



Nuri Kartini
Industrial Engineering
E mail : nuri.kartini@umc.ac.id
University of Muhammadiyah Cirebon



Muhammad Nana Trisolvena
Industrial Engineering
University of Muhammadiyah Cirebon



Budi Susanto
Industrial Engineering
University of Muhammadiyah
Cirebon



Harry Gunawan
Informatics Engineering
University of
Muhammadiyah Cirebon

MSMEs Answer the Challenges of Digitalization

Nuri Kartini¹, Budi Susanto², Muhammad Nana Trisolvena³, Harry Gunawan⁴

^{1,2,3}Industrial Engineering Study Program, University of Muhammadiyah Cirebon

⁴ Informatics Engineering Study Program, University of Muhammadiyah Cirebon

Correspondence author : nuri.kartini@umc.ac.id

Abstract. The Cirebon City Cooperative Office organized this community service activity on MSMEs Responding to the Challenges of Digitalization in collaboration with Radio Republik Indonesia Cirebon City. The participants who attended were MSME actors in Cirebon City. The material presented in this counseling is the development of Industry 1.0 to 4.0 technology and the disruption of information technology, which requires MSME players to be digitally literate so that their businesses can develop under the demands of the times. The challenges and benefits of digital technology are delivered. The steps that need to be taken are determining the target market, preparing superior products, preparing payment models, preparing delivery models, and starting sales with digital marketing. The results of the activities organized by the Cirebon City Cooperative Office and RRI Cirebon City received support and positive responses from the participants when they saw the presence of MSMEs and so many questions asked by the participants. The existence of this collaboration is expected in the future. The digitization process of MSMEs in Cirebon City can run smoothly, and it can increase the welfare and income of MSMEs.

Keywords: digital, marketing, MSMEs, challenges, benefits

INTRODUCTION

The term "digital economy" was introduced by Don Tapscott in his 1995 book, "The Digital Economy: Promises and Perils in the Age of Network Intelligence." Digital economy is an economic activity based on digital internet technology. The digital economy is also known as the Internet economy, web economy, digital-based economy, new knowledge-

based economy, or new economy. The era of the digital economy, or the era of the new economy, emerged when companies began to combine IT productivity from investment resources and knowledge of human resources to conduct cross-border global transactions in the form of a connected economy. Companies use IT as a strategic driver and weapon in the new economy. Nowadays, the question is no longer what your company is, but what your digital business model is. (Hadion Wijoyo et al., 2020).

In recent years, the development of information technology has changed the scope of the marketing world. Marketing communication methods that have been traditional and traditional are now integrated into the digital world (Ascharisa, 2018). Marketing activities that utilize advanced digital technology are sometimes called digital marketing. Digital marketing involves interactive and integrated marketing that facilitates interaction between producers, market intermediaries, and potential consumers (Purwana et al., 2017). Currently, MSME players must be able to take advantage of digital media to market their products so that consumers can learn more about the products produced by these MSMEs. MSMEs that have online access participate in social media and develop e-commerce capabilities, typically enjoying significant business advantages in revenue, employment opportunities, innovation, and competitiveness. However, many MSMEs still have not adopted the use of IT, especially digital media, and do not understand the magnitude of the benefits and roles of using digital media (Wardhana, 2018).

Google Business is one of the most popular digital marketing media. This free application allows MSME players to promote various Google products like Search and Maps. Google Business helps others find your MSMEs if you serve customers in specific locations or service areas (Ridwan et al., 2019).

METHOD

Location of Community Service

Community service with the title "MSMEs Answer the Challenges of Digitalization" was carried out at the UKM Mall in Cirebon City, with the address Jalan Cipto Mangunkusumo, Cirebon. The counseling will be held on August 29, 2023.

Participants

This activity was attended by MSME Actors in Cirebon City and broadcast live by RRI Cirebon City.

Implementation Method

The implementation of activities will be counseling distributed in the form of lectures on the importance of the role of digital marketing in MSME business development, especially considering the increase in promotional activities. The lecture can be accessed via RRI's YouTube and interactive Dialog live broadcast through Program 1 with frequencies FM 94.8 MHz, FM 89.1 MHz, and AM 864 KHz.

The implementation of community service is carried out in a hybrid manner, both offline and online. Activities can be seen in Figure 1.



Figure 1. Implementation of Community Service Activities

RESULTS AND DISCUSSION

With such rapid development of technology, there is disruption, which means eliminating what exists and creating new ones. The market has replaced many old businesses such as malls. The development of industrial technology is depicted in Figure 2. Although many large stores went bankrupt, new businesses emerged that did not exist before, such as Go Food, Grab Food, and various markets where we can buy anything with HP.



Figure 2. Development of Industrial Technology and Changes in Shopping Patterns

Supply chain activities are significant because the distribution and availability of goods strongly influence business continuity. The entire operation involved in the life cycle of a product is known as the supply chain, including manufacturing, raw material procurement, distribution, customer service, and recycling. New product design is also important to the supply chain (Guide et al., 2003). According to Fisher (1997), the two main functions of the supply chain are the market mediation function: the physical function and the market mediation function. The design of new products and after-sales services are included in the function of market mediation.

Benefits of Digitalization for MSMEs

1. Can open the store 24 hours
2. Wider consumer reach
3. Can have many stores
4. Free of charge
5. You can directly register and use it to sell
6. Common types of items such as tooling and accessories can be purchased in bulk at once
7. Promotion is more controlled by digital marketing

Benefits of MSME Digitalization Transformation

1. Satisfying Customers
2. Can deal directly with Suppliers
3. MSMEs have competitive data
4. Lower costs
5. MSMEs are growing

The challenges faced by MSMEs can be seen in Figure 3.

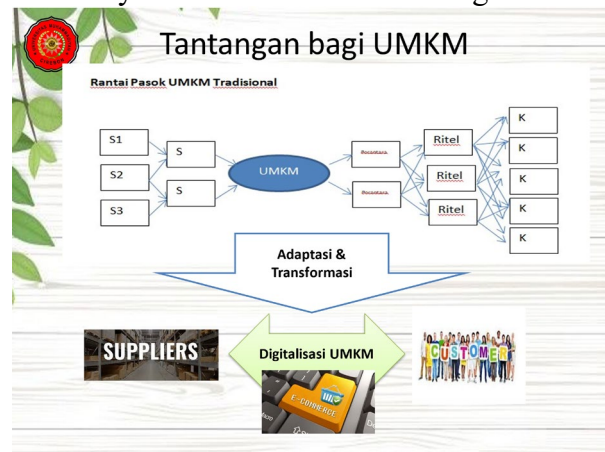


Figure 3. Challenges faced by MSMEs

The challenge of digitalization for MSMEs is the limited ability and knowledge of human resources in

1. Digital literacy
2. MSME business process
3. Marketing strategy

Digital marketing can be seen in Figure 4.

Figure 4. Digital Marketing



Digital Marketing Steps

1. Determine the target market (consumers)
2. Prepare excellent products
3. Set up a payment model
4. Set up a delivery model
5. Start selling with digital marketing

What MSMEs must do

1. Learn
2. Willing to change

In the 21st century, illiterate people are not people who cannot read and write, but people who do not understand information technology (IT). The key to the success of MSMEs is ATM + I2 which stands for Amati Tiru Modification Innovation Improve.

CONCLUSION

This MSME community service activity, Responding to the Challenges of Digitalization, was organized by the Cirebon City Cooperative Office in collaboration with Radio Republik Indonesia Cirebon City. The participants who attended were MSME actors in Cirebon City. The material presented in this counseling is a step that needs to be done by MSMEs, namely determining the target market, preparing superior products, preparing payment models, preparing delivery models, and starting sales with digital marketing. The results of this activity received support and positive responses from the participants where the presence of MSMEs was seen, and so many questions were asked by the participants.

ACKNOWLEDGMENTS

Thank you to the Cirebon City Cooperative Office and Radio Republik Indonesia Cirebon City.

BIBLIOGRAPHY

- Abdurrahman, G., Oktavianto, H., Habibie, E. Y., and Hadiyatullah, A. W. 2020. Digital marketing training for MSMEs to support promotional and marketing activities. *Journal of Community Service Manage*, 1(2), 88-92.
- Hadi, D. F., and Zakiah, K. 2021. Digital marketing strategies for MSMEs (micro, small, and medium enterprises) to compete in the era of digital marketing pandemi_strategi for MSMEs (micro, small, and medium enterprises) to compete in the pandemic era. *Competitive*, 16(1), 32-41.
- Hadion Wijoyo,, Hamzah Vensuri, Widiyanti, Denok Sunarsi, Haudi, Dodi Prasada, Lily Setyawati Kristianti, Asep Muhammad Lutfi, Irfan Rizka Akbar, Musnaini. 2020. Digitalization of MSMEs. Publisher Insan Cendekia Mandiri.
- Harahap, H. S., Dewi, N. K., and Ningrum, E. P. 2021. Utilization of Digital Marketing for MSMEs. *Journal of Social Loyalty*, 3(2), 77-85.
- Jamiat, N., and Supyansuri, C. 2020. Utilization of Digital Marketing at MSMEs Sukapura Dayeuhkolot, Bandung Regency. *ATRABIS: Journal of Business Administration*, 6(1), 1-15.
- Naimah, R. J., Wardhana, M. W., Haryanto, R., and Pebrianto, A. 2020. The application of digital marketing as a marketing strategy for MSMEs. *IMPACT Journal: Implementation and Action*, 2(2), 119-130.
- Purwana, D., Rahmi, R., and Aditya, S. 2017. Utilization of digital marketing for micro, small, and medium enterprises (MSMEs) in Malacca Sari Village, Duren Sawit. *Journal of Civil Society Empowerment (JPMM)*, 1(1), 1-17.
- Rifai, Z., and Meiliana, D. 2020. Assistance and implementation of digital marketing strategies for MSMEs affected by the COVID-19 pandemic. *BERNAS: Journal of Community Service*, 1(4), 604-609.

- Sulaksono, J. 2020. The role of digital marketing for micro, small, and medium enterprises (MSMEs) in Tales Village, Kediri Regency. *Generation Journal*, 4(1), 41-47.
- Syifa, Y. I., Wardani, M. K., Rakhmawati, S. D., and Dianastiti, F. E. 2021. MSME Training Through Digital Marketing to Help Marketing Products During Covid-19. *ABDIPRAJA (Journal of Community Service)*, 2(1), 6-13.