

## The Role of Content Creators in the Profitability of Stores in Palu City

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### ABSTRACT

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**Keywords:**

Digital Content Creators;  
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The digital era has transformed business operations, yet many MSMEs in mid-sized Indonesian cities struggle to leverage digital marketing effectively due to limited knowledge and resources. Content creator services have emerged as a potential solution, but empirical evidence on their financial impact remains scarce. This study analyzed the role of digital content creator services in improving MSME profitability in Palu City, Central Sulawesi. A qualitative case study approach was employed, using semi-structured in-depth interviews with five shop owners (cake shops, building materials stores, mobile phone shops) who had used content creator services for at least six months. Three main themes emerged: (1) Positive ROI all respondents achieved positive returns averaging 135%, with payback periods of less than one month; (2) Marketing cost control monthly marketing costs decreased by 22.2% (from IDR 1,850,000 to IDR 1,440,000) as traditional advertising was eliminated; (3) Operational efficiency promotional time reduced by over 70%, new customer acquisition increased by 180%. The combined effect produced an average net profit margin improvement of 6.3 percentage points (from 12.4% to 18.7%). Content creator services function as a high-yield, low-barrier digital transformation tool for MSMEs. Local governments should expand digital literacy programs, and content creators should offer performance-based pricing to reduce initial financial barriers for cost-sensitive MSMEs.

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### INTRODUCTION

The current digital era has transformed the business landscape, especially for shops. In Palu City, Central Sulawesi, shops are the backbone of the local economy, contributing significantly to employment and Gross Regional Domestic Product (GRDP) (Anugrah, 2024; Idrus, 2022). However, challenges such as intense competition, limited market access, and a lack of digital marketing knowledge make it difficult for many shops to thrive (Ministry of Cooperatives and SMEs, 2022).

The rapid penetration of internet and smartphone usage across Indonesia has fundamentally altered consumer behavior, shifting purchasing decisions increasingly toward online discovery and social media influence. According to APJII (2023), Indonesia recorded over 215 million active internet users, with Central Sulawesi experiencing a 14% year-on-year growth in internet penetration. In Palu City specifically, the Palu City Communication and Informatics Office (2022) reported that 71% of residents actively use social media platforms primarily Instagram, Facebook, and TikTok for daily activities including product discovery

and price comparison. This structural shift in consumer behavior creates both an urgent challenge and a significant opportunity for local MSMEs: those who fail to establish a visible digital presence risk losing market share to competitors who do, while those who successfully leverage social media can access a customer base far larger than their physical store location would traditionally permit (Scott, 2015; Son & Niehm, 2021; Weinman, 2015).

One emerging solution is the use of digital content creator services. Digital content creators are individuals or agencies that produce visual, video, or written content for social media platforms. Their services typically include product photography, short-form video production, copywriting, and social media scheduling (Anagnostou, 2024; Cummings, 2026; Etoma & Adie, 2025). In Palu City, demand for such services has grown substantially since the COVID-19 pandemic accelerated digital transformation among MSMEs (BPS Central Sulawesi, 2021). The pandemic forced many traditional shops to pivot toward online sales channels, and content creators served as an accessible entry point for shop owners who lacked the technical skills or time to manage their own digital marketing. This trend reflects a broader global pattern documented by Chaffey and Ellis-Chadwick (2019), who observe that small businesses increasingly rely on outsourced digital marketing specialists to bridge the gap between limited internal capacity and the growing complexity of effective social media management.

From a financial management perspective, the adoption of content creator services represents an investment decision that must be evaluated against measurable returns. Brigham and Ehrhardt (2017) emphasize that any marketing expenditure undertaken by a firm should be assessed through financial ratio analysis particularly Return on Investment (ROI), profit margin, and cost efficiency ratios to determine whether it contributes positively to the firm's overall profitability. For MSMEs operating on thin margins and limited working capital, this calculus is especially critical: an investment that does not generate a proportional or superior return in revenue will erode already constrained financial resources (Richmond, Yackovlev, & Yang, 2015; Zalik, 2015). It is therefore essential not only to document whether content creator services improve sales, but to rigorously analyze the financial mechanisms through which such improvements occur, including changes in revenue, marketing cost structures, and operational efficiency (Gardner & Lehnert, 2016; Jefferson & Tanton, 2015).

Despite the growing practical adoption of content creator services among MSMEs in Palu City, there remains a significant gap in the empirical literature specifically examining their impact on the profitability and financial performance of local shops in this context. Most existing studies on social media marketing and SME performance focus on larger urban centers such as Jakarta, Surabaya, or Makassar (Kotler et al., 2019; De Vries et al., 2012), leaving smaller regional cities underrepresented. Furthermore, the majority of available studies measure marketing effectiveness through engagement metrics such as likes, shares, and follower counts, rather than through rigorous financial analysis linking digital marketing investment to actual profit margin changes, cost reduction, and ROI (De Vries, 2019; Kennedy, Kunkel, & Funk, 2021; Wies, Bleier, & Edeling, 2023). This research addresses that gap by drawing on the author's direct practical experience as a content creator service provider for shops in Palu City, where multiple shop owners reported tangible increases in sales and profit following the adoption of these services.

The novelty of this research lies in three specific contributions to the literature. First, this study integrates ROI analysis, marketing cost control, and operational efficiency into a single comprehensive evaluation framework an approach not found in previous research on digital marketing for MSMEs in Indonesia. Second, this study is the first to empirically analyze the role of content creators in store profitability in Palu City post-pandemic, filling a geographical gap in the literature, which has previously focused on Java. Third, this study uses a qualitative approach with data triangulation from in-depth interviews, field observations, and simplified financial statement analysis, providing higher validity than studies relying solely on perception surveys. This novelty is important because it allows for deeper conclusions about causal mechanisms beyond mere correlation.

This research therefore aims to analyze the role of digital content creator services in the profitability of MSMEs in Palu City through a qualitative case study approach. Specifically, it seeks to: (1) identify the level of utilization of content creator services among shops in Palu City; (2) examine the financial themes particularly ROI analysis, marketing cost control, and operational efficiency that emerge from the lived experiences of shop owners who have adopted these services; and (3) provide evidence-based strategic recommendations for MSMEs seeking to improve their financial performance through digital marketing. The findings are expected to contribute to both the academic literature on digital marketing and MSME financial management, and to provide practical guidance for shop owners, policymakers, and content creator practitioners operating in regional Indonesian cities.

## **METHOD**

### **Research Approaches and Types**

This research employed a qualitative approach with a case study method through in-depth interviews. The population consisted of shop owners in Palu City who had used content creator services for at least six months. A sample of five respondents was selected using purposive sampling, including cake shops, building materials shops, and mobile phone shops.

### **Research Theme**

1. Main Theme: The Role of Content Creators in Profitability.
2. Sub-themes: ROI Analysis, Cost Control, Operational Efficiency.

### **Data collection technique**

Data was collected through semi-structured in-person or online interviews lasting 45-60 minutes per respondent. The interview guide included open-ended questions about experiences using content creator services, the impact on profitability through financial analysis such as ROI and profit margins, and challenges faced. Additional data was obtained through field observations, documentation of social media content, and simple financial statement analysis of respondents.

### **Data Analysis Techniques**

Analysis use analysis thematic analysis based on Braun and Clarke's (2006) method, which includes:

1. Familiarization with data
2. Encoding beginning
3. Search theme
4. Review theme
5. Naming theme
6. Compilation report

Data validity is guaranteed through triangulation source and member checking.

## RESULT AND DISCUSSION

### Description Respondents

Five respondents consist of from owner shop material cake, shop material buildings, and cellphone shops in Palu City. All respondents have use service content creator for a minimum of 6 months, with age shop ranging from 3-7 years and turnover monthly Rp. 10-30 million.

### Thematic Analysis Results

Thematic analysis identified three main themes related to the role of content creators in profitability:

1. Positive ROI Analysis Respondents reported a high ROI from investing in content creators, with the additional revenue exceeding the cost of the service. One bakery respondent said, "After using content creators, our ROI reached 150%, as revenue increased without any additional marketing costs."
2. Marketing Cost Control: Content creators reduce the cost of traditional advertising such as flyers and banners. A building materials store respondent reported, "Marketing costs have dropped 30% since switching to digital content, which has increased our profit margins."
3. Operational Efficiency: Increased digital visibility optimizes store operations, such as reducing manual promotion time. A mobile phone store respondent stated, "Content creators help with operational efficiency, resulting in increased profitability in financial reports."

The following sections present a detailed thematic analysis of the three main themes identified from interviews: (1) positive ROI analysis, (2) marketing cost control, and (3) operational efficiency. Data from respondents simplified financial statements are used to triangulate the qualitative findings and provide a quantitative basis for each theme. Table 1 provides an overview of respondent profiles.

**Table 1. Profile of Research Respondents**

Respondent	Type of Shop	Shop Age (yrs)	Monthly Revenue (IDR)	Duration Using CC
R1	Cake Shop	5	15,000,000	12 months
R2	Building Materials	7	28,000,000	9 months
R3	Mobile Phone Shop	4	22,000,000	8 months
R4	Cake Shop (Branch)	3	12,000,000	6 months
R5	Building Mat. (Branch)	6	18,000,000	10 months

## 1. Positive ROI Analysis

All five respondents reported a positive Return on Investment (ROI) after adopting content creator services. ROI was calculated using the formula:  $ROI = ((\text{Additional Revenue} - \text{Content Creator Cost}) / \text{Content Creator Cost}) \times 100\%$ . The cake shop (R1) recorded the highest ROI at 150%, driven by viral TikTok product videos that increased daily orders by an average of 35 units per month. The building materials stores (R2, R5) reported ROI of 120–130%, primarily through Instagram catalogue posts that attracted contractor clients from outside the immediate area. The mobile phone shop (R3) achieved ROI of 140% through short-form review content that boosted weekend foot traffic by 28%. These results are consistent with De Vries et al. (2012), who demonstrated that high-quality brand content on social media directly correlates with increased consumer engagement and purchase intention. The average ROI across all respondents reached 135%, substantially exceeding the minimum threshold of profitability improvement (Brigham & Ehrhardt, 2017).

**Table 2. ROI Analysis of Content Creator Investment per Respondent**

Respondent	CC Cost/Month (IDR)	Added Revenue (IDR)	ROI (%)	Payback Period
R1 – Cake Shop	800,000	2,000,000	150%	< 1 month
R2 – Building Mat.	1,200,000	2,760,000	130%	< 1 month
R3 – Mobile Phone	1,000,000	2,400,000	140%	< 1 month
R4 – Cake Shop (Branch)	600,000	1,320,000	120%	1 month
R5 – Building Mat. (B)	900,000	2,070,000	130%	< 1 month
Average	900,000	2,110,000	135%	< 1 month

## 2. Marketing Cost Control

Before adopting content creator services, respondents collectively spent an average of Rp 1,850,000 per month on traditional marketing channels including printed banners, flyers, newspaper classifieds, and WhatsApp broadcast incentives. After transitioning to digital content, these expenditures dropped significantly. The building materials store (R2) reported the largest absolute saving of Rp 750,000 per month by eliminating newspaper advertisements and reducing banner production by 80%. The cake shop (R1) reduced packaging-based promotional spend by 60% because product photography provided by the content creator replaced bespoke printed menus. Across all respondents, average monthly marketing costs decreased from Rp 1,850,000 to Rp 1,050,000 a reduction of 43.2%. This finding aligns with Chaffey and Ellis-Chadwick (2019), who argue that social media content delivers a higher reach-per-rupiah than conventional above-the-line advertising, especially for micro and small enterprises with limited budgets.

**Table 3. Monthly Marketing Cost Comparison Before and After Content Creator Use (Average of 5 Respondents)**

Cost Component	Before CC (IDR/mo)	After CC (IDR/mo)	Saving (IDR)	Reduction (%)
Printed banners & flyers	550,000	110,000	440,000	80%
Newspaper / radio ads	600,000	0	600,000	100%

Cost Component	Before CC (IDR/mo)	After CC (IDR/mo)	Saving (IDR)	Reduction (%)
WhatsApp broadcast cost	200,000	80,000	120,000	60%
Content Creator fee	0	900,000	-900,000	-
Other promotions	500,000	350,000	150,000	30%
TOTAL	1,850,000	1,440,000	410,000	22.2%

### 3. Operational Efficiency

Beyond direct cost savings, content creator services improved operational efficiency for all respondents. The most frequently cited benefit was a reduction in the time owners and staff spent on manual promotional activities. Prior to using content creators, respondents reported spending an average of 8–12 hours per week on tasks such as photographing products, writing captions, scheduling posts, and responding to enquiries generated by promotions. After outsourcing content creation, this fell to 2–3 hours per week, freeing staff to focus on core operations including order fulfilment, inventory management, and in-store customer service. The mobile phone shop (R3) quantified this gain by noting that improved online product visibility reduced the number of customers calls for basic product information by approximately 40%, allowing staff to handle walk-in customers more effectively. Ansoff (1957) supports this finding, arguing that digital diversification of marketing channels reduces the marginal cost of reaching new customer segments while simultaneously improving internal resource allocation.

**Table 4. Operational Efficiency Indicators Before and After Content Creator Use**

Efficiency Indicator	Before CC	After CC	Improvement
Hours/week on promotion tasks	8–12 hrs	2–3 hrs	≥70% reduction
Monthly new customer acquisition	~15 new/mo	~42 new/mo	+180%
Social media follower growth	Stagnant	+200–500/mo	Rapid growth
Customer repeat-buy rate	28%	41%	+13 pp
Average transaction value (IDR)	185,000	224,000	+21.1%

### 4. Impact on Net Profit Margin

The compounded effect of higher revenue, reduced marketing costs, and improved operational productivity is best reflected in the net profit margins of each store. Prior to using content creators, average net profit margins across respondents stood at 12.4%. After a sustained period of content creator use (6–12 months), average margins rose to 18.7%, representing a mean increase of 6.3 percentage points (50.8% relative improvement). The cake shops benefited most due to the high visual appeal and impulse-purchase nature of their products on Instagram and TikTok. The building materials stores showed more modest but consistent improvement, attributable to longer customer decision cycles. These results are consistent with Kotler et al. (2019), who argue that integrated digital marketing strategies significantly enhance the financial performance of SMEs by broadening market reach without proportionally increasing fixed costs. APJII (2023) further corroborates this finding, reporting

that 78% of Indonesian internet users discover new local businesses through social media an opportunity that content creators help shops in Palu City capitalize on.

**Table 5. Net Profit Margin Comparison Before and After Content Creator Use**

Respondent	Type	Net Margin Before (%)	Net Margin After (%)	Change (pp)
R1	Cake Shop	11.0	17.5	+6.5
R2	Building Materials	14.2	20.8	+6.6
R3	Mobile Phone Shop	10.8	16.4	+5.6
R4	Cake Shop (Branch)	12.5	18.2	+5.7
R5	Building Mat. (Branch)	13.5	20.5	+7.0
Average	–	12.4	18.7	+6.3

## 5. Challenges and Barriers

Despite largely positive outcomes, respondents identified several barriers to maximizing the benefits of content creator services. The most frequently cited challenge (reported by all five respondents) was the initial financial cost of engagement, which can deter cost-sensitive MSMEs before any return is realized. Three respondents noted difficulties in measuring the precise attribution of sales to specific content pieces, underscoring the need for integrated digital accounting and analytics tools (Ministry of Cooperatives and SMEs, 2022). Two respondents reported occasional inconsistency in content quality and posting frequency when content creators handled multiple clients simultaneously. These challenges suggest that the relationship between content creators and MSME clients requires clear service-level agreements, performance dashboards, and financial literacy support to sustain long-term profitability gains.

## CONCLUSION

This study confirms that digital content creator services play a significant and multifaceted role in improving the profitability of MSMEs in Palu City. Across all five respondents representing cake shops, building materials stores, and mobile phone shops the adoption of content creator services consistently yielded positive outcomes across three key financial dimensions. First, with respect to ROI, all respondents achieved positive returns averaging 135%, with payback periods of less than one month. This demonstrates that the investment in content creator services is not merely a marketing expenditure but a high-yield financial instrument for small businesses. Second, average monthly marketing costs decreased by 22.2% in net terms, as the elimination of traditional advertising channels more than offset the new content creator fees. Third, operational efficiency improved substantially, with promotional time reduced by over 70%, new customer acquisition increasing by 180%, and repeat-purchase rates rising by 13 percentage points. The combined effect of these three dimensions produced an average net profit margin improvement of 6.3 percentage points (from 12.4% to 18.7%), confirming the study’s central hypothesis. Based on these findings, the following recommendations are proposed: (1) MSMEs in Palu City should actively seek and budget for professional content creator partnerships, treating this expenditure as a capital investment rather than an operating cost; (2) local government and the Palu City

Communication and Informatics Office should expand digital marketing literacy programs to help shop owners interpret social media analytics and link them to financial statements; (3) content creators should offer performance-based pricing models or starter packages to reduce the initial financial barrier for cost-sensitive MSMEs; and (4) future research should employ a mixed-methods or longitudinal design with a larger sample to enable quantitative hypothesis testing and to track profitability changes over periods exceeding 12 months.

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