

ETHICAL ANALYSIS OF MARKETING STRATEGIES IN FACING THE CHALLENGES OF THE DIGITAL ERA AT COFFEE SHOP BUSINESSES

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ABSTRACT

The development of the platform economy has transformed MSME marketing strategies, but platform dominance often limits the freedom of MSMEs to implement digital marketing ethics. This study aims to examine ethical awareness, ethical challenges, and interactions among coffee MSMEs. Shops with a platform economy in digital marketing practices. The research method uses a qualitative approach with in-depth interviews and observations of coffee MSMEs. shop in Mandonga District. The results of the study indicate that MSMEs have a high awareness of the principles of honesty and transparency, but face competitive pressures that encourage them to manage marketing strategies to remain ethical. Dependence on digital platforms limits the space for freedom in marketing strategies, so policy support and ethics training are urgently needed. The implications of this study emphasize the importance of regulation and fostering digital marketing ethics as a requirement for the sustainability of MSME businesses in the competitive digital era. This research provides theoretical and practical contributions in developing an ethical and sustainable digital marketing paradigm.

Keywords: Market Ethics, Digital Marketing, MSMEs, Platform Economy

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INTRODUCTION

Digital transformation has brought fundamental changes in the dynamics of global and local markets, one of which is in the Micro, Small, and Medium Enterprises (MSMEs) sector. (Laila et al. 2024) . Digitalization has not only revolutionized the way MSMEs conduct marketing, but also presented a new economic landscape through the platform economy phenomenon. (Anatan and Nur 2023; Husriadi, Makmur, and Aswin 2025) . Platform economy as a mediator Digital creates an ecosystem that brings together sellers and buyers more efficiently, but at the same time shifts traditional power relations in the market. (Martínez and Rodríguez 2013) .

In this context, the ethical aspects of the market acquire new urgency as they become a crucial instrument for ensuring fair and sustainable business practices, as well as maintaining consumer trust, which is the main social capital. (Angelini, Castellani, and Zirulia 2025; Chikezie and Kaitano 2025; Muh. Husriadi, Megasari 2021). In addition, there is a main problem that will be investigated in this study, namely the risk of ethical violations that arise when MSMEs face the pressure of tight competition in a digital market dominated by large platforms. (Hendrawan et al. 2024; Husriadi 2023).

The imbalance in power relations between MSMEs as small market players and digital platforms that control market infrastructure has the potential to create conditions of exploitation and marketing practices that are non-transparent, manipulative, or even misleading. (Khairullah et al. 2025; Ramaiah 2017). Therefore, this situation has not been studied in depth in the digital business literature, which mostly focuses on economic and technological aspects, while the ethical dimension is relatively marginalized. Furthermore, MSMEs are also faced with the challenge of how to adapt their marketing strategies to remain competitive without neglecting moral values in doing business in this highly dynamic digital era.

Previous research literature reveals that although there is a lot of research on MSME digital marketing strategies, studies that collaborate aspects of market ethics with these marketing efforts are still very minimal and fragmented. Similarly, literature on the platform economy tends to emphasize technological innovation, market efficiency, and macroeconomic impacts, while philosophical and ethical reflections on social implications and business values are relatively underexplored.

For example, (Santoso et al. 2025) suggest that studies related to digital marketing ethics are still partial and fragmented. This research confirms the absence of a systematic mapping of ethical issues that are an integral part of MSME digital marketing strategies, so that market ethics has not become a central focus of academic or practical studies in the context of MSME digitalization. Research (Armen 2023) highlights the increasing awareness of international MSMEs regarding ethical practices in digital marketing for business sustainability. However, this study also notes that literature specifically linking digital business ethics to MSME marketing strategies is still very limited, indicating a fragmented study of the separate aspects of sustainability, ethics, and digital marketing practices without a complete philosophical synthesis. Furthermore, (Imantoro 2025) A study analyzing the role of honesty as an ethical principle in digital marketing for MSMEs in countries with religiously based business ethics (e.g., Islamic ethics) emphasized the importance of moral values in building consumer trust. However, these findings indicate that the majority of platform economy research focuses on technological efficiency and macroeconomic impacts, while the philosophical dimensions and ethical values from a socio-business perspective have not been explored in depth globally. Based on the results of previous research studies, it shows a lack of integration of multidisciplinary insights that place business ethics as a central element in understanding the phenomenon of the development of MSME marketing strategies in an increasingly complex digital market environment. Therefore, the novelty of this research lies in a holistic and integrative approach that combines the concept of market ethics and the dynamics of MSME marketing in the digital era with a sharp focus on the phenomenon of the platform economy, which has not been comprehensively studied so far.

This approach offers added value in the field of business philosophy oriented towards sustainability and fairness in digital markets. Another advantage of this research is the application of its results in helping MSMEs, regulators, and policymakers understand and manage emerging ethical challenges, thereby encouraging business practices that are not only economically profitable but also socially and morally responsible amidst rapid and widespread digital transformation. The main objective of this research is to analyze and critique how MSME marketing strategies for business actors in Kendari City are implemented within the framework of market ethics that apply in the digital era.

This research also seeks to identify ethical challenges arising from the interaction of MSMEs with the platform economy, thereby formulating recommendations for marketing policies and practices that are not only economically effective but also ethical. Furthermore, this research aims to contribute to the development of business theory related to marketing ethics and MSME digital strategies, as well as enriching the diction and construction of understanding in the philosophy of business science related to the relationship between digital technology, markets, and moral norms. It is hoped that the findings of this research will not only be academically relevant but also applicable to the development of sustainable policies and practices in the field.

LITERATURE REVIEW

Business Ethics Theory

Business Ethics Theory emphasizes that marketing activities are not solely oriented toward economic profit but must also align with moral values and social responsibility. In the context of digital marketing, ethics plays a crucial role in building consumer trust and loyalty through honest, transparent, and responsible practices. According to Velasquez (2012), business ethics is a set of moral principles that guide the behavior of business actors so that every business decision considers aspects of fairness, honesty, and concern for others. Meanwhile, Crane and Matten (2016) emphasize that implementing ethics in marketing will create sustainable, long-term relationships between companies and consumers. For MSMEs, understanding the principles of business ethics is a crucial foundation for facing digital competition, as ethical marketing practices not only enhance a business's reputation but also strengthen public trust in the products or services offered.

Resource Dependence Theory

The dependence of MSMEs on digital platforms as market intermediaries creates new dynamics in the modern business ecosystem. Digital platforms, such as marketplaces and social media, act as the primary link between businesses and consumers. However, the dominance of these platforms presents ethical challenges related to the balance of power and the autonomy of MSME marketing strategies.

According to Srnicek (2017), the digital economy tends to be dominated by "platform capitalism," where large corporations control digital infrastructure and set rules that can limit the freedom of small businesses. Meanwhile, Zuboff (2019) emphasized that the power of digital platforms often gives rise to data exploitation and information inequality that are detrimental to small businesses. In this context, MSMEs need to develop ethical awareness and adaptive strategies to maintain integrity and fairness in digital marketing practices, even while operating in a system heavily dependent on large platforms.

Corporate Social Responsibility (CSR) Theory

The development of modern business ethics is no longer limited to issues of profit and legal compliance, but also encompasses the social and environmental responsibility of business activities, including for MSMEs. This concept is reflected in the implementation of Corporate Social Responsibility (CSR), which emphasizes the importance of business contributions to social welfare and environmental sustainability. According to Carroll (1999), CSR is a company's commitment to behave ethically and contribute to economic development while improving the quality of life of employees, communities, and the wider community. Furthermore, Elkington (1998), through the Triple Bottom Line concept, emphasized that business success must be measured based on three dimensions: profit, people, and planet. In the context of digitalization, CSR also includes digital transparency and accountability, which, according to Natsir et al. (2025), are increasingly becoming the primary expectations of consumers and digital communities as the basis for building trust, credibility, and sustainability of MSME businesses in the digital economy era.

RESEARCH METHOD

This research method employed a qualitative approach with a descriptive design to deeply understand the application of market ethics in digital marketing strategies by coffee shop MSMEs in Mandonga District. The study population was 65, with 32 informants. The research location was selected due to the concentration of rapidly growing coffee shop MSMEs with unique digital marketing practices in the region. The study population encompassed all coffee shop MSMEs in Mandonga

District, with the sample determined using a purposive sampling technique to select informants deemed representative and possessing in-depth knowledge of marketing strategies and business ethics. The primary informants were typically the owners and managers of the shop, Kopi Lola. This study was conducted at a shop actively using digital platforms in its operations. The research procedure began with a permit application and location determination, followed by data collection through in-depth interviews, direct field observation, and documentation. Interviews aimed to explore perceptions, experiences, and ethical practices in digital marketing, while observations aimed to examine actors' interactions with consumers and their use of digital technology.

RESULT AND DISCUSSION

Ethical Awareness in Digital Marketing

This study indicates that the level of ethical awareness in digital marketing among coffee MSME actors Shops have seen significant improvements, particularly in terms of honesty and transparency in presenting product information. MSMEs consistently emphasize the importance of providing accurate and honest information to consumers as a key strategy for maintaining trust and business reputation. Most respondents stated that transparency in digital marketing communications, such as product descriptions and pricing, is a priority for avoiding conflict and building customer loyalty. This aligns with findings (Maulidia and Mustafidah 2025; Qizwini and Purnama 2024; Rizal and Shnewra 2024) which shows that the application of Islamic marketing ethics in digital MSMEs encourages increased competitive advantage while building equal and fair relationships with consumers. However, the consistent application of these ethics sometimes faces challenges from the pressures of highly competitive digital markets, where the temptation to exaggerate or manipulate information is quite strong. Nevertheless, the MSMEs interviewed demonstrated a commitment to upholding ethical principles, recognizing the long-term negative impacts if integrity in digital marketing is violated. Furthermore, the study (Hakiki and Abaharis 2024) also confirms that transparency, honesty, and social responsibility in digital marketing have been proven to have a positive impact on consumer reputation and loyalty, which

ultimately benefits the increase in sales of MSME products. Therefore, this study confirms that ethical awareness is not only a moral norm, but also a vital business strategy in maintaining the sustainability and competitiveness of MSMEs in the digital era, especially in facing the challenges of a complex and dynamic platform economy.

Ethical Challenges and Management Strategies

Based on the results of this study, the coffee UMKM actors Shops face competitive pressure in digital marketing that directly impact ethical decision-making. These pressures include the demand to quickly and effectively increase product visibility and the need to attract consumer attention amidst increasingly fierce competition on digital platforms. In these conditions, MSMEs often face a dilemma between maintaining ethical integrity and using aggressive, even manipulative, marketing practices to achieve sales targets. However, these findings indicate that despite the temptation to employ less ethical strategies, most MSMEs are committed to avoiding manipulative practices to maintain their reputation and consumer trust, which are crucial long-term assets. Management strategies implemented by these actors include the use of an education-based and transparency-based marketing approach, emphasizing the delivery of honest and complete product information. Furthermore, a quick response to consumer complaints and respectful interactions are seen as key strategies to minimize negative perceptions arising from intense market competition. This finding is supported by research (Agung 2024) which states that competitive pressure encourages MSMEs to increase creativity in digital marketing without violating ethical norms, as well as in research (Sastradinata and Pratiwi 2024) which found that an educational and social value-oriented marketing approach was effective in avoiding manipulative practices and building customer loyalty. The importance of ethical integrity in guiding MSMEs through complex digital market pressures also confirms that values-based management strategies and transparency are key to long-term success in the platform economy era.

Interaction with the Platform Economy

Based on the results of this study, the coffee UMKM actors Shoppers are acutely aware of the dominance of digital platforms, which impacts their freedom to determine ethical marketing strategies. This dominance is reflected in MSMEs' reliance on platform rules and algorithms, which often limit their freedom to develop

promotional content and interact with consumers. Many operators complain about limited autonomy, which sometimes forces them to adapt their strategies to platform demands, even when this conflicts with their ethical principles. This perception creates an urgent need for policy support that protects MSMEs so they can operate fairly and ethically in the digital space. Furthermore, MSMEs strongly desire relevant digital marketing ethics training to strengthen their capacity to face competitive pressures while maintaining business integrity. This training is crucial as a filter for marketing practices that could lead to manipulation or exploitation of consumers in the platform economy era. This need also arises in response to rapid changes in technology and business models, which are often not accompanied by adequate regulations. This is in line with research by (Bahtiar et al. 2025) This suggests that platform dominance often reduces the freedom of MSMEs to determine marketing strategies, making ethics training key to building sustainable and ethical digital businesses. Similarly, research (Setiawan et al. 2025) emphasizes that protective policies and ongoing education for MSMEs are essential to creating a balanced and equitable digital ecosystem. Therefore, this study underscores the crucial role of regulators and platform providers in providing a conducive environment for MSMEs to conduct digital marketing ethically, while also providing training to enable them to survive and compete without sacrificing moral values.

The Impact of Marketing Ethics on Consumer Trust

This qualitative research reveals that coffee MSME actors Shops recognize the significant dominance of digital platforms in guiding their marketing strategies, which in turn limits their freedom to determine a fully ethical approach. Reliance on algorithmic mechanisms and platform policies forces MSMEs to adapt their marketing practices to comply with applicable regulations, even though this sometimes conflicts with their ethical values. This perception creates tension between the need to compete and uphold moral principles in digital marketing. In general, MSMEs expressed an urgent need for policy support that provides legal protection and certainty to conduct digital marketing fairly and ethically. Furthermore, digital business ethics training is considered crucial for equipping MSMEs with the knowledge and skills to face the challenges of competition and the complexity of the platform economy. This training is expected to help MSMEs develop innovative marketing strategies while maintaining their integrity and social responsibility. This aligns with research (Abbas et al. 2025)

This indicates that the dominance of digital platforms has reduced the freedom of MSMEs to choose marketing strategies, so ongoing training is essential to maintain ethical operational sustainability. Similarly, (Gustina, Ilmu, and Eka 2025) emphasized the need for regulation and education on digital marketing ethics to create a balanced and fair ecosystem for small businesses. Therefore, the complex interactions between MSMEs and the platform economy require synergy between businesses, regulators, and the platforms themselves to create an environment conducive to ethical and sustainable digital marketing.

CONCLUSION AND SUGGESTION

The conclusion of this study confirms that ethical awareness in digital marketing is a crucial aspect for MSMEs in maintaining consumer trust and business sustainability in the platform economy era. MSMEs not only prioritize honesty and transparency in product presentation but also implement ethical management strategies to face the pressures of intense competition and strive to avoid manipulative practices that can damage business reputation. Interaction with digital platforms poses challenges related to the freedom to determine ethical marketing strategies, so the need for policy support and ethics training is crucial. The implications of this study support the development of digital marketing ethics theory by emphasizing the need to integrate moral values into MSME digital business practices. From a practical perspective, the results of the study recommend the development of regulations and ongoing development that support MSMEs to operate ethically within the platform ecosystem. Digital business ethics training is an effective means to increase the capacity of MSMEs to face the complexities and challenges of the platform economy, while maintaining integrity and social responsibility. Thus, this study contributes significantly to the development of science and provides practical guidelines for policymakers, marketing practitioners, and MSMEs in building sustainable and ethical digital businesses.

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