

Improving SME Performance Through the Utilization of Usable Digital Technology in the Gunung Kawi Area, Wonosari, Malang

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Abstract: The development of digital technology has changed the way society consumes information and makes decisions, including in the tourism sector and other related fields, including small and medium enterprises (SMEs) around the tourist areas. The Mount Kawi area, known for its religious tourism, natural beauty, and cultural heritage, seems to continue to attract visitors even though it has not fully recovered as it was before the Covid-19 pandemic. This also impacts the development of the performance of existing SMEs. This community service aims to introduce user-friendly digital marketing technology to small and medium enterprises (SMEs), so they do not have to rely solely on the local market. The approach used is the initiation model, which involves stages of introduction, demonstration, evaluation, improvement, and reinforcement. The participants of the event consisted of 20 SMEs, ranging from batik to various types of food. The instruments for success used are observation sheets and portfolios. The results of the activities show an increase in digital knowledge among SMEs, particularly in utilizing social media for product content that supports online marketing strategies, as well as the ability to create content and operate digital technology based on market feasibility. The recommendation from this community service activity is the need for assistance in certifying their products to enhance consumer trust.

Keywords: Digital Technology, Initiation model, Gunung Kawi, Micro Small Enterprises

Introduction

The development of technology occurs alongside humanity's ability to create innovations, particularly in digital technology. The emergence of technology has driven the transformation of the hypermobility of humans, places, and spaces, creating significant changes in all aspects (Maciej, 2024). The utilization of digital technology in the tourism sector opens up opportunities for the development of the national economy and the improvement of the quality of life for the community (Nuenen & Scarles, 2021). In the era of digitalization, the primary resource is information that is endless, accurate, reliable, and timely. The increase in mobility goes hand in hand with the ease of information that is now routinely available through digital media. Thanks to digital technology and social media platforms such as Facebook, Twitter, YouTube, and blogs, the public gains access to information about the quality of tourism services, as well as the environmental and social conditions of tourist areas (Kamaluddin et al., 2023; Wang & Yan, 2022). In the digital economy, the main value lies in customers, who play a central role in the ongoing economic

activities (Pasholikov, 2023). Although the digital sector is rapidly growing in various regions, it is also important to consider the role of the traditional sector, which still serves as a mainstay in some areas.

In the Gunung Kawi area, which is a highland region, the majority of the population works as farmers for their livelihood. In terms of the contribution of the agricultural sector to the formation of the Regional Gross Domestic Product in 2020, it accounted for 15% in the Malang Regency (BPS kab Malang, 2024). The Mount Kawi area not only has abundant natural resources but also boasts exotic scenery, making it a potential asset for the economy in the tourism sector. In the Gunung Kawi area, specifically in the Wonosari sub-district, there were 5 tourist attractions in 2021, including bathing tourism, agro-tourism, graves, and other natural tourism (BPS Kab Malang, 2021). With the growth in the tourism sector, other sectors in the ecosystem will also experience an increase, including the SME sector. Based on the data from 2021, the Wonosari District's percentage of economic facilities is dominated by small and medium enterprises (SMEs) in the form of food stalls and eateries, with a percentage of 16% (BPS kab Malang, 2021).

In an effort to enhance the economy of the Gunung Kawi tourist area, the service team from Malang State University has developed a program that includes mentoring and training focused on accelerating the marketing of tourist villages through the use of digital technology. This includes training in digital marketing, utilization of social media, creation of digital content, search engine optimization (SEO), and data analysis. From the direct observations made by the service team, a common thread of issues can be identified that are currently obstacles faced directly by business actors in the Gunung Kawi area. In general, business actors in the Gunung Kawi area still have limited knowledge about the utilization of digital-based technology and face challenges due to unstable internet access. Business actors must be able to orient themselves towards the market and emerging trends. It is hoped that business actors can make the most of the momentum of opportunities by implementing marketing strategies alongside the use of emerging digital-based technologies in Indonesian society.

Method

The implementation of this community service uses a systematic and participatory approach of the initiation model, which involves community empowerment that begins with problem identification, needs formulation, the initiation of solution ideas from the initiators, and the implementation and evaluation of success. This community service is carried out in Wonosari village, Malang Regency. The participants from UKM consist of 20 business owners located in the religious tourism area of Mount Kawi, offering a variety of products ranging from food, batik, to organic fertilizers.

In community service, this initiation model consists of four main interrelated stages. First, identify the problem, where the service team analyzes the situation and needs of the target community through field observation and interviews. The second stage is demonstration, where the program is developed based on the results of problem identification that is tailored to the available resources and involves community participation. The third stage of program implementation is the application of program planning using appropriate methods, such as facilitation, training, and mentoring. The final stage is evaluation and reflection, which is carried out periodically to assess the performance of the

implemented program.



Figure 1. Stages of the Initiation Model

Result

The implementation of community service activities carried out by the team (PkM) in Wonosari aims to enhance the skills and knowledge of small and medium enterprise (SME) actors regarding digital marketing. Through this activity, small and medium enterprise (SME) actors are provided with training that includes material on the use of social media, websites, and e-commerce. serta pemanfaatan e-commerce, marketplace, dan Google Business.



Figure 2. Presentation of Digital Marketing Material

The results of the activities show an increase in digital knowledge among SMEs, particularly in utilizing social media for product content that supports online marketing strategies, as well as the ability to create content and operate digital technology based on

market feasibility. To achieve more optimal results, it is necessary to have follow-up activities, namely assistance in the product certification process. In this way, SMEs are not only able to compete in the digital era but also can build a good reputation and enhance the competitiveness of their products.



Figure 1. Practice of Photography for E-Commerce

Discussion

Based on the results of the community service activities, it shows that participants experienced an increase in understanding of digital marketing, which includes several aspects, namely: an increase in digital knowledge for SMEs, improvement in technical skills, and development of marketable products. Where the small and medium enterprise (SME) actors are beginning to better understand the use of social media as a marketing tool, allowing them to reach a broader target market through relevant product content, this proves that the digital knowledge of SME actors has increased. The use of social media by small and medium enterprises can promote their products and services, allowing them to reach millions of people quickly and effectively (Ariyati et al., 2024). The use of social media for product content has proven effective in supporting their online marketing strategies. According to Trisyanti et al. (2024), a good marketing strategy is not just about selling a product or service but also about how to build long-term relationships with customers, such as through valuable content and engaging interactions on social media. In addition, from a technical perspective, small and medium-sized enterprises (SMEs) have also seen an improvement in their skills. This can be observed in that SME players are able to create digital content and operate various technologies needed in online marketing strategies. In product development, SMEs can identify and evaluate products from the perspective of market feasibility, with the hope that they will be able to develop a larger market potential.

In the community service activities conducted by the PkM team from Malang State University in Wonosari, Gunung Kawi area, Malang Regency, the focus is on outreach and

periodic mentoring programs with aspects of digital knowledge, technical skills, and the development of marketable products, resulting in the following: The increase in competitiveness is one of the most significant impacts. Competitiveness is the ability to demonstrate a result that is better, faster, and also more significant (Minh & Hiep, 2023). UKM are now better prepared to compete in the global market, supported by enhanced digital capabilities. In addition, this program allows for an increase in sales of SMEs' products, as they can create engaging and effective product content through appropriate training and online marketing strategies. SMEs can also understand the emerging market trends so that they can reach a wider market, thereby opening up opportunities for market expansion.

It is hoped that this community service activity will involve ongoing support to assist small and medium enterprises (SMEs) in overcoming the challenges that will arise in the business world so that they can become more independent after the community service program is completed. This community service can be developed by collaborating with e-commerce platforms to facilitate small and medium enterprises in marketing their products widely. According to Williams (2024), e-commerce is a business activity that involves consumers, manufacturers, service providers, and intermediary trade using a computer network commonly referred to as the internet. Generally, every visitor to an e-commerce site or website can view the goods and products sold online (24 hours a day) and can correspond with the seller or website owner via email (Rajput, 2024). In addition, the teams assist them in collaborating with other SMEs to share experiences and knowledge in running a viable business. Not only that, the service team conducts regular evaluations to identify areas that need further improvement.

Conclusion

The performance of SMEs in the tourist area of Gunung Kawi, Wonosari, Malang, has improved as a result of the effective use of digital technology. The findings from this community service indicate how the knowledge and digital skills of SMEs have been successfully enhanced through training and guidance, particularly in the use of social media for digital marketing strategy implementation. This initiative also helps SMEs create appealing content and enhances their readiness to compete in the global market. This study's recommendations emphasize the value of sustainable product certification and guidance in enhancing consumer trust and expanding the market. In conclusion, the application of digital technology has successfully enhanced the competitiveness of small and medium enterprises in this tourism area. Based on this, the importance of collaboration between the service team and partners is crucial so that the process of adopting digital technology can enhance the competitiveness of SMEs in the current digital era.

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