



Empowerment of Financial Literacy in the Era of Digitalization 5.0 MSME Trade at the Bandung City Chamber of Commerce

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Abstract: Technological developments have brought us to an era where digital financial literacy has become very important, especially for people accustomed to the digital world. In today's digital era, skills in managing finances are no longer enough just to count money conventionally. The micro, small, and medium enterprises sector plays a vital role in the national economy, especially in creating jobs and increasing people's income. Based on this, the Community Service implementation team held training and outreach activities with the theme Empowering Financial Literacy in the Era of Digitalization 5.0 Micro, Small and Medium Enterprise Trade at the Bandung City Chamber of Commerce and Industry. Community Service Activities in the form of presenting material regarding Financial Literacy Empowerment in the Digitalization Era 5.0 will be held on July 31 2024. 15 Bandung City KADIN Micro, Small and Medium Enterprise partners who attended this activity have businesses in the culinary, fashion, service and trade sectors. The activities went well based on the evaluation results, and the training materials were based on work needs. A follow-up to this activity is the need for a sustainability program with the help of lecturers from the Faculty of Economics and Business, Widyatama University and KADIN Bandung City to help partners in the field of Financial Technology so that partners and the community can maximize training and development of financial literacy, especially for MSMEs in the Era-based trade sector. Digital 5.0 is vital because the micro, small, and medium enterprises sector is essential in advancing the country's economy.

Keywords: Empowerment; Financial literacy; The era of digitalization 5.0; MSME trade

Introduction

Community Service is an activity held in collaboration between lecturers and students to help specific communities by empowering them without expecting certain rewards (Agustina et al., 2023; Fazalani et al., 2022; Hasbi et al., 2022; Jagat et al., 2022; Yahya et al., 2023). Empowerment is a process carried out together to get the best solution to the problem (Sunarwijaya & Lestari, 2022; Tahu & Gunawan, 2023). The purpose of community service is to practice and cultivate science and technology to advance the welfare of the surrounding community.

Micro, Small and Medium Enterprises (MSMEs) are small-scale productive businesses with a maximum turnover of 300 million (Winarni & Mahsun, 2021). MSMEs are under intense pressure but can still exploit

these conditions (Windusancono, 2021). Almost all Micro, Small and Medium Enterprises (MSMEs), as one of the wheels of the country's and regional economies, are affected and experiencing sluggishness, so efforts must be made to remain sustainable (Peristiano & Anggawijayanto, 2020).

Along with the development of Era 5.0 technology, where activities are carried out online using digital technology, MSMEs must adjust to these changes in order to maintain sustainability in the long term (Putri et al., 2023). MSME actors must understand literacy because it greatly affects financial management and the performance and sustainability of MSMEs (Desiyanti, 2016). So, MSMEs must strive strategically to achieve sustainable business (Ayuningtyas & Utomo, 2023).

During community service, all implementers and parties involved will continue to comply with health

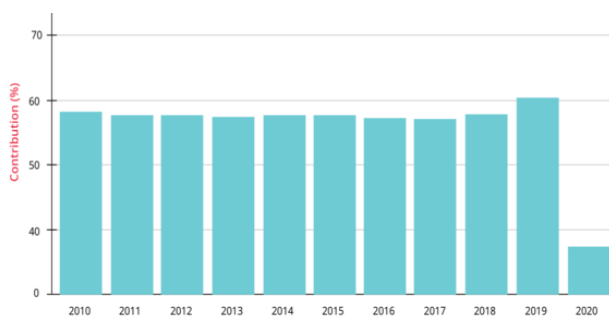
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protocols and get approval from the campus and parties from the service location. This community service will be carried out in Kadin, West Java. This service is a collaboration between the Institute for Research and Community Service (LPPM) of Widyatama University and the West Java Chamber of Commerce, which starts in 2024.

The purpose of this collaboration is to help partners in FinTech (Financial Technology) so that partners and the community can maximize training and development of financial literacy specifically for MSME actors in the trade sector based on the Digital Era 5.0. It is widely acknowledged that the sector encompassing Micro, Small, and Medium Enterprises (MSMEs) plays a crucial role in the enhancement of the national economy. MSMEs have emerged as the cornerstone of the nation's economic framework due to their significant contributions to the Gross Domestic Product (GDP) and their role in generating employment opportunities within communities.

This assertion is substantiated by data from the Ministry of Cooperatives and Small and Medium Enterprises. In Indonesia, there exists a total of 65.4 million MSMEs, which have collectively provided employment for 114.7 million individuals, accounting for approximately 56% of the nation's workforce. Furthermore, MSMEs are responsible for contributing over 60% to the overall GDP of the country (MSME Empowerment Report, 2022). Additional data from the Ministry of Cooperatives and Small and Medium Enterprises indicates that the share of MSMEs in GDP experienced a continuous upward trajectory prior to the onset of the pandemic. However, this contribution experienced a decline to 37.3% during the pandemic period (MSME Empowerment Report, 2022).



Source: Ministry of Cooperatives and SMEs, visualized by Lokadata®

Source: Source: MSME Empowerment Report 2022

Figure 1. MSME Empowerment Report

To survive amid fierce competition, especially since the pandemic, based on data from the MSME Empowerment Report (2022), 83.8% of MSME actors digitize or utilize technology to support their business operations. According to Fadhillah (2023), digitalization

allows MSMEs to switch from traditional trade to new trends that apply technology.

Digitalization has prompted numerous Micro, Small, and Medium Enterprises (MSMEs) to initiate the promotion of their products and services via digital platforms, encompassing both visual and audiovisual formats (Sundari et al., 2024; Trulline, 2021). Furthermore, they have established online storefronts within marketplaces to enhance the accessibility of their products for consumers.

Berry Fauzi, the Head of the Micro Business Facilitation Division at the Ministry of Cooperatives and SMEs, articulated that MSMEs leverage marketplace networks to promote their offerings amidst the pandemic (MSME Empowerment Report, 2022). "Approximately 40% of MSMEs utilize social media, 38% engage with instant messaging, 13% participate in e-commerce, and 5% utilize ride-hailing services."

This indicates that only a subset of MSMEs has successfully adjusted to the phenomenon of digitalization. Proprietors of MSMEs continue to confront various challenges in the advancement of their enterprises within the digital landscape. The transition to digitalization inherently presents several hurdles for MSMEs. A survey conducted by DSInnovate among 1,500 MSME owners identified several impediments faced by these enterprises. In connection with the above problems, the author took the title of Community Service, namely Financial Literacy Empowerment in the Era of Digitalization 5.0 MSME Trade in the West Java Chamber of Commerce.

The digitalization of Micro, Small, and Medium Enterprises (MSMEs) entails the utilization of market intelligence findings within the framework of product innovation aimed at fostering the growth of MSMEs, as analyzed from a technological standpoint (Adella & Rio, 2021). Another interpretation posits that the digitization of MSMEs constitutes an initiative to transform the conduct of business entities in the marketing and sales processes of products via technological means (Fauzi & Sheng, 2022; Hendrawan et al., 2024). It is elucidated further that digital marketing comprises a sequence of promotional endeavors for commodities and services that harness digital technology (Rohmah, 2019). In contrast to previous promotional initiatives, which were predominantly conducted in a unidirectional manner through mediums such as television, radio, and print media including newspapers.

In conjunction with advancements in technology, contemporary promotional initiatives are executed through technological platforms by implementing digital marketing strategies. The adoption of digital marketing enables extensive promotional activities, facilitating a bidirectional communication flow in the marketing and sales processes between sellers and

consumers, achieved through digital sales communication.

According to Jayanti & Karnowati (2023), e-commerce, in this case, digital media, positively impacts the sustainability of MSMEs. It is proven that the trade carried out through internet media plays a vital role in business continuity. The development of marketing digitalization positively affects MSMEs by increasing marketing or sales activities more effectively, efficiently, and quickly through technology and media. The research results by Hapsoro et al. (2019) stated that sales turnover increased from business people by utilizing digital marketing. Consumer behaviour changes in the decision process to buy and make transactions. Conditions like this require business actors to innovate, develop to survive, and be sustainable (Hapsoro et al., 2019).

Based on observations and direct discussions with partners, several problems were found: 1) Has the use of technology in the marketplace field in the trade sector for MSME actors in the West Java Chamber of Commerce and Industry begun to be known? 2) Has trade empowerment in the Digitalization Era 5.0 for MSME actors in the West Java Chamber of Commerce and Industry begun to be improved? 3) Has the understanding of financial literacy been empowered for MSME actors in the West Java Chamber of Commerce and Industry begun to be improved? and 4) How can financial literacy in the Era of Digitalization 5.0 of MSME trade be empowered in the West Java Chamber of Commerce?

Method

The methodological approaches employed within this Community Service (PKM) initiative encompass elucidations (presentations), simulations regarding the application of digital technologies, face-to-face dialogues, as well as interactive question and answer sessions.

The instructional delivery of the content is augmented through a visual representation utilizing PowerPoint slides alongside a simulation pertaining to the implementation of digital marketing strategies. Beyond merely attending to the speaker's exposition, the participants engaged proactively in discussions, inquiries, responses, and simulations. Stakeholders engaged in the promotion of financial literacy within the context of the digital transformation of Micro, Small, and Medium Enterprises (MSMEs) include the Institute for Research and Community Service (LPPM) at Widyatama University, comprising both faculty and students.

The methodologies and procedural phases in executing PKM within the community encompass initial

outreach, training, and subsequent stages. The responsibilities and roles assigned to each team member are meticulously aligned with their respective competencies and academic obligations. A visual display in the form of PowerPoint slides and a simulation of the use of digital marketing supports the delivery of the material. In addition to paying attention to the speaker's description, the participants played an active role in discussions, questions, answers, and simulations. Parties involved in financial literacy empowerment activities in the era of digitization of MSME trade include the Institute for Research and Community Service (LPPM) of Widyatama University (lecturers and students).

Methods and stages in implementing PKM in the community, starting from socialization, training, application of technology, mentoring and evaluation and program sustainability. The description of PKM that will be applied to partners is to maximize financial literacy in the digital era of MSME trade. So that related parties can know more widely and implement MSME digital financial literacy. Each theme will be socialized on target.

Result and Discussion

Community Service activities were implemented offline by providing education and socialization through briefings on the importance of Financial Literacy Empowerment in the Digitalization Era 5.0 Trade for MSME participants in the Bandung City Chamber of Commerce. The participants were very severe and enthusiastic about participating in this activity. The profiling results show that it is dominated by the female gender (77%). As many as 54% are in the age range > 50 years, and 23% are in the age range of 41 - 50 years. As many as 8% are in the age range of 31 - 40 years, 20 - 30 years old and < 20 years. The participants' educational background was 38% S1, 23% D3, 31% high school and 8% junior high school.

There is still little knowledge about financial literacy in the era of digitalization 5.0 MSME Trade in the Bandung City Chamber of Commerce. Still, after participating in this training, all participants can understand the importance of understanding Financial Literacy in the Digitalization Era 5.0. Understanding of financial literacy has been possessed by 92% of participants. Knowledge related to digital marketing, accompanied by being able to use social media to enter the market, has been possessed by 85% of participants.

All individuals involved consistently engage in training sessions at KADIN. The participants aspire to enhance their knowledge and skills through active involvement in this training program. Each participant exhibits a strong commitment to remain engaged in the

training until its conclusion. All participants affirmed that the instructor possessed comprehensive knowledge and extensive insight into the material presented, which significantly encouraged the participants to engage actively throughout the training.

Training facilities and infrastructure: the training environment is maintained in a clean and well-organized manner (98%), and all equipment utilized during the training sessions is deemed sufficiently adequate (95%). The training venue was reported to be both clean and comfortable (95.2%), while the catering during lunch breaks was well-executed (97%). Furthermore, regarding the satisfaction of the trainees, all participants indicated that the training conducted by KADIN and Widyatama University met their expectations, resulting in a positive experience for the participants. This is because the method used in this activity is the delivery of material and the direct practice of MSMEs to improve digital marketing skills by using the TikTok application. The participants were allowed to make the best version of the advertising promo, after which input was given by the speakers regarding what things still need to be improved to improve the ability of MSMEs in digital-based marketing.



Figure 2. PCM Cluster and Bandung City Chamber of Commerce



Figure 3. Practices of MSME Participants



Figure 4. Trainees

Conclusion

From the Community Service activities that have been carried out, it can be concluded that The implementation of Community Service activities has run smoothly and by the planned schedule, starting from preparation, meetings with partners, implementation and evaluation; 2) According to a preliminary study of the problems faced by MSME actors assisted by the Bandung City Chamber of Commerce, namely a weak understanding of the importance of mindset, knowledge about digital work copyright and digital transformation in the field of marketers; 3) From the results of the evaluation, knowledge about the importance of Financial Literacy in the Era of Digitalization 5.0; 4) All participants have begun to understand the importance of Financial Literacy in the Digitalization Era 5.0. This is proven during direct practice, where the participants understood the procedures for calculating and preparing the Company's financial statements; and 5) This activity is expected to be sustainable in improving the knowledge and capabilities of MSMEs.

Based on these conclusions, it can be recommended that 1) For the Bandung City Chamber of Commerce, it is necessary to build sustainable programs for MSMEs, especially those related to strengthening the mindset of Human Resources (HR) so that they can keep up with the times and are ready to transform in the digital world; 2) For MSMEs fostered by the Bandung City Chamber of Commerce, it is necessary to understand the importance of digital work copyright; and 3) For community service teams, it is necessary to follow up with follow-up programs to help with mentoring.

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