



Improving MSME Marketing Performance Through Digital Business Literacy

Januardi Mesakh¹, Rintan Saragih², Duma Rahel Situmorang³, Rike Yolanda Panjaitan⁴, Mulatua P. Silalahi⁵, Tri Darma Sipayung⁶, Apriani Magdalena Sibarani⁷, Saur Melianna Sipayung⁸, Rimky Mandala Putra Simanjuntak⁹, Rahel Junita Nainggolan¹⁰

Fakultas Ekonomi, Universitas Methodist Indonesia

Corresponding Author: Januardi Mesakh januardisitinjak@gmail.com

ARTICLE INFO

Keywords: MSMEs,
Marketing Performance,
Digital Business Literacy

Received : 28, May

Revised : 22, June

Accepted: 24, July

©2024 Mesakh, Saragih, Situmorang, Panjaitan, Silalahi, Sipayung, Sibarani, Sipayung, Simanjuntak, Nainggolan: This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



ABSTRAK

Currently, digital business development is increasingly rapid. Digitalization plays a very important role for companies, especially MSMEs, to increase product sales. Consumers can easily access products through the service provider's digital services. Therefore, the aim of this community service is to provide an understanding of digital business skills to MSME stakeholders in Medan, North Sumatra, by involving 15 MSME actors. This is in line with one of the government programs to help MSMEs optimize the use of information and communication technology in their business operations, known as the MSME go digital program. This activity is expected to help MSME players better understand and improve their digital business capabilities and improve business performance.

INTRODUCTION

In order to survive amidst intense competition, especially since the pandemic, based on data, there are 83.8% of MSME players who have digitalized or utilized technology to support their business operations. Digitalization has caused many MSMEs to start promoting their products and services through digital platforms, both in the form of images and videos (Anatan & Nur, 2023). Then, they also created an online shop in the marketplace to make it easier for customers to find their products (Marzuki & Yasin, 2021). As many as 40% of MSMEs use social media, 38% use instant messaging, 13% use e-commerce, and 5% ride hailing. This shows that only some MSMEs have adapted to digitalization (Aminullah et al., 2022). This is because MSME owners still encounter several obstacles in developing their businesses towards the digital era (Tambunan, 2019), (Sudarmo, 2021) and (Suguna et al., 2022).

The very rapid progress of digital technology has had an impact on all aspects of human life in terms of communication and interaction with each other. The ease of accessing or providing information has changed their attitudes and behavior in everyday life, especially in business activities (Kraus et al., 2021). This impact can be seen in significant changes in people's behavior, such as communication with stakeholders, consumers, business partners, and so on. Indonesia is one of the largest social users, making it an opportunity to do business with digital media as a product marketing tool. In times like this, digital media, especially digital business, is very much in demand by the public. Apart from being practical and fast, digital business can continue to run as usual without having to meet face to face with business partners and customers. However, not all people or business people are able to have the same competencies (Calderon-Monge & Ribeiro-Soriano, 2024). Business people really need to increase their understanding of how to utilize information technology in this digital era. The ability to find sources of information that can be accounted for is very important amidst the acceleration of digital technology (Kreiterling, 2023). The growth of the digital economy in society and companies encourages business people to start their businesses and run their businesses with quality products through digital platforms. Thus, digital business literacy competencies for MSMEs in particular really need to be improved to improve their business performance. Literacy or literacy is a general term that refers to a set of individual abilities and skills in reading, writing, speaking, calculating and solving problems at a certain level of expertise required in everyday life.

Several experts put forward the following definition of literacy: According to UNESCO "The United Nations Educational, Scientific and Cultural Organization", the definition of literacy is a set of real skills, especially skills in reading and writing which are independent of the context in which the skills are obtained and who acquires them. According to Merriam-Webster online dictionary, Literacy is the ability or quality of literacy in a person where there is the ability to read, write and also recognize and understand ideas visually. The Education Development Center (EDC) states that literacy is more than just the ability to read and write. But more than that, literacy is an individual's ability to use all the potential and skills they have in their life. In relation to digital

business, digital business literacy is an individual's ability to use digital technology at a certain level, whether it is creation, collaboration or searching for information. Digital business literacy refers to a person's ability to understand business data from various sources or digital devices in various disciplines. It is important for Micro, Small and Medium Enterprises (MSMEs) to increase their digital business literacy because MSMEs play a very important role in the socio-economic growth and development of a country. Based on this, this study will reveal the digital business literacy possessed by MSME business actors in Medan, North Sumatra.



Figure 1: Explanation of How to Overcome Barriers and Obstacles Faced by MSMEs



Figure 2: Photo of Lecturers and MSME Actors

IMPLEMENTATION AND METHODS

The data analysis method used by the author is qualitative descriptive data analysis. The qualitative descriptive research method is a method used to discover knowledge or theories at a certain time (Simanjuntak et al., 2022) and (Simanjuntak, Situmorang, et al., 2023). The qualitative descriptive method was

used to determine the description and condition of MSMEs in Medan, North Sumatra. This research emphasizes aspects of in-depth understanding of problems and uses analysis that prioritizes process and meaning. The data sources used are primary data sources obtained through direct observation or observations in the field as well as in-depth interviews with MSME actors (Simanjuntak, Erlina, et al., 2023). This method of implementing Community Service is carried out by giving lectures and discussions to participants about increasing digital literacy to improve marketing performance. This activity will be held in July 2024 with two themes, namely, digital business literacy and financial literacy. In this session, the author was given the opportunity to provide digital marketing business literacy material. A total of 15 MSME business people attended as participants to take part in this activity. Two-way interactions and discussions are carried out with the audience so that they play an active role in designing and implementing marketing strategies in this era of digitalization. Apart from that, this service also involves two study programs, Bachelor of Accounting and Bachelor of Management, Faculty of Economics, Indonesian Methodist University.

RESULTS AND DISCUSSION

In the business world, the ability to adapt and transform in this digital era is the key to success for MSMEs to survive, rise and develop. This is a key factor and a necessity that cannot be negotiated by business people if they want to exist in the business world. Currently, many micro and small businesses have used the internet as a means to boost their business performance. However, there are still many who have not utilized and optimized internet media in their business. Adoption of digital technology in MSMEs requires high involvement from the business actors themselves. MSMEs must be able to be ready to utilize technology and digitize several processes in their business activities, seen from the level of digital awareness, level of digital research capabilities, digital collaboration and digital transformation capabilities.

This trend is also based on the absence of MSME drivers in the surrounding Medan area. So, MSME players prefer to be on a safe path rather than moving without knowledge which risks experiencing losses. MSME "Kerupuk" has been around for a long time and already has quite a large number of customers. The sales location is also quite strategic, on the main road, Jalan Jamin Ginting. However, the packaging used for cracker products has never changed. Plain packaging without MSME identity means that the product does not have identical characteristics. This is different from the "Organic Fertilizer" MSMEs which have only been established for around 2 years. Organic Fertilizer already has its own brand packaging and is complete with product composition that has been laboratory tested.

However, because they have not been around for long, these MSMEs also do not have many relationships or customers. Apart from that, because Organic Fertilizer is fertilizer processed from community organic waste, it also has the potential for a digitalization process. In terms of financial recording, the two MSMEs also do not use the method of separating personal finances and business finances. The inflow and outflow of income has not been recorded in a systematic

and structured manner. Digital literacy is one of the supporting pillars for the realization of the digital transformation agenda which supports the innovation process to increase competitiveness. The higher the digital literacy of MSME players, the more they will increase their competitiveness so that they can improve their business performance. Thus, continuous activities and a fairly long process are needed to increase people's digital literacy, such as this Community Service activity.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of community service activities that have been carried out, it can be concluded that in this digital era, understanding and knowledge of existing business developments is a very important factor in MSME business performance. Therefore, it is important to increase digital business literacy which is expected to increase their competitiveness and business performance. Apart from that, efforts to increase knowledge can be carried out through continuous training activities so that participants' literacy can increase.

REFERENCES

- Aminullah, E., Fizzanty, T., Nawawi, N., & Suryanto, J. (2022). *Interactive Components of Digital MSMEs Ecosystem for Inclusive Digital Economy in Indonesia* (Issue 0123456789). <https://doi.org/10.1007/s13132-022-01086-8>
- Anatan, L., & Nur. (2023). Micro, Small, and Medium Enterprises' Readiness for Digital Transformation in Indonesia. *Economies*, 11(6). <https://doi.org/10.3390/economies11060156>
- Calderon-Monge, E., & Ribeiro-Soriano, D. (2024). The role of digitalization in business and management: a systematic literature review. In *Review of Managerial Science* (Vol. 18, Issue 2). Springer Berlin Heidelberg. <https://doi.org/10.1007/s11846-023-00647-8>
- Kraus, S., Jones, P., Kailer, N., Weinmann, A., Chaparro-Banegas, N., & Roig-Tierno, N. (2021). Digital Transformation: An Overview of the Current State of the Art of Research. *SAGE Open*, 11(3). <https://doi.org/10.1177/21582440211047576>
- Kreiterling, C. (2023). Digital innovation and entrepreneurship: a review of challenges in competitive markets. *Journal of Innovation and Entrepreneurship*, 12(1). <https://doi.org/10.1186/s13731-023-00320-0>
- Marzuki, S. N., & Yasin, I. (2021). Factors Influencing Online Shoppers to Shop at Marketplace or Website: A Qualitative Approach. *Asian Journal of Business and Management*, 9(4), 68–75.

- Simanjuntak, A., Erlina, Zulkarnain, & Adnans, A. A. (2023). The Role of Cognitive Conflict as a Moderating Variable Influence of Organizational Commitment and Attitudes on Implementation of Good Governance and Impact on Fraud Prevention. *Journal of Namibian Studies*, 34, 5070–5086. <https://doi.org/10.2478/9788366675377-043>
- Simanjuntak, A., Rumapea, M., Siahaan, S. B., Pasaribu, D., Sagala, L., Ginting, M. C., Silalahi, M., Napitupulu, J., Sagala, F., Panjaitan, R. Y., Situmorang, D. R., Naibaho, J. F., Sitorus, P. J., & Simanjuntak, G. Y. (2022). PELATIHAN PENYUSUNAN LAPORAN KEUANGAN BUMDES (BADAN USAHA MILIK DESA) (Studi Pada Desa Lumban Pea Timur Kabupaten Toba). *Jurnal Pengabdian Pada Masyarakat Methabdi*, 2(1), 38–44.
- Simanjuntak, A., Situmorang, C. V., Elisabeth, D. M., Ginting, M. C., & Sagala, L. (2023). CORPORATE GOVERNANCE AS A MODERATING VARIABLE INFLUENCE OF STOCK TURNOVER , EXTENSIBLE BUSINESS REPORTING LANGUAGE AND AUDIT QUALITY. *FINANCIAL: Jurnal Akuntansi*, 9(1), 18–29.
- Sudarmo, S. (2021). Understanding the challenges and opportunities of micro, small, and medium enterprises during covid-19 pandemic in Indonesia: a systematic review. *International Journal of Business, Economics & Management*, 4(1), 54–62. <https://doi.org/10.31295/ijbem.v4n1.825>
- Suguna, M., Shah, B., Sivakami, B. U., & Suresh, M. (2022). Factors affecting repurposing operations in Micro Small and Medium Enterprises during Covid-19 emergency. *Operations Management Research*, 15(3–4), 1181–1197. <https://doi.org/10.1007/s12063-022-00253-z>
- Tambunan, T. (2019). Recent evidence of the development of micro, small and medium enterprises in Indonesia. *Journal of Global Entrepreneurship Research*, 9(1). <https://doi.org/10.1186/s40497-018-0140-4>