

Optimizing MSMEs Promotion Through Business Digitalization to Expand Market Reach

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Abstract: The Community Service Program of the Economic Division of UIN Sayyid Ali Rahmatullah Tulungagung was implemented in Panggununi Village to increase the promotional capacity of micro small and medium Enterprises (MSMEs) through a digital approach. The main focus of this activity was two local bussines sectors, battery type chickes coop production and paving block manufacturing, which have economic potential but remain limited in market reach due to a lack of digital literacy. The method used was a participatoy, service learning based approach, actively involving students in the mentoring process. This activity included data collection on MSMEs, digital catalog creation, bussines banner design and instalation bussines location regritation on Google Maps. The result showed increased businessvisibility and a positive response from MSMEs to the use of technology in product promotion. However, challenges such as low understanding of digital technology in limited internet acces remain obstacles that require ongoing follow-up.

Keywords: MSMEs, Bussines Promotion, Digitalization

Introduction

The Community Service Program (CSP) is a form of community service activity carried out by university students. Through this activity, students are expected to apply the knowledge they have gained during their studies to real-life situations. This activity promotes a collaborative and participatory spirit with the community to encourage sustainable village development. CSP also provides a platform for hands-on learning in the field, using a participatory, educational, and collaborative approach. (Nurdin et al., 2022).

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One of the main challenges facing MSMEs is low digital literacy, particularly in marketing. Relying solely on conventional promotional methods, such as word of mouth or through networks, severely limits their market reach. (Ayesha et al., 2022).

Although the products produced have good quality and use value, the market distribution is still limited to the area around Tulungagung and has not been able to penetrate a wider market, both at the provincial and national levels. Limited access to information technology and a lack of understanding of the importance of business digitalization are factors that hinder the development of the potential of MSMEs. Most of these MSMEs actors still do not understand how to utilize digital platforms for product promotion and marketing, such as the use of Google Maps, social media, or marketplaces.

This condition shows an urgent need to improve digital literacy among MSMEs actors in Panggunguni Village, so that they are able to keep up with the times and compete more effectively. (Agus Diana & Sari, 2024). Therefore, digital education-based mentoring is crucial for strengthening the competitiveness of local businesses and expanding market access through the use of more modern and efficient technology.

Taking into account the social and economic conditions of the Panggunguni Village community, this Community Service Program (CSP) is aimed at supporting the growth of existing local economic potential. Through village potential identification activities, students can identify various resources that can be developed, including community businesses in the MSMEs sector. Furthermore, a more structured data collection is conducted on business actors, particularly those involved in the construction of laying hen coops and the production of paving blocks, which are among the village's leading businesses. Beyond data collection, the program also seeks to provide support in promotional aspects, such as catalog creation, banners, and digitalization of business locations. It is hoped that these steps will help business actors increase their marketing reach, strengthen competitiveness, and encourage sustainable economic development in the Panggunguni Village community.

Research Method

In implementing the Economics Division's work program, the method used is service learning, namely a learning approach that positions students as proactive and public servants through direct involvement in solving problems in their surrounding environment. (Hikmah Andini et al., 2015). This approach emphasizes not only knowledge transfer but also social engagement and empathy for the realities faced by the community, particularly MSMEs (Micro, Small, and Medium Enterprises) in the village.

The initial stage of this activity began with a *sowan* (in-person visit) with MSMEs in the village, as a form of respect for local culture and to build good relationships with the community. The *sowan* was conducted with two active business owners: MSMEs Baterai Ayam and MSMEs Paving Block. Through these in-person meetings, the student team was able to gain in-depth information about the background of their businesses, the challenges they face, and the MSMEs' hopes for their potential development. This approach is a crucial step in building trust and understanding the local context, which will inform the formulation of relevant and targeted assistance.

After establishing good communication and mapping out business needs, the training continued with business digitalization training. One focus of the training was creating a Google Business account and registering a business with Google Maps. This training was conducted directly and personally with each business owner, with an approach tailored to their digital skills and experience. The goal was for MSMEs to easily follow the training flow and put it into practice. Having a business on Google Maps is expected to increase their visibility in the digital space, expand their consumer reach, and make it easier for potential customers to accurately locate their business.

As an additional concrete contribution, the team also provided free business banners to each MSMEs. These banners were designed to be simple yet informative, containing the business name, type of service, contact information, and a link to the business location on Google Maps. The banners were then displayed in front of the business premises to strengthen their visual identity and attract the attention of the surrounding community. Furthermore, product promotions were conducted through social media platforms such as Instagram and WhatsApp Business, with the hope of reaching a wider audience, especially among active digital media users.

Results

The Economic Division's activities in Panggunguni Village focused on promoting MSMEs through a digital approach and empowerment based on local potential. The activity began with visits to community leaders and village officials as a form of respect for local culture and an effort to build good communication with residents. This approach facilitated the identification of village business actors. This initial step has proven effective in building community participation, as the local cultural approach can strengthen community trust and involvement in the empowerment program. (As'ari, 2024).



Figure 1: *The team visited a paving business actor*



Figure 2: *The team visited the chicken battery business actor*

The results of these interactions were then used as the basis for data collection, including direct interviews, documentation of production activities, and recording of obstacles and needs of MSMEs actors. From this series of activities, we compiled results on obstacles and solutions to address them. This data-based approach aligns with MSMEs development practices in various regions, which emphasize the importance of problem mapping as a basis for strategy formulation. (Widyawan et al., 2025).

Furthermore, it was discovered that most businesses lacked adequate promotional media. To address this issue, the team created a digital MSMEs catalog containing product information, owners, addresses, and business contacts. The implementation of the digital catalog has proven to strengthen MSMEs competitiveness by opening broader market access and increasing promotional effectiveness. (Santoso et al., 2025). In addition, the integration of digital catalogs with online media makes local products more easily recognized and the business image becomes more professional (Muhardono Ari et al., 2023).



In addition, businesses are also facilitated by creating promotional banners to be displayed at their business locations to strengthen their image and create attractive, easily recognizable visual markers. This initiative is expected to increase business visibility while conveying a professional impression to consumers and potential partners. The use of visual media such as banners is considered effective in strengthening brand identity, especially when combined with a targeted digital marketing strategy. (Amelia Dwi, 2023).



As a further step in digitalization, the team assisted MSMEs (Micro, Small, and Medium Enterprises) in registering their business locations on Google Maps. MSMEs responded positively to this program, feeling better prepared to introduce their businesses to the wider community. Registering locations on Google Maps was deemed extremely helpful, especially in terms of making it easier for potential buyers or business partners to find locations. This initiative also increased business credibility, as a presence on the digital platform legitimized them and facilitated interaction with consumers (Sari & Putri, 2024). In fact, the integration of these services is an important foundation for the sustainability of village MSMEs (Dian Rahmawati et al., 2024).



As a result, several businesses in Panggunguni Village are now accessible online and more easily found by consumers outside the area. This initiative demonstrates that implementing simple yet targeted technology can increase the competitiveness of MSMEs and expand their market reach in the digital age. This aligns with evidence that the use of e-commerce can expand MSMEs sales reach and significantly increase turnover (Setiawan, 2023). In addition, collaboration between MSMEs in the digital ecosystem also strengthens business networks and reduces promotional costs (Suhairi, 2022). However, challenges remain, including limited understanding of digital technology among MSMEs and limited internet access in some villages, which hinders smooth operations.

This lack of digital literacy and adequate network accessibility demonstrates the importance of improving digital literacy so that MSMEs can adapt quickly to new technologies (Arjang et al., 2025). A strong digital identity through online branding has also been proven to boost consumer trust and strengthen business resilience in competitive markets (Hartanto et al., 2025).

With ongoing support, village MSMEs have the opportunity to not only survive, but also grow in the digital economy era (Hasyim et al., 2023). Hopefully, after this activity, the continuation can be supported by the village government by collaborating with universities, obstacles to MSMEs digitalization can be reduced so that the opportunities for village economic independence will be greater (Nur Amalia & Akbar Budiman, 2024).



Discussion

Identifying Village Potential through Local Potential

Village potential is one instrument that can promote village progress and economic independence. Exploring local potential can be done through a local cultural approach. This is also done by (Iqbal Hasyim et al., 2023) conducting research on community-based economic digitalization. Through community service activities, the Economic Division discovered that Panggunguni Village has potential in the form of MSMEs entrepreneurs, which are found in several areas. The existence of MSMEs indicates productive economic activity that can improve the village economy by increasing business capacity, improving legal regulations, and utilizing local and digital marketing strategies (Athasani et al., 2025).

The MSMEs business in Panggunguni Village not only helps the community meet their financial needs, but also has a strategic role in increasing household income and creating jobs (Zahroh et al., 2025). However, observations indicate that some MSMEs still face challenges in business management, legal matters, and the use of marketing technology. This situation impacts product competitiveness and limited market reach. This situation necessitates structured and ongoing mentoring to improve the capabilities of village MSMEs, particularly in managerial skills and adapting to developments in the digital economy. (Nanda Amilia et al., 2024). This strategy is expected to encourage village MSMEs to become more independent, competitive, and contribute to sustainable village economic development.

Resource Development in the MSMEs Sector

A local cultural approach can foster community participation in empowerment programs. Through interactions with the surrounding community, it was discovered that MSMEs actors require training and mentoring in their business development processes. The research highlights the importance of digitalization training. (Marimin et al., 2023). The goals of this empowerment activity were to improve technical skills and strengthen branding, resulting in increased consumer trust. These findings suggest that sustainable MSMEs development, both economically and institutionally, can be achieved through student collaboration, technology utilization, and community involvement. This aligns

with research conducted by (Fenny Anita et al., 2023) That by implementing a local cultural approach through KKN activities, it has had a positive impact on village communities. The Innovation Movement provided has had a positive effect. This MSMEs helps promote other MSMEs.

After identifying the problem, the next step is to map the problem to formulate an effective marketing strategy. The goal of this problem mapping process is to identify various obstacles faced by business actors, both internally and externally. The mapping results indicate that some common problems include a lack of understanding of digital marketing, poor product visual quality, and suboptimal utilization of available promotional media. (Darmono et al., 2025). Promotion of MSMEs products must be adapted to the current 4.0 era, which prioritizes digitalization through digital marketing. (Asiyah & Rose, 2022). The use of digital marketing enables MSMEs product marketing to maximize profits from each product and business while minimizing product promotion costs. With systematic problem mapping, marketing strategies can be better tailored to meet market needs and product characteristics. This will consistently support MSMEs's competitiveness.

Promotion and Digitalization Strategies to Improve Marketing

The identification results showed that most MSMEs actors have not been able to market their products optimally. This raises issues related to promotion and digitalization. To address these issues, the Economic Division team formulated several marketing strategies that can be implemented according to the potential of Panggunguni Village. This strategy includes compiling a digital MSMEs catalog, placing banners at business locations, and registering business locations on Google Maps for easy customer access. Local values and the use of technology and innovation can help encourage the development of a region's potential and capabilities (Ahmad, 2022).

Utilizing digital technology to support MSMEs is crucial for enhancing business readiness to compete in the digital economy. This is especially true if MSMEs, supported by legal business practices, have a stronger position to access broader markets and establish professional partnerships (Zahra et al., 2025). Additionally, MSMEs products can be promoted more effectively through digital marketing optimization, which increases product visibility and competitiveness. The digital promotion process helps customers learn about products, reduces promotional costs, and increases sales (Lestari & Aisyah, 2023). To increase sales turnover, the strategies implemented have yielded results, which MSMEs can see. Several businesses in Panggunguni Village have successfully gained online access and are easily found by customers, even those outside the area.

Conclusion

Based on the implementation of the Economic Division's work program in Panggunguni Village, it can be concluded that this activity has made a significant contribution to the development of local MSMEs, particularly in terms of promotion and strengthening business identity. Through a participatory approach and service learning

methods, students not only act as facilitators but also directly assist business owners in understanding the importance of digital-based promotion.

Activities included business data collection, digital catalog development, promotional banner creation, and business location registration on Google Maps. These steps have proven effective in helping MSMEs establish a digital presence. Positive responses from business owners indicate that they feel supported and have gained confidence in promoting their products to the wider community.

This effort also demonstrates an adaptation to changing consumer consumption patterns, which are increasingly reliant on digital information. MSMEs are beginning to realize that expanding their market reach can be achieved not only through conventional means but also through easily accessible technological tools, such as Google Maps and social media. The presence of digital banners and catalogs also strengthens the visual identity of businesses and helps potential consumers recognize their products and locations more clearly. While the results achieved have been quite encouraging, the implementation of this program has also revealed a number of challenges. Low digital literacy and unequal internet access in some rural areas are major obstacles to the digitalization process. Some business owners still need further assistance to become more independent in managing digital business accounts and optimizing online promotions.

Overall, this program demonstrates that digitalizing MSMEs in rural areas is possible. With a humanistic, simple, and contextual approach, digital transformation can start small but have a significant impact. Sustained support is needed, both from universities, village governments, and local communities, so that initiatives like this don't remain temporary programs but develop into collective movements promoting village economic independence in the digital era.

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