

Digitalization of Culinary MSMEs and McClelland's Motivation Theory: A Study in Balunijuk and Gabek

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Abstract

Digitalization has become a crucial aspect in increasing the sales of culinary MSMEs in the era of the digital economy and Society 5.0, as it enables the expansion of market reach through digital platforms (Idah & Pinilih, 2020: 252). The government also promotes MSME digitalization through Law No. 11 of 2020 on Job Creation. However, not all MSMEs are able to adapt equally. In suburban areas such as Balunijuk, many culinary MSMEs remain stagnant due to limited access to technology and low levels of digital literacy, despite their proximity to urban areas such as Gabek, which have shown more advanced digital adoption. This study employs a qualitative approach through in-depth interviews with seven culinary MSME owners and direct observations. The findings reveal significant differences in the utilization of digitalization. In suburban areas, MSMEs tend to rely solely on WhatsApp for promotion, depend on strategic physical locations, and have limited understanding of digital tools. In contrast, MSMEs in urban areas have adopted e-commerce platforms and digital payment systems such as QRIS. These findings highlight a clear gap in digital adaptation and literacy. Nevertheless, culinary MSMEs continue to play a vital role in the local economy. Therefore, concrete interventions in the form of continuous digital education and online marketing training are necessary to enhance competitiveness and promote inclusive local economic growth.

Keywords

Culinary MSMEs; Digitization; Business Strategies; McClellandkrd



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INTRODUCTION

The development of the digital economy and Society 5.0 has positioned digitalization as a strategic component in driving the growth of micro, small, and medium enterprises (MSMEs), particularly in the culinary sector. The use of digital technology enables businesses to reach a wider market, improve operational efficiency, and strengthen their competitive position amidst the changing global economic landscape. A study (Juwita & Handayani, 2022: 252) shows that digital platform integration plays a crucial role in expanding market access for culinary MSMEs.

Government policy support for technology-based transformation is also growing stronger, including through the Job Creation Law No. 11 of 2020, which provides a legal basis for accelerating the digitalization of the business sector. However, implementation on the ground is not yet fully equitable. Inequality in technology access and digital capabilities remains a major obstacle, particularly in remote areas with limited infrastructure. One concrete example is the culinary MSMEs in Balunijuk, a suburban area that should thrive as a buffer zone for higher education activities. However, limited digital infrastructure and low technological skills hinder the optimization of business potential in the area. In contrast, MSMEs in Gabek, located in the urban area, have successfully adopted digital technology to a greater extent in conducting their business activities. This contrasting situation provides the basis for a comparative study of the implementation of digitalization in two geographically close regions, yet exhibiting contrasting levels of technological readiness.

Based on this background, this study was designed to answer the main question: What is the implementation of digitalization by culinary MSMEs in rural and urban areas? This study aims to identify and compare the digitalization strategies implemented by MSMEs in both regions and analyze the factors influencing differences in technology adoption. The results of this study are expected to contribute to the development of science and serve as a practical reference in formulating policies that support the acceleration of MSME digital transformation in an inclusive and sustainable manner.

METHODS

This research uses a comparative study approach with the aim of comparing two regions with the implementation of digitalization, as well as understanding in depth the experiences, motivations, and practices of culinary MSME actors in implementing business digitalization.(Santoso et al., 2025:21-30). A comparative study was chosen because it aligns with the research objectives, which focus on the extent to which digital understanding of culinary MSMEs in the two regions is comparable. The research was conducted in two areas, namely suburban and urban areas which of course have culinary MSME activities. The research implementation time took place from July to August, starting from the observation stage of in-depth interviews, to data analysis. The informants of this research were culinary MSME actors who had not and who had implemented digitalization, whether in the form of using social media for promotion, online ordering services, or non-cash payments as well as those who had not implemented digitalization such as traditional marketing

which predominantly prioritized sales locations, cash payments, direct sales and purchase processes. Informants were selected using a purposive sampling technique, namely deliberate selection based on certain criteria: the criteria in selecting informants included (1) having a culinary business, (2) having been operating for at least a year, and (3) being located in Gabek and Balunijuk. The data in this study were collected through two main sources, namely primary data and secondary data. Primary data was obtained through three main procedures, namely from in-depth interviews with informants, direct observation, and also taking documentary evidence.

In-depth interviews, researchers conducted direct interviews with informants to gather information, experiences, and their perceptions regarding the implementation of digitalization. Interviews were conducted semi-structured using interview guidelines. Some interview sessions used clarification probes to ensure answers aligned with the reality of the culinary MSMEs. The interviews were conducted to gather information regarding the experiences, challenges, and strategies of culinary MSME actors in implementing digitalization. Ten informants were involved, consisting of informants who acted as actors and observers. The actors were the owners and employees of the culinary MSMEs themselves, while the observers were buyers of the culinary MSME products. Interviews were conducted during the author's free time with culinary MSME sellers at each informant's culinary MSME business location. The interviews were recorded (with permission) and then transferred into interview transcripts for later analysis.

Furthermore, in direct observation, observations were conducted at the business premises of each culinary MSME actor, this can help harmonize the author's data. The author observed that the transaction process in the suburbs tends to still use direct payments (cash) compared to QRIS, especially in culinary MSMEs siomay, toast, ice, and catfish pecel food stalls. However, some of the culinary MSMEs above implement payments via transfer. Promotion through locations has been observed and proven true where the increase in buyers depends on the crowds of residents, especially students around Balunijuk. Finally, the documentation method in the form of business photos, evidence of the use of digital technology was collected as a complement to strengthen the data from interviews and observations.

Secondary data was collected through a literature review of scientific literature and primary books that discuss the digitalization of culinary MSMEs in the context of Society 5.0.(Pathuansyah et al., 2025: 261–266)identifying opportunities (transaction efficiency, mass digital marketing) and challenges (digital human resources, limited

infrastructure, unformed digital consumer behavior).

FINDINGS AND DISCUSSION

Profile of Suburban Areas (Balunijuk) and Cities (Gabek)

Balunijuk is a village located in Merawang District, Bangka Regency, Bangka Belitung Islands Province. The village has a distance of 13.8 KM +/- 24 minutes travel time via Jalan Jnd Sudirman which means it is not far from Pangkalpinang City and can be categorized as a suburban area, even though it is included in the Bangka Regency area, because Balunijuk is not far from Gabek District. There is also a state campus in the village, namely the University of Bangka Belitung (UBB) which is the largest campus in Bangka Belitung Province, so that many Balunijuk village residents have established businesses such as culinary MSMEs. The presence of UBB campus students improves the economy of the Balunijuk village community and modernizes the existing form of culinary business, namely, digitalization in transactions and business promotions in each of its MSMEs.

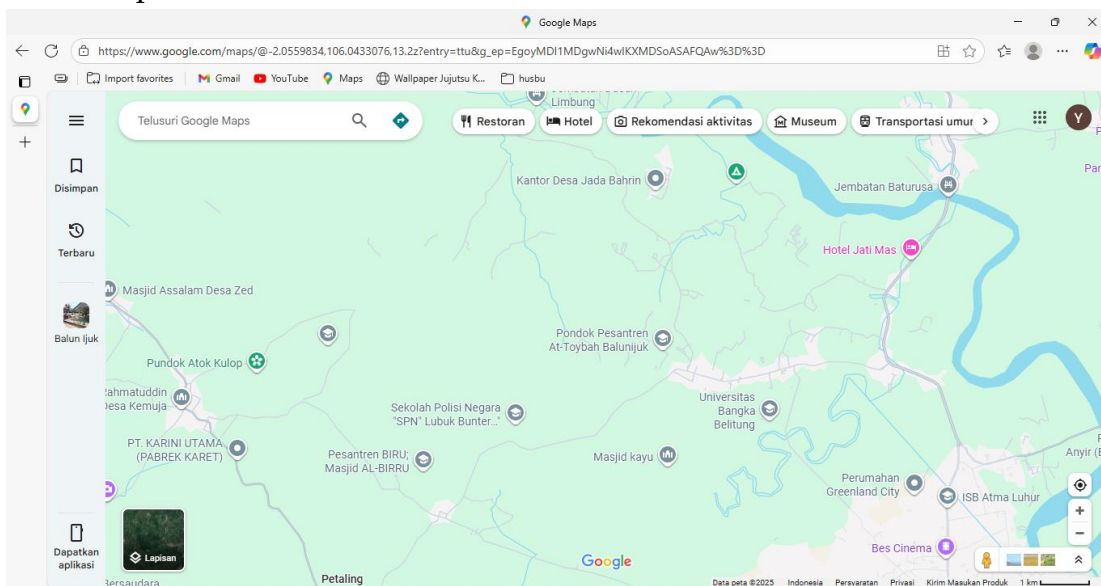


Figure 1. Balunijuk

Source: Google Maps, 2025

Gabek is a sub-district in Pangkalpinang City, Bangka Belitung Islands Province. It offers a comprehensive range of educational facilities, from kindergarten to elementary school, junior high school, and high school, as well as Atma Luhur University. Gabek serves as a connecting sub-district between Bangka Regency and the city center, and serves as a gateway to the Pangkal Balam port area, making it a densely populated area. This growing population has led to the development of numerous culinary businesses and restaurants throughout Gabek, particularly along Jalan Jendral Sudirman and Jalan Yos Sudarso.

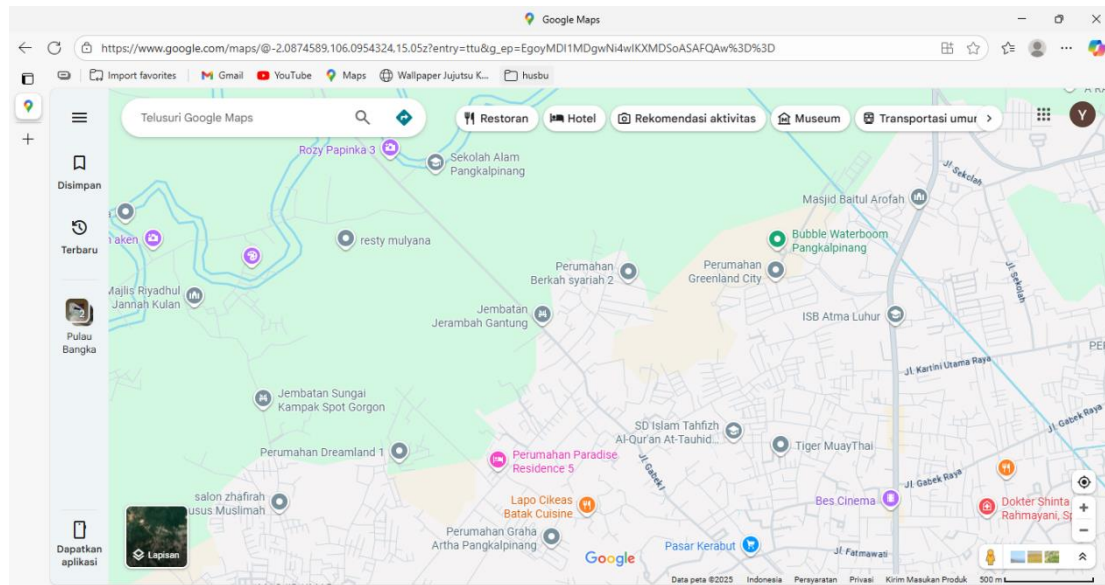


Figure 2. Gabek

Source: Google Maps, 2025

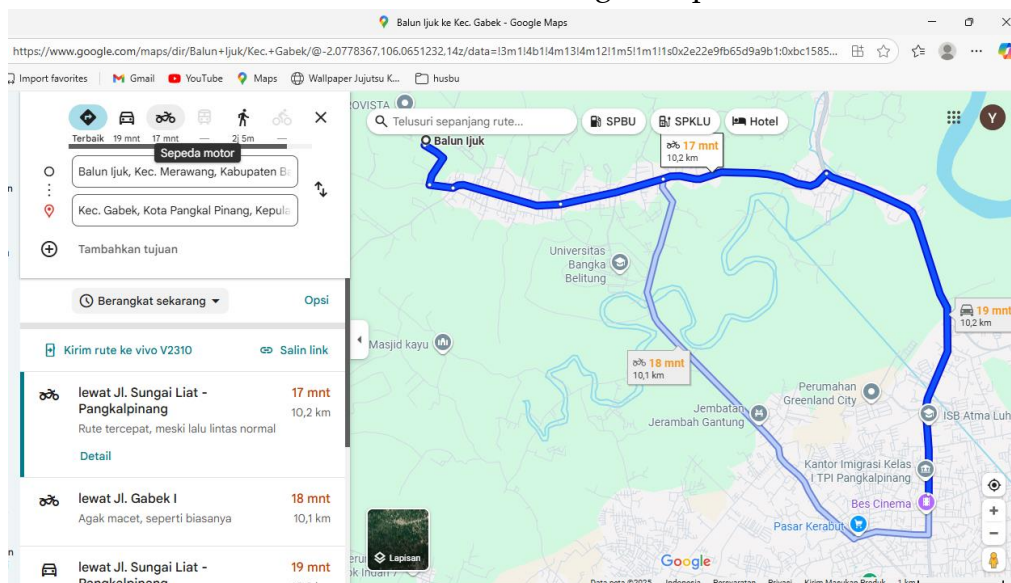


Figure 3. Distance from Balunijuk to Gabek

Source: Google Maps, 2025

Implementation of Digitalization of Culinary MSMEs in Suburban and Urban Areas

In the ever-evolving digital era, the implementation of digitalization in culinary MSMEs, particularly in suburban and urban areas, is a necessity to increase competitiveness and business sustainability. Digitalization enables culinary MSMEs to reach a wider market, improve operational efficiency, and adapt to changing consumer behavior, which increasingly relies on technology in everyday life. One of

the main benefits of digitalization is the ability of culinary MSMEs to utilize e-commerce platforms and social media as marketing and sales tools. This digitalization advancement certainly offers numerous benefits.

Implementation of Digitalization of Culinary MSMEs in Outlying Areas

While some suburbs have adopted digitalization for their culinary MSMEs, its use is far from perfect, and some culinary MSMEs are reluctant to embrace it. According to one culinary MSME, choosing the right location is enough to attract customers. This is in line with the narrative of a siomay business owner. *"I'm embarrassed to promote via cellphone, sis. It's quite good on the side of the road, sis, buyers can see what I'm selling."* said Saputra, a siomay culinary MSME. Unlike other culinary MSMEs, who are quite enthusiastic about using digital media to promote their products, the need for achievement, namely the tendency to try new things and face challenges, seems to align with the culinary MSMEs of pecel lele and roti bakar in the suburbs. This is reinforced by the distribution of research informants, where four of the seven MSMEs operate in the suburbs, while the remaining three are in urban areas.

Relying Only on Whatsapp

Only culinary MSMEs selling toast and catfish stalls rely on WhatsApp for promotion. They employ various methods, including status updates containing product photos, vlog videos, and narratives containing invitations and information from the seller. In addition to its promotional function, WhatsApp is also used to receive online orders. However, for sellers, this is inefficient because the products sold are relatively low-value; the cost and time of direct delivery are considered disproportionate to the selling price. Within the context of the Need for Power theory, decisions remain in the hands of the seller, so the business is run according to the capabilities and strengths of the entrepreneur.

Cash Transactions

Many culinary MSMEs in suburban areas still haven't implemented digital payment systems, even though using such methods can significantly simplify the transaction process. Changing times have had a significant impact: when buyers want to make a purchase but don't have cash and can't pay digitally, transactions often fail. However, businesses choose to continue using cash payments due to digital access challenges, such as QRIS registration, and lack of digital infrastructure and resources. Tika bluntly stated, *"Payments must be made in cash, sis, so they're easy to calculate, and this has been determined by the business owner, sis."* This statement, of course, reminds us that not all changes will be accepted by the public,

and this certainly has its own reasons.

From the perspective of Need for Achievement, it can be explained that the reluctance to adopt a digital payment system may reflect a tendency to be more comfortable with traditional methods that are known and are considered to be able to provide instant results without the need for a new learning process.(Amerta, Management and No, 2025:3-6)Meanwhile, the Need for Power theory suggests that decisions regarding payment systems remain with sellers, who choose to act according to their power and control, even though digital change would actually support efficiency and market expansion.

Lack of Understanding of Digitalization

Good adaptation is a crucial skill for culinary MSMEs. By establishing synergy with technology, entrepreneurs can manage their businesses more efficiently and encourage sustainable growth, avoiding the risk of being left behind. However, it cannot be denied that adaptation is not easy, especially if entrepreneurs are comfortable with traditional methods they have long practiced. This discomfort makes the digital adoption process a challenge in itself and can be a major obstacle for culinary MSMEs in facing the era of Society 5.0, where the integration of humans, technology, and digital innovation is the foundation of societal development. The need for achievement is essential for achieving success, encouraging MSMEs to dare to try new technologies. Those with a strong drive for achievement will be motivated to overcome unfamiliarity with digitalization to achieve efficiency and competitiveness.

Location Selection

The UBB campus has become a hub of student activity, which has fueled the emergence of various culinary MSMEs in the surrounding area. Business owners stated that when the campus enters the semester break, there is a significant decrease in revenue; conversely, during the active semester, revenue increases rapidly. Therefore, it can be concluded that MSMEs in suburban areas are highly dependent on student attendance. In addition to the campus factor, suburban locations tend to be more strategic due to less intense competition. The testimony of a siomay seller reinforces this: "I sell in Balunijuk because it's quite strategic, compared to the twelve bridges where there are already many people selling." He consciously chose a suburban location rather than the city center where competition among culinary MSMEs is rife. From a Need for Power perspective, the conscious decision to choose a suburban location also indicates that business owners want to maintain control and flexibility in business management. They avoid market fragmentation and the high

competitive pressures of the city center, while remaining resilient based on their own strengths and resources.

Implementation of Digitalization of Culinary MSMEs in the City

Urban areas have a higher level of progress and development than rural areas, particularly in terms of digitalization, which has touched nearly every aspect of people's lives. For culinary MSMEs in cities, neglecting digital transformation can significantly impact their business resilience and competitiveness. Various business processes, from ordering and selling to payment, have been instantiated through digital platforms and applications. Urban customers are increasingly accustomed to using online services to purchase food, choose delivery times, and pay digitally. Therefore, urban culinary MSMEs need to actively integrate digital skills into their daily operations. This will certainly accelerate their response to market demand, expand consumer reach, and improve business management efficiency.

Use of E-Commerce platforms

Promotion through social media is a crucial strategy for culinary MSMEs. In addition to relying on their own social media accounts, many MSMEs are now collaborating with the Go-Jek app, particularly through the GoFood service. Integration with this platform not only helps increase brand visibility but also opens up new opportunities to reach a wider market and engage consumers more effectively. Through the Need for Achievement initiative, MSMEs demonstrate a strong drive to achieve better results by leveraging social media and the GoFood app. They are driven to appear more professional, achieve sales targets, and gain recognition through increased sales and ratings. The Need for Power initiative, collaborating with digital platforms like GoFood, demonstrates that MSMEs want to maintain and strengthen control over their business growth. By joining a larger digital ecosystem, MSMEs can more strategically manage their product exposure, optimize pricing, and expand their network without losing their brand autonomy.

Non-cash payments

Culinary MSMEs in urban areas have actively utilized the DANA application as a practical and efficient means of cashless payments. Furthermore, the use of QRIS has also been consistently implemented to facilitate smooth transactions. The use of these two technologies not only makes it easier for consumers to make fast, cashless payments but also helps businesses improve operational efficiency and reduce cash management constraints. The implementation of DANA and QRIS enables digital transactions that are directly integrated with banking systems and digital financial applications, thereby minimizing the risk of recording errors, facilitating financial

reporting tracking, and reducing transaction costs often incurred in cash payments. Thus, MSMEs are able to provide modern services to consumers while increasing professionalism in business management. Need for Achievement: MSMEs that implement digital payment technologies such as DANA and QRIS demonstrate a strong desire to improve and enhance business performance. They appear to be oriented towards better results, namely ease of transactions, customer satisfaction, and accurate financial management. The implementation of these technologies also indicates a readiness to learn and adapt to achieve higher professional standards.

Good understanding of Digitalization

Culinary MSMEs in cities need a deep understanding of digital technology to optimally capitalize on business opportunities. This understanding includes the ability to select the right online sales platform, manage digital payment systems, and implement data-driven operational management. System and Platform Understanding: Knowledge of the mechanisms of GoFood, e-wallet services like DANA or OVO, and the QRIS system is crucial. Business owners who understand the functions, commission flows, and marketing strategies within these platforms can tailor their business approaches more effectively and effectively. Operational Benefits: By understanding digitalization, culinary MSMEs can automatically record transactions, track inventory in real time, and analyze product performance. This supports data-driven decision-making and improves operational efficiency. Adapting urban customers tend to have high expectations for the convenience, speed, and ease of digital services. A sound understanding of technology will enable culinary MSMEs to meet these expectations and retain customers. In the context of Need for Achievement, business owners who understand digitalization are oriented towards achieving efficiency, higher sales, and a superior reputation.

Location Selection

Location selection is a strategic factor that significantly influences the performance of culinary MSMEs in cities. Businesses need to consider aspects such as accessibility, traffic density (visibility), competition, and ease of logistics. Customer accessibility, such as locations close to office areas, shopping centers, or public transportation stations, makes it easier for consumers to stop by, encourages frequent visits, and supports impulse purchases. Highly competitive regional markets demand product differentiation and specific marketing strategies. Conversely, locations that are too quiet can reduce visibility. Businesses need to find a balance between market availability and competitive intensity. From a Need for Power perspective, culinary MSMEs choose locations that allow them to control consumer

reach, cash flow, and competition to remain dominant and adaptive.

Theoretical Analysis of the Utilization of Digitalization of Culinary MSMEs)

McClelland's motivational theory, or Theory of Needs, explains that human behavior is driven by three primary needs: the need for achievement, the need for affiliation, and the need for power. In the context of culinary MSMEs, this theory helps understand the motivations of entrepreneurs and their impact on business strategies, including technology adoption. MSMEs with a high need for achievement tend to be innovative, bold in their innovations (e.g., adopting QRIS and social media), and growth-oriented. Those with a high need for affiliation prioritize good customer relationships and collaboration between MSMEs. Meanwhile, those driven by a need for power tend to be informal leaders, encourage strategic collaboration, and devise long-term strategies. By understanding these motivational profiles based on McClelland's theory, we can design more effective and targeted training programs, mentoring, and policies to support the development of culinary MSMEs. This theory provides a useful framework for analyzing the behavior and strategies of MSMEs, so that interventions can be more tailored to their characteristics and needs.

Table 1. Comparison

No	Aspect	Balunijuk	Gabek
1	Regional Characteristics	-Village in Bangka district, 13.8 km from Pangkalpinang city -There is the University of Bangka Belitung (UBB) -Many culinary businesses are growing because of students	-Sub-district in Pangkalpinang city -Connecting route to Pangkal Balam port -High population density, lots of restaurants
2	Condition of culinary MSMEs	-Small/home scale -Limited market reach -Less competition than in cities	-Medium to large scale -High competition -Wide market reach (offline & online)
3	Implementation of digitalization	-Promotion only on WhatsApp status -Not all MSMEs use Qris -Understanding of digitalization is still low -There is digitalization	-Promotion on social media (Instagram, Facebook) -Use of e-commerce platforms -Digital payments (Qris) are starting to be commonly used

		in the form of Qris but it cannot be used	
4	Examples of findings	-Toast & beverage SMEs→promotion via WA only -Mobile Batagor MSMEs→traditional sales, without Qris, without social media -Other similar MSMEs→strategic location is the reason for not digitizing	-SME cafes & restaurants→active on social media, use QRIS -Some MSMEs are connected with delivery services



Figure 4. Theoretical Relationship Chart

Source: Canva, 2025

The comparison between Balunijuk and Gabek indicates that regional characteristics significantly influence the development and digitalization of culinary MSMEs. Balunijuk is a rural area in Bangka Regency, located approximately 13.8 km

from Pangkalpinang, with the presence of the University of Bangka Belitung (UBB) contributing to the growth of culinary businesses due to the student population. Most culinary MSMEs in Balunijuk operate on a small or household scale, with relatively limited market coverage and lower levels of competition. In contrast, Gabek is an urban sub-district of Pangkalpinang located along a route connecting the city to Pangkal Balam Port. Its higher population density and greater concentration of restaurants create a larger potential market but also intensify competition among culinary businesses. Consequently, MSMEs in Gabek tend to operate on a medium to large scale and have broader market reach through both offline and online channels.

The differences in regional and business characteristics are also reflected in the level of digitalization adopted by culinary MSMEs in the two areas. In Balunijuk, digitalization remains relatively limited, with WhatsApp Status being the most commonly used platform for product promotion. Not all MSMEs have adopted QRIS, and some business owners have limited knowledge and understanding of digital technology. Field findings illustrate that toast and beverage businesses primarily rely on WhatsApp for promotion, while mobile batagor businesses continue to use traditional selling methods without QRIS or social media. Some entrepreneurs also perceive their strategic physical locations as sufficient to attract customers, reducing their perceived need to adopt digital technologies. In Gabek, however, digitalization is more widely integrated into business activities. Culinary MSMEs increasingly use Instagram and Facebook for marketing, utilize e-commerce platforms, and adopt QRIS for digital payments. Several businesses have also established connections with delivery services, indicating that digitalization in Gabek extends beyond promotion to payment and distribution activities.

These findings can be interpreted through McClelland's Theory of Needs, particularly the needs for achievement, affiliation, and power. Entrepreneurs with a strong need for achievement are more likely to seek innovation, expand their markets, and adopt technologies such as social media, QRIS, e-commerce, and delivery platforms as instruments for business growth. This tendency appears more evident among some culinary MSMEs in Gabek, where stronger competition and broader market opportunities encourage entrepreneurs to improve their business strategies. The need for affiliation can be reflected in the use of digital platforms to maintain relationships with customers and develop networks or collaborations with other business actors. Meanwhile, the need for power may encourage entrepreneurs to strengthen their market position, expand their business networks, and develop long-term strategies through digitalization. Therefore, the differences between

Balunijuk and Gabek suggest that digitalization is influenced not only by technological availability but also by the business environment and entrepreneurial motivation. Digitalization programs for culinary MSMEs should consequently combine technological training with efforts to strengthen achievement motivation, networking capabilities, and strategic entrepreneurial orientation.

CONCLUSION

This study reveals differences in digital utilization between culinary MSMEs in the suburbs (Balunijuk) and urban areas (Gabek). MSMEs in the suburbs have not yet optimized digital technology, as evidenced by promotions limited to WhatsApp status updates, minimal use of cashless payments, and a low understanding of the benefits of digitalization. In contrast, MSMEs in urban areas are more consistent in utilizing social media, e-commerce platforms, and digital payment systems. This disparity reflects gaps in digital literacy, infrastructure, business motivation, and regional characteristics. Therefore, improvements in digital literacy, expanded internet access, the provision of affordable devices, technology-based business mentoring, and awareness campaigns on the benefits of digitalization are needed. These steps are expected to narrow the digitalization utilization gap so that all MSMEs can optimally contribute to inclusive local economic growth in the Society 5.0 era.

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