choice — it is a necessity for MSMEs like Haratea to survive and thrive amid increasingly intense competition. Through this qualitative case study research, it is hoped that effective integration patterns, critical factors influencing their success, and an integrated marketing model that can be adapted by other MSMEs with similar characteristics in North Sulawesi and Eastern Indonesia more broadly will be identified.

Ultimately, this research is expected to contribute not only to the development of marketing management science, but also to MSME development policies that are more contextual, inclusive, and aligned with the strength of local wisdom as an invaluable competitive asset of the nation.

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