
Digital Literacy Strategy Encourages Electronic MSMEs to Go Online

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Abstract. *The Covid-19 pandemic has reduced people's purchasing power and made people's activities all online. Digital literacy needs to be carried out by MSME actors, especially Electronic MSMEs, where they still carry out offline buying and selling activities both in terms of promotion, marketing, and service communication. This study aims to determine the implementation of digital literacy for Electronic MSME actors to go online. Digital literacy is an effort to change and develop activities based on skills and knowledge by using technology. This study uses a qualitative descriptive approach using data analysis techniques Reduction, Display and Conclusion. This research was conducted at the Electronic MSMEs, Padangsidempuan City, North Sumatera. The results showed that 88% of the understanding of Electronic MSME technology was based on the digital literacy capabilities they had, obtained through digital literacy activities carried out and received many benefits for the online sales system.*

Keywords: Digitalisation, Go Online, Digital Literacy, MSMEs

1. INTRODUCTION

Covid-19 pandemic has hit all countries in the world, greatly affecting every aspect of people's lives. In Indonesia, almost all sectors will be affected starting March 2020, especially the economic ecosystem which is the focus of society. Apart from that, the Covid-19 pandemic and its various derivatives slowed down Indonesia's economic sector. The micro, small and medium enterprise (MSME) sector, which is the most important part of the economic sector, has been greatly affected. This is a concern for all parties, because the MSME sector is experiencing major setbacks (Puspasari, 2020). Based on data from the central statistics agency, Indonesia's economic decline was around 2.07% during this pandemic (BPS, 2021).

It is known that MSMEs are one of the most popular business practices in society, with many MSME players making this industry a tool to drive the country's economy. Previous research stated that it was known that the Covid-19 pandemic had reduced people's purchasing power and fundamentally changed consumer behavior. This is because the general public has reduced outdoor interactions to reduce the spread of the virus. As a result, many consumers are keeping their distance and turning digital. And many MSMEs have had to close their shops due to reduced purchases and continue to rely on offline sales. As a result, several MSME sectors that did not adapt digitally ended up being adversely affected and closing their branches.

However, the Covid-19 pandemic has indirectly revolutionized Indonesia's business style. This shift is a shift from offline to online business, which is also known as the digital entrepreneurship phenomenon (Veranita et al., 2021). Digitalization can reduce direct

contact between individuals so as to minimize the risk of spreading the Covid-19 virus, which is a difficult challenge, namely increasing literacy for MSMEs so that they are ready to enter the digital system (Wijoyo et al., 2020). Social media and *marketplaces* can be concepts that encourage wider marketing access for MSME players. Technological developments require economic actors to adapt to conditions and digital transformation (Arianto, 2020).

This is reinforced by research conducted by (Alimudin and Dharmawati, 2022) that social media is very effective in the marketing or advertising process with a wide reach and unlimited distance and time. Reported in *kompas.com* by (Kiki Safitri, 2021) that Indonesia's hope in the digital transformation of MSMEs is targeted to reach 30 million digital-based MSMEs by 2030. This was conveyed by President Joko Widodo at a limited meeting on Thursday 11 June 2021 with instructions to accelerate the digitalization process of MSMEs by looking at the digital economic opportunities which are currently very large on the global stage. In reality, based on data from the Indonesian E-commerce Association (IdeA), there are only 13.7 million Indonesian MSMEs who have transformed into digital as of May 2021 or only around 21% of the total 64.2 million MSMEs in Indonesia.

Digital development in MSMEs still has problems facing Indonesian MSMEs towards digital business transformation as reported by *kompas.com* according to an advertorial in 2020, namely first, the main problem that prevents MSMEs from going digital is their limited skills and knowledge in using technology and digital platforms. Second, MSME players lack understanding in downloading applications to sell their products, uploading information and photos related to products to e-commerce sites. Third, there has been no direction to the MSME actors determine the digital platforms they will use to expand and reach their consumers. Therefore, with the digital problems faced by MSME players in running their business towards digital transformation, namely by implementing digital literacy, which can be done by MSME players starting from joining MSME players with the MSME community to looking for mentors, taking part in various online courses/online training. and take part in business digital webinars. (Advertorial, 2020). Many Indonesian economic actors, especially micro, small and medium businesses, are not yet competent in using technology (Pusparisa, 2020).

Based on this description, it can be clearly seen that digital literacy needs to be carried out by MSME players, especially electronic MSMEs, where they still carry out buying and selling activities offline both in terms of promotion, marketing and service communication. Apart from that, digital literacy skills also need to be implemented to

determine the impact felt when electronic MSMEs go online. (Syifa et al., 2021) explained that if MSMEs know the importance of digital marketing for their business, they will be motivated to use digital marketing as a means of promotion and communication in their business during the pandemic and beyond.

The results of research conducted by (Hasan et al., 2021) explain in the results of their research, there are 6 stages that MSMEs can carry out in the digital transformation process, namely understanding digital literacy, planning the resources needed and analyzing digital consumer needs, redesigning, preparing a budget, establishing partnerships, and implementation.

Digital transformation can be carried out by every MSME player. There is a need for a strategy in carrying out digital transformation, so digital literacy is expected to provide benefits for the digital progress of MSME businesses, such as making it easier for MSME players to find the latest information, expanding MSME social networks locally, domestically and even worldwide, increasing market share. Business actors use social media and online shops, improve communication between buyers / sellers / suppliers / distributors, and increase awareness among business actors that there are still many opportunities that can be exploited through developing entrepreneurial creativity and innovation. It is hoped that digital literacy activities can become a supporting movement for MSMEs and also the Indonesian government in order to increase the number of successful entrepreneurs in Indonesia.

This is reinforced by research conducted (Adnyana and Martini, 2021) that it is important to carry out literacy to minimize bad things in the use of technology. Based on this explanation, the aim of this research is to determine the implementation of digital literacy in electronic MSMEs going online. Therefore, researchers are interested in conducting research on digital literacy strategies for electronic MSMEs with the aim of providing guidance when going online.

2. LITERATURE REVIEW

Digital Literacy

Digital transformation will be successful if business actors have digital literacy including: understanding digital business theory, having skills, having sufficient budget, having the ability to partner and being able to implement the abilities and skills they already have (Hasan et al., 2021). The digital literacy theory put forward by (Gilster, 1997) explains in his research that digital literacy is seen from a person's ability to understand and use information from various sources obtained from the internet.

According to (Fitriani, 2019), his research states that digital literacy or digital competence is a new concept that describes individual skills related to technology. If the old competency is in the form of calibration competency, then the new competency is in the form of data competency, technical competency and human competency.

It can be interpreted that digital literacy involves subjects, objects and processes. Digital literacy is the use of digital technology and communication facilities to access, manage, integrate, analyze, evaluate, build new knowledge, communicate with other people, and participate effectively in the interests, attitudes and abilities of society (Setyaningsih et al., 2019). Digital literacy is the ability to participate in technological knowledge effectively for society (Winarsih & Furinawati, 2018). Digital literacy is the knowledge and skills to work with digital media, communication tools, or networks. In searching, evaluating, using, creating and utilizing information wisely, carefully and accurately in accordance with applicable rules and laws. Communication and interaction in everyday life, such as in a pandemic outbreak, requires us to be able to use and follow current developments in digital media (Suherdi, 2021).

From the explanation above regarding digital literacy, I can conclude that digital literacy is an effort for change and development based on the skills and knowledge possessed by utilizing technology. Digital literacy has several goals: (1) Education Increase general knowledge by reading various useful information (2) Help people deepen their understanding to draw positive conclusions from the information they read. (3) Improve the ability to critically evaluate written or academic research. (4) Supporting the growth and development of literacy culture in the wider community (5) Helping a person grow and developing a good personality (6) Increasing a person's personality values through literacy activities (7) Improving the quality of the use of time and making it more useful (Suherdi, 2021).

Benefits of digital literacy: (1) Increase vocabulary (2) Help optimize brain performance. Because it is often used for reading and writing (3) Search and get information and add new insights (4) Improve your language skills (5) Improves analytical thinking skills (6) Helps

improve concentration (7) Improve one's writing skills with lots of meaningful words (Suherdi, 2021).

Research conducted by (Damayanti et al., 2021) explains that digital literacy is able to equip individuals with knowledge in terms of skills, knowledge and understanding when using communication tools and digital media. The results of research conducted by (Reddy, Sharma and Chaudhary, 2020) stated that "Digital literacy is a person's technological ability, a person can be said to be digital or technological literate if he has 5 abilities, namely first, the ability to have knowledge of ICT technology developments and use it effectively and efficiently. second, namely cognitive skills by conducting evaluation strategies to assess quality. Third, understand the relationship between technology and social or life. Fourth, the ability to provide socialization or knowledge to others. Fifth, the ability to estimate the impact and validity period of digital information for the public and others," explained someone who is considered technologically savvy when they have 5 digital literacy skills.

The results of research from (Irawan et al., 2022) show that digital literacy has become a CSR activity carried out by business people in Indonesia during the Covid-19 pandemic. Based on previous research, it was explained that small business actors often participate in forums Entrepreneurs will get more benefits because participating in forums will increase their knowledge about their business (Zahro, 2020).

MSMEs

MSMEs are one of the most popular business practices in society, with many MSME players making this industry a tool to drive the country's economy (Tahir *et al.*, 2021). This statement is reinforced by (Rawun, 2019) MSMEs are said to have a very important role and impact in absorbing a region's workforce so that they can improve a region's economy and are among businesses that can survive conditions of business decline compared to other businesses.

According to (Arifqi, 2021), MSMEs are a solution in meeting the needs of society during the Covid 19 pandemic because they can be run individually and do not involve the industrial sector and do not collaborate with any party. In research, MSMEs are also referred to as hope in recovering the community's economy in very difficult conditions. MSMEs play an active and very useful role in distributing community income, which is able to create community creativity by innovating elements of local community culture and is able to drive the national economy which covers all business sectors (Sulestiyono *et al.*, 2021).

3. METHODS

This research uses a qualitative research method, a descriptive approach. (Sugiyono, 2017) suggests that qualitative research, namely the research method, is called a naturalistic method because it is carried out in a natural way. This is further strengthened by (Rosyada, 2020) qualitative form of research whose procedures and methods are very specific based on scientific theories of truth, focusing on the diversity of field data without the desire to generalize. Researchers deliberately chose qualitative methods because this research analyzes a phenomenon that occurs directly in the field.

This research was conducted on Electronic MSMEs in the Padangsidempuan City, North Sumatera, based on the results of observations of the population in this study, 3 out of 12 Electronic MSMEs in the Padangsidempuan City, North Sumatera who had gone online and had digital literacy. Data collection techniques used in this research include observation, interviews and documentation. The data analysis technique used by the Miles and Huberman model consists of the process of data collection, data reduction, data presentation and drawing conclusions (Raibowo, Nopiyanto and Muna, 2019).

4. RESULTS AND DISCUSSION

Implementation of Digital Literacy and Implementation of going online for Electronic MSMEs.

The transformation or going online carried out by Electronic MSMEs in Padangsidempuan City was carried out because they saw the conditions of technological development, the conditions of the Covid-19 pandemic which had to minimize direct contact between individuals. This statement agrees with research which states that communication and interaction in everyday life, such as in a pandemic outbreak, requires us to be able to use and follow current developments in digital media (Suherdi, 2021). Digital literacy in research conducted by (Setyaningsih et al., 2019) use of digital technology and communication tools to access, manage, integrate, analyze, evaluate, build new knowledge, communicate with others, and participate effectively, interests, attitudes, community capabilities.

Based on the findings that researchers have collected, Electronic MSMEs have used digital technology, namely accessing several social media such as WhatsApp to communicate with customers, managing the information obtained and integrating it into online sales and online purchasing activities, as well as evaluating any results that are not as desired. and the obstacles he received when doing online marketing. Not only the process of using technology, but Electronic MSMEs also add new knowledge through webinars, accessed YouTube and the

communities they participate in. It can be concluded that Electronic MSMEs have carried out digital literacy in all their online activities.

(Suherdi, 2021) in his research states that digital literacy includes knowledge and skills for working with digital media, communication tools or networks. In searching, evaluating, using, creating and utilizing information wisely, carefully and accurately in accordance with applicable rules and laws. Communication and interaction in everyday life, such as in the atmosphere of a pandemic outbreak, means that we can use and follow current developments in digital media.

Based on the findings, Electronic MSMEs have used technological media, namely cellphones, and implemented them with 4 applications, including 3 applications for online sales, namely OLX, Facebook and WhatsApp, then 1 application for online purchases, namely Shopee. The communication carried out by Electronic MSMEs with customers is via chat applications and WhatsApp, we try to always respond quickly to customer chats.

Based on the researchers' findings, the owners and staff of Electronic MSMEs already have good digital literacy skills, such as knowledge in searching for information, selecting information and applying the digital information obtained. These findings are in accordance with the digital literacy theory put forward by (Gilster, 1997) in his research explaining that digital literacy is seen from a person's ability to understand and use information from various sources obtained from the internet.

Based on the findings that the researchers have obtained, what is meant by good digital literacy skills can be seen from the results or evidence of digital literacy carried out by the informants such as attending webinars, looking for information by watching YouTube related to digital business and joining communities in the same field to exchange experiences regarding digital business.

Based on research conducted by (Suherdi, 2021), several benefits of digital literacy are known: (1) Increase vocabulary (2) Help optimize brain performance. Because it is often used for reading and writing (3) Search and get information and add new insights (4) Improve your language skills (5) Improve analytical thinking skills (6) Help improve concentration (7) Improve one's writing skills with lots of meaningful words .

Some of these statements will be explained in more detail according to the circumstances and benefits obtained by Electronic MSMEs in carrying out digital literacy in their shops:

- a. Increase vocabulary.

From the digital literacy carried out, Electronic MSMEs already understand several vocabulary in *online* sales such as: *COD, platform, transfer, link shop, marketplace* and other abbreviations.

- b. Add new insights

By trying several new marketplaces for making *online sales*, and learning how these applications work.

- c. Improve language skills

The language that can be used in sales is different from the everyday language used in digital literacy.

- d. Improve analytical thinking skills, namely being

able to try all other strategies or *plans* when you encounter obstacles in going *online*.

- e. Improve writing skills

Writing skills have improved because staff from MSME Electronics have participated in *webinars* related to *copywriting* so that *the captions* or product descriptions written can attract consumers' interest in buying their products.

The explanation above regarding the benefits of digital literacy, namely in the form of digital business knowledge, based on the findings obtained by researchers, found that in Electronic MSMEs there are several other benefits obtained as follows.

- a. Increased turnover/income

Seeing the increase in turnover from *offline* to *online* as well as when carrying out digital literacy, it was stated by the owner and staff of MSME Electronics that turnover had increased by 50-100% from before.

- b. Make Promotion Easier

Promotions carried out by Electronic MSMEs in marketing their products are free without any costs there is an administration fee of a penny and the term can be renewed for one month, so it is easy to do without the hassle of having to do marketing manually */offline* and for a fee. Also reduces store promotion costs.

c. Speed up product sales

It was explained based on the findings that with digital literacy, buyers were easily attracted to the products sold by Electronic MSMEs because the copywriting displayed was very persuasive, so the time period for the products to be sold was very fast.

The statement above is in accordance with the explanation in research conducted by (Zahro, 2020). If small business actors often participate in entrepreneurship forums, they will get more benefits because participating in forums will increase their knowledge about their business.

Explained in research conducted by (Reddy, Sharma and Chaudhary, 2020) that someone is called technologically savvy when they have the first 5 abilities, knowledge of ICT. Second, cognitive skills develop evaluation strategies to assess quality. Third, the ability to understand the relationship between technology and society or life. Fourth, the ability to provide socialization or knowledge to other people. Fifth, the ability to estimate the impact and validity period of digital information for the public. Based on the results of research conducted by researchers, the level of understanding of electronic MSME technology is 88% based on their digital literacy skills as follows:

1. Knowledge of ICT, such as understanding the use of *the marketplace* and strategies for successful sales in *the marketplace*
2. Cognitive skills regarding evaluation strategies to assess the quality implemented by electronic MSMEs by carrying out digital literacy, such as attending webinars, seeking knowledge on YouTube and seeking experience by joining electronic communities
3. Understanding the relationship between technology and social or life is demonstrated by the implementation of *online* sales processes that have been carried out by electronic MSMEs to increase income.
4. The ability to provide socialization or knowledge to other people, this ability is still not optimal because it is only implemented in the community followed by sharing experiences that have been carried out and exchanging experiences
5. The ability to estimate the impact and validity period of digital information for the public has been explained in the process of *going online* regarding the developments and results obtained from implementing digital literacy for electronic MSMEs.

5. CONCLUSION

Based on the research, it can be concluded regarding "Digital Literacy Strategy to Encourage Electronic MSMEs to Go Online" it can be concluded that the application of digital literacy and the implementation of electronic MSMEs going online can increase technological understanding to 88% based on their digital literacy skills, which are obtained through *webinar* activities related to digital business and *copywrite*, seek digital business knowledge by watching *YouTube*, and join electronics communities with the aim of exchanging experiences both related to products and online marketing of products. The implementation of going online was carried out for several reasons, namely the Covid-19 pandemic to minimize direct contact between individuals, and increasingly rapid technological developments that have entered technology 4.0 where everything is online.

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