

ABSTRACT

Implementing a digital marketing strategy requires strong capital. The main capital is the resources owned by MSMEs. Therefore, the implementation of digitalization can be done effectively. Product sales through the marketplace continue to increase. In 2021, the volume of product sales through the marketplace reached 121 million or an increase of 44% when compared to the 2020 period. "There is a trend of digitalization rising to 44%. So that all cooperatives are already proficient in digital. Bandung City Government hopes that there will be policies that are fair and can reach digital MSME players and those who do not adapt to online technology, of which there are estimated to be many. Digital marketing, they (MSMEs) must be introduced, at least social media because there is still a lack of interest in using digital technology.

With limited resources, MSMEs need to build their capabilities to maximize their adoption. To understand MSMEs and their relationship with marketplace adoption, a survey was conducted on 100 MSMEs in Bandung City. The hypotheses of this study are capabilities and ecosystem perspective as requirements for adapting marketplaces. The results of this study show that marketplace usage is significantly and positively influenced by the capability and ecosystem perspectives. This study provides practical and academic implications, including the importance for MSME owners, especially in Bandung City, to look at and review the capabilities and ecosystems of both MSMEs and marketplaces to be used.

Keywords: *Micro, Small and Medium Enterprises (MSMEs), capability perspective and ecosystem perspective on digital transformation*