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Digitalization of Marketing and Simple Financial Management to Improve the Welfare of MSMEs on the Indonesia-Malaysia Border

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ABSTRACT

Digital marketing training and the preparation of simple financial reports are important steps in increasing the capacity of MSMEs on the Indonesia-Malaysia border. The main objective of this activity is to help MSMEs understand and implement digital-based marketing strategies and simple financial management to strengthen business competitiveness. Before the implementation of the activity, the preparation process had been carried out for one month beforehand. This training was conducted using interactive lecture methods, live demos, and practical exercises with 20 MSME participants on Sebatik Island. The results of the training showed an increase in participants' understanding of digital platforms for marketing and the importance of attractive promotional content. Participants also showed enthusiasm in participating in the activities. In addition, simple financial training helped participants recognize the importance of routine financial records to monitor the financial condition of the business. The ability to prepare simple reports such as cash books and a basic understanding of digital financial applications began to be applied by participants. Based on these results, it is proposed that there be a sustainable mentoring program to support the implementation of consistent digital marketing strategies and financial management for MSMEs on the border. With the sustainability of mentoring, it is hoped that MSMEs can optimize their potential, increase market access, and strengthen local economic stability in border areas.

INTRODUCTION

MSMEs are the main drivers of local economies and the backbone of the economy in many regions, playing an important role in creating jobs and reducing unemployment rates (Avelar et al., 2024). Improving the welfare of MSMEs will strengthen the local economy, help equalize the economy, and have a positive impact on the distribution of community income, especially in remote or border areas that are often untouched by major economic programs. In addition, strong MSMEs can strengthen national economic resilience by reducing dependence on macroeconomics and foreign investment, and providing the stability needed to face economic crises (Mang'ana et al., 2024). In the digital era, developing technology-based marketing and management capabilities is important so that

MSMEs can compete in the global market (Adelia et al., 2024; Ali & Ahmed, 2024; Puspaningtyas et al., 2022). This step also increases competitiveness starting with digital marketing and simple financial management. The push for improving the welfare of MSMEs will encourage innovation and adaptability, allowing them to continue to grow along with changes in market trends, technology, and consumer needs (Asikin et al., 2024; Khodor et al., 2024; Upe, 2023).

Marketing digitalization is very urgent for MSMEs in today's digital economy era (Gonzalez-Tamayo et al., 2023; Muzanenhano & Rankhumise, 2023). By utilizing digitalization, MSMEs can significantly expand their market reach, going beyond geographical boundaries that previously limited customers to local areas only (Albiansyah Pratama & Kusumawardhani, 2021; Biemans, 2023). This opens up great opportunities to reach

wider markets, including global markets, which were previously difficult to reach with conventional marketing (Asikin et al., 2024; Uddin et al., 2024). In addition, marketing digitalization allows MSMEs to interact directly with customers, collect consumer data more efficiently, and better understand customer needs and preferences, which ultimately improves service quality and customer satisfaction (Puspaningtyas et al., 2022; Mukti & Isa, 2024; Shams et al., 2024).

Digital marketing also supports cost-effectiveness because various online platforms offer more affordable marketing solutions compared to traditional marketing methods (Pratiwi & Nur, 2024; Terpoorten et al., 2024). Using social media, email marketing, or websites, MSMEs can run marketing campaigns at lower costs but have the potential to have a big impact (Hernández et al., 2024). Digitalization also provides the ability to conduct real-time performance analysis, so that MSMEs can adjust marketing strategies quickly and accurately based on the data obtained (Halida & Wilantini, 2022; Antczak, 2024). In increasingly tight business competition, marketing digitalization is an important aspect for MSMEs to increase competitiveness, follow changing market trends, and ensure business sustainability amidst rapid technological developments (Amin et al., 2022; Iswahyuniarto et al., 2023).

Another thing that is an important foundation for the sustainability and growth of MSMEs is simple financial management (Zainal et al., 2024). With the implementation of financial management that is easy to understand and apply, MSMEs can record income and expenses regularly, which helps business owners understand financial conditions more clearly and avoid uncontrolled cash leaks (Setiawan et al., 2022). This record-keeping also allows them to monitor cash flow, maintain the financial health of the business, and make more informed financial decisions (Sunaryo et al., 2023).

Simple financial management also helps MSMEs in preparing financial reports that can be used to gain access to funding or partnerships (Nurhazana et al., 2022). Many financial institutions and investors require financial reports as a basis for deciding whether a business is worthy of being given a loan or investment (Tambunan et al., 2022). With neat and consistent financial reports, MSMEs can increase credibility and opportunities to obtain

new sources of funding (Prawoto et al., 2023; Mang'ana et al., 2024; Lanciano et al., 2024).

In addition, with simple but effective financial management, MSMEs can set budgets, plan expenses, and anticipate future capital needs (Supriyadi et al., 2023; Al-shami et al., 2024; Huy & Phuc, 2024). This is very important in setting long-term business strategies and facing uncertainty, especially in difficult times. So simple financial management not only provides a clear financial picture but also increases operational efficiency and strengthens the foundation of the business in the long term (Liandra, 2022; Jaman et al., 2023; Zhang & Li, 2024).

MSMEs in the Indonesia-Malaysia border area have great potential to drive the local economy and become a bridge for trade between countries. The existence of MSMEs in border areas allows the utilization of cross-border markets, accessing demand both from within the country and from Malaysia. With this strategic position, MSME products can reach consumers in two countries, expand market share, and open up export opportunities that can boost the added value of the local economy.

This potential is strengthened by the diversity of natural resources and superior local products in border areas that have special appeal, such as unique agricultural, fishery, and handicraft products. These products have great potential to be processed into high-value commodities and marketed more widely, especially with the help of digital technology that facilitates access to international markets.

In addition, the development of MSMEs in border areas can be a solution to reduce economic inequality and improve the welfare of local communities. By supporting MSMEs in border areas, the government and related institutions can create new jobs, reduce unemployment rates, and encourage regional economic stability. MSMEs can also play a strategic role in maintaining economic resilience in border areas, reducing dependence on imported goods, and increasing the economic independence of local communities (Eka Indriyani MS et al., 2024).

Despite having a series of potentials, MSMEs in the Indonesia-Malaysia border areas face various obstacles that hinder development and competitiveness. One of the main problems is

limited infrastructure and accessibility. Border areas often have inadequate infrastructure, such as poor roads, and limited transportation. This condition makes the distribution of goods and services difficult, increases logistics costs, and ultimately reduces the competitiveness of MSME products in the market. In addition, MSME actors on the border also have difficulty getting access to capital or loans from formal financial institutions, due to the lack of assets that can be used as collateral and financial reports that have not been done properly. In addition, the lack of knowledge about modern business management is an obstacle to adapting to technological developments, including digital marketing which is very important for expanding the market (Kans & Campos, 2024; Mujahed et al., 2024; Hendrawati et al., 2022). Without sufficient understanding of digital marketing, MSMEs find it difficult to reach online markets that can increase competitiveness (Friess et al., 2024; Graña-Alvarez et al., 2024; Wang et al., 2024). For this potential to be optimally realized, support is needed in the form of training on digital marketing techniques and the preparation of simple financial reports (Rahmawati et al., 2023). This support is expected to give MSMEs on the Indonesia-Malaysia border the opportunity to develop, increase competitiveness, and become an important pillar of the national economy.

METHODS

This activity was carried out with the support of the Faculty of Economics and Business, Halu Oleo University, and the Dean of the Faculty of Economics and Accountancy, Universiti Malaysia Sabah. The preparation process was carried out for one month beforehand. Until the implementation of the activity which was carried out for one day with 20 MSME participants around the Indonesia-Malaysia border on Sebatik Island. In the implementation of digital marketing technique training activities and the preparation of simple financial reports, three methods were used, namely, interactive lecture methods, Live Demos, and Practical Exercises.

The purpose of this interactive lecture method is to provide participants with a basic understanding of digital marketing and simple financial reports in a concise manner. To maintain participant engagement, the instructor asked open-ended

questions that invited responses and discussions. This interaction aims to make participants more active in thinking about how these concepts can be applied directly.

Live demo session on digital marketing techniques and simple financial reports. In the digital marketing session, the instructor shows directly how to create a business account on a social media or e-commerce platform, as well as how to use basic features such as uploading products, creating promotional content, and scheduling posts. Meanwhile, for simple financial reports, the instructor demonstrates how to compile income and expense records using a simple format, either in the form of a manual cash book or an easily accessible financial application.

The practical training session is designed to provide participants with a direct opportunity to practice the newly learned skills. In the digital marketing session, participants are asked to create promotional posts for their respective products, choose appropriate images or videos, and write attractive product descriptions to reach a wider audience. Meanwhile, for simple financial report exercises, participants are given the task of recording their daily financial transactions using a simple cash book or financial application, such as recording income from sales and expenses for operations. This stage also serves as an evaluation stage for the success of the implementation of the activity.

RESULTS AND DISCUSSION

Digital Marketing for MSMEs

Digital Marketing Training for MSMEs in border areas aims to provide basic skills that can help them utilize digital technology to increase sales and expand market reach. Based on the results of the training activities, there were several points of success, challenges, and follow-up needs identified in the participants.

Improved Understanding of Digital Platforms Participants showed an increase. Understanding of digital platforms that can be used for marketing, such as social media (Facebook, Instagram, TikTok) and e-commerce platforms. Participants have understood how to create a business account, upload products, and use promotional features. This understanding is expected to be the first step for MSMEs to introduce their products to a wider

market. In addition, several participants showed particular interest in paid advertising features, such as Facebook Ads, which are considered to have the potential to increase the visibility of their products on social media.

In addition, basic skills in Promotional Content Creation. The results of the training showed that participants understood the importance of creating promotional content that is attractive and relevant to the target market. Participants learned to choose product images and descriptions that attract attention and adjust the language style to make it easier for potential consumers to understand. Participants have realized the important role of visual aesthetics and strong promotional messages to attract buyers.

Enthusiasm in Scheduling Posts and Interacting with Customers Participants are very enthusiastic about learning optimal posting schedule strategies, such as the best time to upload content on social media. Participants also understand the importance of interacting with customers, either in the form of comment replies, private messages, or posting testimonials. This understanding is expected to help participants build better relationships with consumers, which is important in building customer loyalty and increasing trust in MSME products.

Although this training received a positive response, some participants experienced technological challenges, especially related to the stability of the internet network in border areas. Limited internet access made some participants feel less free to carry out digital marketing, especially if it requires the use of a more complex platform. This challenge affected the effectiveness of the training and became an obstacle for participants to be able to immediately practice the strategies they had learned.

Need for Further Assistance Based on the results of the training, some participants still need further assistance to be able to apply digital marketing strategies optimally. This is especially necessary for the development of more creative content and the use of advanced features in digital platforms. With additional assistance, participants are expected to be more adept at optimizing the business accounts they have created and implementing digital marketing strategies with more confidence.

Preparation of Simple Financial Reports for MSMEs

The training on preparing simple financial reports for MSMEs in the Indonesia-Malaysia border region aims to provide basic skills for participants in managing their business finances. Through good financial reports, MSMEs can understand the financial condition of the business, identify development opportunities, and increase access to funding. The following is a discussion of the results of this training.

The training participants have understood the importance of preparing simple financial reports, such as profit and loss and cash flow statements, to monitor the financial health of the business. During the training, participants were guided to realize that recording income and expenses regularly can help see the profits or losses experienced, as well as identify business areas that need improvement. This understanding is expected to be a foundation for participants to be more consistent in recording finances.

The practical exercises provided in this training include recording daily transactions, which include income from sales and operational expenses. Most participants were able to prepare a simple cash book quite well, recording income and expenses neatly and in a structured manner. Some participants have even begun to identify types of expenses that can be reduced to increase business efficiency. This basic skill is very important to accustom MSME actors to consistent and careful recording.

One of the positive outcomes of this training is the interest of participants in using simple financial applications, such as BukuKas, or other digital recording applications that can be accessed via mobile phones. The instructor introduced an easy-to-use and free application that can help participants manage business finances without the need for in-depth accounting skills.

Although most participants were enthusiastic, the habit of daily recording was still considered something new, especially for participants who previously did not have the habit or understanding of financial management. This challenge is a concern because consistency is the main key to preparing accurate and useful financial reports for the long term.

Based on the results of the training, it was seen that participants still needed further assistance to be able to implement financial recording independently. Several participants also felt that the material needed to be simplified further to make it easier to understand for those who did not have an accounting background. Through ongoing assistance, participants are expected to be able to overcome obstacles in conducting daily recording, as well as obtain guidance in identifying financial patterns.

CONCLUSIONS

Digital marketing training and preparation of simple financial reports for MSMEs in the Indonesia-Malaysia border area succeeded in providing important basic understanding and practical skills for participants. In terms of digital marketing, the training succeeded in increasing participants' knowledge of digital platforms, creating attractive promotional content, and interacting with customers to expand market reach. However, infrastructure challenges and limited internet access are obstacles that affect the effectiveness of implementing digital marketing in the field. In addition, some participants require further assistance to optimize digital marketing strategies, especially in creating creative content and using advanced features.

In terms of finance, this training succeeded in building participants' awareness of the importance of daily financial records and preparing simple financial reports as a basis for making business decisions. This training also introduced simple financial applications that were of interest to participants to facilitate financial records. However, consistency in recording finances is still a challenge for some participants who are not used to it. MSME actors need further guidance so that they can practice daily records independently and prepare accurate financial reports.

This training has a positive impact on preparing MSMEs in border areas to face the digital era, manage finances better, and take advantage of available cross-border opportunities. Further support and mentoring from related parties will be very useful in helping participants apply these new skills effectively so that MSMEs on the border can be more competitive, independent, and contribute significantly to the local and national economy.

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