



# TikTok Live as a Digital Marketing Innovation for Micro, Small, and Medium Enterprises: Implications for Brand Communications and Competitive Advantages

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## ABSTRACT

The rapid growth of live commerce has reshaped digital marketing practices among micro, small, and medium enterprises (MSMEs), particularly within the food and beverage sector operating in highly competitive urban markets. This study explores how MSMEs adopt and interpret TikTok Live as a digital marketing innovation that strengthens brand communication and fosters sustainable competitive advantage. Unlike prior research that often frames live streaming merely as a short-term sales tool, this study emphasizes its strategic role in resource development. Employing a qualitative approach, the research integrates interpretative phenomenological analysis with strategic case studies. The investigation was conducted among food and beverage MSMEs in Malang City that actively utilize TikTok Live in their marketing activities. Data were collected through in-depth semi-structured interviews, limited observation of live streaming practices, and documentation review. Thematic and interpretive analysis was carried out using the Resource-Based View (RBV) framework. Findings reveal that TikTok Live functions not only as a promotional medium but as a dynamic marketing capability grounded in real-time interaction. Continuous engagement enables MSMEs to cultivate intangible resources such as communicative competence, market learning, creativity, authenticity, and emotional bonds with consumers. Branding emerges from accumulated interactive experiences and emotional proximity, rather than from one-way communication or visual identity alone. These intangible resources are historically embedded, difficult to replicate, and thus form the foundation of sustainable competitive advantage. Theoretically, this study extends RBV by integrating perspectives of dynamic capabilities and interactive experiences within the context of live commerce. In practice, it highlights how MSMEs can leverage TikTok Live to build enduring brand value, how media platforms can serve as spaces for authentic consumer engagement, and how audiences benefit from more personalized, emotionally resonant brand communication.

## Keywords

digital marketing communication, MSME branding, MSMEs food and beverage, resource-based view, TikTok live

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## To cite this article (7<sup>th</sup> APA style):

Mauludin, M. F. (2024). TikTok Live as a digital marketing innovation for micro, small, and medium enterprises: Implications for brand communications and competitive advantages. *Journal Communication Spectrum: Capturing New Perspectives in Communication* 14(2), 136-148. <http://dx.doi.org/10.36782/jcs.v14i2.2690>

## INTRODUCTION

The development of digital technology has brought about fundamental changes in the way Micro, Small, and Medium Enterprises (MSMEs) conduct marketing activities and build relationships with consumers. Digitalization is no longer understood solely as the use of the internet or social media for promotional purposes, but has evolved into a marketing ecosystem that emphasizes real-time consumer interaction, experience, and engagement. In the food and beverage sector, this

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transformation is increasingly relevant given the product's highly dependent nature on visualization, trust, and the consumption experience. In this context, the ability of MSMEs to adopt digital marketing innovations becomes a strategic factor in building branding and maintaining competitive advantage amidst increasingly competitive market dynamics.

Competition among food and beverage MSMEs in urban areas continues to intensify. Malang City is one example of a city with rapid and diverse culinary MSME development. According to data from the Malang City Cooperatives, Industry, and Trade Office, in 2022, there were 7,203 culinary MSMEs spread across five sub-districts. The distribution of MSMEs is uneven and reflects variations in market characteristics and levels of competition between regions, as presented in Table 1.

**Table 1.** Number of culinary MSMEs by district in Malang City

<b>Subdistrict</b>	<b>Number of MSMEs (Units)</b>	<b>Percentage (%)</b>	<b>Regional Characteristics (Competitive Implications)</b>
<b>Kedungkandang</b>	904	12,55	Dense residential area, strong local market
<b>Sukun</b>	1.330	18,46	Mixed commercial residential, moderate competition
<b>Klojen</b>	778	10,80	City center, selective MSMEs and niche markets
<b>Blimbing</b>	1.346	18,69	Industrial and trade area, high competition
<b>Lowokwaru</b>	2.845	39,50	Education and student areas, competition is very high
<b>Malang City</b>	7.203	100,00	—

*Source:* Data processed from the Malang City Cooperatives, Industry and Trade Service (2022).

Based on Table 1, Lowokwaru District has the highest concentration of culinary MSMEs, accounting for 39.50% of the total culinary MSMEs in Malang City. This is due to the Lowokwaru area's characteristics as an educational and student residential area, which creates high demand for food and beverage products. However, the high number of business actors in this region also reflects a very tight level of competition, so that MSMEs are required to develop more innovative differentiation strategies, especially through strengthening branding and digital marketing communications.

In other areas, Blimbing and Sukun Districts each contribute more than 18% of culinary MSMEs, indicating relatively high levels of competition with diverse market characteristics. Conversely, Klojen and Kedungkandang Districts have a smaller proportion of MSMEs, but still demonstrate potential for competition based on proximity, specific consumer segments, and local market loyalty. This distribution confirms that the success of culinary MSMEs in Malang City is not solely determined by the number of business actors, but rather by the ability to adapt to the characteristics of the regional market and the effectiveness of the marketing strategies implemented.

Field research shows that many food and beverage MSMEs face difficulties in maintaining consistent sales, especially when the products they offer have similar characteristics to competitors. In crowded markets, conventional marketing strategies such as price-based promotions or discounts tend to be ineffective in delivering long-term impact and can even potentially depress profit margins. This reality emphasizes the need for MSMEs to build stronger differentiation through brand image, emotional connection with consumers, and interactive and authentic marketing experiences.

From the perspective of competitive advantage theory, Porter (2008) asserts that competitive advantage stems from an organization's ability to create unique and difficult-to-imitate value. This view is reinforced by the resource-based view (RBV) framework, which positions intangible resources such as innovation capabilities, knowledge, customer relationships, and brand strength as the primary foundation of sustainable competitive advantage (Barney, 2010). In the context of food and beverage MSMEs, these strategic resources are often reflected in brand communication capabilities, content creativity, and adaptive use of digital platforms (Wijaya, 2023).

Social media has long been positioned as a crucial tool in supporting MSME marketing.

Maharani et al. (2012) demonstrated that utilizing social media can strengthen competitive advantage by increasing brand visibility and interaction with consumers, which in turn will increase the level of emotional branding impact (Wijaya, 2013). However, empirical evidence suggests that most MSMEs still use social media passively and informatively, such as uploading product photos, prices, and promotions, without an integrated communication strategy. This pattern results in one-way communication that is less able to build sustainable consumer engagement, resulting in relatively weak branding and being easily displaced by competitors.

The development of live streaming features has introduced a digital marketing communications innovation known as live commerce. TikTok Live has become a prominent platform due to its ability to integrate entertainment, real-time interaction, storytelling, and transactions in a single digital space. Field observations indicate that a growing number of food and beverage MSMEs are utilizing TikTok Live to market their products through cooking demonstrations, packaging demonstrations, and direct dialogue with consumers. Spontaneous interactions and direct responses to audiences create a more personalized marketing experience than static content.

Several studies have shown that live streaming shopping can increase purchase intention, trust, and audience engagement (Liu et al., 2020; Suarna, 2022; Kelly & Febriyanto, 2022). Other studies highlight TikTok's role in promotional strategies and personal branding (Putri & Azeharie, 2021; Muslikhun, 2022; Nasution & Elihami, 2022). However, these studies still tend to position TikTok Live as a short-term sales boosting tool, thus lacking a comprehensive examination of how TikTok Live is interpreted and utilized by MSMEs as a digital marketing communications innovation to build branding and sustainable competitive advantage.

Theoretically, this research is based on the integration of the resource-based view, innovation theory, and engagement-based brand communications. Innovation in the context of MSMEs often emerges through new ways of communicating with the market and building relationships with consumers (Lesakova, 2009; Mauludin, 2023; Rosli & Sidek, 2013). Lumpkin and Dess (2001) emphasize that an entrepreneurial orientation, reflected in the courage to innovate and explore digital opportunities, plays a crucial role in improving business performance. Within the RBV framework, TikTok Live can be understood as a valuable, relatively rare, and difficult-to-imitate digital marketing capability because it relies heavily on the creativity, authenticity, and ability of MSMEs to build real-time interactions with consumers.

Furthermore, knowledge-based innovation theory emphasizes the importance of continuous learning and absorptive capacity in creating competitive advantage. Direct interaction through TikTok Live enables MSMEs to obtain rapid consumer feedback, understand market preferences, and dynamically adjust communication and product strategies (Chen et al., 2009; Thornhill, 2006). Thus, TikTok Live serves not only as a promotional medium but also as a means of market learning and experiential brand strengthening.

Based on these conditions, the urgency of this research lies in the need to deeply understand how TikTok Live is utilized and interpreted by food and beverage MSMEs as a digital marketing innovation in facing increasingly dense urban competition. This research is directed to answer the questions of how MSME actors build communication and interaction practices through TikTok Live, how these practices form intangible resources from a resource-based view perspective, and how these capabilities contribute to strengthening branding and creating sustainable competitive advantages. The novelty of this research lies in the integration of the RBV perspective, digital marketing innovation, and live commerce-based brand communications in the empirical context of urban culinary MSMEs.

## **METHOD**

This research uses a qualitative approach with an interpretive phenomenological design combined with a case study strategy. This approach was chosen because the research aims to deeply understand the subjective experiences, meaning-making processes, and interpretations of food and beverage MSMEs in utilizing TikTok Live as a digital marketing communication innovation. The focus of the research is not directed at measuring causal relationships or testing hypotheses, but rather

on exploring how live commerce practices are understood, implemented, and constructed by MSMEs as a source of competitive advantage.

The interpretive phenomenological approach places the subject's experience at the center of analysis, with an emphasis on the process by which individuals give meaning to the social practices they engage in. Smith and Fieldsend (2021) emphasize that interpretive phenomenological analysis (IPA) focuses on an in-depth exploration of lived experiences and the interpretive processes individuals undertake within specific contexts. Therefore, this approach is relevant for understanding how MSMEs interpret the use of TikTok Live not only as a marketing tool but also as part of their business strategy and brand identity.

The analytical framework of this research is based on the Resource-Based View (RBV), which views competitive advantage as the result of an organization's ability to manage internal resources and capabilities that are valuable, rare, difficult to imitate, and non-substitutable (Wernerfelt, 1984; Mahoney & Pandian, 1992; Barney, 2010). In the context of this research, TikTok Live is positioned as an intangible digital marketing capability, whose strategic value depends on creativity, authentic communication, and the ability of MSMEs to build real-time consumer engagement. Thus, TikTok Live is understood not merely as a technology platform, but as an integrated combination of digital resources and human capabilities.

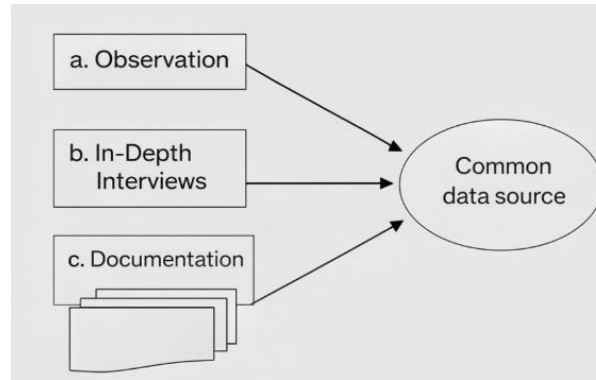
A case study is used as a research strategy to allow for contextual and in-depth exploration of phenomena within the competitive environment of urban culinary MSMEs. Malang City was chosen as the research location due to its high concentration of food and beverage MSMEs and intense competition. These conditions make Malang City a relevant empirical context for examining the dynamics of digital marketing communication innovation and the formation of competitive advantages based on business experience.

Informants were selected using purposive sampling, considering their depth of experience and relevance to the phenomenon under study. The informant criteria included: (1) food and beverage MSMEs actively operating in Malang City, (2) having used TikTok Live as part of their marketing strategy, and (3) being directly involved in planning, implementing, and interacting with consumers during live streaming sessions. The number of informants was determined flexibly until data saturation was reached, which is the condition when the data obtained has been repeated and no longer produces significant new findings or meanings.

Data collection was conducted through triangulation methods, including in-depth interviews, limited participant observation, and documentation studies. Triangulation was used to increase data validity by utilizing various sources and data collection techniques as comparisons. Moleong (2017) explains that triangulation is a technique for checking data validity by utilizing something outside the data itself for checking or comparison purposes. Denzin in Moleong (2017) distinguishes four forms of triangulation: source, method, investigator, and theory triangulation. In this study, triangulation focused on method and source triangulation.

In-depth semi-structured interviews were conducted to explore the personal experiences, meanings, and reflections of MSMEs on the use of TikTok Live in building branding and competitive advantage. Observations were conducted by directly observing TikTok Live activities, including communication styles, interaction patterns with audiences, consumer responses, and transaction dynamics during the broadcast. In addition to direct observations, indirect observations were also conducted through the observation of broadcast recordings and digital interaction traces. Documentation studies were used as supporting data in the form of archived live streaming content, screenshots of interactions, and relevant digital promotional materials.

To clarify the data collection flow, the method triangulation model in the interpretive phenomenological approach is presented in Figure 1, which shows the relationship between interviews, observations, and documentation in producing a comprehensive understanding of the phenomenon being studied.



**Figure 1.** Triangulation Model of Methods in the Interpretative Phenomenological Approach (Source: Adapted from Miles & Huberman, 1994).

Data analysis was conducted interpretively and thematically, in line with phenomenological principles that emphasize understanding the meaning of research subjects' experiences. The analysis stages included data transcription, repeated readings, open coding, grouping meanings into essential themes, and reflective interpretation of the findings. The resulting themes were then analyzed using a Resource-Based View lens to identify how TikTok Live practices are interpreted as strategic resources and capabilities in building branding and competitive advantage for food and beverage MSMEs.

Data validity was maintained through the application of method and source triangulation, member checking, and researcher reflexivity throughout the data analysis and interpretation process. These steps were taken to minimize subjective bias and ensure that the resulting interpretations remained rooted in the experiences and narratives of the informants. With this methodological approach, the research is expected to produce an in-depth, contextual, and scientifically sound understanding of the role of TikTok Live as a digital marketing communications innovation in strengthening the branding and competitive advantage of food and beverage MSMEs.

## FINDINGS AND DISCUSSION

This research provides a significant theoretical contribution to the development of the Resource-Based View (RBV) in the context of digital marketing and live commerce for MSMEs. Unlike most previous studies that position digital platforms as stand-alone technological tools or resources, this research shows that the strategic value of TikTok Live is not inherent in the technology, but rather is formed through the process of meaning, social practices, and experiences of MSME actors in managing interactions with consumers. Thus, this research expands the RBV by emphasizing that real-time interaction-based digital marketing capabilities are the result of an orchestration between technological resources and human resources that are interpretative and contextual.

Conceptually, the findings of this study enrich the RBV by incorporating the dimensions of interactive experiences and social relationships as integral parts of intangible resources. The branding, creativity, and emotional closeness built through TikTok Live are not understood as mere communication outputs, but as strategic assets that are path-dependent and embedded in MSMEs. This perspective goes beyond the traditional RBV approach that tends to emphasize resource ownership, highlighting the importance of the process of resource formation, learning, and internalization through repeated interactions in the digital space.

Furthermore, this research contributes to the development of the RBV integrated with the dynamic capabilities perspective. Empirical findings indicate that TikTok Live functions as a sensing and learning mechanism that enables MSMEs to capture market signals, interpret consumer preferences, and adaptively reconfigure marketing and product practices. Thus, MSMEs' competitive advantage stems not only from the existence of valuable resources but also from their continuous ability to renew and orchestrate these resources in the face of the dynamics of urban competition

In the context of live commerce studies, this research also contributes by shifting the analytical focus from a short-term sales orientation to an understanding of live streaming as an arena for long-term strategic resource formation. TikTok Live is positioned as a digital social space where symbolic, relational, and emotional value are produced, which have direct implications for the sustainability of MSMEs' competitive advantage. Thus, this research enriches the live commerce literature with a strategy- and resource-based approach, rather than simply consumer behavior or sales performance. Overall, this research's theoretical contribution lies in the integration of the Resource-Based View, dynamic capabilities, and interactive experiences in explaining how food and beverage MSMEs build competitive advantage through the use of TikTok Live. This integration provides a more comprehensive conceptual framework for understanding the role of digital technology as an orchestration mechanism for intangible resources in the context of MSMEs and the experience-based digital economy.

### **MSME Actors' Interpretation of the Role of E-commerce in Business Activities**

Research findings indicate that food and beverage MSMEs do not view TikTok Live solely as a promotional medium or message distribution channel, but rather as a digital social space that enables intense, spontaneous, and ongoing two-way interactions with consumers. This understanding stems from the informants' direct experiences interacting with audiences during live sessions, which is significantly different from uploading static content such as photos or short videos.

Informant I1 explained that through TikTok Live, he can explain the characteristics of his products more comprehensively, from raw materials and production processes to recommended consumption methods. These explanations often evolve based on audience questions, making the communication flow flexible and dialogic. Informant I2 added that real-time consumer responses, such as comments, questions, and special requests, create the impression that consumers are "present" with the seller in the same communication space, even though they are physically separated.

Informants I3 and I4 also shared a variety of experiences. Informant I3 utilized TikTok Live as a platform for live product demonstrations, particularly to demonstrate food textures and portions, which are difficult to capture through photos. Meanwhile, Informant I4 emphasized TikTok Live's role as a platform for transparency, openly displaying packaging processes and kitchen hygiene to build consumer trust. While their purposes for using TikTok Live varied, all informants shared a common understanding of live streaming as a more "human" and personal communication medium.

These findings demonstrate that real-time interactions serve not only as a sales tool but also as a mechanism for building social relationships between MSMEs and consumers. Consumers are no longer positioned as passive target markets, but rather as active participants who shape communication flows and brand experiences. In the context of intense competition among culinary MSMEs in Malang City, this type of interaction is a crucial differentiator amidst the homogeneity of product offerings.

From a Resource-Based View perspective, TikTok Live can be understood as a valuable digital marketing capability, as it creates added value through interactive experiences that cannot be achieved through conventional promotional media. This value lies not solely in the technology itself, but in how it is operated and interpreted by MSMEs. This capability is also contextual and difficult to imitate, as it relies heavily on the communication skills, personal style, and experience of each entrepreneur (Wernerfelt, 1984; Mahoney & Pandian, 1992).

Thus, TikTok Live cannot be positioned as a standalone technology asset, but rather as an integrated combination of digital and human resources. The resulting advantage stems not from platform ownership, but from the ability of MSMEs to orchestrate interactions, build dialogue, and create meaningful experiences for consumers. These findings confirm that in the context of MSMEs in the food and beverage industry, competitive advantage is determined more by the quality of internal capabilities than by business scale or promotional intensity.

Theoretically, these findings enrich the development of the RBV by demonstrating that real-time digital interaction-based capabilities can be a source of sustainable competitive advantage. Practically, MSMEs need to view TikTok Live as part of a long-term communication strategy, which requires consistency, interaction readiness, and the development of personal communication skills.

From a policy perspective, these findings indicate that MSME empowerment programs should not only focus on technology adoption but also on strengthening contextual digital interaction and communication capabilities.

### **Creativity and Authenticity as Intangible Resources**

Research findings indicate that food and beverage MSMEs (SMEs) perceive creativity and authenticity not as additional elements in using TikTok Live, but as the core of successful live-streaming brand communications. Creativity and authenticity are key differentiating factors that determine whether interactions during live sessions build emotional engagement and consumer trust, or end up as one-way, transactional communication

Informant I2 explained that TikTok audiences tend to lose interest quickly when product presentations feel too formal, stiff, or resemble conventional advertising. Conversely, live sessions featuring spontaneity, such as lighthearted banter, honest responses to criticism, or acknowledgment of product limitations, actually spark more active engagement. This suggests that audiences aren't just looking for product information, but also for communication experiences that feel authentic and human.

Informants I3 and I5 shared similar experiences. Informant I3 emphasized the importance of storytelling in live sessions, particularly stories about the process of starting a business, production challenges, and the dynamics of dealing with customers. These stories often spark empathetic comments from the audience and extend the duration of the interaction. Informant I5 added that humor and local language styles relevant to the consumer segment in Malang City make the audience feel "on the same wavelength" as the sellers, so that the interaction doesn't feel like a mere seller-buyer relationship, but rather a social conversation.

These variations in practice demonstrate that creativity isn't solely expressed in the visual or technical aspects of broadcasts, but rather in the ability of MSMEs to package messages and construct narratives that are relevant to consumers' daily experiences. Authenticity serves as a foundation for trust, as consumers perceive the messages delivered as genuine and reflect the business owner's true identity. In the context of competition among culinary MSMEs in Malang City, which is relatively homogeneous in terms of products, creativity and authenticity serve as significant differentiation mechanisms.

From a Resource-Based View perspective, the communication creativity and authenticity of MSMEs can be understood as unique intangible resources, inherent to the individual, and difficult for competitors to directly imitate (Barney, 2010). These resources cannot be easily replicated because they are formed from the accumulation of personal experiences, individual values, and communication styles that develop organically. Thus, creativity and authenticity are not merely communication attributes, but rather valuable and rare internal capabilities.

These findings confirm that the competitive advantage of food and beverage MSMEs is not always determined by the intensity of promotions or technological sophistication, but rather by the ability of business actors to consistently manage and express intangible resources. TikTok Live, in this context, serves as a medium that allows these resources to be displayed and articulated directly to consumers.

Theoretically, these findings enrich the development of the RBV by positioning creativity and authenticity as strategic resources in the context of live commerce-based digital marketing. Practically, MSMEs need to avoid a uniform communication approach and copying competitors, and encourage the exploration of brand identities that align with the characteristics of business owners. From a policy perspective, these findings indicate that MSME mentoring programs should be directed at strengthening creativity, storytelling, and the expression of local identity, rather than solely standardizing digital content.

### **TikTok Live as a Means of Market Learning and Dynamic Capabilities Strengthening.**

Research findings indicate that food and beverage MSMEs utilize TikTok Live not only as a digital marketing and brand communication channel but also as a means for ongoing, direct market learning. Through real-time interactions, MSMEs gain insights previously difficult to obtain through formal

surveys or offline sales, particularly regarding consumer preferences, price perceptions, flavor variations, and service expectations.

Informant I1 explained that during the live session, consumer questions often focused on product details they hadn't previously considered, such as spiciness levels, ideal portion sizes, or possible menu modifications. This information then became the basis for evaluation by MSMEs when adjusting their products. Informant I4 added that spontaneous consumer comments both praise and criticism provided a direct view of a product's strengths and weaknesses without the need for intermediaries.

Informants I2 and I5 also shared their market learning experiences. Informant I2 stated that TikTok Live helped him understand consumption patterns and consumer interests, such as the differences in audience response during daytime and evening live sessions. Meanwhile, Informant I5 used TikTok Live to test market response to new menu items before mass production. This way, the risk of product failure can be minimized from the start.

These findings suggest that TikTok Live serves as a simultaneous learning mechanism: MSMEs deliver messages while simultaneously absorbing information from consumers. This process allows for rapid adaptation to market dynamics, particularly in the context of culinary MSMEs in Malang City, which face high competition and rapidly changing consumer preferences.

From the perspective of the Resource-Based View, which is evolving toward dynamic capabilities, the ability of MSMEs to capture, interpret, and utilize consumer feedback is a crucial form of dynamic capability (Chen et al., 2009; Thornhill, 2006). TikTok Live acts as an enabler that accelerates the sensing and learning process, allowing MSMEs to reconfigure their internal resources more responsively. Thus, competitive advantage stems not only from resource ownership but also from the ability to continuously update and adapt them.

Theoretically, these findings link live commerce to the concept of dynamic capabilities in the context of MSMEs. Practically, MSMEs should utilize TikTok Live as a direct-interaction market research tool, not simply as a sales tool. From a policy perspective, MSME support institutions should provide training in digital feedback analysis to optimize the market learning process.

### **Branding Strengthening through Interactive Experiences and Emotional Closeness**

Research findings indicate that the use of TikTok Live significantly contributes to the formation and strengthening of food and beverage MSME branding. However, this process does not occur through one-way communication mechanisms or the strengthening of visual identity alone. Branding, in this context, is understood as the result of the accumulation of interactive experiences consumers repeatedly experience during live sessions, which then shape perceptions, associations, and emotional bonds with the brand (Wijaya, 2013).

The empirical experiences of informants indicate that consumers respond not only to products as objects of consumption, but also to how brands are "present" and interact in the digital space. Informant I3 stated that consumers often return to TikTok Live sessions not solely because they need the product, but because they feel comfortable with the communication atmosphere created, including the speaking style, humor, and openness in answering questions. This demonstrates that branding develops through relational experiences, not simply exposure to messages.

The dimension of communication consistency emerged as a crucial element in brand identity formation. Informant I1 emphasized that the use of distinctive greetings, consistent joking patterns, and personal responses to audience comments indirectly create a recognizable and memorable brand image. This consistency serves as a symbolic identity marker that distinguishes one MSME from another, even within the same product category.

Variations in branding experiences are also evident in the emphasis on emotional closeness. Informant I4 highlighted that the speed and responsiveness in responding to consumer inquiries are perceived as representing a brand's "friendly," "open," and "caring" character. Meanwhile, Informant I5 observed that consumer emotional engagement is reflected in the emergence of brand advocacy behavior when negative comments are received during live sessions. This phenomenon indicates that the relationship formed has gone beyond a transactional one and developed into an affective bond between consumers and brands.

In the context of competition among culinary MSMEs in Malang City, which tends to be homogeneous in terms of products, these findings confirm that interactive experiences play a key role in differentiation. TikTok Live enables MSMEs to build a personal, contextual, and socially connected brand personality, so that a brand's position in the minds of consumers is determined not only by the functional attributes of the product but also by the accompanying emotional experience.

From a Resource-Based View perspective, branding built through interactive experiences can be understood as a valuable and difficult-to-imitate intangible asset. Brand value lies not solely in visual symbols or communication messages, but rather in the emotional relationships and experiences internalized through repeated interactions between MSMEs and consumers (Wijaya, 2023). Such assets are path-dependent, formed through a historical process of interaction, making them difficult for competitors to replicate in the short term (Wernerfelt, 1984; Mahoney & Pandian, 1992).

Thus, these findings expand on previous studies that tended to position live streaming as a short-term sales-boosting tool. This research demonstrates that TikTok Live serves as a strategic medium for building long-term brand equity based on experiences and relationships, which has direct implications for the sustainability of MSMEs' competitive advantage.

Theoretically, these findings reinforce the view that branding in the digital economy is experiential and relational, and can be understood as a strategic resource within the RBV framework. Practically, the implications of these findings suggest that MSMEs need to integrate TikTok Live into their long-term branding strategies, emphasizing consistent communication and quality interactions. Policy-wise, support is needed to encourage MSMEs not only to adopt digital platforms but also to develop the ability to build a brand identity based on experiences and sustainable emotional connection.

#### **TikTok Live and Creating Competitive Advantage for MSMEs**

Conceptually, the findings of this study indicate that TikTok Live's contribution to the competitive advantage of food and beverage MSMEs lies not solely in increasing short-term sales, but rather in their ability to activate and integrate strategic intangible resources. This competitive advantage is the result of the accumulation of communication capabilities, social relationships with consumers, and the strengthening of brand identity that develops continuously through digital interactions.

The informants' empirical experiences indicate that the dimensions of MSME competitive advantage are no longer determined by product attributes or prices that are relatively easy to imitate. Informants I2 and I3 explicitly emphasized that while competitors can replicate menus, packaging, or discount strategies, they struggle to imitate the personal communication style, interaction patterns, and emotional closeness formed through consistent TikTok Live sessions. This suggests that the source of MSME competitive advantage is increasingly shifting from tangible resources to intangible resources that are relational and experience based.

Within the Resource-Based View framework, these findings affirm the VRIN (valuable, rare, imperfectly imitable, non-substitutable) logic as the basis for sustainable competitive advantage. The interactive communication capabilities developed through TikTok Live meet the criteria of being valuable because they are able to increase consumer perceptions of value and trust; relatively rare because they are strongly influenced by the personal characteristics and local context of MSMEs; and difficult to imitate (imperfectly imitable) because they are formed through historical processes, experience, and learning that cannot be instantly replicated by competitors (Wernerfelt, 1984; Mahoney & Pandian, 1992).

Furthermore, TikTok Live does not function as a standalone strategic resource, but rather as a resource orchestration mechanism. This platform enables MSMEs to combine technological resources with human resources, such as communication skills, creativity, and market knowledge, into a single, integrated marketing practice. This orchestration process produces a unique resource configuration, making the resulting competitive advantage contextual and difficult to transfer to other organizations.

In the context of dense and homogeneous competition among culinary MSMEs in Malang City, a TikTok Live-based strategy is driving a shift in competitive patterns from price-based competition

to value- and experience-based competition. MSMEs no longer compete primarily on price, but rather on the quality of the interaction experience and the relational meaning felt by consumers. This shift has significant strategic implications, as experience-based competition tends to generate stronger consumer loyalty and resistance to price pressure.

Theoretically, these findings strengthen the RBV by demonstrating that the competitive advantage of MSMEs in the digital economy depends not only on resource ownership but also on the ability to orchestrate and interpret those resources within the context of digital social interactions. This research also expands the RBV discourse by incorporating live streaming as an arena for the formation of relational, intangible resources. Practically, the implications of these findings suggest that TikTok Live should be positioned as a core differentiation strategy, not simply a promotional addition. For policymakers, these findings support a paradigm shift in MSME empowerment from a quantity-based approach (number of MSMEs and platform adoption) to a quality-based approach based on strategic capabilities, particularly in managing communications, consumer relations, and digital brand experiences.

### **Synthesis of Findings in the Perspective of Conceptual Model**

The synthesis of this research findings indicates that the use of TikTok Live by food and beverage MSMEs cannot be understood as a linear or deterministic technology adoption, but rather as a social and strategic process mediated by the interpretive abilities, creativity, and learning mechanisms of business actors. Empirical findings obtained from the experiences of informants demonstrate the existence of interconnected conceptual flows, ranging from the use of TikTok Live as a medium of interaction, the development of digital marketing capabilities, to the creation of sustainable competitive advantages.

In its initial stages, TikTok Live served as a capability trigger, triggering the development of digital marketing capabilities based on real-time interactions. This capability wasn't inherent to the platform itself, but rather emerged from how MSMEs interpreted, operated, and integrated the live streaming feature into their daily communication practices. Thus, technology acted as an enabling resource, while its strategic value was determined by the competence of the people managing it.

Furthermore, these digital marketing capabilities facilitate market learning and continuous creative exploration. Direct interaction with consumers enables MSMEs to simultaneously capture market signals, interpret consumer preferences, and evaluate the effectiveness of communication messages. This process reflects the sensing and learning mechanisms at the core of dynamic capabilities, enabling MSMEs to adapt and reconfigure their internal resources responsively to changes in the competitive environment.

The results of market learning and communication creativity are then accumulated in the form of experience-based branding. Branding is no longer understood as the result of visual symbols or one-way messages, but rather as a social construct formed through repeated interactions, consistent communication styles, and emotional closeness between MSMEs and consumers. In this context, a brand becomes a representation of relationships and experiences, not simply a visual identity (Wijaya, 2013).

Conceptually, the accumulation of digital marketing capabilities, market learning, creativity, and interactive experiences generates valuable, rare, and difficult-to-imitate intangible resources. The resulting competitive advantage is sustainable because it cannot be replicated simply by copying technology or content formats; it requires social processes, experiences, and interpretations internalized by MSMEs. This finding aligns with the main principle of the Resource-Based View, which emphasizes that competitive advantage stems from the management of unique and embedded internal resources (Wernerfelt, 1984; Barney, 2010).

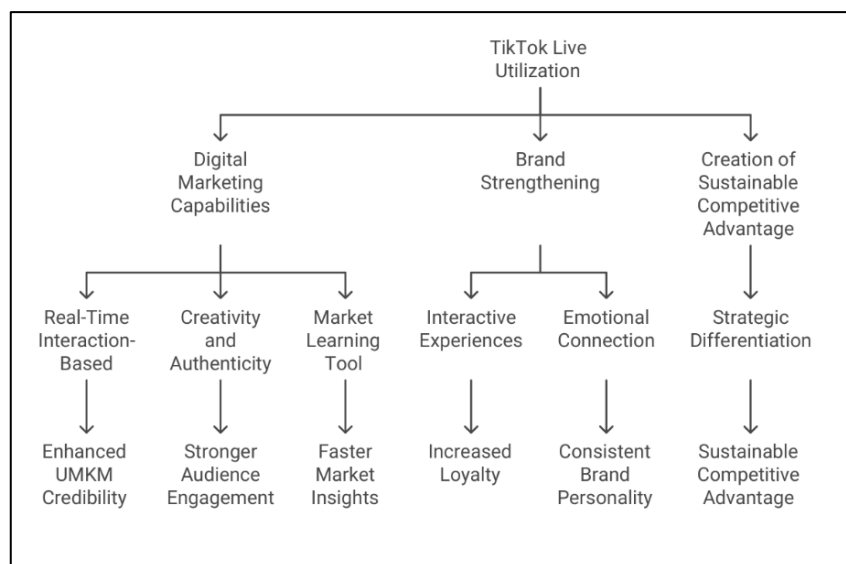
Thus, this research's conceptual model confirms that TikTok Live functions as a resource orchestration mechanism, not simply a promotional channel. Digital technology acts as a medium that enables the activation, strengthening, and integration of intangible resources, particularly communication, learning, and social relations capabilities, which ultimately shape the competitive advantage of food and beverage MSMEs amidst intense urban competition.

Theoretically, this synthesis of findings extends the Resource-Based View by integrating the perspectives of dynamic capabilities and interactive experiences in the context of live commerce.

This research demonstrates that the strategic value of digital platforms is not inherent, but rather generated through the meaning-making processes and social practices of business actors.

Practically, the implications of this model emphasize that TikTok Live should be positioned as a long-term strategic investment in developing MSMEs' intangible resources, rather than a short-term promotional tool. For policymakers, these findings indicate the need to shift MSME empowerment programs from focusing on technology adoption to strengthening interpretive, creative, and sustainable digital learning capabilities.

Thus, this research's conceptual model confirms that TikTok Live functions as a resource orchestration mechanism, not simply a promotional channel. Digital technology acts as a medium that enables the activation, strengthening, and integration of intangible resources, particularly communication, learning, and social relations capabilities, which ultimately shape the competitive advantage of food and beverage MSMEs amidst intense urban competition.



**Figure 2.** Interaction between MSMEs and Consumers via TikTok Live (Source: Author's analysis).

The research findings show that TikTok Live plays a key role in MSMEs' digital communication strategies, shifting product promotion practices from merely informative activities to strategic processes focused on brand strengthening and building consumer loyalty. Through real-time interactions, TikTok Live enables two-way communication that increases transparency, credibility, and consumer engagement.

Utilizing TikTok Live strengthens MSMEs' digital marketing capabilities through creativity, authentic communication, and direct market learning. These capabilities contribute to brand strengthening through interactive experiences and emotional connections that foster loyalty and brand personality consistency. The integration of real-time interactions, emotional engagement, and market responsiveness ultimately results in strategic differentiation and sustainable competitive advantage. Overall, TikTok Live serves not only as a promotional medium but also as a strategic communication infrastructure that connects digital marketing, brand strengthening, and consumer loyalty to support the competitiveness of MSMEs.

## CONCLUSION

This study aims to understand how TikTok Live is utilized and interpreted by food and beverage MSMEs as a digital marketing communications innovation to build branding and sustainable competitive advantage. Based on empirical findings, this study concludes that TikTok Live functions not merely as a digital promotional channel, but rather as a strategic mechanism that activates the development of marketing capabilities based on real-time interactions, market learning, and strengthening MSMEs' intangible resources

Addressing the first research objective, the study results show that MSMEs perceive TikTok Live as a digital social space that enables two-way, spontaneous, and contextual interactions with consumers. This practice generates digital marketing capabilities that are not inherent to technology, but rather to MSMEs' ability to manage dialogue, build rapport, and create meaningful communication experiences. These findings confirm that TikTok Live's strategic value is constructive and interpretive, not deterministic.

Addressing the second research objective, this study found that real-time interactions through TikTok Live serve as a market learning platform that strengthens the dynamic capabilities of MSMEs. Through direct feedback from consumers, businesses are able to capture market signals, evaluate preferences, and quickly adjust communication and product development strategies. Thus, TikTok Live serves as an enabler of the sensing and learning process, crucial for navigating the dynamic competition among urban culinary MSMEs.

Addressing the third research objective, the results show that MSME branding is formed through the accumulation of interactive experiences and emotional closeness consistently built during TikTok Live sessions. Branding does not develop through visual identity or one-way messaging, but rather through social relationships, consistent communication styles, and consumer affective engagement. In the context of relatively homogeneous product competition, interactive experiences become a key source of differentiation that strengthens a brand's position in the minds of consumers.

The most important and novel finding of this study is the confirmation that the competitive advantage of MSMEs generated through TikTok Live stems from the orchestration of intangible resources communication capabilities, creativity, authenticity, and emotional relationships that are embedded and path dependent. This advantage cannot be replicated simply by imitating the platform or content format, thus having the potential for sustainability from a Resource-Based View perspective. This finding expands live commerce studies, which have tended to focus on short-term sales performance, by positioning live streaming as an arena for building long-term strategic resources.

The theoretical implications of this research lie in strengthening and expanding the Resource-Based View by integrating the perspectives of dynamic capabilities and interactive experiences in the context of MSME digital marketing. This research demonstrates that digital technology gains strategic value through social processes and interpretive practices of business actors, not through ownership of the technology itself. Implications for further research include developing comparative studies across regions or sectors of MSMEs to test the consistency of findings across different competitive contexts. Further research could also integrate a longitudinal approach to examine how interactive capabilities and experiential branding evolve over the long term and combine the perspectives of MSMEs and consumers to enrich our understanding of the relational dynamics of live commerce

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