

Digital Marketing Analysis through PPC Advertising Strategies to Improve the Competitiveness of MSMEs

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Abstract

This study aims to analyze the implementation of Pay-Per-Click (PPC) Advertising through Facebook Ads in improving the competitiveness of Micro, Small, and Medium Enterprises (MSMEs) in Pangkalpinang City and to identify the key factors influencing its effectiveness. This research was conducted in Pangkalpinang City, Bangka Belitung Islands Province using a qualitative case study approach. Data were collected through in-depth semi-structured interviews with 20 MSME actors from various sectors (culinary, crafts, fashion, services), non-participant observation of Facebook Ads Manager activities, and documentation studies. Data analysis was performed using thematic analysis techniques assisted by NVivo 12 software. The study reveals that while MSMEs in Pangkalpinang have adopted Facebook Ads, its effectiveness remains suboptimal due to three main factors: (1) imprecise targeting strategies, with 80% of MSMEs relying only on basic parameters like location (60%) and age (45%), (2) limited creative content production dominated by static images (70%), and (3) weak campaign evaluation practices, with only 35% regularly monitoring Ads Manager. This study is limited to MSMEs in Pangkalpinang City and focuses solely on the Facebook Ads platform. The research also did not quantitatively measure detailed financial aspects such as Return on Investment (ROI). This research contributes to the digital marketing literature, particularly in the context of PPC advertising for MSMEs in developing regions. Practically, it provides guidance for MSME actors, policymakers, and business development institutions in designing effective digital marketing training and mentoring programs.

Keywords: Digital Marketing, Digital Transformation, Facebook Ads, MSME Competitiveness, PPC Advertising

Jel Codes: M31, M37, O33

1. Introduction

The economic growth of the Bangka Belitung Islands Province has shown signs of a significant slowdown in recent years, with its growth rate plummeting from 4.38% in 2023 to just 0.77% in 2024. This contraction is partly triggered by the weakening of the mining sector, which is its primary backbone, and a decline in public purchasing power, which has put pressure on the trade and industrial sectors. In this context, Micro, Small, and Medium Enterprises (MSMEs),

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which are the mainstay of the local economy, are facing severe challenges. A preliminary survey in Pangkalpinang City revealed that more than 65% of MSMEs still rely on conventional marketing, 72% have low digital literacy, and only about 15% have ever utilized paid digital advertising platforms. This low level of technology adoption exacerbates their vulnerability amidst intense competition and increasingly dynamic shifts in consumer behavior. ([Azis et al., 2025](#); [Yuli & Rofik, 2023](#)).

Table 1. Profile of Digitalization Challenges for MSMEs in Pangkalpinang City in 2024

No.	Challenges	Percentage of MSMEs	Description & Data Source
1.	Dependence on Conventional Marketing	67,4%	The majority still rely on word-of-mouth marketing, brochures, and banners (Pangkalpinang City Cooperative and SME Office, 2024).
2.	Low Digital Literacy	71,8%	Measured based on the ability to use e-commerce platforms, social media for business, and digital payment tools (BPS Survey, Bangka Belitung Province, 2023).
3.	Use of Paid Digital Advertising	15,2%	Only a small portion have ever allocated a budget for measurable advertising on platforms such as Facebook Ads or Google Ads (Special Report from Bank Indonesia KPw Babel, 2024).
4.	Access to Digital Training	32,5%	Percentage of MSMEs that have participated in digital marketing training organized by the government or non-governmental organizations (Pangkal Pinang City Communication and Information Agency)

Source: Babel Operations and MSMEs Office 2024 and Babel Statistics Agency 2023

Relevant theoretical frameworks for analyzing solutions to this problem are the concept of Digital Marketing, specifically Pay-Per-Click (PPC) Advertising within the digital marketing mix framework. According to ([Bawono et al., 2025](#); [Loku & Havolli, 2024](#)), PPC Advertising allows businesses to display their ads to a highly targeted audience based on demographics, interests, and online behavior, resulting in measurable and efficient customer acquisition. This theory emphasizes that the success of digital marketing relies not only on having a presence on platforms but also on the ability to perform segmentation, offer competitive value propositions, and manage campaigns strategically, which aligns with the thinking of ([Sunggara et al., 2022](#)) regarding the importance of building customer value in the digital age.

Previous research by ([Multhazam et al., 2025](#)) has confirmed that MSMEs in this region are less adaptive in implementing digital marketing strategies, while a study by Google ([Permadi](#)

[et al., 2025](#)) confirms the effectiveness of platforms like Facebook Ads in helping small-scale businesses reach a broader market. However, these previous studies predominantly discuss digital marketing in general and have not yet delved deeply into the implementation of PPC Advertising strategies as a specific solution, particularly in the context of overcoming competitive challenges amid an actual regional economic slowdown ([Helmi et al., 2025](#); [Sharabati et al., 2024a](#); [Ziółkowska, 2021](#)).

Based on a review of previous research, a clear research gap exists: the lack of in-depth exploration of how measurable, well-targeted PPC Advertising strategies can be implemented to directly enhance the competitiveness of MSMEs in Pangkalpinang City. Most prior studies focus on the awareness of the importance of digital marketing or describe constraints in general terms, without providing a detailed strategic and operational analysis of the design, execution, and measurement of PPC campaign effectiveness within the context of local MSMEs' characteristics and limited digital literacy resources.

The novelty of this research lies in its approach, which combines an analysis of the slowing macroeconomic environment with a micro-level solution: implementing specific, structured PPC Advertising strategies for MSMEs. This study not only identifies problems but also designs and tests a PPC campaign model tailored to local consumer profiles and MSME product characteristics in Pangkalpinang, thereby producing an applicable framework that can serve as a reference for MSMEs in regions with similar characteristics.

Theoretically, the findings of this study are expected to enrich the body of marketing science, particularly in the realm of digital marketing, by providing empirical evidence and model development on how PPC strategies can be integrated to improve the competitiveness of MSMEs in traditionally economic regions experiencing a slowdown. These results can refine existing digital marketing theories by incorporating local context and macroeconomic challenges as determinants.

For MSME actors in Pangkalpinang City, this research is expected to provide a practical guide and operational steps for designing and running digital marketing campaigns using Facebook Ads. By adopting the strategy from this study, MSMEs can enhance product visibility, reach a broader market, and ultimately increase sales volume and business competitiveness in an increasingly competitive market.

From a methodological standpoint, this research contributes a comprehensive approach by combining qualitative methods to understand the in-depth challenges faced by MSMEs and quantitative methods to measure PPC campaign performance through key metrics such as Click-Through Rate (CTR), Conversion Rate, and Return on Ad Spend (ROAS). This combination of methods is expected to yield a holistic, data-driven analysis of the effectiveness of digital marketing strategies.

The findings of this study are expected to provide considerations for the Pangkalpinang City Government and related agencies in formulating more effective policies and mentoring programs. The resulting policy recommendations could include structured digital literacy training, ongoing technical assistance for managing digital advertising, and incentives or initial funding for PPC campaigns, thereby creating an ecosystem that accelerates local MSME digital transformation.

2. Literature Review

The performance and competitiveness of Micro, Small, and Medium Enterprises (MSMEs) in the digital era represent a crucial intersection between marketing capabilities, technology adoption, and local market dynamics. Digital Marketing Theory provides a fundamental framework for understanding this transformation, particularly regarding how measurable online strategies can enhance market reach and operational efficiency ([Bruce et al., 2023](#); [Molinillo & Japutra, 2017](#); [Santos-Jaén et al., 2023](#)). In the context of MSMEs, the gap between the theoretical potential of digital platforms and the practical limitations in their implementation creates unique challenges that can explain variations in competitiveness. The need to adapt to digital technology acts as a mechanism that simultaneously opens up new market opportunities and demands technical competencies, which significantly influences business resilience amid an economic slowdown. ([Kádárová et al., 2023](#); [Olazo, 2022](#); [Raj et al., 2024](#)).

The determinants of MSME competitiveness in the digital landscape encompass several critical factors based on the challenges identified in Pangkalpinang City. The continued dominance of Conventional Marketing Strategies reflects a reliance on traditional channels, which, while familiar, have limited market reach and penetration capabilities, thereby restricting growth potential ([Stankovska et al., 2016](#); [Ullah et al., 2023](#)). Low levels of Digital Literacy pose a fundamental barrier, where a limited understanding of digital platforms, analytical tools, and online consumer behavior hinders the ability of MSMEs to transition to more modern and effective marketing models ([Becker & Schmid, 2020](#); [Lee et al., 2021](#)). The minimal utilization of Paid Advertising (PPC Advertising), particularly on platforms such as Facebook Ads, signifies a gap between the awareness of these platforms' existence and the ability to execute strategic, measurable campaigns that generate a Return on Investment (ROI) ([Low et al., 2022](#); [Shahadat et al., 2023](#); [Sharabati et al., 2024b](#)). Unequal access to Training and Mentoring exacerbates the situation, where a lack of technical knowledge regarding budgeting, audience targeting, and ad optimization presents a real barrier to technology adoption (Bank Indonesia KPw Babel, 2024). These elements collectively form an integrated framework for understanding the drivers and barriers to MSME competitiveness in Pangkalpinang City within the increasingly urgent context of digital transformation.

3. Research Method

Approach and Research Type

This study employs a qualitative approach with an exploratory case study research design. The qualitative approach was chosen for its ability to reveal the complexity of the digital transformation phenomenon among MSMEs holistically and in-depth ([Creswell & Miller, 2000](#)). This approach allows the researcher to understand the meanings, perceptions, and experiences of MSME actors in adopting PPC Advertising strategies, while also capturing the dynamics of technical and non-technical challenges that cannot be measured quantitatively. An intrinsic case study type is applied to deeply analyze the implementation of Facebook Ads among MSMEs in Pangkalpinang City as a contemporary phenomenon of high policy and academic urgency. This design enables a comprehensive exploration of the context of digital literacy, technical capabilities, and external support dimensions within the framework of MSME digital transformation that is the focus of this research ([Bowen, 2009](#)).

Unit of Analysis and Respondent Determination

The unit of analysis in this study is the digital technology adoption system of MSMEs, focusing on the implementation of PPC Advertising strategies via Facebook Ads. This research analyzes

how the interaction between technical skills, digital literacy, and external support influences the effectiveness of digital marketing campaigns. Respondents were determined using a purposive recruitment method based on specific criteria that guarantee depth and relevance of information (Brinkmann, 2015). The main criteria include: (1) active MSME actors who have been operating for at least one year, (2) have direct experience with digital marketing, (3) are in the initial learning phase of PPC Advertising, and (4) are willing to share their implementation experiences. To enrich perspectives and achieve data saturation, respondent networking was conducted through recommendations from initial informants, while maintaining the eligibility and relevance criteria for each additional respondent (Ishtiaq, 2019).

Types and Profiles of Respondents

To ensure comprehensive coverage of perspectives, respondents in this study were recruited from various MSME segments representing the business characteristics of Pangkalpinang City. Respondent selection considered a balance between levels of digital adoption, types of businesses, and business scales, thereby providing a complete picture of Facebook Ads implementation from beginner to active user levels.

Table 2. Profile and Number of Research Respondents

No.	MSME Category	Respondent Position/Job	Number of Respondents	Title Respondent Code
1.	Culinary Sector MSMEs	Business Owner/Manager	4 persons	U-KUL-01 s/d U-KUL-04
2.	Craft Sector MSMEs	Owner/Marketing Manager	4 persons	U-KER-01 s/d U-KER-04
3.	Fashion Sector MSMEs	Owner/Content Creator	4 persons	U-FAS-01 s/d U-FAS-03
4.	Service Sector MSMEs	Owner/Digital Marketer	4 persons	U-JAS-01 s/d U-JAS-03
5.	Supporting Actors	Digital Consultant/Training Provider	4 persons	P-PND-01, P-PND-02
6.	Total Respondents		20 persons	

Source: Data processed in 2024

Respondent codes are used to maintain identity confidentiality and facilitate data presentation in thematic analysis. With this composition, the study successfully captures holistic perspectives, ranging from the level of direct practitioners to technical support levels, thus the

data obtained is rich in variety and depth of information for further analysis.

Data Collection Techniques

Data collection in this study employed a multi-method strategy comprising in-depth interviews, observation, and document studies ([Sugiyono, 2022](#)). Semi-structured in-depth interviews were conducted using a flexible interview guide, allowing the researcher to probe respondents' subjective experiences, perceptions, and technical challenges in implementing Facebook Ads. Each interview lasted 60-90 minutes and was electronically recorded with respondent consent. Participatory observation was conducted in natural settings by monitoring digital marketing activities, analyzing social media content, and tracking ad performance to understand the real-world practices of PPC implementation. Document studies involved analyzing various written sources, including Central Statistics Agency (BPS) reports, digital training materials, advertising campaign documentation, digital transaction records, and recent literature from the 2022-2024 period related to PPC Advertising and MSME digital transformation.

Data Analysis Techniques

Data analysis was conducted iteratively using the interactive analysis model by Miles, Huberman, and Saldaña, which integrates three main components: data reduction, data display, and conclusion drawing/verification. Data reduction was achieved through transcription, selection, and focusing on data relevant to the research focus. Data display was organized in the form of thematic matrices, categorization tables, and descriptive narratives to facilitate the identification of patterns and relationships between categories. Conclusion drawing was performed through continuous verification and thematic pattern tracing. Data analysis was assisted by NVivo 12 software to perform systematic thematic coding, starting with open coding to identify emergent themes, followed by axial coding to discover relationships between categories, and concluding with selective coding to integrate findings into the theoretical framework of MSME digital transformation ([Sugiyono, 2022](#)).

Data Validity and Reliability

Data validity and reliability in this study were ensured through the implementation of comprehensive triangulation techniques, including source, method, and researcher triangulation. Source triangulation was performed by comparing information from various types of respondents representing different MSME segments. The triangulation method was used to confirm interview findings through observation of digital activities and document analysis. A member checking process was implemented by consulting preliminary findings with several key respondents to ensure the accuracy of data interpretation. Furthermore, peer debriefing was conducted through analytical discussions with colleagues and digital marketing practitioners to reduce interpretive bias. An audit trail was maintained by systematically documenting the entire analytical decision-making process, from data collection to conclusion drawing ([Barney, 1991](#)).

Research Ethics

This research was conducted in strict compliance with the principles of social research ethics. Informed consent was obtained in writing from each respondent after a comprehensive explanation of the research purpose, participant rights, and data usage. The confidentiality of respondent identities and business data was maintained through the use of anonymous codes and encrypted data storage. The researcher's position as a research instrument was continuously

reflected upon through field notes to reveal potential personal biases and assumptions. Power relations between the researcher and respondents were managed professionally, particularly in safeguarding the sensitivity of financial data and business strategies, to ensure data objectivity and maintain research independence ([Barney, 1991](#)).

4. Findings and Discussions

The initial stage of this research began with field observation and the distribution of an exploratory questionnaire to 20 MSME actors in Pangkalpinang City who had used Facebook Ads (PPC) for at least one year. This observation aimed to map the initial conditions of digital marketing strategy implementation, particularly regarding the use of paid advertising on the Facebook platform. Observation results indicate that generally, MSME actors have experience running advertising campaigns, both in the form of regular and occasional promotions. However, several notable trends were identified. First, the majority of MSMEs use Facebook Ads primarily to directly increase sales, while long-term orientations such as brand awareness building remain relatively low. Second, although most MSMEs have utilized the audience targeting feature, its implementation remains basic and tends to follow the default settings available in Facebook Ads Manager.

Additionally, regarding advertising content, MSME actors more frequently use image-based promotional materials compared to videos or other interactive formats. This is related to resource limitations in creating more complex digital content. In terms of budget, most respondents allocate advertising costs in the range of IDR 500,000 to IDR 1,000,000 per month, with campaign frequencies ranging from weekly to monthly. Overall, this preliminary observation illustrates that although MSME actors are capable of operating Facebook Ads, its effectiveness is not yet optimal due to limitations in technical knowledge, particularly regarding audience targeting strategies. These findings subsequently became an important foundation for conducting initial analysis and sharpening the research focus in the next stage.

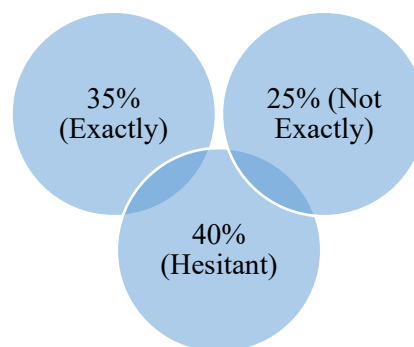


Figure 1. Audience Accuracy n=20

This fact confirms a significant gap between the use of targeting features and the ability to manage targeting strategies effectively. In digital marketing theory, Segmentation, Targeting, and Positioning (STP) form the fundamental foundation for determining campaign effectiveness ([Becker & Schmid, 2020](#); [Lee et al., 2021](#)). Imprecise targeting leads to increased advertising costs (a higher cost per click) and a decreased conversion rate. In the context of this research, the respondents' uncertainty about the accuracy of their

targeting reflects low digital literacy and a limited understanding of online consumer behavior. Furthermore, the questionnaire analysis reveals that most MSMEs only use basic parameters, such as location and age, to define their audience. Theoretically, this weakness is linked to the Segmentation, Targeting, and Positioning (STP) concept. Inaccurate targeting results in higher advertising costs (cost per click) and lower conversion rates. In other words, although MSMEs have entered the realm of digital advertising, its effectiveness is not yet optimal because their targeting strategies remain too general. A further analysis shows that the majority of MSMEs use basic parameters to define their audience, such as location (60%) and age (45%), while only a small portion utilize advanced criteria like interests (30%) and consumer behavior (15%).

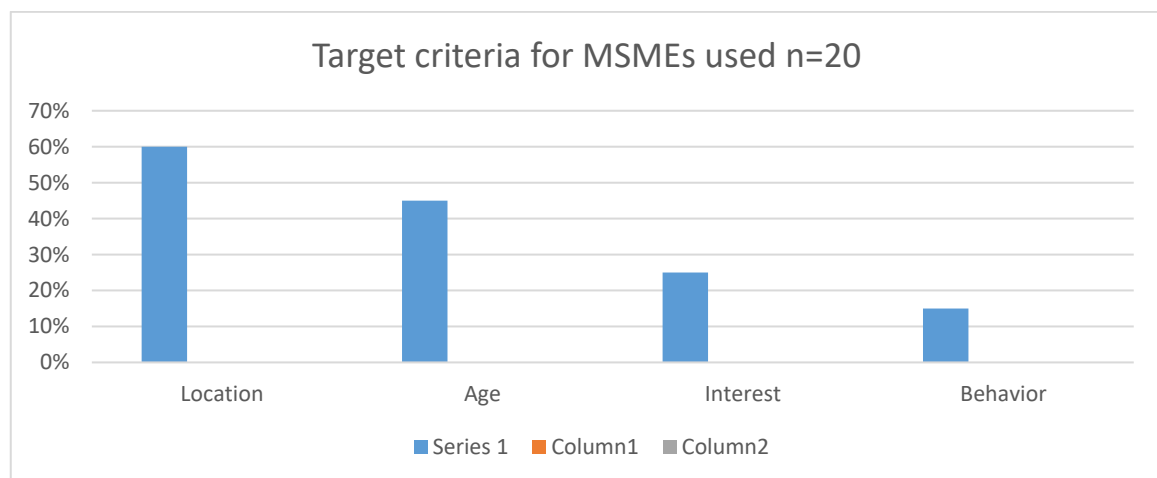


Figure 3. Audience Criteria

This data reinforces the argument that MSME actors are still at a basic stage of digital marketing literacy. Only a small portion utilize advanced criteria such as interests or consumer behavior ([Permadi et al., 2025](#)) proves that the use of custom audiences and lookalike audiences can increase sales conversion by up to 35%. Thus, this weakness in utilizing advanced features is the biggest obstacle.

From an entrepreneurial perspective, this phenomenon indicates that MSMEs are still in the early experimental stage of digital marketing. They have ventured into paid advertising but lack a mature market segmentation strategy. This aligns with the findings of BPS (2022), which confirms that the majority of MSMEs in Indonesia possess basic digital literacy but have not yet progressed to using analytical and advanced targeting features.

Practically, the research focus was subsequently narrowed to audience targeting strategies. This focus refinement is logical because even compelling content or a large budget will be ineffective if the ads do not reach the right audience. Therefore, the research is directed at exploring how MSMEs can optimize Facebook Ads' targeting features to achieve more efficient ad results, more cost-effective spending, and a greater impact on sales.

In the data collection stage, this research gathered information through semi-structured interviews, field observations, and documentation studies, which consistently illustrated the patterns of Facebook Ads (PPC) usage by MSMEs in Pangkalpinang City.

Regarding campaign orientation, the majority of respondents (70%) used ads for short-term sales increases, 20% focused on new customer acquisition, and only 10% positioned advertising as a means for brand awareness building.

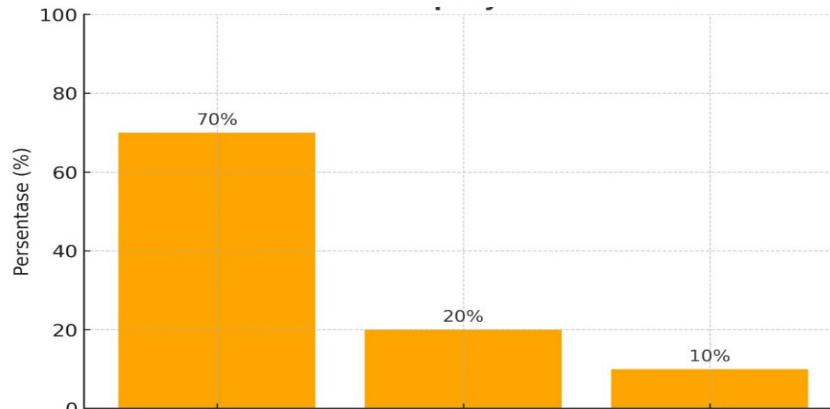


Figure 4. Campaign orientation

This pattern indicates that Facebook Ads are still positioned as an instant promotional tool rather than a long-term strategic instrument. In fact, marketing literature emphasizes that brand building is a prerequisite for sustainable marketing performance. Regarding content production, observation shows a dominance of static image-based materials (70%), while videos are only utilized by 20% of MSMEs, and the remaining 10% use alternative formats such as carousels or slideshows.

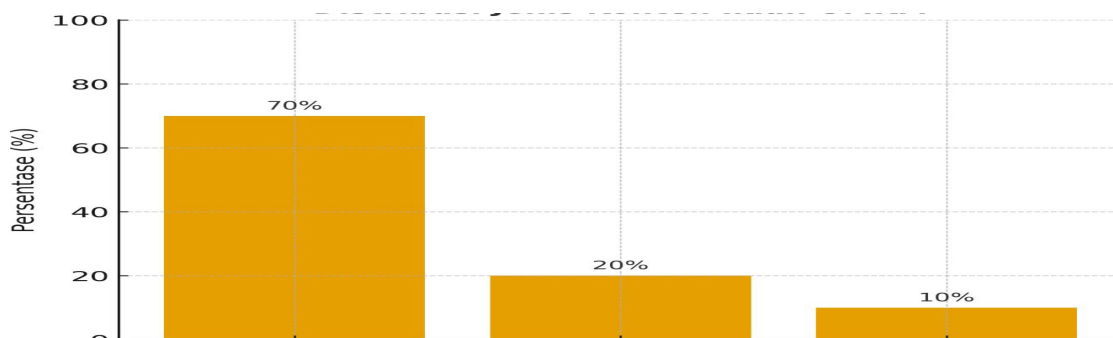


Figure 5. Distribution of ad content types

This tendency indicates limitations in creative and technical capacity for content development. These findings align with those of who state that video formats tend to drive higher engagement and conversion rates compared to static images. Therefore, the dominance of simple content may explain the limited reach and effectiveness of the campaigns.

Furthermore, the targeting strategies reflected in the documentation and questionnaire data show a strong reliance on basic parameters: location (60%) and age (45%). Meanwhile, the utilization of advanced criteria such as interests (30%) and consumer behavior (15%) is relatively low.

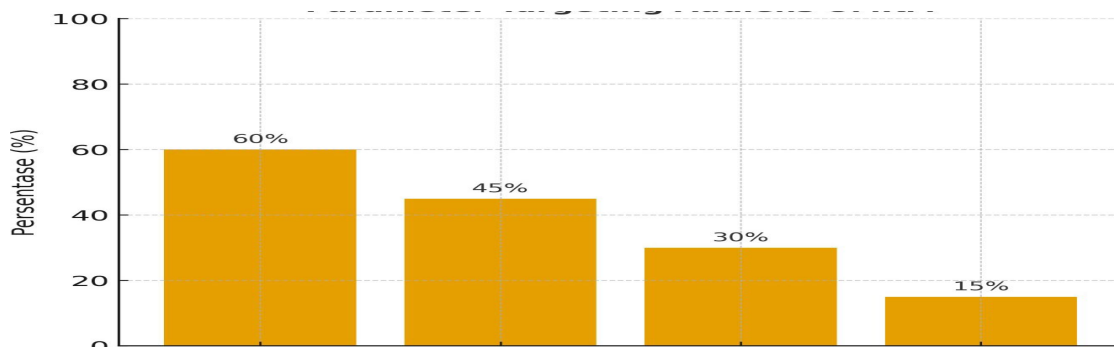


Figure 6. Audience targeting parameters

The minimal use of advanced features, such as custom audiences and lookalike audiences, reflects shallow segmentation strategies, leading to wasted ad impressions. From an STP (Segmentation, Targeting, Positioning) perspective, this imprecise targeting increases cost-per-click and lowers conversion rates. Regarding budget allocation, the majority of MSMEs allocate between IDR 500,000 to IDR 1,000,000 per month (55%). However, only 45% consider the cost proportional to the results, 30% feel it is not proportional, and 25% are uncertain.

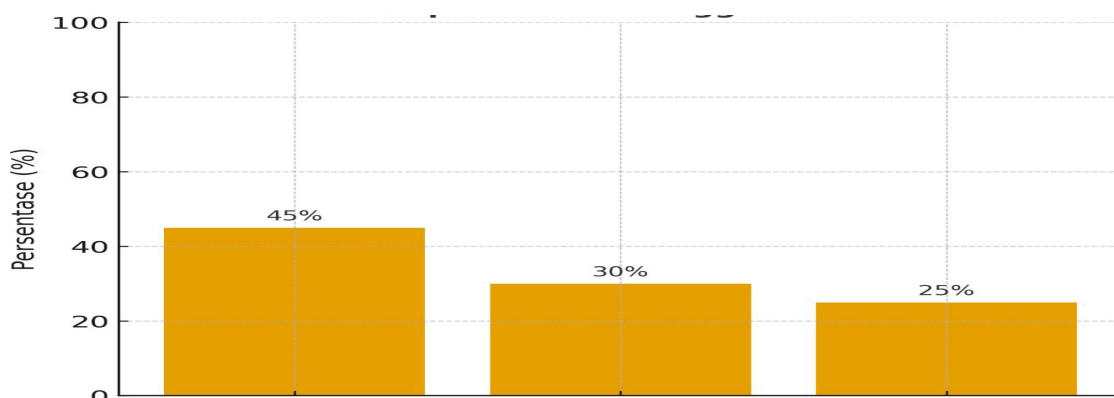


Figure 7. Perception of advertising budget efficiency

This perception of inefficiency is primarily caused by inadequate targeting accuracy and weak campaign evaluation practices, not merely the budget size. Referring to the concept of Return on Advertising Spend (ROAS), the efficiency of advertising investment is determined by targeting precision and data-driven evaluation, not the nominal cost itself.

Overall, the data collection results confirm that MSMEs in Pangkalpinang City have routinely utilized Facebook Ads, but their implementation remains limited: campaign orientation leans towards instant results, content is dominated by simple images, targeting strategies are shallow, and the perception of budget efficiency is relatively negative. Therefore, the success of PPC campaigns is more determined by improving digital literacy, strengthening creative content capacity, and implementing systematic, data-based campaign evaluation.

Data analysis in this study used a thematic analysis approach as explained, which includes data reduction, display, and conclusion drawing. From the coding of interviews, observations, and documentation, five main themes were obtained that describe the

dynamics of Facebook Ads implementation by MSMEs in Pangkalpinang City, namely targeting strategy, budget allocation, content production, campaign evaluation, and main constraints.

First, targeting strategy. As many as 80% of respondents claimed to use the audience targeting feature in Facebook Ads, but only 35% considered their strategy to be on target, 40% were uncertain, and 25% stated the targeting was inaccurate (Figure 5). The majority of MSMEs still rely on basic parameters such as location (60%) and age (45%), while the use of advanced criteria like interests (30%) and consumer behavior (15%) remains very limited.

The minimal use of custom audiences and lookalike audiences causes ads to be less precise, thereby increasing cost-per-click and lowering conversion rates. This aligns with the STP (Segmentation, Targeting, Positioning) theory, which emphasizes the importance of accurate targeting strategies in enhancing campaign effectiveness.

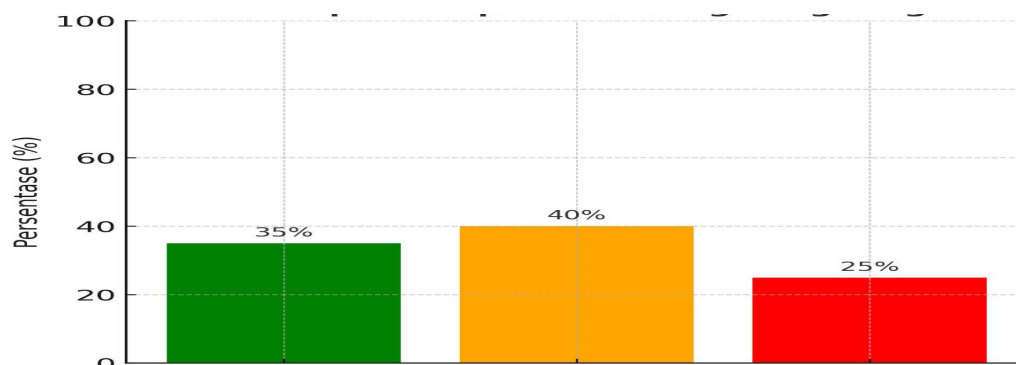


Figure 8. Perception of Targeting Strategy Accuracy

Second, budget allocation. The majority of MSMEs allocate monthly advertising budgets between IDR 500,000 and IDR 1,000,000. However, only 45% of respondents consider the cost proportional to the results, while 30% deem it not proportional, and 25% express uncertainty (Figure 6). This phenomenon indicates a perception of inefficiency, which is more attributable to suboptimal targeting strategies and evaluation practices than the nominal budget amount. According to the Return on Advertising Spend (ROAS) concept, the cost-effectiveness of advertising is determined by strategic accuracy and data-driven evaluation, not merely by the amount of funds expended.

Third, content production. Observational results reveal that the majority of MSMEs use simple static images (70%) as their primary ad format, while video is utilized by only 20%, and the remaining 10% use other formats such as carousels or slideshows (Figure 7). This dominance of image-based content indicates limitations in creative and technical capacity for producing promotional materials. This is noteworthy, as content marketing literature emphasizes that video content possesses greater appeal for boosting engagement and conversions.

Fourth, campaign evaluation. Data indicates that only 35% of respondents routinely monitor their Ads Manager, while 65% do not do so consistently. Furthermore, only 20% have ever conducted A/B Testing, whereas the remaining 80% have never tried it (Figure 8). The lack of systematic evaluation means advertising success is often measured merely by the number of likes or comments, rather than by conversion indicators. This is a critical gap, as in PPC

Advertising, data-driven evaluation methods like conversion tracking and A/B Testing are essential elements for enhancing campaign efficiency.

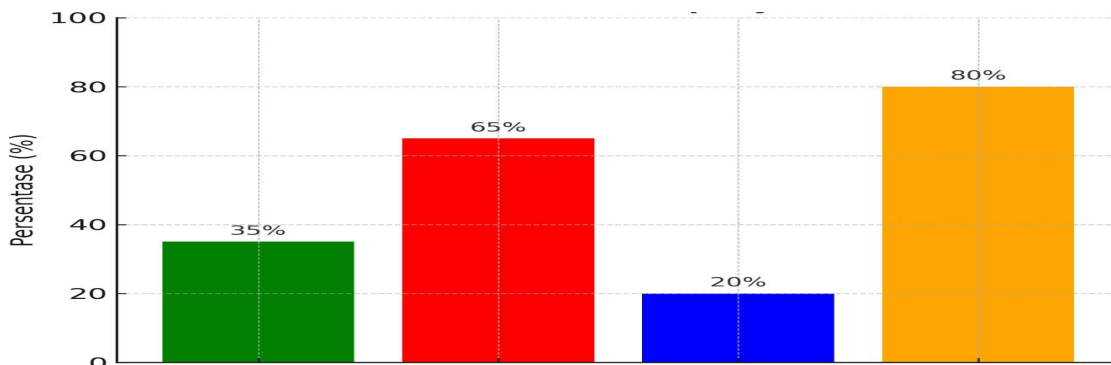


Figure 9. MSME Campaign Evaluation Practices

Fifth, main constraints. The analysis reveals that difficulty in determining the target audience is the most dominant obstacle (50%), followed by high advertising costs (30%), limitations in content production (15%), and low analytical literacy (5%) (Figure 9). This finding is consistent with the BPS (2022) report, which states that the majority of MSMEs in Indonesia are still at the stage of basic social media utilization, and have not yet reached the level of measured and complex digital advertising use.

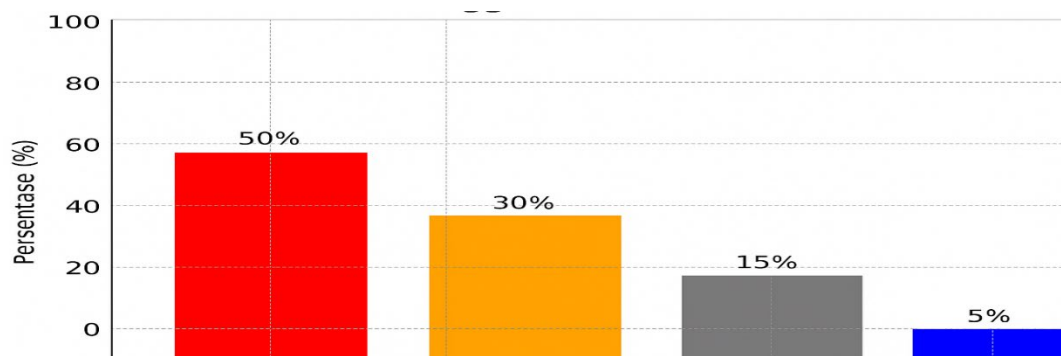


Figure 10. Main Obstacles to the Use of Facebook Ads by MSMEs

Overall, these five themes are interconnected. Weak targeting strategies make the budget feel wasteful, simple content limits engagement, and a lack of evaluation hinders campaign optimization. These challenges confirm that the success of PPC Advertising is not solely determined by the willingness to invest in ads, but depends heavily on digital literacy, content creativity, and the managerial capability of MSMEs to evaluate and optimize campaigns systematically. To ensure the validity of the findings, this study applied source triangulation and ([Kádárová et al., 2023](#); [Molinillo & Japutra, 2017](#); [Olazo, 2022](#); [Raj et al., 2024](#); [Santos-Jaén et al., 2023](#)). Data obtained through semi-structured interviews were compared with field observation results and documentation studies, thus yielding a more comprehensive and reliable overview. For example, the interviews indicated that the majority of MSMEs only use basic parameters such as location and age in their targeting strategies ([Bawono et al., 2025](#); [Loku & Havolli, 2024](#)). This finding aligns with the observation results, where the displayed ads predominantly targeted local consumers with general characteristics, and is further supported by documentation studies showing low utilization of custom audience and lookalike audience features. This cross-source

consistency strengthens the conclusion that the main weakness of MSMEs lies in the targeting aspect.

Beyond triangulation, the research also implemented validation through a member checking mechanism, which involves confirming the analysis results with the respondents. Most respondents stated that the research summary aligned with their experiences. In fact, one respondent emphasized that their advertising budget felt depleted quickly because the targeting parameters remained too broad, generally based only on age and location. This direct confirmation from MSME actors provides evidence that the researcher's interpretation does not deviate from field reality ([Multhazam et al., 2025](#); [Sunggara et al., 2022](#)).

The application of triangulation and data validation is consistent with the view that ([Permadi et al., 2025](#)) which emphasizes the importance of validity testing in qualitative research. By comparing findings across sources and confirming them with respondents, this study increased the credibility, transferability, and dependability of the findings as criteria for data validity, according to [Helmi et al. \(2025\)](#), [Sharabati et al. \(2024a\)](#), and [Ziółkowska \(2021\)](#). Thus, the research results are not only academically valid, but also practically relevant because they have been verified both through cross-methods and directly by the research subjects.

The interpretation phase was conducted to derive deeper meaning from the themes obtained through thematic analysis. The research results show that the effectiveness of Facebook Ads usage by MSMEs in Pangkalpinang City remains low, even though most business actors have ventured into the realm of digital advertising. Three main factors influence this condition: imprecise targeting strategies, limitations in content creativity, and weak campaign evaluation practices.

First, the targeting strategy is the dominant factor determining ad effectiveness. Although 80% of respondents claimed to use the targeting feature, the majority still relied on basic parameters like location and age, while the use of advanced criteria such as interests and consumer behavior remained very limited. This condition aligns with the Segmentation, Targeting, Positioning (STP) theory, which asserts that accurately determining the target market is the foundation of a successful marketing campaign. Imprecise targeting leads to increased cost-per-click and decreased conversion rates.

Second, regarding content production, the majority of MSMEs still rely on simple static images for their advertising materials. However, content marketing literature emphasizes that video content is more effective in increasing audience engagement and generating conversions. The low variety of content indicates limitations in technical and financial capacity, which ultimately restricts the appeal of digital ads.

Third, campaign evaluation is still rarely conducted systematically. Most respondents only assessed the success of their ads based on the number of likes or comments, not on conversion-based indicators. The minimal use of conversion tracking and A/B Testing results in suboptimal campaigns. In contrast, data-driven evaluation is crucial in PPC Advertising practice for reducing costs and increasing ad effectiveness ([Permadi et al., 2025](#)).

Furthermore, the research also revealed structural constraints in the form of low digital literacy and campaign management skills. Ad management is mostly handled directly by

the business owners without support from specialized personnel, leading to decision-making based more on intuition than data analysis. This finding is consistent with the BPS (2022) report, which states that the majority of MSMEs in Indonesia are still at the stage of basic social media utilization and have not yet progressed to using complex and measurable digital advertising strategies.

Based on the above interpretation, it can be concluded that the use of Facebook Ads by MSMEs in Pangkalpinang City has indeed provided tangible benefits in the form of increased sales and new customer acquisition. However, its effectiveness remains low due to imprecise targeting strategies, limited content creativity, and the lack of data-based campaign evaluation. Therefore, enhancing digital literacy, strengthening creative content production skills, and providing training in analytics-based evaluation are key to optimizing the role of digital advertising. With such interventions, Facebook Ads can function not only as a short-term promotional medium but also as a sustainable entrepreneurial strategy that supports MSME competitiveness in the digital economy era.

5. Conclusion

Based on the research findings, it can be concluded that the study's objective to analyze the implementation of PPC Advertising strategies via Facebook Ads in enhancing the competitiveness of MSMEs in Pangkalpinang City has been achieved. The results indicate that while MSMEs have utilized Facebook Ads as a digital marketing tool, its effectiveness remains low due to three main factors: (1) imprecise targeting strategies, where 80% of MSMEs only use basic parameters such as location (60%) and age (45%); (2) limitations in creative content production, with a dominance of static images (70%); and (3) weak campaign evaluation, where only 35% of MSMEs routinely monitor Ads Manager. These findings confirm that the success of PPC Advertising depends not merely on advertising investment but on digital literacy, content creativity, and the managerial capability of MSMEs to systematically optimize campaigns.

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