MSMEs Answer the Challenges of Digitalization

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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 Programma 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.
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.

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](image)

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](image)

**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.

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