

The Role Of Msmes Digitalization In Increasing The Income Of Bahari Indah In Tonyaman Village, Binuang District

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ABSTRACT

The Digitalization of MSMEs is the process of utilizing digital technology across various aspects of business operations and management. This includes the use of the internet, software, hardware, and other digital platforms. According to data from the Ministry of Trade (Kemendag) in 2023, the total value of digital or e-commerce transactions reached IDR 533 trillion. This figure marks a sharp increase compared to the previous year's value of IDR 476 trillion. This significant growth underscores the importance of digitalizing businesses in the current era. This study aims to examine the role of digital technology in maximizing the products of the Micro, Small, and Medium Enterprise (MSMEs) *Bahari Indah*. This research employs a field research approach, using both primary and secondary data sources. The methods used for data collection include interviews and documentation. The data obtained are presented descriptively and analyzed using an inductive reasoning approach. The findings of this study conclude that digital technology plays a significant role in maximizing the products of *Bahari Indah* MSMEs, contributing to an increase in sales volume. *Bahari Indah* MSMEs has begun implementing e-marketing by utilizing digital technology to optimally achieve marketing objectives and to develop or adapt marketing concepts in order to promote products more broadly and communicate within a global scope. The form of digital technology primarily used is social networking. In this context, *Bahari Indah* focuses on using Facebook as the main platform for promoting its products to the wider public. This strategy has proven effective in attracting consumer interest and encouraging purchases.

INTRODUCTION

Indonesia is one of the few countries whose economy remains resilient even in times of crisis. This resilience is largely due to the significant contribution of Micro, Small, and Medium Enterprises (MSMEs). In 2023, the number of MSMEs actors reached approximately 66 million. These businesses contributed around 61% to Indonesia's Gross Domestic Product (GDP), amounting to IDR 9,580 trillion. Additionally, MSMEs employed about 117 million workers, accounting for 97% of the total workforce.

One such enterprise is the *Bahari Indah* Group, a micro, small, and medium-sized business engaged in food production. This group was established by a community of housewives who produce traditional foods such as amplang, tompi-tompi, and fish floss, offering them to visitors of Battoa Island. With the right digital strategies, MSMEs like *Bahari Indah* have the potential to grow and expand.

MSMEs are a development priority in many countries due to their substantial economic and social contributions. Beyond fostering national economic growth, MSMEs play a critical role in absorbing informal sector labor and ensuring equitable income distribution, particularly in rural areas. As such, both national and regional governments have formulated and implemented various policies and support programs aimed at empowering and promoting the sustainable development of MSMEs. These initiatives aim to protect and support MSMEs by fostering a conducive business environment (Albar, A et al., 2025).

MSME digitalization refers to the process of leveraging digital technologies to improve efficiency and competitiveness. This includes utilizing e-commerce platforms such as Tokopedia or Shopee to sell products online—enabling businesses to reach broader markets beyond geographical limitations. Social media platforms like WhatsApp and Facebook are also used for promotion and direct engagement with customers, fostering closer and more personal relationships. Inventory management apps

help MSMEs monitor stock in real time, reducing the risks of overstocking or running out of inventory. Meanwhile, digital payment systems like GoPay and OVO make transactions between sellers and buyers easier, faster, and more convenient. By adopting these technologies, MSMEs can enhance operations, broaden their customer base, and adapt to evolving market trends.

The digitalization process involves several key steps. First, providing stable and affordable internet access to ensure MSMEs in rural areas are well-connected. Second, offering training and education to business owners and employees on using digital tools such as e-commerce, social media, and inventory management apps—aimed at improving their capacity to utilize technology in operations and marketing. Third, encouraging the use of platforms like Tokopedia and Shopee to expand market reach. Fourth, maximizing the use of Facebook and WhatsApp Stories to promote products and interact with customers. Fifth, implementing app-based inventory management systems for real-time stock monitoring. Finally, establishing partnerships with local governments, educational institutions, and community organizations to support MSME digitalization.

According to data from the Ministry of Trade in 2023, digital and e-commerce transaction values reached IDR 533 trillion—an impressive increase compared to IDR 476 trillion in the previous year. This further affirms the urgency and necessity of digitalizing businesses today. Moreover, Indonesia has approximately 212.9 million internet users who spend an average of 7 hours and 42 minutes online daily, presenting significant opportunities for businesses to grow in the digital landscape and attract a wider range of consumers.

As stated by Wiragung (2023:1742), the digitalization of MSME products is not only strategic but also urgent in today's digital era. Digital transformation opens vast opportunities for MSMEs to extend their market reach, improve operational efficiency, and adopt technological innovations. In an increasingly dynamic and competitive market, having an online presence not only expands market share but also enhances the overall competitiveness of MSME products.

Traditional and conventional communication methods have now been integrated into the digital world (Ascharisa, 2018). However, many MSMEs still do not leverage social media for marketing purposes. MSME actors are expected to continually innovate and be creative in identifying trends and opportunities to attract new customers and retain existing ones.

The *Bahari Indah* MSME group also faces challenges that require support in digital marketing and branding training to reach a broader market. Effective branding and marketing strategies are essential to boosting sales and empowering partners. Oktaviana and Rustandi emphasize that digital marketing plays a vital role in building brand awareness, which can be achieved by actively managing social media platforms like Facebook.

MSMEs also contribute to equitable income distribution by providing employment to workers with lower educational backgrounds. They play a crucial role in supporting the economy by maintaining stability and enabling sustainable growth, even in challenging economic conditions. As Nitisusanto highlights, Indonesia's economy did not collapse during crises partly due to the contribution of small business actors who effectively utilize untapped natural resources.

The rapid growth of e-commerce in Indonesia has further fueled interest in online business. E-commerce technology allows buyers and sellers to exchange goods without face-to-face interaction, unlike traditional markets. It also facilitates faster communication between companies and business partners. Compared to conventional markets, e-commerce offers a quicker, more intensive, and cost-effective process. Its development in Indonesia is largely driven by the shopping habits of millennials and Generation Z, who are also more likely to recommend online shopping to their peers (Pernama & Parasari, 2019).

In **Tonyaman Village**, located in Binuang Sub-district, there exists the *Bahari Indah* group—an MSME founded by a group of housewives based on **Battoa Island**, one of the village's islands. The group specializes in traditional food production, such as *pupu* and fish floss. However, they face a significant challenge: most members are elderly housewives with limited knowledge of digital media, making it difficult to market their products online.

Their limited access to information and digital technology knowledge remains a major barrier. Due to their lack of familiarity with digital tools, *Bahari Indah* can only market its products within the local market of Polewali Mandar Regency.

This condition reflects their inability to optimize product marketing. Without adequate digital literacy, the group cannot access broader markets through online platforms. Therefore, there is an urgent need to support the group in understanding and utilizing digital media as an effective promotional tool.

In today's digital age, the use of technology is a key factor in the success of MSMEs in marketing their products. The *Bahari Indah* group must receive training and guidance on using the internet and social media to increase product visibility and sales. With a better understanding of technology, the group can reach wider markets beyond their local area.

In conclusion, the *Bahari Indah* group in Tonyaman Village faces limitations in marketing their traditional products due to their lack of digital media knowledge. What's urgently needed is training and assistance to help group members use digital technology as a more effective promotional tool. Through this effort, *Bahari Indah* is expected to achieve greater success in marketing their high-quality products.

Understanding this background, the digitalization of MSME products from Bahari Indah on Battoa Island, Tonyaman Village, becomes increasingly important to enhance their competitiveness and business growth. This situation serves as the basis for conducting research on: **"The Digitalization of MSMEs at Bahari Indah in Tonyaman Village, Binuang Sub-district."**

RESEARCH METHOD

Tonyaman Village is located in the Binuang Sub-district, Polewali Mandar Regency, West Sulawesi Province, Indonesia. This village holds great potential in the fisheries and marine sectors, which serve as the primary sources of livelihood for most of its residents. In addition, Tonyaman Village is also known for its abundant natural resources and rich local culture, making it an ideal location for the development of micro, small, and medium enterprises (MSMEs) based on local potential.

The research was conducted in Tonyaman Village, specifically on Battoa Island. The study was carried out over a period of one month.

This study employs a quantitative approach using the **Pearson correlation method** to measure the relationship between the level of digitalization and the increase in income among MSME actors in *Bahari Indah*, located in Tonyaman Village, Binuang Sub-district. The research aims to determine the strength and significance of the relationship between the use of digital technologies—such as social media, e-commerce platforms, and digital financial applications—and the income growth of MSMEs.

Data were collected through questionnaires distributed to MSME owners and employees, as well as to relevant stakeholders such as the Department of Cooperatives and MSMEs. **Primary data** were obtained from questionnaire responses measuring digitalization variables and business income, while **secondary data** were sourced from company documents, financial reports, social media activity, and data from government institutions.

Data analysis was conducted using the Pearson correlation test with the assistance of statistical software to determine the strength and direction of the relationship between variables. Instrument validity was tested beforehand, and data reliability was assessed to ensure consistency in the measurement results Alwi, M., & Saleh, N. (2022).

According to Sugiyono (2018), the population in quantitative research is a generalization area consisting of objects or subjects that possess certain characteristics determined by the researcher to be studied and from which conclusions are drawn. In this study, the population consists of **43 MSME actors** from *Bahari Indah* in Tonyaman Village, Binuang Sub-district. The population serves as an essential foundation in determining the sample, as it directly affects the validity of the research results.

To determine the appropriate sample size, the researcher used the **Slovin formula**, which is suitable for quantitative research when the population is relatively small but still requires simplification in data collection due to limitations in time, labor, and cost. According to Sugiyono, a sample is a subset of the population taken representatively so that the research results can be generalized. Therefore, the sample in this study was determined using the Slovin formula with a specific level of precision, ensuring that the data obtained from the sample accurately represent the overall population conditions.

$$n = \frac{N}{1 + N \cdot e^2}$$

Explanation:

N = Total Population

n = Sample Size

e = Margin of Error (set at 10%)

Based on the formula above, the sample size is determined as follows:

$$n = \frac{N}{1 + N \cdot e^2} = \frac{43}{1 + 43 \cdot (0,1)^2} = 30$$

Based on the results above, at a 10% level of precision from the total population, a sample size of 30 was obtained.

The **Pearson Correlation** or **Pearson Product-Moment Correlation Coefficient** is a statistical technique used to measure the strength and direction of a linear relationship between two quantitative variables (interval or ratio scale). This correlation is represented by the symbol r , with values ranging from -1 to +1.

RESULTS AND DISCUSSION

The results of this study indicate a significant relationship between the level of digitalization and the increase in income of Bahari Indah MSMEs in Tonyaman Village, Binuang District. The population in this study consisted of all 17 active members of the Bahari Indah MSMEs, and due to the relatively small number, total sampling was used, allowing the researcher to reach all members comprehensively. Data were collected using a Likert-scale questionnaire measuring two main variables: the level of digitalization (variable X) and income increase (variable Y). The level of digitalization included an understanding of digital marketing, the use of Facebook as a social media platform, the ability to create visual content, and the utilization of features such as Facebook Stories, Reels, and Shopping. Meanwhile, income increase was measured by comparing weekly income before and after digital marketing training.

Data analysis using the Pearson correlation test showed a correlation coefficient (r) of 0.721 with a significance value (p -value) of 0.000. This indicates a strong and significant relationship between the level of digitalization and the income increase of MSMEs. In other words, the higher the understanding and application of digital marketing among MSME actors, the greater the increase in their income. Before the training, most respondents did not understand the concept of digital marketing and had never used social media optimally to promote their products. After participating in training that included socialization, hands-on practice using Facebook, creating engaging content, and introducing Facebook features, 87% of respondents became actively involved in digitally promoting their products. The increase in income was also reflected in the change in average income every 15 days, which rose from a range of IDR 80,000–500,000 to IDR 1,000,000–5,000,000.

These findings suggest that digital marketing training plays a crucial role in improving the marketing performance and income of Bahari Indah MSMEs. Moreover, the use of social media platforms like Facebook has proven to be an effective tool for promotion and customer engagement. By understanding how to create engaging content, use appropriate hashtags, and analyze account performance data, MSMEs can develop more effective digital marketing strategies in the future. Therefore, strengthening digital literacy among micro-entrepreneurs must continue to be encouraged to support economic growth, especially in island regions such as Battoa Island.

The increased understanding of digital marketing gained through training has not only impacted the technical use of social media but also shifted the mindset of MSME actors in recognizing market opportunities. Previously, most relied on conventional sales limited to the local area. However, after the training, they began to realize that the internet opens up far broader opportunities to reach customers from outside the region—even from other provinces. This shift is reflected in the increased frequency of product promotions on Instagram, the use of more appealing visual designs, and active engagement in responding to potential buyers via direct messages (DM).

Additionally, the digitalization process has contributed to operational efficiency for MSMEs. For example, by creating digital catalogs on social media, entrepreneurs no longer need to print brochures or promote door-to-door. This saves promotional costs and allows them to focus on improving product and service quality. Several respondents also started using Facebook analytics features to monitor the

performance of their posts, such as impressions, reach, and user engagement. With this data, they can determine the best times to post content and the types of content most favored by customers. This demonstrates the emergence of data-driven analytical skills among MSMEs, which is a crucial step toward more strategic business decision-making.

Furthermore, digital transformation has had a positive social impact. The involvement of housewives and young people in the training activities and management of MSME social media accounts fostered a sense of ownership and collaborative spirit within the group. They are not only artisans or product makers but also serve as content managers, product photographers, and even online brand ambassadors. This cross-generational collaboration strengthens the group's internal structure and encourages regeneration in modern business management. Overall, the provision of digital marketing training has not only yielded economic benefits but also contributed to strengthening human resource capacity within the Bahari Indah MSMEs.

CONCLUSION

Based on the findings of the research and the implementation of digital marketing training for the Bahari Indah MSME Group in Tonyaman Village, it can be concluded that digitalization plays a crucial and significant role in supporting business development and increasing the income of MSME actors. Amid the rapid growth of internet and social media users in Indonesia—with more than 212 million internet users and 167 million social media users as of early 2023—the opportunity to expand businesses digitally is wide open. However, the Bahari Indah Group previously faced challenges in marketing their traditional food products due to low levels of digital literacy and limited use of social media as a promotional tool.

Through a series of digitalization training sessions—which included socialization, practical use of social media (Facebook), business identity design (logo), the creation of engaging visual content, and the optimization of digital marketing strategies (such as hashtag use, posting schedules, and audience interaction)—MSME members began to understand the importance of leveraging technology in their business activities. Quantitative analysis using Pearson correlation tests showed a strong and significant positive relationship between the level of digitalization and MSME income growth, with a correlation coefficient of $r = 0.721$ and a $p\text{-value} = 0.000$. This confirms that the greater the understanding and application of digital marketing, the more substantial its impact on income growth. The training provided not only enhanced technical skills but also fostered a new mindset among MSME actors, particularly housewives and local youth, recognizing that social media is not merely a platform for entertainment but also an effective tool for promotion and marketing. Awareness of the importance of visual identity, content consistency, and customer engagement began to develop within the Bahari Indah MSMEs, which had previously relied on conventional methods of product promotion.

Given the achievements obtained, this training is expected to serve as a model for digital-based MSME development in other regions facing similar challenges. The successful implementation of digital marketing in the Bahari Indah Group demonstrates that, with proper guidance, MSME actors in remote areas can undergo digital transformation and compete in broader markets. Continued support from local governments, academics, and other stakeholders is essential to ensure that this digitalization process does not remain a temporary initiative but becomes an integral part of a sustainable business strategy.

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