# ABSTRACT

*Micro, Small, and Medium Enterprises (MSMEs) have proven to be a crucial pillar of Indonesia's economic structure, significantly contributing to economic growth and job creation. However, the adoption of digital technology in MSME operations remains limited, despite the urgent need for digital transformation to strengthen the national economic ecosystem. This study aims to understand how optimizing digital technology can affect MSME business performance, focusing on both non-financial and financial aspects.*

*This research uses MSMEs in Cirebon City as the study object, where MSMEs serve as the backbone of the local economy with approximately 2,206 active business entities across various sectors. Despite efforts by relevant authorities to provide training and technical guidance, only 25 percent of MSMEs have successfully transitioned to the digital era, particularly in marketing strategies. Therefore, this study evaluates the use of social media, specifically Instagram, which has become an essential marketing tool for MSMEs to interact with consumers and promote their products or services.*

*A multidisciplinary approach is employed to explore the effectiveness of social media marketing by collaborating with Instagram experts and analyzing qualitative data from Batik Mahkota, Nonaki Batik, and Diana Batik MSMEs. The primary objective is to measure the impact of Instagram usage on MSME business performance, both non-financial and financial. Additionally, this research offers social media management strategy recommendations that can be directly implemented in social media management experiments by these MSMEs to observe their real impact on business performance.*

*This research findings show significant variations in Instagram adoption among Batik Mahkota, Nonaki Batik, and Diana Batik MSMEs. Batik Mahkota and Nonaki Batik require substantial improvements, while Diana Batik shows better adoption but still needs enhancement. Increased Instagram presence, better content strategies, and maximum utilization of Instagram features can improve interaction and business performance.*

*This research provides insights for MSMEs to develop effective digital marketing strategies through Instagram. It also offers practical suggestions for academics for long-term research and exploration of other social media platforms like TikTok to provide more comprehensive insights. It is hoped that this study will assist MSMEs and academics in developing effective and applicable digital marketing strategies.*

*Keywords : Digital Marketing, Social Media Marketing, Instagram MSMES.*