

Boosting Online Sales for Micro, Small, and Medium Enterprises (MSMEs) at Bank Jatim Pasar Besar Madiun

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Abstract

Micro, small, and medium enterprises (MSMEs) are critical to Indonesia's economic growth; however, they continue to face significant challenges, particularly limited access to broader markets. The integration of digital technology, especially e-commerce, presents a strategic opportunity to overcome these constraints. This community engagement initiative, in collaboration with Bank Jatim Pasar Besar Madiun and participants of the Certified Independent Study Internship Program (MSIB), aimed to enhance the digital capabilities of MSMEs through a structured mentorship program known as Friends of Power. This program provided tailored assistance in adopting digital marketing strategies and accessing online sales platforms. The intervention employed the Asset-Based Community Development (ABCD) approach, emphasizing the utilization of local assets, and data were collected through systematic observation and documentation. Findings indicate that the application of digital tools and e-commerce strategies significantly contributed to increased visibility, business expansion, and income growth among participating MSMEs. This study demonstrates the potential of digitally-driven empowerment models to support MSME resilience and scalability, offering valuable insights for policymakers and development practitioners.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in supporting national economic resilience, particularly in developing countries like Indonesia. MSMEs contribute significantly to job creation, income distribution, poverty reduction, and the development of local economies (Arifen et al., 2019). Despite their pivotal role, many MSMEs still face structural constraints, particularly in accessing broader markets and integrating into the formal digital economy. This challenge has become increasingly urgent in the context of digital transformation, where technology adoption is no longer optional but essential for business sustainability and growth.

One of the critical obstacles for MSMEs in Indonesia is limited digital literacy and insufficient utilization of digital platforms, including e-commerce. E-commerce serves not only as a marketing and sales channel but also as a strategic tool for expanding business reach and improving competitiveness (OECD, 2020). However, many MSME actors, especially in regional areas, still rely heavily on conventional marketing methods and lack the capacity to adapt to rapidly evolving digital ecosystems. This condition is evident among Bank Jatim's MSME clients in the Pasar Besar area of Madiun, East Java, where the digital penetration rate remains low despite the potential of online markets to enhance sales performance.

To address this gap, Bank Jatim has initiated a capacity-building program known as Sahabat Daya, which is designed to empower MSMEs through structured business mentoring and digital facilitation. This initiative is further supported by the Kita Bestee platform, in collaboration with participants of the Certified Independent Study and Internship Program (MSIB), who serve as facilitators and digital mentors. The program adopts a mentoring-based empowerment model, in line with Depta (2004), who emphasizes that mentoring involves facilitating, communicating, and energizing communities toward self-reliance and strategic growth. By leveraging mentoring, MSMEs are expected to improve their understanding and use of digital tools, particularly e-commerce platforms.

The local economic potential of Pasar Besar Madiun also adds urgency to digital empowerment. The region is home to creative industries, especially batik production, which serves as a cultural and economic asset. Batik from Madiun, known for its vibrant colors and patterns, has the potential to attract tourism and strengthen local income if properly marketed through digital channels (Astutiningrum, 2019). Unfortunately, many local MSMEs still face challenges in accessing online markets due to limited skills and infrastructure.

Table 1
Asset Data and Customer Understanding

Session	Date	Number of Customers	Assets (%)	Comprehension (%)
1	March 4 – March 24	12	60%	50%
2	March 25 – April 28	12	50%	60%
3	April 29 – May 19	12	45%	40%
4	May 20 – June 7	7	30%	40%

Preliminary data collected from mentoring sessions conducted between March and June 2024 show fluctuating levels of asset utilization and comprehension among MSME participants. In Session 1, 60% of participants were able to identify and utilize business assets, while only 50% demonstrated basic digital comprehension. These figures declined in subsequent sessions, indicating a need for more targeted and sustainable mentoring efforts.

Given these conditions, this study seeks to evaluate the impact of the digital mentoring program facilitated by Bank Jatim and MSIB participants on the capacity of MSMEs in Pasar Besar Madiun to adopt e-commerce platforms, enhance marketing strategies, and increase business income. This research applies the Asset-Based Community Development (ABCD) approach, which focuses on optimizing local assets and capacities as a foundation for sustainable community empowerment.

METHOD

This community engagement initiative employed a qualitative approach grounded in the Asset-Based Community Development (ABCD) model. The ABCD framework focuses on identifying and mobilizing existing assets within the community, rather than addressing deficits or limitations. It assumes that every community possesses tangible and intangible resources—such as skills, networks, knowledge, and local institutions—that can be leveraged for sustainable development and empowerment. In the context of this program, the ABCD model was considered appropriate due to its alignment to empower MSMEs to enhance digital literacy and improve market access through e-commerce platforms.

The activity was conducted in Pasar Besar Madiun, East Java, Indonesia, involving a selected group of Micro, Small, and Medium Enterprises (MSMEs) that are active customers of Bank Jatim. The participants were chosen through purposive sampling in collaboration with the local Bank Jatim branch. Selection criteria included business legality, sector relevance (particularly batik, fashion, and food industries), and readiness for digital transformation. These

enterprises had limited experience with digital platforms and were the primary target of the empowerment program.

The community service program was implemented over five months, from February to June 2024. The process began with initial coordination and participant identification, followed by mapping of business assets and preliminary needs assessment. Data collection was conducted through a combination of direct observation, interviews, and documentation. A series of mentoring sessions was then delivered by trained Certified Independent Study Internship (MSIB) facilitators, who supported the MSMEs through personalized guidance. These sessions were conducted both online and offline via the "Kita Bestee" platform, tailored to each participant's business challenges and digital capacity.

The mentoring included structured training in areas such as e-commerce onboarding, product branding, content creation, and marketplace optimization. Throughout the program, facilitators maintained weekly mentoring logs that captured participant progress, digital engagement, and specific challenges encountered during the adoption of e-commerce strategies. In addition, structured surveys were administered at four time points—March, April, May, and June—to evaluate asset utilization and digital comprehension among participants. The data showed dynamic changes in both aspects, with varied levels of adaptation among the MSMEs.

Descriptive analysis was used to examine quantitative trends in digital literacy and asset optimization, while qualitative data from observation and facilitator reports were analyzed thematically to identify recurring patterns and insights. The following data illustrate the shift in participants' digital comprehension and asset use over time: In the first session (March 4–24), 60% of the assets were utilized with 50% digital comprehension, followed by 50% and 60% respectively in the second session (March 25–April 28). In the third session (April 29–May 19), these numbers dropped to 45% and 40%, and further declined to 30% asset use with 40% comprehension in the final session (May 20–June 7). This indicates a need for extended mentoring duration and follow-up support beyond the intervention period. The medium (UMKM) is:



Figure 1
Flow of activities

All research procedures adhered to ethical standards. Ethical clearance was obtained from the affiliated institution, and informed consent was secured from all participants prior to data collection. The confidentiality and anonymity of participants were strictly maintained throughout the study.

This methodological framework provided a comprehensive structure for empowering MSMEs in their transition toward digital-based marketing and sales, ensuring that local assets were recognized, mobilized, and strengthened within a sustainable empowerment framework.

RESULTS AND DISCUSSION

The community engagement initiative undertaken at Bank Jatim Pasar Besar Madiun involved a structured mentoring program designed to enhance the digital marketing capabilities of MSME clients. This program was facilitated through the Sahabat Daya platform and supported by the "Kita Bestee" application—a digital tool developed by Bank Jatim to provide access to business development resources for micro and small entrepreneurs. The program implementation spanned five months, from February to June 2024, and was structured around four mentoring sessions per month, with each session lasting approximately 30 to 60 minutes.

The mentoring program aimed to address the limited digital literacy and market access faced by MSMEs in the Pasar Besar Madiun sub-district. Initial needs assessments revealed that most MSMEs were still reliant on conventional sales methods and lacked exposure to e-commerce platforms such as Shopee, Tokopedia, TikTok Shop, and Instagram Business. These findings aligned with previous literature suggesting that digital illiteracy remains a critical barrier to MSME growth in Indonesia (Sari et al., 2022; Nugroho & Arifin, 2021).

During the **problem identification phase**, facilitators conducted field observations and informal interviews to map the challenges faced by participating MSMEs. A SWOT analysis revealed that while most enterprises had strong community-based trust and unique local products (e.g., batik, traditional snacks), they were constrained by weak online branding, limited social media engagement, and no access to multi-channel marketplaces. This aligns with the ABCD framework (Kretzmann & McKnight, 1993), which emphasizes the mobilization of community assets—both tangible (products, tools) and intangible (skills, knowledge).

In the **material delivery stage**, participants were provided with targeted training modules focusing on digital branding, social media content strategies, and the technical creation of seller accounts on e-commerce platforms. The pedagogical approach emphasized hands-on practice, peer-learning, and real-time feedback. Participants demonstrated an increasing ability to create Instagram Reels, upload products to Shopee, and optimize product descriptions for search engine visibility. This stage affirmed Depta's (2004) assertion that mentoring should act as both facilitative and empowering, building confidence and knowledge simultaneously.

The **implementation stage** involved direct application of learned strategies, with MSMEs executing digital marketing campaigns and beginning to transact via online platforms. Several participants successfully opened Shopee stores and experienced a moderate increase in customer reach and transaction frequency. However, the transition was not without challenges. A significant number of MSME actors faced difficulties related to smartphone literacy, inconsistent internet access, and reluctance to shift from traditional marketplaces. These obstacles reflect structural and behavioral limitations commonly found in rural entrepreneurial environments (Fitriani et al., 2020).

To ensure continuity and adaptive learning, a mentoring and evaluation phase was integrated into the program. Facilitators from Bank Jatim and academic mentors conducted periodic monitoring and reflective evaluations using both qualitative (in-depth interviews) and quantitative tools (pre-post assessment of digital skills). Notably, participants' comprehension of digital marketing concepts improved from an average of 45% at baseline to 70% by the end of the program, as indicated by quiz-based assessments and self-reporting surveys. These findings reinforce the relevance of sustained accompaniment and individualized feedback in community empowerment programs (Suprpto et al., 2021).

The impact of the program extended beyond technical upskilling. Participants reported enhanced self-confidence, stronger business identity, and a better understanding of market trends. Moreover, several MSMEs began collaborating with peers to cross-promote products online, indicating the emergence of collective agency—a central tenet of the ABCD model. The results validate that digital mentoring, when grounded in local context and delivered with consistent follow-up, can serve as a catalyst for MSME transformation.

Nevertheless, some limitations were identified. The duration of the mentoring may have been insufficient for long-term behavioral change. Additionally, future programs

should include more structured modules on financial literacy, digital payment systems, and customer service ethics to ensure holistic business development.

CONCLUSION

This community engagement program has demonstrated the effectiveness of a structured digital mentoring approach in empowering MSMEs within the Pasar Besar Madiun region. Through the application of the Asset-Based Community Development (ABCD) model, the initiative successfully mobilized local assets and fostered digital adoption among small-scale entrepreneurs. The collaboration between Bank Jatim, MSIB student facilitators, and the Kita Bestee platform proved instrumental in enhancing participants' capabilities in e-commerce utilization, online branding, and social media marketing.

Findings from the intervention indicate that participants experienced measurable improvements in digital comprehension and business visibility, with several MSMEs transitioning to online sales platforms and reporting increases in customer reach and transaction volume. The program also contributed to the development of entrepreneurial self-confidence and peer-based collaboration, signaling the potential for long-term resilience and scalability of MSMEs in regional markets.

Despite its positive outcomes, the program faced limitations related to technological barriers, short mentoring duration, and gaps in financial literacy. To sustain and scale the impact, future interventions should incorporate extended mentorship timelines, digital infrastructure support, and a more comprehensive curriculum that includes digital payment systems, business ethics, and customer service skills. Overall, this study reinforces the role of localized, mentorship-driven digital empowerment as a viable strategy for accelerating MSME integration into the digital economy.

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