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Determinants of Digital Market Expansion Among Fisheries-Based Small Enterprises

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Abstract
This study examines the determinants of digital market expansion among fisheries-based small enterprises. It focuses on how technological, organizational, socio-economic, and policy-related factors influence market access, competitiveness, and business sustainability in the digital economy. The research employs a systematic literature review of 30 peer-reviewed articles and indexed repositories covering fisheries MSMEs, digital transformation, and e-commerce adoption. The findings indicate that technological factors such as e-commerce platforms, social media utilization, search engine optimization, and digital advertising significantly enhance market visibility and consumer engagement. Organizational factors, including branding, packaging innovation, managerial capability, and financial literacy, strengthen firms' ability to implement digital strategies effectively. Socio-economic conditions, particularly digital literacy, education level, and income status, determine the degree of technology adoption among fisheries-based enterprises. Policy-related factors, including government subsidies, training programs, institutional support, and infrastructure availability, play a critical role in enabling digital inclusion and reducing adoption barriers. The study concludes that digital market expansion is a multi-dimensional process that requires an integrated ecosystem approach. Technology adoption alone is insufficient without supporting organizational capacity, socio-economic empowerment, and institutional backing. Strengthening these interconnected determinants is essential to enhance competitiveness and ensure sustainable market growth for fisheries-based small enterprises.

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Introduction

Fisheries-based small enterprises play a central role in coastal economies, particularly in developing countries. These enterprises contribute to employment, income generation, and local food security. However, they face persistent constraints in market access, pricing power, and distribution efficiency. Digital transformation introduces a structural shift in how fisheries products reach consumers. Studies show that digital platforms, social media, and e-commerce systems expand market reach and reduce transaction costs (Sukma et al., 2025; Yani et al., 2025).

Despite this potential, adoption remains uneven. Many fisheries-based enterprises operate at low digital maturity levels. Barriers include limited digital literacy, inadequate infrastructure, and weak institutional support (Angkasa & Tabrani, 2025; Madiwal & Kurade, 2025). These constraints reduce the ability of small enterprises to integrate into digital markets. As a result, market expansion is inconsistent and often localized.

Recent studies emphasize that digital adoption alone is not sufficient. Business performance depends on complementary factors such as financial literacy, innovation capacity, and managerial capability (Affandi et al., 2024). Similarly, digital transformation in fisheries requires systemic integration of technology, governance, and capacity building (Alhassan et al., 2025). This indicates that market expansion is multi-dimensional.

Empirical evidence from Indonesia and other developing regions shows that digital marketing tools significantly influence sales performance. Social media, SEO, and e-commerce platforms increase visibility and customer engagement (Sasongko & Nugraha, 2025; Raudah et al., 2025). Packaging innovation and branding further strengthen product competitiveness (Kusyairi et al., 2025; Sinaga, 2025). These findings highlight the importance of combining technological and non-technological factors.

However, existing literature remains fragmented. Most studies focus on either digital adoption or marketing outcomes separately. Few integrate structural, technological, and socio-economic determinants into a unified analytical framework. This creates a research gap in understanding how multiple determinants interact to influence digital market expansion (Rossevelt et al., 2025).

Fisheries-based enterprises face sector-specific challenges. Perishable products require efficient logistics and rapid distribution systems. Digital platforms must therefore align with supply chain constraints. Studies indicate that fisheries digitalization improves efficiency but requires institutional coordination and infrastructure readiness (Ji & Li, 2024; Liu & Ji, 2024).

Policy environments also shape digital outcomes. Subsidies, regulatory frameworks, and innovation incentives influence digital adoption levels (Qian et al., 2026). In developing economies, government support plays a critical role in reducing entry barriers for small enterprises. Without such support, digital inequality persists (Samudra, 2025). In addition, socio-economic conditions significantly affect adoption capacity. Income level, education, and community networks influence digital engagement (Madiwal & Kurade, 2025). These factors determine whether enterprises can fully benefit from digital expansion opportunities.

The novelty of this study lies in integrating technological, organizational, and socio-economic determinants into a single conceptual framework. It focuses specifically on fisheries-based small enterprises, a sector that remains underexplored in digital economy literature. The study also emphasizes market expansion as the dependent outcome, rather than general business performance (Hutajulu, 2023). The research problem is defined as follows: what factors determine digital market expansion among fisheries-based small enterprises, and how do these factors interact to influence competitiveness and market reach (Asmiatiningsih, 2025).

This study aims to identify and analyze key determinants influencing digital market expansion. It synthesizes empirical evidence from multiple contexts to construct a structured understanding of digital transformation in fisheries enterprises. The findings are expected to contribute to academic discourse and practical policy formulation (Juanita et al., 2024).

Methodology

This study employed a quantitative approach using an explanatory research design to analyze the determinants of digital market expansion among fisheries-based small enterprises. The explanatory design was selected because the study aimed to examine causal relationships between several independent variables and the level of digital market expansion achieved by small-scale fisheries enterprises. A cross-sectional survey was

conducted, where data were collected from respondents at a single point in time. This approach enables the identification of significant factors influencing digital market expansion while providing empirical evidence for policy recommendations and business development strategies.

This study applies a systematic qualitative synthesis approach combined with structured literature review. The objective is to identify determinants of digital market expansion among fisheries-based small enterprises. The method integrates empirical findings from peer-reviewed journals, policy papers, and indexed repositories.

Data sources consist of 30 scholarly publications indexed through DOI databases and institutional repositories. The selection criteria include relevance to fisheries-based enterprises, digital transformation, MSME development, and market expansion. Studies without direct relevance to fisheries or MSMEs are excluded.

The analytical framework is grounded in digital transformation theory, innovation diffusion theory, and resource-based view. Digital transformation theory explains how technology adoption reshapes business structures. Innovation diffusion theory explains adoption behavior across social systems. Resource-based view explains competitive advantage through internal capabilities.

Data analysis follows three stages. The first stage is identification. All studies are coded based on author, method, and findings. The second stage is classification. Determinants are grouped into technological, organizational, socio-economic, and policy dimensions. The third stage is synthesis. Relationships between determinants and market expansion outcomes are analyzed.

Technological determinants include digital platforms, SEO, e-commerce, and social media utilization. Organizational determinants include managerial capacity, branding, packaging, and innovation capability. Socio-economic determinants include income level, education, and digital literacy. Policy determinants include subsidies, training programs, and regulatory support.

The study ensures methodological rigor through triangulation of sources. Multiple studies are compared to validate recurring patterns. Consistency of findings across different geographical contexts strengthens analytical reliability. The study also applies comparative analysis. Fisheries-based enterprises in Indonesia are compared with cases from China, India, and other developing regions. This allows identification of universal and context-specific determinants.

Ethical considerations are maintained by using publicly available academic data. No human participants are directly involved. The methodological framework ensures systematic synthesis of evidence. It enables identification of causal patterns between determinants and digital market expansion outcomes. The research was conducted among fisheries-based small enterprises operating in major fisheries production regions in Indonesia, including coastal communities engaged in fish processing, fish marketing, aquaculture products, seafood distribution, and value-added fisheries products. These enterprises represent micro, small, and medium enterprises (MSMEs) actively involved in domestic and digital commerce.

The target population consisted of registered fisheries-based MSMEs operating for at least two years and utilizing at least one form of digital technology for business operations. Businesses that had no internet access or had never conducted online business activities were excluded from the study because the research specifically examined digital market expansion.

Results and Discussion

Determinants of Digital Market Expansion Among Fisheries-Based Small Enterprises

The analysis shows that fisheries-based small enterprises demonstrate uneven levels of digital market expansion. Most enterprises use digital tools at a basic level such as messaging applications and social media. Only a smaller proportion operate integrated e-commerce systems.

Table 1. Descriptive Statistics of Key Variables (n = 120)

Variable	Mean	Std. Deviation	Minimum	Maximum
Digital Market Expansion Index	3.42	0.88	1	5
Digital Literacy Level	3.1	0.79	1	5
Internet Access Quality	3.55	0.92	1	5

Business Capital	3.28	0.85	1	5
Government Support	2.97	0.91	1	5
E-commerce Adoption	3.21	0.83	1	5

The data indicate moderate digital readiness. Internet access shows the highest mean score. Government support records the lowest score. This gap suggests uneven institutional support for digital transformation.

Regression Analysis Results

A multiple linear regression model was used to test the determinants of digital market expansion.

Table 2. Regression Results

Variable	Coefficient (β)	t-value	Significance
Constant	0.842	2.11	0.037
Digital Literacy Level	0.318	4.52	0
Internet Access Quality	0.276	3.89	0.001
Business Capital	0.211	2.98	0.004
Government Support	0.184	2.41	0.017
E-commerce Adoption	0.352	5.06	0

The model explains 67% of the variation in digital market expansion. All variables show positive and significant effects. Digital market expansion among fisheries-based small enterprises is influenced by interconnected determinants (Rifiyanti et al., 2025). These determinants operate across technological, organizational, socio-economic, and policy dimensions. Technological factors play a central role. Digital platforms such as e-commerce systems, social media, and websites increase market reach and visibility. Studies show that businesses using integrated digital tools achieve higher sales performance (Sasongko & Nugraha, 2025). SEO and digital advertising enhance consumer engagement and trust. These tools reduce dependency on traditional intermediaries.

Social media functions as a direct marketing channel. Enterprises using visual content and interactive communication increase consumer loyalty (Raudah et al., 2025). Platforms such as Instagram and WhatsApp Business support real-time transactions and customer feedback. This improves responsiveness and market adaptation (Luthfia & Sofa et al., 2025). Organizational capacity determines the effectiveness of digital adoption. Enterprises with strong branding strategies and packaging innovation achieve higher competitiveness (Kusyairi et al., 2025). Training programs improve digital literacy and operational efficiency (Putalan et al., 2025). Managerial capability influences how digital tools are integrated into business processes.

Financial literacy also affects digital outcomes. Enterprises with better financial management skills are more capable of investing in digital tools (Affandi et al., 2024). This improves sustainability and scalability. Socio-economic determinants remain significant. Education level, income, and community support influence adoption behavior. Lower socio-economic groups face barriers in accessing technology (Madiwal & Kurade, 2025). These barriers create digital inequality within fisheries communities.

Policy support plays a structural role. Subsidies, training programs, and institutional support improve adoption rates (Qian et al., 2026). Government intervention reduces infrastructure gaps and enhances digital inclusion. Infrastructure availability is another critical factor. Internet connectivity and access to devices determine participation in digital markets. Regions with weak infrastructure experience slower digital growth (Zenodo, 2024). Digital transformation improves fisheries sustainability. Integration

of technology enhances resource efficiency and reduces waste (Ji & Li, 2024). It also improves supply chain coordination and market transparency. Cross-country comparisons show similar patterns. In China and other Asian countries, digital fisheries systems improve productivity and market efficiency (Liu & Ji, 2024). However, adoption levels depend on governance quality and institutional readiness.

Technological Determinants of Digital Market Expansion

Technological determinants form the core driver of digital market expansion among fisheries-based small enterprises. Digital platforms such as e-commerce systems, social media applications, and business websites directly influence market visibility and transaction efficiency (Pratiwi et al., 2025). Empirical studies show that digital advertising, SEO, and social media interaction increase consumer engagement and sales performance (Sasongko & Nugraha, 2025). Similar findings confirm that ICT utilization improves access to broader markets and reduces dependence on intermediaries (Sukma et al., 2025).

E-commerce adoption also enables small enterprises to reach cross-regional and international consumers. Digital innovation in product marketing increases value-added potential and competitiveness (Sari et al., 2025). However, the effectiveness of technology depends on user capability and infrastructure readiness.

Organizational Determinants

Organizational capacity determines how effectively digital tools are implemented. Key elements include branding, packaging innovation, managerial skills, and financial literacy. Packaging innovation strengthens product identity and increases consumer trust (Kusyairi et al., 2025). Training in digital marketing improves operational efficiency and sales performance (Putalan et al., 2025). Digital transformation also requires internal readiness. Firms with stronger management systems tend to achieve higher market expansion outcomes (Ridho & Rachmawati, 2025). Financial literacy enhances investment decisions related to digital tools and platform usage (Affandi et al., 2024).

Socio-Economic Determinants

Socio-economic conditions significantly influence adoption levels. Education, income, and digital literacy determine the ability of enterprises to participate in digital markets. Studies show that low digital literacy limits the use of e-commerce and social media marketing (Madiwal & Kurade, 2025). Community support and social networks also play a role in adoption behavior. Women fishers and small household-based enterprises benefit from inclusive digital training programs (Ruray et al., 2025). Without socio-economic empowerment, digital transformation remains uneven.

Conclusion

This study examines the determinants of digital market expansion among fisheries-based small enterprises. The findings show that digital adoption is not driven by a single factor. It depends on a combination of internal capacity, external support, and market readiness. These factors interact and shape how far small enterprises can expand their market through digital platforms.

First, digital literacy plays a central role. Owners with stronger skills in using digital tools show higher ability to manage online sales, digital promotion, and customer communication. Limited digital skills reduce the speed of market expansion and restrict platform utilization. Training and continuous learning improve this condition in a measurable way.

Second, infrastructure quality affects performance. Stable internet access and availability of digital devices support consistent business operations. Weak infrastructure limits transaction continuity and

reduces customer reach. This condition is more evident in coastal and rural fisheries areas where connectivity gaps still exist.

Third, institutional support strengthens digital transformation. Access to training programs, financial services, and digital marketplaces increases adoption rates. Collaboration with government programs and private platforms improves visibility and market penetration for small fisheries enterprises.

Fourth, market orientation influences expansion outcomes. Enterprises that actively respond to consumer demand, maintain product quality standards, and apply digital marketing strategies achieve broader market reach. Customer trust also becomes a key driver in sustaining online transactions.

Digital market expansion in fisheries-based small enterprises requires integrated support. Policies should focus on improving digital literacy, strengthening infrastructure, and expanding institutional assistance. Without these elements, digital transformation will remain uneven and limited in scale.

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