

Digital Business As An Effort To Increase Income For Msmes In Border Areas

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Abstract. Bengkayang Regency is an area in the neighboring border region with Malaysia. Economic growth in the region is one of the keys to successful development in the region. In Bengkayang Regency, apart from farming, people who work for the government also have a profession as entrepreneurs, namely as Micro, Small and Medium Enterprises (MSMEs). These MSME businesses vary, such as culinary, services, tourism and trade. Micro business development can be carried out if it is supported by knowledge and government intervention, so that micro businesses can continue to develop. This research aims to determine the development of digital-based businesses in MSMEs to increase income in their businesses. The informants in this research are micro business actors in Bengkayang Regency. Data collection techniques use techniques through observation, interviews and documentation, data analysis techniques using data reduction, data presentation and drawing conclusions.

1. INTRODUCTION

In Indonesia, its development is experiencing the stage of the industrial revolution era, not only in one sector but also in business sectors such as MSMEs, which is one of the business sectors that has the potential to play a very important role. The progress of digitalism can be seen from the progress in the form of sales which are not only direct or manual but have spread online with a wider scope. One of the strategies implemented by the government to support economic development in Bengkayang district is to empower and grow micro, small and medium enterprises (MSMEs) to improve local superior sectors (Manggu & Beni, 2019). Likewise, MSMEs are indirectly able to absorb labor which can help the government in minimizing unemployment. In the difficult times of the pandemic that has been going on since the beginning of 2020, MSMEs are still very much hoped for, because even though it is a pandemic, the presence of business actors, micro and medium, is a force that supports the economy. During the current pandemic, there needs to be a strategy to maximize the increase in products and services produced by MSME players, so that the existence of technology is very helpful in the sales process.

The Covid-19 pandemic caused the economy to suffer, so that many people lost their jobs due to this situation and conditions. With the presence of technology, it is hoped that people can be creative and innovate in opening up business opportunities supported by appropriate marketing strategies so that the business they run can be carried out well. In order to create a society with efficient businesses, people are required to utilize technology to support community businesses to make them more efficient. This means that the public must improve their competence so that they are not left behind by other business actors, namely by implementing an online sales process using WhatsApp or other supporting social media. Another effort that can be adapted by adapting to technology is by creating attractive promotions using simple applications, so that potential consumers become more interested in the products or services offered by MSME players. For this reason, there needs to be cooperation from various parties, so that MSMEs can run smoothly in implementing the digital marketing process. For marketing activities that can be carried out intensively using facilities such as computer media, both for offering products, payment and delivery (Haryanti Sri, Mursito Bambang, 2013).

Utilization comes from the basic word benefit which means use or can be interpreted as beneficial. Another definition of utilization has the meaning of the process, method or act of utilizing (Contemporary Indonesian Dictionary, 2002: 928). In an activity, business actors should be able to make good use of something related to business, so that it can produce something that is expected. In this case, what is related to utilization is that MSME business actors should be able to use strategies

well in introducing and marketing products or services provided by MSME players, so that the results can be felt by MSME players, such as an increase in sales.

Digital marketing is an activity in the field of marketing that utilizes platforms on the internet to reach target consumers. Apart from that, digital marketing is defined as marketing products or services via the internet or is called i-marketing, web marketing, online marketing, e-marketing, or e-commerce (Hermawan, 2012). There are two benefits of digital marketing (Hermawan, 2012):

1. The cost is relatively cheap, meaning that marketing using digital marketing is much cheaper and easier to reach a wider range of potential consumers than conventional advertising. The nature of digital marketing allows consumers to examine and compare one product with another more comfortably.
2. Large information content is the use of digital marketing to provide a large and extensive amount of information compared to conventional media such as print media, radio and television. Digital marketing is also able to accurately store data needed by the company.

Developing a marketing strategy requires looking carefully at the appropriate media used for promotion. Because promotion can determine the success of product sales (Jasri et al., 2020) in (Arfan & Ali Hasan, 2022)

The use of technology, one of which is by utilizing digital marketing, is one solution in the business world to develop, because with knowledge about digital marketing, especially in the midst of a pandemic which still limits human movement to do business, sales that previously could only be done directly can be carried out online. online with good results and more consumer coverage compared to offline.

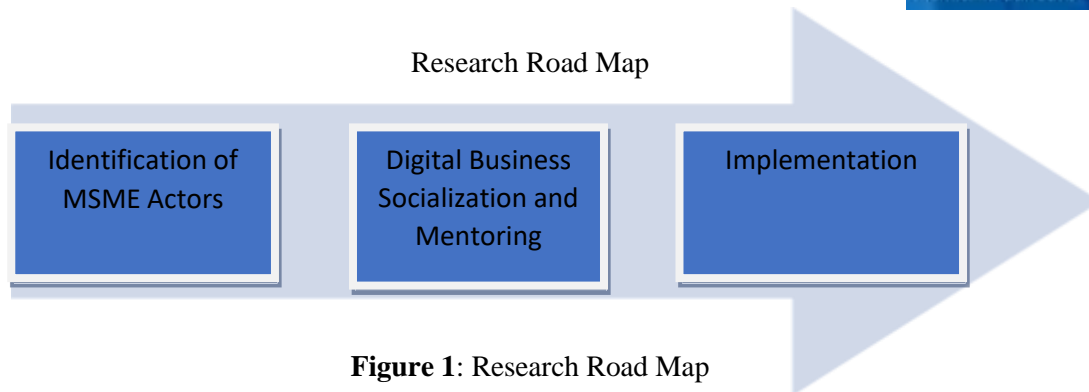
To understand business, it can be defined as an activity that places the resources it has into a production activity that produces services or goods, with the aim that these goods and services can be marketed to consumers in order to make a profit (Johan, 2011). So business or enterprise is an activity that can be produced by humans to gain profit. In Micro Enterprises Based on Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs) that:

1. Micro Business is a productive business owned by an individual and/or individual business entity that meets the Micro Business criteria as regulated in this Law.
2. Small businesses are productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part, either directly or indirectly, of medium or large businesses that meet Small Business as intended in this Law.
3. Medium Business is a productive economic business that stands alone, which is carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or is part either directly or indirectly with a Small Business or Large Business with total assets net or annual sales proceeds as regulated in this Law. According to the Ministry of Cooperatives and Small and Medium Enterprises, Business.

The role of micro businesses in the Indonesian economy according to Urata (2000) in (Sulistiyastuti, 2004) is:

1. Micro businesses are the main players in economic activities in Indonesia.
2. To provide employment opportunities.
3. An important role in developing the local economy and community.
4. Creating markets and various innovations.
5. Contribute to increasing non-oil and gas exports.

So from the things that have been mentioned, it is clear that the existence of MSMEs is very important for the sustainability of the country's economy in particular and the region in general. To implement digital marketing, social media marketing is needed, namely social media marketing is any form of direct or indirect marketing that is used to build awareness, recognition, recall and action for brands, businesses, products, people (Pujiantoro & Mohammad Rofiuddin, 2022)



The road map for this research begins by identifying MSMEs in Bengkayang Regency that have used and utilized digital marketing, so that during this pandemic there is still an increase in sales. Then the next stage is to provide outreach and assistance to MSMEs who have not yet utilized digital marketing, so that the assistance or socialization can be implemented or implemented by MSME players well.

Digital business, namely marketing, is generally used by start-ups and MSMEs which is considered more cost-effective compared to conventional marketing promotions. Digital marketing strategies have implications for the competitive advantage of MSMEs in marketing their products, so training on digital marketing is needed for MSMEs (Wardhani et al., 2021). In general, there are several advantages from the involvement of MSME actors, namely that apart from these business actors being able to boost financial profits through increasing online sales and providing benefits to buyers with the opportunity to save costs, what is no less important is that digitalization of MSMEs will also open up new spaces that can prevent MSME actors collapsed due to the economic crisis (Pinem, 2021). Although in this case the government needs to intervene so that business actors can carry out digital-based business activities evenly.

Marketing strategies have a very vital role in the success of a company, because digital-based marketing can reach consumers more widely, so that in the business world, one of the advantages of MSMEs is that they can increase income both for the business actors themselves and for the region (Nabilla A. G, 2021), so that in this digital era an increase in income is highly expected to develop the businesses of those carrying out these business activities.

Even though the role of MSMEs is very strategic, intense competition, especially facing large companies and other modern competitors, has placed MSMEs in a less favorable position. Most MSMEs still run their businesses using traditional methods, including production and marketing. However, the problems faced by MSMEs in developing countries are not actually due to their size, but rather due to the isolation that hinders MSMEs' access to markets, information, capital, expertise and institutional support. A lack of understanding of the strategic role that technology can play in relation to new marketing approaches, interacting with consumers, and even product and service development is thought to be the cause of the low adoption of digital technology by MSMEs in Indonesia (Basry & Sari, 2018)

As previously known, the Regency is a strategic border area because it is close to neighboring Malaysia, which means that in the future business opportunities will be even wider, especially with the opening of cross-border posts in border areas. Substantially, in this understanding of asymmetric decentralization, border areas are considered to need special treatment considering their role as borders of state sovereignty. Border areas play a very important function and role because of the complexity they face and border areas must be the front page of the State (Nasution, 2019)]

This research is important in digital businesses that can increase MSME income, because there is a strong push to utilize digital technology in an effort to increase the competitiveness and growth of MSMEs, as well as identifying the need for more in-depth research to understand the key factors that influence successful implementation. digital business in MSMEs. The key to success in increasing income includes implementing digital business as a marketing strategy facility for MSMEs, which initially only used manual marketing, but when implementing digital marketing, the consumer environment is wider and the income earned increases more than before. Marketing strategy is one of

several ways to gain excellence in sustainable competition both in companies that produce goods and services (Nabilla A. G, 2021).

The uniqueness or novelty of the research compared to previous research is that the researchers did not select certain respondents, but carried it out randomly so that the results obtained were broader. This research needs to receive support from all parties, especially the regional government where there are many MSMEs in this area, so that if MSME income increases, it can increase regional income as well. One effort that is a form of support from the government is that MSMEs are given continuous training regarding digital business, so that MSMEs who do not yet understand can understand and those who have implemented it can better understand and expand their experience of digital business. The Bengkayang Regency Government has facilitated activities to support MSMEs by holding training activities for MSMEs with external sources such as academics from the Shanti Bhuna Institute as companions for these MSMEs in digital business exposure. So, with support from local governments and academics, we can minimize the gap between MSME actors who have not implemented it and MSME actors who have implemented digital business.

Digital business tools that have been widely used and implemented by MSMEs include social media such as Facebook and Instagram, some have even used e-commerce platforms to market their products. Marketing strategies that have also been implemented by MSME players include the use of influencer marketing services, namely people who are considered influential by MSME players in socializing and introducing products or services from MSMEs.

Key factors that influence the successful use of digital business or marketing strategies in MSMEs, namely technical aspects, sustainability and management strategies. This research will expand understanding of the influence of these factors and their implications for MSME income in Bengkayang Regency.

When there is digital business assistance, it can minimize the gap between MSME players. An important aspect that has not been covered or has not been studied in depth is the continuity of business actors in supporting marketing. This research will expand understanding of this aspect in the context of the use of digital business tools or marketing strategies in MSMEs, so that it can support the sustainability of business actors' products and services. Digital marketing is generally used by start-ups and MSMEs which is considered more cost-effective compared to conventional marketing promotions (Wardhani et al., 2021)

2. METHOD

This research uses a qualitative descriptive method, namely by using literature such as journals, literature studies and other research. The technique used in this research is a descriptive method containing an explanation of each stage carried out without testing theory and generalizing (Setiawati, Retnasari, & Fitriawati, 2018) in (Nurharista et al., 2020). The aim of the research is that MSME players can implement technology-based businesses in the form of digital in introducing products or services so that the results obtained cause MSME players to increase their business and income. In this study, the focus of research is MSME actors. The research subjects are MSME actors, then data collection is carried out through interviews, namely data collection by submitting interviews directly to the research subjects, observation is an activity carried out by observation and documentation, namely documentation activities so that the data obtained has evidence. The data analysis technique used in this research is qualitative descriptive analysis techniques.

The data analysis technique in this research was carried out based on the interactive analysis model developed by Miles and Huberman. The analysis steps carried out are data collection, data presentation, data reduction and conclusion drawing. In this research, there are two sources of data used, namely primary data, namely data from MSME actors and secondary data, namely data obtained from various references such as journals and previous research. The location of this research is in Bengkayang Regency, which is located in the border area. qualitative which aims to obtain a complete picture of a thing according to the views of the person being studied. Qualitative research relates to the ideas, perceptions, opinions or beliefs of the people being studied and all of them cannot be measured with numbers (Febriyantoro & Arisandi, 2018)

3. RESULTS AND DISCUSSION

From the results obtained through in-depth interviews and observations with informants who are MSMEs in Bengkayang Regency, technological developments mean that MSME players need to adapt, especially in the marketing process to increase income. The existence of digital marketing by utilizing social media, marketplaces and other platforms can make it easier for MSMEs to attract and interact directly with consumers (Febriyantoro & Arisandi, 2018). Then, the socialization of digital marketing strategies in the form of using social media is very important because it can provide knowledge to MSME players regarding the methods and stages of expanding consumer networks through the use of social media in marketing their products so that they can increase competitive advantage for MSMEs themselves. The use of digital marketing has provided a significant Jasri et al, (2022) 217 increase in business growth for MSMEs. The results of digital business as an effort to increase income for MSMEs in border areas, namely

1. Opens access to a wider market

One of the main benefits of digital business is its ability to open access to a wider market. By utilizing online platforms such as marketplaces or e-commerce sites, MSMEs in border areas can sell their products to customers throughout the country and even abroad. This helps overcome geographic constraints and provides new opportunities to increase sales and revenue.

2. Increase Visibility and Branding

Through an online presence, MSMEs in border areas can increase their visibility and branding. By building a website or utilizing social media, they can promote their products, share their unique story, and build relationships with potential customers. In an increasingly competitive business environment, increasing visibility and branding can help MSMEs differentiate themselves from competitors and attract more customers.

3. Expanding Networks and Partnerships

Digital business also allows MSMEs in border areas to expand their networks and seek partnerships with other business actors. Through online platforms, they can connect with suppliers, distributors or even potential partners located in other regions. This partnership can help MSMEs expand distribution channels, reduce costs and increase operational efficiency, which in turn will have a positive impact on their revenues.

4. Reduce operational costs

Digital business can also help MSMEs in border areas reduce their operational costs. For example, by running an online store, they can save on space rental costs and reduce the inventory they have to store. In addition, digital technology also allows the automation of several business processes such as payments, shipping or inventory management, which can reduce operational costs and increase efficiency.

5. Increase Skills and Capacity

Through digital business, MSMEs in border areas can improve their skills and capacity. They can access online training, webinars or other digital resources that help them understand the latest market trends, digital marketing strategies, business management and more. By improving their skills and knowledge, MSMEs can optimize the use of digital technology to develop their business and increase income.

The implementation of MSMEs in digital marketing has resulted in an increase in income. This can be seen by increasing production so that increasing production results in an increase in the income obtained by the MSME players. We have found many examples, such as during the pandemic, where many businesses collapsed due to products or services not being used by consumers, but for MSMEs themselves this is still ongoing, because MSME players use digital business strategies in marketing their products. The results obtained when business actors utilize digital business, the change that occurs is that there is an increase in income and business continuity, even in a pandemic situation. Then another thing that is assessed in terms of the use of information technology among MSME

players is knowledge of internet technology to support the business they are pursuing (Lubis & Junaidi, 2016).

The results of research on the use of digital business to increase MSME income can have implications both theoretically and in its application in the business world. The following are some potential implications that could arise from the results of this research:

1. Theoretical Implications:

a. Contribution to understanding:

Research that reveals patterns, factors or mechanisms that contribute to increasing MSME income through digital business will make an important contribution to our understanding of how digital technology can be used effectively in a business context.

b. Development of a new theory:

The research results can pave the way for the development of new theories in the field of digital business, for example in terms of digital marketing strategy, risk management, or the use of certain digital business tools.

c. Understanding of inhibiting or supporting factors:

Research can identify factors that influence the success of digital business implementation in MSMEs, such as internal factors (for example, limited resources or skills) or external factors (for example, regulatory or competitive environment). This will provide insight into how these factors can be overcome or leveraged to increase revenue.

2. Implementation Implications:

a. Practical guide:

The research results can provide practical guidance to MSMEs in implementing effective digital business strategies to increase income. For example, research can identify practical steps, tools, or methods that MSMEs can use to make good use of digital technology.

b. Policy recommendations:

The research results can provide a basis for developing government policies or other support initiatives to encourage the adoption of digital business by MSMEs and increase their income.

c. Dissemination of knowledge:

Research results can be disseminated to the MSME community, business people, or other related parties through scientific publications, seminars, or online platforms. This can help spread knowledge about successful digital business practices and encourage wider adoption.

One of the keys to the success of micro, small and medium enterprises is the availability of a clear market for MSME products. Meanwhile, the basic weaknesses faced by MSMEs in the marketing sector are low market orientation, weakness in complex and sharp competition and inadequate marketing infrastructure (Basry & Sari, 2018)

Thus, the results of research on the use of digital business to increase MSME income can have significant implications both theoretically and in its application in the business world.

There are several limitations that may be related to the findings in research regarding the use of digital business to increase MSME income. Some general limitations to be aware of are:

1. Generalization: The findings in the research may only apply to certain samples or populations,

so they cannot be directly applied to all MSMEs. Variations in industry characteristics, business size, or geographic context may affect the generalizability of research findings.

2. Data limitations: Data limitations may affect the interpretation of findings. For example,

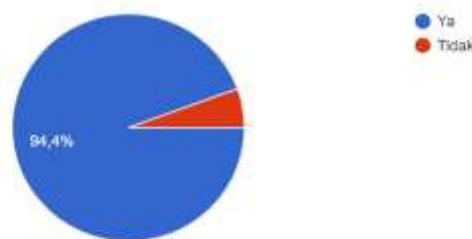
available data may be limited to certain aspects of digital business use, such as use of social media or certain e-commerce platforms, while other aspects may not be well recorded. Also, the data obtained may be limited to limited sources or have certain biases.

3. External factors: Findings in research may be influenced by external factors that are difficult to

control, such as changes in market trends, economic conditions, or government policies. These factors may influence the results of the study and may reduce the generalizability of the findings to different situations.

4. Hidden variables: There are other factors that may influence the relationship between digital business use and MSME income, but are not measured or identified in the research. These hidden variables can influence the results and interpretation of research findings.
5. Time: Research on digital business continues to evolve as technology advances and trends change. Findings obtained today may no longer be relevant or applicable in the next few years. Therefore, there needs to be an effort to update research and consider changing contexts over a longer period of time.

In interpreting research findings on digital business and MSME revenues, it is important to consider these limitations and understand the limits of generalizability as well as the specific context in which the findings apply. This will help in more accurate interpretation and development of a more comprehensive understanding of the use of digital business in increasing MSME income.



Pie chart

In the circle diagram there are results from MSME users or actors who use digital business, namely 94.4% of business actors have used marketing strategies in the form of digital business. Meanwhile, the remainder or 5.6% of business actors have not used digital business methods, because these business actors are not yet familiar with its use and due to inadequate networks or where the business actors do not yet have a network, so they cannot support the use of marketing strategies, so Business actors who have not used it still use manual methods, namely selling directly from person to person. Thus, as previously described, marketing strategies that have not used digital business tend not to be able to increase income, while business actors who have implemented digital business have received increased income. So it is clear that when business actors or MSMEs use digital business strategies, it has a positive impact, in addition to expanding consumers, it can also increase their income. Another benefit of the use of information technology for MSMEs is the addition of new consumers. Both new consumers and consumers who have made previous transactions. This addition is a very good thing for MSME players because with the addition of consumers, it is hoped that they will be able to increase additional income (Akhmad & Purnomo, 2021)

4. CONCLUSION

The conclusions of this research are: Digital business has great potential to increase MSME income. Research shows that MSMEs that adopt digital business tend to experience an increase in income compared to MSMEs that do not use digital technology. Digital business adoption can open up new opportunities, reach wider markets, and increase operational efficiency. The use of social media and e-commerce platforms is an important factor in increasing MSME income. MSMEs that are active in utilizing social media and selling via e-commerce platforms can reach a larger audience, build relationships with customers, and increase sales significantly. Digital marketing strategies can have a positive impact on MSME revenues. Effective digital marketing through the use of relevant content, online advertising and search engine optimization can help MSMEs increase visibility, attract potential customers and increase sales conversions. Adoption of digital technology requires adequate knowledge and skills. MSMEs need to have a good understanding of the use of digital technology, including website management, online marketing, analytics and digital security. These skills can be acquired through training or collaboration with digital experts. Inhibiting factors such as limited

resources, skills and digital security need to be overcome. MSMEs need to get support in terms of access to technology infrastructure, digital training, and policies that support digital business adoption. The role of government, educational institutions and business partners can help in overcoming these obstacles.

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