



Digital Economic Transformation Through E-Commerce and Fintech in Improving Smes Income

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Abstract. *The goal to be achieved from this service is the application of the digital economy through e-commerce and fintech for MSME actors in Kota Pari Village. Then it is hoped that the community/MSME actors will be able to understand that this digital economic transformation is used for the turnover of economic activities so that it will increase the income of business actors in the Pandemic Era so that the products offered are not only marketed in the local area but also internationally. Business actors are increasingly aware of this digital economic transformation, so it is hoped that they will be able to increase their income through product sales by increasing production, expanding sales areas in e-commerce that are already available on the android application. This service activity plan will be carried out for 1 day with counseling with the theme of Education on Digital Economy Transformation Through E-commerce and Fintech in increasing the income of business actors in the COVID-19 Pandemic Era in Kota Pari Village, Pantai Cermin District, Serdang Bedagai Regency and evaluating the results by re-observing the community/MSME actors by looking at the income results and the level of purchasing power of the community.*

Keywords : *Digital Economy Transformation, E-commerce and Fintech*

1. INTRODUCTION

Pari City Village according to the history of the predecessors that on one of the beaches that is now a salt warehouse beach is famous for many stingrays. At a time when there are many stingrays so that the beach is like a crowded city. So, at that time it was called Pari City Village until now. Kota Pari Village, Pantai Cermin District is one of the villages that is directly adjacent to the Strait of Malacca so that it makes Kota Pari Village one of the marine tourism destinations, in addition to presenting a beautiful beach atmosphere also serves seafood from the sea. Administratively, the number of residents of Pari City Village is recorded \pm 2860 people. In addition to beach attractions, Kota Pari Village also presents ecotourism in the form of honey guava plantations and pandan coconut nurseries that have a distinctive taste and typical pandan fragrance, as well as producers of processed seafood such as home industries for making belacan, kecepe shrimp, and paname shrimp. Kota Pari Village has several marine attractions such as Pondok Permai Beach, Woong Rame Beach, Mutiara 88 Beach, Kuala Dewi Indah Beach, Woong Pulo Beach, Perjuangan Beach and Dua Rasa Beach, where each beach offers a different natural atmosphere. The picture below is one of my darling beach tours in Kota Pari Village, Pantai Cermin District, Serdang Bedagai Regency. Not only tourist attractions that are economic potential in Kota Pari Village, but oil palm plantations are also producers of home industries such as brown sugar and belacan, and even fishermen as well.

This digital economy transformation is expected so that the community/MSME actors are able to understand that this digital economy transformation is used for the turnover of economic activities so that it will increase the income of business actors in the Pandemic Era so that the products offered are not only marketed in local areas but also internationally. Business actors are increasingly aware of this digital economic transformation, so it is hoped that they will be able to increase their income through product sales by increasing production, expanding sales areas in e-commerce that are already available on the android application. The emergence of various digital applications as a means of payment is one of the proofs that shows the development of the financial sector in this digital economy era. Not only payment systems, but digital applications related to the financing system have also begun to be widely developed and used by the public. Not surprisingly, currently, topics related to financial technology or often referred to as - fintech are one of the topics that are often discussed by digital economy actors. The digital economy sectors that are experiencing rapid growth are e-commerce and financial technology (fintech). E-commerce is a way of buying and offering or trading an item, performing administration, data processing online via the internet (Deshmukh, 2019); (Khan, Abdul Gaffar, 2016). Meanwhile, fintech according to (Leong, K., Sung, A. 2018) is a combination of the disciplines of finance, technology, management and innovation that can improve financial services using technology. Currently, the world, including Indonesia, is still facing the COVID-19 Pandemic. The impact of the COVID-19 Pandemic has resulted in many companies closing in various business sectors. The digital economy played a central role during the COVID-19 Pandemic, especially in economic activities. The digital economy has resilience, to survive and avoid economic contraction and face heavy economic pressure during a recession and can continue to move forward to make a real contribution to economic growth.

Referring to existing data and facts, the conditions for implementing this digital economy exist in individuals or households as well as MSME actors. Then it is hoped that the community/MSME actors will be able to understand that this digital economy transformation is used to provide understanding to the community/MSME actors in Kota Pari Village so that they can implement the digital economy related to expanding the sales area in e-commerce and also increasing the use of financial technology (fintech). This can increase economic growth in Kota Pari Village. The purpose of the implementation of this service activity in Pari City Village is to provide understanding to the community/MSME actors in Pari City Village so that they can implement a digital economy related to expanding sales areas in e-commerce and also increasing the use of financial technology (fintech).

2. METHODS

The method of approach offered to solve fishermen's problems is to do service by providing counseling: 1) Providing understanding and knowledge to the community/MSME actors in Kota Pari Village towards Digital Economy Transformation. 2) Providing understanding to the community/MSME actors about economic activities that are an assessment of the purchasing power of a person or household. 3) The last is to evaluate the results by re-observing the community/MSME actors in Pari City Village towards the implementation of Digital Economy Transformation.

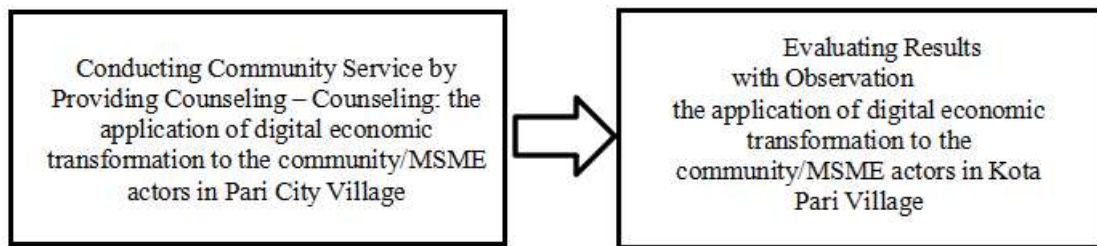


Figure 1. Approach Steps

The work procedure is to support the realization of the solutions offered, so first conduct initial observations in the field, approach through interviews and find problem phenomena. After observation and socialization, then an assessment of the problem is carried out and a solution to be offered, then compile priorities for the implementation stages and then do service by providing counseling. The last is to evaluate the results by re-observing the implementation of Digital Economy Transformation in the community/MSME actors in Kota Pari Village.

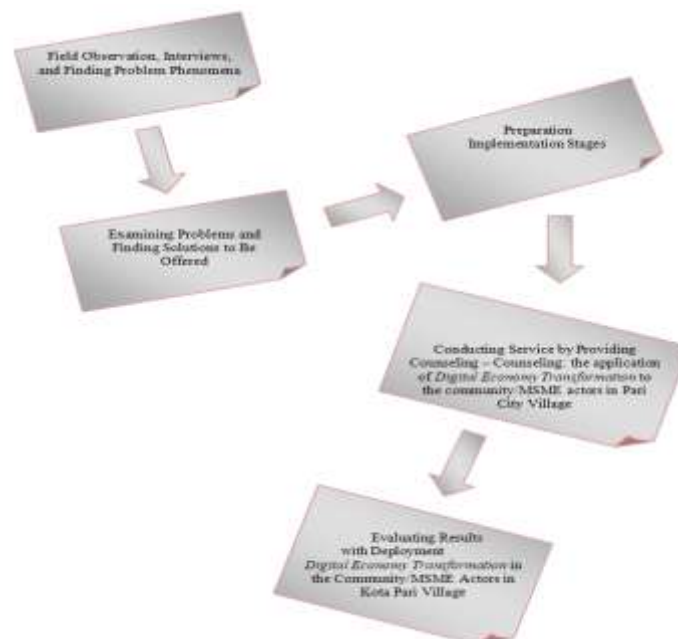


Figure 2. Working Procedure

3. RESULTS

The participants of the activity were the community/MSME actors in Kota Pari Village, Pantai Cermin District, and Serdang Bedagai Regency. The list of participants who took part in this service can be seen in the attachment. In terms of material, material related to counseling on Digital Economy Transformation of the community/MSME actors in Kota Pari Village, Pantai Cermin District, Serdang Bedagai Regency has been inserted to increase student understanding, including: 1) Digital Economy Learning 2) Presentation of economic activities that are a place for business actors to market their products. The speakers who delivered the training consisted of people who already have good competence in the field of Digital Economy. As for the implementation process, it also involves students preparing tools and assistance in the provision of facilities and infrastructure used in this service activity. In the implementation of training, student participation is very necessary to support the success of service activities and to help everything related to technical matters. The names of students and their roles in this PkM activity with the task of assisting in service administration activities on the part of the Village Head of Kota Pari Beach, Pantai Cermin District, as well as helping to prepare the room where the service is carried out, and assistance for participants.

The results of the lecture activity to increase students' understanding of the implementation of Digital Economy Transformation for the community/MSME actors in Kota Pari Village, Pantai Cermin District, Serdang Bedagai Regency went well, because in general it was in accordance with the plan in the proposal submitted. The number of participants and participants who took part in this service was 18 people, with the percentage of attendance in accordance with what had been planned. The presence of participants at the service, which lasted for a day showed good results, where the participants and participated in this service activity (see the attachment of the list of attendance for service activities). In the process of the activity, each student listened to the presentations from the presenters and recorded the necessary materials related to economic theory, especially Digital Economy Transformation. The pattern used is to open a question-and-answer session and discussion that allows participants to improve their understanding. The delivery of training materials is carried out with the help of LCD Projectors, so that the communication process can take place well, especially during the delivery of materials.

A total of 18 participants consisting of students worked on pre-test and post-test knowledge insight about the Digital Economy. Based on the service activities, there is progress in the test participants' knowledge regarding the Digital Economy that has been conveyed. This shows that their knowledge about the Digital Economy is not adequate before the presentation.

After the presentation on Digital Economy, it seems that their knowledge has increased significantly. It is hoped that the participants as MSME actors themselves can implement the application of Disposable Income in their accumulated income. The suitability of the Community Partnership Program which uses the Digital Economy Transformation understanding approach is a derivative of the material from the lectures in the Digital Economy Course in accordance with the learning outcomes that students are expected to be able to explain the digital economy from several economic perspectives, especially related to the development of the digital economy in the household economy and companies in various potential sectors.

4. CONCLUSION

The community service activity with the title "Education on Digital Economy Transformation Through E-commerce and Fintech in Increasing the Income of Business Actors in the COVID-19 Pandemic Era in Kota Pari Village, Pantai Cermin District, Serdang Bedagai Regency" was carried out well and smoothly. The active participation and interaction of the participants in this activity greatly supports the success of the activities that have been carried out. The theory is about Digital Economy Transformation. With the implementation of this activity, the understanding of the community/MSME actors in Kota Pari Village, Pantai Cermin District, Serdang Bedagai Regency can increase well.

Based on the results of community service, the following suggestions can be made: 1) The community/MSME actors in Kota Pari Village, Pantai Cermin District, Serdang Bedagai Regency can implement Digital Economy Transformation which encourages increasing the income of MSME actors through product sales by increasing production, expanding sales areas in e-commerce that are already available on the android application. 2) For local governments, they can propose additional facilities and infrastructure of the nearest banks so that the community will make it easier to run a digitalized payment system.

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