



# Financial Literacy and Digital Marketing for MSMEs in Bulu Cindea Village, South Sulawesi

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**Abstract.** MSMEs play an important role as drivers of the national economy with a significant contribution to community income. However, many MSMEs face obstacles such as weak financial record keeping and suboptimal implementation of digital marketing strategies. This study aims to analyze the impact of socialization of digital marketing management and financial recording on increasing the capacity of MSMEs in Bulu Cindea Village, Pangkajene and Kepulauan Regency. The method used is the Participatory Rural Appraisal (PRA) approach through surveys, interviews, training, and mentoring. Data was collected through direct observation and semi-structured interviews. The results show an increase in MSME actors' understanding of financial literacy (as demonstrated by the use of the Si Apik recording application) and an increase in the use of digital media for product marketing. These activities have implications for increasing the competitiveness of local MSMEs. This study emphasizes the importance of technology-based mentoring as a strategy for MSME sustainability.

**Keywords:** Financial Literacy, Digital Marketing, MSMEs, Community Empowerment, Sustainability

## 1 Introduction

MSMEs (Micro, Small, and Medium Enterprises) are the backbone and savior of Indonesia's economy during monetary crises. In addition, MSMEs have a multiplier effect on economic growth. The role of MSMEs in the Indonesian economy is not only as an employer, given that they account for 90% of employment compared to large enterprises, but also in introducing various local products to the international market [1]. The role of MSMEs can improve community welfare, as their existence can meet the economic needs of families, reduce unemployment, and fulfill community needs [2].

Bulu Cindea Village is one of the villages located in Bungoro Subdistrict, Pangkajene and Kepulauan (Pangkep) Regency. This village has four hamlets spread across an area of 7 km<sup>2</sup> and is located 7 km from Bungoro Subdistrict. The names of the hamlets in this village are Majannang Hamlet, Bujung Tanggaya Hamlet, Jollo Hamlet, and Biringkassi Hamlet. In terms of livelihoods, the people of Bulu Cindea Village generally work in agriculture. However, there is also a large factory that employs workers. In addition, the people of Bulu Cindea Village have different occupations, one of which is as traders or micro, small and medium enterprises (MSMEs).

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There are several MSMEs in Bulu Cindea Village, such as Az-Zahra MSME, which is engaged in the sale of boneless frozen milkfish, iodized salt, beverages and food, and the traditional “Serekung” cake. However, these businesses face several obstacles, namely the lack of a financial recording system and suboptimal marketing and digital systems. These issues require assistance in order to develop the businesses in this village.

A common problem encountered by business partners is their lack of knowledge and understanding of accounting, particularly record keeping and bookkeeping, and the preparation of financial reports [3]. Their preconceived notion that record keeping and bookkeeping are difficult, troublesome, and time-consuming hinders their willingness to learn accounting. Therefore, technology-based accounting record keeping is important, especially for MSMEs. The problem faced by MSME players is the lack of training in business financial management using applications directly [4]. The solution needed is counseling and assistance for MSME players in managing their finances [5]. The main obstacles faced by MSME players are limitations in business management and fear of taking risks. They also consider the lack of guidance and involvement from relevant agencies as factors slowing down the development of their businesses [6].

In addition, one solution to the weak marketing strategies of MSMEs is to provide training and assistance in the implementation of digital marketing. Digital marketing strategies play a very important role in business development, as they are able to utilize various media to reach a wider range of consumers [7]. According to [8] digital marketing makes it easier for MSME players to disseminate information and interact directly with consumers, expand market share, increase brand awareness, and drive sales. Similar findings were also shown by [9], who stated that the adoption of digital marketing significantly increases the competitiveness and visibility of MSME products in the market.

Furthermore, emphasize that the use of community-based digital marketing models not only expands distribution networks but also strengthens collaboration between business actors, thereby positively impacting the local economy [10]. In line with this, that product standardization combined with digital marketing can increase MSME market access to the regional level. Therefore, community empowerment programs based on digital literacy need to be designed systematically, providing training and assistance so that MSMEs can manage their finances independently while optimizing their marketing strategies through digital marketing.

Based on the above description, it is clear that improving financial literacy and implementing digital marketing strategies are key factors in strengthening the sustainability of MSMEs in the modern economy. Bulu Cindea Village, as an area with diverse MSME potential, requires concrete intervention through targeted socialization, training, and mentoring. By integrating technology-based financial literacy and the use of digital marketing, it is hoped that MSMEs in this village will not only be able to manage their businesses independently, but also increase their competitiveness in a wider market. Therefore, this study focuses on efforts to increase the capacity of MSMEs through financial literacy and digital marketing programs as strategic steps in promoting the economic empowerment of local communities.

## **2 Literature Review**

### **2.1 MSMEs and their role in the economy**

Micro, Small, and Medium Enterprises (MSMEs) play an important role as a buffer for the national economy, especially during times of crisis, because their contribution to labor absorption and the provision of informal employment opportunities confirms that MSMEs also have a strategic role in introducing local products to the global market [11]. In addition, the resilience and adaptability of MSMEs enable them to sustain economic activities at the grassroots level, thereby supporting inclusive and sustainable economic growth.

### **2.2 Literacy in the Context of MSMEs**

Financial literacy encompasses the ability to understand, manage, and make appropriate decisions related to business finances [12]. Many MSMEs still neglect systematic financial recording, making it difficult to measure business performance and access financing from formal financial institutions. That training in simple application-based financial recording has been proven to improve the accuracy of financial reports and change the perception of business actors that accounting is something complicated [13]. Thus, improving financial literacy is a fundamental requirement for MSMEs to grow sustainably.

### **2.3 Digital Marketing as a Strategy for MSMEs**

Digital marketing is one of the strategic innovations that enable MSMEs to expand their market reach at a relatively low cost. The use of digital media such as social media and e-commerce platforms makes it easier for MSMEs to build direct interactions with consumers, increase brand awareness, and drive sales [14]. Also prove that consistent implementation of digital marketing can strengthen competitiveness and increase the visibility of MSMEs in a wider market. In addition, [15] emphasize that an integrated digital marketing model can support community economic growth while expanding the business network of MSMEs.

## **3 Research Method**

This study uses the Participatory Rural Appraisal (PRA) approach, which emphasizes active community participation in the process of identifying problems, formulating solutions, and implementing programs [16]. The research was conducted in Bulu Cindea Village, Bungoro Subdistrict, Pangkajene and Islands Regency in January 2024, involving around 60 participants consisting of MSME actors, housewives, junior high school students, and village officials.

Data collection techniques were carried out in several ways. Observations were used to assess financial recording practices and digital marketing strategies before and after training. Semi-structured interviews were conducted with a number of participants to explore their perceptions, challenges, and experiences related to financial literacy and the application of digital marketing. In addition, a simple questionnaire was distributed to measure the increase in participants' knowledge and skills after participating in the program.

This research activity consists of two main stages. The first stage is problem identification and planning, which includes surveys, interviews, and coordination with village heads and MSME actors. The second stage is implementation, which includes socialization, training, and assistance in using the Si Apik financial recording application and digital marketing practices through e-commerce platforms and social media.

Data analysis was conducted using qualitative descriptive methods by comparing the conditions of participants before and after the intervention. The indicators of success for this study included improved financial literacy, adoption of the Si Apik application, and utilization of digital platforms for marketing. The evaluation process also included feedback and reflections from participants to ensure the sustainability and long-term effectiveness of the program.

## 4 Result

**Table 1.** Changes in Financial Management Practices of MSMEs Before and After the Program

<b>Aspect of Financial Management</b>	<b>Before Program</b>	<b>After Program</b>
Financial record-keeping system	Not structured / manual	Structured using Si Apik application
Separation of personal and business finances	Mostly not separated	Mostly separated
Transaction recording frequency	Irregular	Recorded daily
Ability to generate financial reports	Very limited	Able to produce simple reports
Understanding of cash flow	Low	Improved

*Source: Field observations and PRA-based mentoring activities, 2025.*

**Table 2.** Adoption of Digital Marketing by MSMEs

<b>Indicator</b>	<b>Before Program</b>	<b>After Program</b>
Use of social media for marketing	Limited	Increased

Use of WhatsApp Business	Rare	Commonly used
Use of e-commerce platforms	Almost none	Adopted by some MSMEs
Product promotion reach	Local area only	Wider market
Interaction with customers	Direct/offline	Online and offline

*Source: Training documentation, interviews with MSME actors, and PRA activities, 2025.*

**Table 3.** Level of MSME Participation in PRA-Based Activities

Activity Stage	Form of Participation	Level of Participation
Problem identification	Sharing business challenges	High
Program planning	Providing feedback	Moderate–High
Training sessions	Hands-on practice	High
Mentoring	Active consultation	High
Evaluation	Reflection and feedback	Moderate

*Source: Participatory Rural Appraisal (PRA) process records, 2025.*

The results presented in Tables 1–3 indicate improvements in financial management practices, adoption of digital marketing, and active community participation following the implementation of the program. MSME actors demonstrated increased capability in recording financial transactions and utilizing digital platforms for marketing purposes, supported by a high level of engagement throughout the PRA stages.

## 5 Discussion

### 5.1 Enhancing Financial Literacy of MSMEs

The findings indicate that the improvement in financial literacy among MSME actors in Bulu Cindea Village is closely related to the introduction of application-based financial recording. The adoption of the Si Apik application reflects a shift in perception, where MSME actors begin to view financial recording as a practical and manageable activity rather than a complex task. This supports previous studies which highlight that simple digital accounting tools can help MSMEs improve financial discipline, monitor cash flow, and separate personal and business finances more effectively [17][18].

Improved financial literacy also enhances MSMEs' ability to evaluate business performance and make informed financial decisions. With structured transaction records, MSME actors are better positioned to assess profitability and plan future business strategies. This finding reinforces the argument that strengthening financial literacy is a fundamental requirement for MSME sustainability, particularly in rural areas with limited access to formal financial education.

## **5.2 Adopting Digital Marketing Strategies**

The adoption of digital marketing strategies observed in this study demonstrates the growing awareness of MSME actors regarding the importance of digital platforms in business development. The shift from conventional marketing methods to the use of social media and e-commerce platforms enables MSMEs to reach a wider consumer base and improve product visibility. This result is consistent with earlier research indicating that digital marketing can significantly enhance MSMEs' competitiveness and market reach [18][20].

Furthermore, the use of platforms such as WhatsApp Business and Instagram facilitates direct communication with consumers, allowing MSME actors to respond more quickly to customer needs and preferences. E-commerce platforms also provide opportunities to access regional markets beyond the local area. These findings suggest that digital marketing not only functions as a promotional tool but also as a strategic mechanism for strengthening MSMEs' market positioning.

## **5.3 Community Participation in the PRA Framework**

The high level of community participation throughout the program highlights the effectiveness of the Participatory Rural Appraisal (PRA) approach in MSME empowerment initiatives. By actively involving MSME actors in identifying problems, designing interventions, and implementing solutions, the program ensured that the activities were aligned with local needs and capacities. This participatory process fosters a sense of ownership and responsibility among participants, which is essential for the sustainability of empowerment programs [16].

The PRA framework also encourages collaborative learning, where MSME actors share experiences and knowledge during training and mentoring sessions. This collective engagement strengthens social capital within the community and enhances the effectiveness of capacity-building activities. Consistent with previous studies, community-based approaches such as PRA are more likely to produce long-term impacts compared to top-down intervention models.

## **5.4 Implications for Community Empowerment**

The integration of financial literacy enhancement and digital marketing adoption has broader implications for community empowerment in Bulu Cindea Village. Improved financial management skills increase MSME actors' confidence and independence in running their businesses, while digital marketing capabilities open new opportunities for collaboration and network expansion. These outcomes contribute to the strengthening of local economic resilience.

Moreover, the empowerment process observed in this study demonstrates that technology-based mentoring, when combined with participatory approaches, can effectively support MSME sustainability. By enabling MSME actors to manage their finances independently and access wider markets, such programs contribute not only to business growth but also to inclusive local economic development.

## 6 Conclusion

This study concludes that improving financial literacy and implementing digital marketing strategies have proven to strengthen the capacity and competitiveness of MSMEs in Bulu Cindea Village, Pangkajene and Kepulauan Regency. Through the Participatory Rural Appraisal (PRA) approach, socialization, training, and mentoring activities have successfully improved the skills of MSME actors in recording finances using the Si Apik application and encouraged the adoption of social media and e-commerce platforms as marketing tools. The resulting impact was not only seen in improvements in the technical aspects of business management, but also in increased confidence, independence, and collaboration among MSME actors in developing their businesses. Thus, the integration of financial literacy and community-based digital marketing can be an effective strategy to support the sustainability of MSMEs while empowering the local economy.

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