

Digitalization of MSMEs: Market Expansion and Business Efficiency Through Technology in Sabila Village, Mallawa District, Maros Regency

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) play an essential role in strengthening local economies and creating employment opportunities. However, many MSMEs still face limitations in digital literacy, market access, and business management efficiency. This community service activity aimed to enhance MSME capacity through an entrepreneurship seminar focusing on digitalization. The seminar was conducted in Sabila Village, Mallawa District, Maros Regency, involving 40 MSME actors from various business sectors. The activity employed a participatory andragogical approach consisting of interactive presentations, group discussions, and practical demonstrations. The results indicate that participants experienced increased understanding of digital marketing strategies, improved awareness of online marketplace utilization, and enhanced motivation to adopt technology for business efficiency. The seminar also facilitated collaboration among MSME actors and generated practical strategies for market expansion. The findings confirm that digital entrepreneurship seminars serve as effective tools for MSME empowerment and contribute to sustainable local economic development.

Keywords: MSMEs, Digitalization, Entrepreneurship Seminar, Market Expansion, Business Efficiency.

I. Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in strengthening local economies and creating employment opportunities. They contribute significantly to income generation, poverty reduction, and economic resilience, particularly in developing countries. MSMEs are often considered the backbone of the national and regional economy because they absorb a large portion of the workforce and stimulate grassroots economic activities. Despite their strategic importance, many MSMEs still face structural challenges such as limited access to markets, inadequate managerial skills, low digital literacy, and inefficient business management systems. These limitations hinder their ability to compete in an increasingly competitive and technology-driven business environment. The situation is more complex in rural areas, where access to digital infrastructure, training opportunities, and business development services remains limited.

The rapid advancement of digital technology offers significant opportunities for MSMEs to expand their markets beyond local boundaries. Digital transformation enables business actors to utilize social media



platforms, e-commerce marketplaces, and financial technology applications to promote products, communicate with customers, and manage business operations more efficiently. Digital tools allow MSMEs to reduce marketing costs, increase productivity, improve customer engagement, and enhance financial management. Furthermore, digitalization supports business sustainability by enabling MSMEs to adapt to changing consumer behavior and market dynamics. However, despite these advantages, the adoption rate of digital technology among rural MSMEs remains relatively low. Many business actors lack the knowledge, technical skills, and confidence needed to utilize digital platforms effectively. This gap between technological opportunities and actual adoption highlights the need for targeted capacity-building programs. However, adoption among rural MSMEs remains low due to limited knowledge and technical skills. Organisation for Economic Co-operation and Development (2023) emphasizes that digitalization is essential for improving MSME competitiveness in modern markets.

Sabila Village, located in Mallawa District, Maros Regency, possesses considerable potential for MSME development. The local community operates various businesses, including food processing, agriculture-based products, and household industries. These businesses have the potential to grow and contribute to local economic development if supported by appropriate strategies and technological adoption. Nevertheless, preliminary observations indicate that most MSMEs in the area still rely on conventional marketing methods such as word-of-mouth promotion and direct selling. These traditional approaches limit their market reach and reduce their competitiveness in broader markets. Additionally, business management practices, including financial recording and inventory management, are still conducted manually, which reduces operational efficiency.

In response to these challenges, a community service activity in the form of an entrepreneurship seminar focusing on MSME digitalization was conducted. The seminar aimed to provide knowledge, practical insights, and motivation for MSME actors to adopt digital technology in their business operations. Through interactive presentations, discussions, and demonstrations, participants were introduced to digital marketing strategies, online marketplace utilization, and simple financial management applications. This initiative was designed not only to improve technical skills but also to encourage entrepreneurial mindset transformation among participants. This activity aimed at:

1. Increase MSME understanding of digital business strategies
2. Encourage market expansion through digital platforms
3. Improve business efficiency using technology
4. Strengthen collaboration among local MSME actors

By achieving these objectives, the community service program is expected to enhance the competitiveness of MSMEs in Sabila Village and support sustainable local economic development through technology-driven entrepreneurship.

II. Literature Review and Hypothesis Development

This section presents the theoretical foundation supporting the implementation of the entrepreneurship seminar. It discusses the strategic role of MSMEs, the importance of digitalization, entrepreneurship seminars as capacity-building strategies, and the application of adult learning principles. These concepts collectively form the conceptual framework for empowering MSMEs through digital transformation.

2.1. The Strategic Role and Challenges of MSMEs

Micro, Small, and Medium Enterprises (MSMEs) are widely recognized as the backbone of local economic development. MSMEs contribute significantly to employment generation, income distribution, and poverty reduction. Their presence is particularly important in rural areas where formal employment opportunities are limited. MSMEs utilize local resources and promote community-based entrepreneurship, thereby strengthening regional economies. Additionally, MSMEs demonstrate flexibility and adaptability, allowing them to respond quickly to market changes and economic shocks.

Despite their significant contribution, MSMEs face structural challenges that hinder their growth. These challenges include limited access to capital, weak managerial skills, inadequate market networks, and low technological adoption. Rural MSMEs experience additional barriers such as limited digital infrastructure and insufficient training opportunities. According to World Bank (2020), productivity gaps between MSMEs and large enterprises are strongly influenced by differences in digital capability and innovation adoption. Similarly, Asian Development Bank (2021) emphasizes that strengthening MSMEs through capacity-building programs is essential for sustainable economic development. Therefore, interventions focusing on skill development and technology adoption are necessary to enhance MSME competitiveness. Community service initiatives such as entrepreneurship seminars can serve as effective mechanisms for improving knowledge and entrepreneurial capacity.

2.2. Digitalization of MSMEs

Digitalization refers to the integration of digital technologies into business processes to improve operational efficiency and expand market reach. For MSMEs, digitalization includes the use of social media for promotion, online marketplaces for sales, digital payment systems, and applications for financial management. The adoption of digital technology enables MSMEs to access wider markets beyond their local areas and improve customer engagement.

Digital transformation also enhances business efficiency by reducing operational costs and improving communication with customers and suppliers. For instance, online marketplaces allow MSMEs to promote products without maintaining physical stores, while digital bookkeeping applications simplify financial recording. According to Organisation for Economic Co-operation and Development (2023), digital adoption improves MSME productivity and innovation capacity. Furthermore, United Nations Conference on Trade and Development (2023) highlights that digital transformation strengthens MSME resilience and supports long-term sustainability. However, many MSMEs, particularly in rural areas, have not fully utilized digital technology. Limited digital literacy and lack of technical skills remain major barriers. Therefore, training programs focusing on digital entrepreneurship are required to bridge this gap and encourage technology adoption.

2.3. Entrepreneurship Seminar as Capacity Building Strategy

Entrepreneurship seminars are widely used as effective tools for improving entrepreneurial knowledge and skills. Seminars provide structured learning environments where participants can gain insights into business strategies, innovation, and market opportunities. They also create opportunities for networking and collaboration among participants. Interactive seminars encourage participants to share experiences and discuss practical solutions to business challenges. This collaborative learning environment improves entrepreneurial mindset and decision-making skills. According to Vanessa Ratten (2020), entrepreneurship education plays a crucial role in fostering innovation and digital adoption among small business actors. Additionally, International Labour Organization (2021) states that training programs significantly improve MSME productivity and competitiveness. Furthermore, entrepreneurship seminars support knowledge transfer from academic institutions to local communities. This approach aligns with

community empowerment strategies aimed at enhancing business capacity and promoting sustainable development.

2.4. Andragogical Approach in Adult Learning

The andragogical approach emphasizes adult learning principles that focus on self-directed and experience-based learning. Adult learners prefer practical knowledge that can be directly applied to their professional activities. In the context of MSME training, participants are business practitioners who benefit from interactive discussions and real-world examples. Applying andragogy in entrepreneurship seminars involves participatory learning methods such as group discussions, case studies, and practical demonstrations. These methods encourage participants to share experiences and learn collaboratively. According to World Economic Forum (2022), experiential learning enhances entrepreneurial skills and digital readiness among small business owners. Similarly, Ministry of Cooperatives and SMEs Republic of Indonesia (2022) highlights that participatory training improves MSME adoption of digital technology. The application of andragogical principles ensures that learning is relevant, engaging, and effective. This approach enhances knowledge retention and encourages participants to implement digital strategies in their businesses.

III. Research Method

This section describes the methodological approach used in implementing the community service activity. It includes the research setting, participants, design and procedures, data collection techniques, and data analysis. The methodology emphasizes a participatory approach to ensure active involvement of MSME actors in the learning process.

3.1. Setting and Participants

The community service activity was conducted in Sabila Village, Mallawa District, Maros Regency. This location was selected based on preliminary observations indicating that the area has significant MSME potential but limited utilization of digital technology in business operations. The local economy is supported by various small-scale businesses, including food processing, agricultural products, and home-based industries. The participants consisted of 40 MSME actors representing different business sectors. The participants were invited through coordination with village authorities to ensure representation of local entrepreneurs. Most participants operated micro-scale enterprises with limited capital and relied on traditional marketing methods. These characteristics reflect common conditions of rural MSMEs. According to World Bank (2020), rural MSMEs often face limited access to digital infrastructure and training, which affects their competitiveness. Similarly, Asian Development Bank (2021) highlights that MSME development programs should prioritize capacity-building initiatives for technology adoption.

3.2. Research Design and Procedures

The activity employed a participatory community service design combined with adult learning principles. This design emphasizes interactive learning and collaborative problem-solving. The implementation consisted of three main stages:

a. Preparation Stage

The preparation stage involved coordination with local authorities, identification of participant needs, and development of training materials. The materials focused on digital marketing strategies, online marketplace utilization, and business efficiency tools. This stage aimed to ensure that the training content

addressed real challenges faced by MSMEs. Capacity-building preparation is essential to improve program effectiveness, as emphasized by International Labour Organization (2021).

b. Implementation Stage

The implementation stage consisted of the entrepreneurship seminar conducted through interactive sessions. The activities included:

c. Interactive Presentation

The facilitator delivered material on digitalization, online marketing, branding, and business efficiency. The presentation aimed to provide foundational knowledge of digital entrepreneurship.

d. Group Discussion

Participants shared experiences and discussed challenges in managing their businesses. This discussion encouraged peer learning and collaborative problem-solving.

e. Practical Demonstration

The facilitator demonstrated the use of social media for marketing, online marketplaces, and digital bookkeeping applications. Hands-on learning enhances skill acquisition and technology adoption.

f. Question and Answer Session

Participants were given opportunities to clarify concepts and discuss practical issues related to their businesses. Participatory learning approaches are effective for MSME training. According to Organisation for Economic Co-operation and Development (2023), interactive training increases MSME readiness for digital transformation.

g. Evaluation Stage

The evaluation stage was conducted at the end of the seminar to assess participant understanding and satisfaction. Participants provided feedback regarding the usefulness of the activity. This evaluation helped measure the effectiveness of the seminar and identify areas for improvement.

3.3. Data Collection Techniques

Data were collected using qualitative methods to capture participant experiences and learning outcomes. The techniques included:

a. Observation

Facilitators observed participant engagement, participation in discussions, and responsiveness to training materials.

b. Group Discussion Results

Information obtained from discussions was recorded to identify common challenges and potential solutions.

c. Participant Feedback

Participants provided feedback regarding knowledge gained and perceived benefits. Qualitative data collection is appropriate for community service evaluation because it captures behavioral changes and learning outcomes. United Nations Conference on Trade and Development (2023) notes that qualitative approaches are effective in assessing entrepreneurship training programs.

3.4. Data Analysis

The data collected were analyzed descriptively. The analysis focused on identifying improvements in participant knowledge, attitudes toward digital technology, and strategies developed during the seminar. Descriptive analysis allows interpretation of training outcomes without statistical measurement. According to World Economic Forum (2022), descriptive evaluation is commonly used in entrepreneurship capacity-building programs.

3.5. Ethical Considerations

Participation in the seminar was voluntary, and participants were informed about the objectives of the activity. The information collected was used solely for academic and community development purposes. Confidentiality and respect for participant opinions were maintained throughout the activity.

IV. Results and Discussion

This section presents the outcomes of the entrepreneurship seminar and discusses their implications for MSME development. The discussion focuses on participant characteristics, seminar implementation, identified challenges, collaborative solutions, and the overall impact of the activity.

4.1. Participant Characteristics

The seminar involved 40 MSME actors from Sabila Village, Mallawa District, Maros Regency. The participants represented various business sectors, including food processing, agricultural products, handicrafts, and small retail businesses. Most participants operated micro-scale enterprises with limited capital and relied on traditional marketing strategies such as direct selling and word-of-mouth promotion. Observation results indicated that the majority of participants had limited experience in using digital platforms for business purposes. Only a small proportion of participants used social media regularly for promotion, and very few had utilized online marketplaces. This condition reflects common challenges faced by rural MSMEs, particularly limited digital literacy and lack of technological skills. According to World Bank (2020), rural MSMEs often experience gaps in digital capability, which affects their competitiveness. Similarly, Asian Development Bank (2021) states that strengthening MSME capacity through digital literacy programs is crucial for improving productivity. The diversity of business sectors among participants created opportunities for knowledge sharing and collaborative learning. Participants were able to exchange experiences and discuss practical challenges related to their respective businesses.

4.2. Seminar Implementation

The entrepreneurship seminar was conducted using participatory learning methods, including interactive presentations, group discussions, practical demonstrations, and question-and-answer sessions. Participants actively engaged in discussions and showed strong interest in digital marketing strategies. During the presentation session, participants gained knowledge about digital platforms such as social media marketing, online marketplaces, and digital financial applications. The practical demonstration helped participants understand how to create business accounts, upload product photos, and manage online customer communication. The interactive nature of the seminar encouraged participants to ask questions related to their business challenges. This participatory approach improved comprehension and motivated participants to adopt digital tools. According to Organisation for Economic Co-operation and Development (2023), participatory training significantly increases MSME readiness for digital transformation. In addition,

International Labour Organization (2021) highlights that interactive entrepreneurship training enhances business management skills and innovation.

4.3. Identified Challenges in MSME Digitalization

Through group discussions, several key challenges were identified:

- a. **Limited Digital Literacy:** Many participants lacked basic knowledge of social media marketing and online sales platforms.
- b. **Weak Branding and Product Promotion:** Participants had limited understanding of branding, product photography, and promotional strategies.
- c. **Manual Financial Management:** Most MSMEs recorded financial transactions manually, making it difficult to monitor business performance.
- d. **Limited Market Access:** Participants relied on local customers and had not explored broader markets.

These challenges are consistent with findings from United Nations Conference on Trade and Development (2023), which notes that MSMEs often face barriers in digital adoption due to skill limitations and lack of training. Furthermore, World Economic Forum (2022) emphasizes that digital skills are essential for improving MSME competitiveness.

4.4. Collaborative Strategies Developed

Based on discussions, participants and facilitators formulated several strategies:

- a. **Utilization of Social Media Marketing:** Participants were encouraged to use platforms such as Instagram and Facebook to promote products.
- b. **Marketplace Registration:** Participants were guided to register their products on e-commerce platforms to expand market reach.
- c. **Digital Financial Recording:** Simple bookkeeping applications were introduced to improve financial management.
- d. **Product Branding Improvement:** Participants learned basic branding techniques, including logo creation and product photography.

These strategies align with recommendations from Asian Development Bank (2021), which highlights digital marketing and financial management as key drivers of MSME growth.

4.5. Impact of the Seminar

The seminar produced several positive outcomes:

- a. **Increased Knowledge:** Participants demonstrated improved understanding of digital marketing strategies.
- b. **Improved Motivation:** Participants expressed willingness to adopt technology for business development.
- c. **Enhanced Collaboration:** Participants established communication networks for future cooperation.
- d. **Business Efficiency Awareness:** Participants recognized the importance of digital financial management.

These findings support Vanessa Ratten (2020), who states that entrepreneurship education enhances innovation and digital adoption. Additionally, OECD (2023) confirms that digital training improves MSME competitiveness.

V. Conclusion

The community service activity in the form of an entrepreneurship seminar on MSME digitalization conducted in Sabila Village, Mallawa District, Maros Regency, successfully achieved its objectives of improving knowledge, encouraging digital adoption, and enhancing business efficiency among local MSME actors. The participation of 40 MSME entrepreneurs from various business sectors created a dynamic learning environment that facilitated knowledge exchange and collaborative problem-solving. The results indicate that most participants initially relied on conventional business practices with limited use of digital technology. Through interactive presentations, group discussions, and practical demonstrations, participants gained a better understanding of digital marketing strategies, online marketplace utilization, and digital financial management tools. This improvement in knowledge is crucial for strengthening MSME competitiveness in the digital economy. Digital adoption significantly improves productivity and market access for small businesses (Organisation for Economic Co-operation and Development, 2023). The seminar also revealed several challenges faced by MSMEs, including limited digital literacy, weak branding strategies, manual bookkeeping practices, and restricted market access. These challenges are commonly experienced by rural MSMEs and highlight the need for continuous capacity-building programs. The discussion sessions enabled participants to identify practical solutions, such as utilizing social media for promotion, registering products on online marketplaces, and adopting simple digital bookkeeping applications. These strategies are consistent with recommendations emphasizing digital transformation as a key factor for MSME growth and sustainability (Asian Development Bank, 2021).

Another important outcome of the activity was the increased motivation among participants to adopt technology in their business operations. Participants expressed willingness to improve product branding, expand market reach, and collaborate with other MSME actors. The seminar also strengthened networking among participants, which is essential for collective growth and information sharing. Entrepreneurship education enhances innovation and encourages technology adoption among small business owners (Vanessa Ratten, 2020). Furthermore, the participatory learning approach applied in this seminar proved effective in facilitating adult learning. Interactive discussions and hands-on demonstrations enabled participants to directly relate the training material to their business practices. This experiential learning approach supports the development of practical skills and improves knowledge retention. Experiential entrepreneurship training contributes significantly to improving MSME competitiveness and digital readiness (World Economic Forum, 2022). In conclusion, the entrepreneurship seminar on MSME digitalization successfully enhanced participant knowledge, encouraged the use of digital platforms, and increased awareness of business efficiency through technology. The activity also fostered collaboration among MSME actors and generated practical strategies for market expansion. Continuous mentoring and follow-up programs are recommended to ensure sustainable implementation of digital business practices. Such initiatives will strengthen MSME resilience, improve local economic development, and support inclusive growth in rural communities.

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