

Digitalization Model Of Marketing, Finance And Contracts In Msmes Pertakina Blitar

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ABSTRACT

Background: Optimization of MSMEs, one of the goals is to accelerate the recovery of the national economy, which is dominated by Micro and Medium Enterprises (MSMEs). The formulation of the problems in this study is 1) how the marketing digitalization model for MSMEs in Pertakina Blitar as a means of promotion so far, 2) how the financial digitization model for MSMEs in Pertakina Blitar as a tool to make it easier to make financial reports, 3) how is the digitalization model of employment contracts for MSMEs in Pertakina Blitar. The benefits of this research are 1) the results of this study are expected to provide the latest information or the latest updates on marketing / marketing digitalization, digitalization of finance and digital work contracts on MSMEs in Pertakina Blitar. The findings and recommendations of this study are expected to be input for policy makers and policy implementers to improve the digitalization management model for MSMEs Pertakina Blitar, 2) the draft digital marketing management model, financial digitization and digital work contracts are expected to be a model system in the following research with applications that can be applied more simply and can be applied to MSMEs Pertakina Blitar. This means that this system can be operated at MSMEs in Pertakina Blitar, whereby using digitalization, MSME products in Pertakina Blitar can be more affordable anytime and anywhere by consumers.

Research Methods: Qualitative research methods are research methods based on the philosophy of postpositivism used to examine objects with natural conditions (real state, not set or in an experimental state) in which the researcher is the key instrument. The research subjects were determined based on the focus of the study, including: (1) 14 MSMEs who are members of Pertakina, (2) MSMEs that are directly or indirectly involved in the management of marketing, finances, and contracts where they are increasingly representative. Collecting data and information generated through observation methods, in-depth interviews, FGDs, and analysis of texts, documents, and digital files.

Results: The information obtained during in-depth interviews with several MSMEs who members of the Pertakina Blitar community are shows that the model of digitalization of marketing in MSMEs is not carried out optimally, and some have not even promoted through electronic marketing, nor have they recorded regularly in financial administration and have never done a written work contract, let alone electronically. MSMEs who are members of the Pertakina Blitar community need an increase in skills and abilities in their human resources through training and assistance in digital marketing, training on financial recording and digital finance as well as assistance at the same time, training on making written contracts and digital contracts.

Conclusion: Downstreaming of the digital economy of MSMEs and Cooperatives in Indonesia, the problem is that digital literacy is still low, production capacity is inadequate, production quality is inconsistent or relatively low.

Keyword: Model, Digitalization, Marketing, Finance, Contracts, MSMEs

Date of Submission: 02-11-2022

Date of Acceptance: 14-11-2022

I. INTRODUCTION

PERTAKINA is a non-governmental organization incorporated as an association, engaged in the sector of Empowering Indonesian Workers (TKI) after. He started in 2010 and is headquartered in Blitar Regency and has a field office in Sanan Hamlet RT 03 RW 01 Dayu Village, Nglegok Regency, Blitar Regency. It was founded on the concern of several retired former Indonesian workers for the fate of former migrant workers who had many problems with the economic resilience of their families after they no longer worked abroad, limited information, networks and technical matters that made them limited as well as options for them to start a business so that they were afraid to start a business and when they were trying to do business could not develop because of these limitations.

The development of technology and information disclosure are consequences that must be accepted by businesspeople. This requires businesspeople to always develop their marketing patterns so that they can continue to compete and remain *the leading market* in the existing business competition map. Information technology is currently one of the potentials that of course can be utilized by MSMEs to be able to increase the marketing productivity of their business. Digital marketing is one of the information technologies that is currently developing rapidly, namely by utilizing social media which is considered very potential in driving the performance of a business. MSMEs in the community in Pertakina Blitar have not been optimally digitized which is a crucial element. Digitalization is crucial for MSMEs because Indonesia's demographic structure, which is dominated by the millennial generation, allows for the adoption of digital technology very quickly. Optimization of MSMEs, one of the goals is to accelerate the recovery of the national economy, which is dominated by Micro and Medium Enterprises (MSMEs).

The large number of MSME business actors illustrates that this sector has a good potential in supporting the economy. The fairly good performance of MSMEs was seen during the crisis that hit Indonesia, by contributing to the Gross Domestic Product (GDP) and employment (Purwokerto et al., 2016). To encourage digitalization and make it easier for MSMEs to face the changes that occur, the government has increased the ease of access and transferred technology to MSME players in order to be able to survive in business competition (Slamet et al., 2016). The ability to master digital devices and the internet is an absolute thing that MUST be mastered by MSMEs if they want to survive in the competition (Purwana et al., 2017). This is a challenge but also a promising business opportunity for MSMEs in Indonesia. Based on this, this research seeks to formulate a strategy for developing MSME digitalization to support the development of MSMEs and as input for MSME players in implementing digitalization in their business processes.

The purpose of the study is to find out the marketing digitalization model for MSMEs in Pertakina Blitar as a means of promotion for MSME products, the financial digitization model used by MSMEs in Pertakina Blitar as a tool to make financial reports and find out the digitalization model of work contracts used by MSMEs in Pertakina Blitar, to support the development of MSMEs that are guided by Pertakina Blitar and as input for MSME players in implementing digitalization in their business processes. Digitalization is important because it can help MSMEs increase revenue or transaction results. Then, make financial records more organized, as well as improve financial literacy. Business digitalization itself is a process that changes communication, interaction and all the benefits in business into digital, including to work together and use cooperation contracts through digital. Through the application of business digitalization, business actors have switched from conventional to virtual systems. This process includes many things, ranging from transactions to how business actors manage business and aims to make the performance of business actors more efficient. Even though an all-digital lifestyle has occurred in various lines of life, there are still many MSME players who are reluctant to be digitally literate and are still used to running a business traditionally. This is a challenge but also a promising business opportunity for MSMEs in Indonesia.

II. LITERATURE REVIEW

Switching from an offline strategy to an online realm is not as easy as turning your palm. When entering the digital realm, it means that you must also be prepared to bear all the consequences caused. Finally, the reason why MSME efforts become more digital is very important because it makes the products produced more quality as well.

If doing business does not adjust to these habits, then be prepared to lose potential income from consumers who are increasingly spoiled with easy access to online. Slowly this lifestyle eventually spreads from urban to rural areas, so MSME actors must certainly be self-aware and adapt to conditions.

1) *Digital Marketing* Concept

The definition of *digital marketing* in the perspective of an entrepreneur or businessman is more about the marketing system using internet media. Of course, it includes *mobile phones* to several other social networking sites. It's just that, for this technique to be more targeted, it seems that the promotion technique is more set aside and prioritizes communication. Establishing a personal relationship with consumers by hearing complaints or suggestions will make customers feel more valued. Which in the end will provide added value to business development, especially the *company's brand*. It looks simple but difficult to ascertain, especially for those who don't understand the true meaning of *digital marketing*.

Turban (2004, p. 2) stated that *digital marketing* uses the internet and information technology to expand and improve traditional marketing functions. This definition concentrates on the entirety of *traditional marketing*. We can also state that opinions such as *interactive marketing*, *one-to-one marketing*, and *e-marketing*. It is closely related to *digital marketing*. According to Heidrick & Struggless (2009) the development of *digital marketing* through the *web*, mobile phones, and *gaming* devices, offers new access to advertising that is not heralded and very influential. So why don't marketers across Asia shift the use of *budgets* from traditional marketing such as TV, radio, and print media towards new technology media and more interactive

media. *Digital marketing* is a marketing activity including branding that uses various web-based media such as blogs, web sites, e-mail, adwords, or social networks. Of course, *digital marketing* is not just talking about internet marketing.

According to Kotler and Keller (2016, p. 642) an important part of *digital marketing* is social media. Social media is a means for consumers to share or convey text, images, audio, and video information with each other and with companies, and vice versa. Social media allows marketers to listen to feedback from consumers and consumer presence *online*. Consumers can *intensely* communicate with marketers, so they can also encourage companies to stay innovative and relevant. Marketers can build or enter *online* communities, invite participation from consumers and create long-term marketing assets in the process.

According to Kotler et al. (2017), Marketing 4.0 is "the latest approach to marketing that refers to a new pattern of consumer behavior in the digital age, namely 5A's (Aware, Appeal, Ask, Act, and Advocate)". Marketing 4.0 uses a marketing approach by combining *online, offline, style and substance interactions*, developing *machine-to-machine* connectivity and *artificial intelligence* to boost productivity. The focus of Marketing 3.0 is *Human-Centric Era* (focus on humanity) which is by paying attention to the between the product and the customer. Marketing 2.0 is customer-focused marketing (*Customer-Centric Era*). Marketing activities are directed according to the will of the customer. Marketing 1.0 is *product-focused marketing (Product-Centric Era)*, marketing activities are directed according to the will of the manufacturer. Furthermore, according to Kotler (2017) in the digital economy, *marketing 4.0* does not say 100% must be digital because *digital interaction* alone is not enough. The reality is that offline activities are still needed. *Marketing 4.0* integrates *style and substance*. *Style* is important. If we don't have a *style*, we'll just be skipped. However, now people not only need *style* but also want to know the substance. So, the substance is also important. The rapid development of digital technology, entrusting connectivity between *machine-to-machine*. *Machine-to-machine* must also be able to create *human-to-human relationships*. So that the development of technology does not stop at the technology itself. Currently, there are two genres of *brands*, namely: *index and insight*. The role of digital marketing strategies can be important in keeping up with the development of digital technology and developing plans to attract consumers and lead them to a blend of electoral communication and traditional communication (Chaffrey & Chadwick, 2019).

Here are ten digital marketing strategies from expert experts and Indonesian digital marketers that can be chosen and utilized for business (Darmawan, 2020), namely:

1. SEO (Search Engine Optimization)

SEO can be the core of digital marketing strategies for start-up businesses and SMEs. The main benefit of SEO is that it grabs people's attention through search engine search results. Keyword optimization will play a vital role in attracting traffic and many visitors. In addition to increasing traffic and the number of visitors, this strategy is also able to strengthen the image of your business brand.

2. Social Media Marketing

Today, who doesn't use social media. Social media holds an important war in business success in the digital world. The existence and activity of business on social media increases product popularity, traffic, creates loyal consumers, and of course increases sales. Good content and quality social interaction can be decisive for the success of this strategy.

3. Content Marketing

Quality content not only makes a deep impression on its readers but also has the potential to become a connection of other content that you create. In addition to being a link, quality content that successfully solves problems will create trust and loyalty. Conversion rates will increase, credibility strengthens, and the target market will greatly remember the brand of the business.

4. Utilizing Influencers

There is a compelling reason why more and more celebrities are making the rounds on social media. Medsos provides new business land for those who sell influence. You can't miss it and can use influencers to make the business more popular. Would never have expected the strong influence of an influencer and the loyalty of his fans. It is not to be missed.

5. E-mail Marketing

It's not yet time for e-mail to die and be considered unfit to be included in the list of effective digital marketing strategies. Until now, email marketing is still reliable. To interest consumers, create emails with clear language, take advantage of lists - lists, no pleasantries, and optimize them for mobile users. Never underestimate this classic digital branding strategy.

6. Paid Advertising (PPC)

Paid advertising or PPC should not be ignored, although the costs incurred are not small. By utilizing PPC, one of which is AdWords, it will get instant results in a fast time. This PPC will make the product at the top of the search engine search results. Automatically, anyone will be "tempted" to click on the ad and visitors will continue to grow

7. Viral Content

Viral status is not always good and gives a positive impression. However, that should not make it clear this strategy. Requires one viral content created mainly in the form of videos. One weird, uproarious, and click-bait content is more than enough to make the public flock to visit the viral source. From here, it is welcome to take advantage of it further.

8. Be Active in the Community

So human beings are social and active in communities that have something to do with the products offered. Being part of the community already provides a plus and additional credibility to the target market. By being in a community, targeting potential consumers and promoting products becomes easy to do, and especially more acceptable to consumers (there is an interest and one area).

9. Affiliate Marketing

The affiliate program will allow you to sit back and relax while others market the products. This strategy is not much different from the strategy of utilizing influencers. The biggest difference, in attracting pure sales who already know what they are going to do. The distribution of commissions and tracking this program will be a tough challenge. If success passes it, success is only a matter of time.

10. Using Podcast

The last digital marketing strategy on this list is to take advantage of podcasts. Podcasts for business are gaining popularity in the country and undeniably have bright opportunities for the future. Utilizing famous personality podcast shows and inserting advertisements in the form of voice recordings or creating your own podcast show with quality content as the main menu

2) Digital Finance

One of the fields that has experienced a breakthrough thanks to the advancement of the industrial revolution is internet-based technology. This is due to the advancement of the internet which is very fast and can be easily used by various groups so that its users every year always increase. This phenomenon is supported by the facts issued by the Indonesian Internet Service Providers Association (APJII), internet users in Indonesia are always increasing every year. Ajzen(1991) explained the *Theory of Reasoned Action* (TRA) which states that subjective attitudes and norms influence behavioral intentions. Davis(1989) applies TRA in technology adoption behavior to the individual level. The result is one of the best-known behavioral theories of technology adoption, the *Technology Acceptance Model* (TAM). TAM is a theory that uses a behavioral theory approach that is widely used to study the process of technology adoption. The two main constructions that influence an individual's intention to use technology are *Perceived Use-fulness* (PU) and *Perceived Ease of Use* (PEU). TAM provides a widely accepted model in various technologies. The model has been tested for more than two decades to predict and explain behavior. Venkatesh et al. (2003) expand THE TAM and introduce factors from related models, incorporate alternative confidence factors, and examine antecedent and moderation factors on existing usability and ease of use of construction.

While the expanded TAM is believed to be effective in investigating the acceptance of technology for individuals, it is still valid and more suitable for investigating the adoption of technology by business organizations such as MSMEs reported by Dahnil (2014). In contrast to TRA, TAM is more specific, and was developed to explore and predict user acceptance and information system behavior (Davis et al., 1989). The technologies that are developing in the financial services sector are very diverse. This research specifically discusses the technology used by financial institutions or cooperatives to manage financial data, member management and management. The term commonly used by banks to interpret *software* or devices that have this function is the *core banking system* which in this study is called a digital financial service platform. The latest technologies in digital financial services platforms have been built using a *cloud-native* architecture approach. With this latest approach, MSMEs can quickly adapt and build new business models very efficiently.

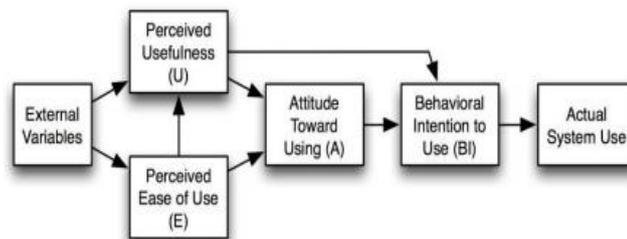


Figure 1. *Technology Acceptance Model*(Davis et al., 1989)

This research approach uses a modified TAM model. Looking at the extent to which the influence of *Perceived usefulness* and *Perceived ease of use* affects attitudes and intentions to use *digital* financial administration platforms. Other independent variables such as *Knowledge*, *Trust*, and *Perceived Risk*.

Usefulness: according to Alalwan (2016), *Perceived Usefulness* is a person who believes that using certain technologies or innovations will improve the performance of his work. Venkatesh & Davis (2003) suggests that *perceived usefulness* can be measured using indicators:

1. *Useful*
2. *Beneficial*
3. *Effectiveness*
4. *Productivity*

Perceived ease of use: Venkatesh & Davis (2003) divides the *perceived ease of use* indicator into the following:

1. Individual interactions are *clear and easy to understand (clear & understandable)*.
2. It doesn't take much effort to interact with the system (*does not require a lot of mental effort*).
3. *Easy to use system*.
4. *Easy to operate the system according to what the individual wants to do (easy to get the system to do what he/she wants to do)*.

Trust, menurut (Mayer et al., 1995), the factors that shape a person's trust in others are three, namely ability (*ability*), kindness (*benevolence*), and integrity (*integrity*). The three factors can be explained as follows:

Ability refers to the competence and characteristics of the seller/organization in influencing and authorizing a specific area. In this case, how the seller can provide, serve, and secure the transaction from the interference of other parties. This means that consumers get satisfaction and security from the seller in making transactions.

Kindness (Benevolence), the heart is the seller's willingness to provide beneficial satisfaction between himself and the consumer. The profit earned by the seller can be maximized, but consumer satisfaction is also high. Sellers are not only pursuing maximum profit, but also have great attention in realizing consumer satisfaction.

Integrity (Integrity), integrity is related to how the behavior or habits of sellers in carrying out their business. The information provided to the consumer whether it is true corresponds to the facts or not. The quality of the products sold is whether trustworthy or not.

Attitude (attitude), attitude towards usage or attitude towards use in TAM is conceptualized as an attitude towards the use of a system in the form of acceptance or rejection as an impact if a person uses a technology in his work (Davis et al., 1989). At this stage the user will show his attitude towards the use of financial administration applications whether he accepts or rejects the use of such applications.

Intention: The intention of entrepreneurship is related to how much a person's intention in entrepreneurship is so that it affects his behavior. According to Nurhidayah (2010) in his research using indicators in entrepreneurial intentions, including:

1. Attitude to behavior
2. Subjective norms
3. Control of university behavior

3) Digital Contracts

In conducting buying and selling transactions between MSMEs as producers and consumers, it is bound by a sale and purchase agreement. A sale and purchase agreement are an agreement in which one party binds itself to hand over the object, while the other party binds itself to hand over an agreed amount of the agreed price. Another definition can be seen from Walter Woon's opinion, as quoted by Moch. Isnaeni in *The Sale and Purchase Agreement* (2015, p. 56): "*A contract for the sale of goods is a contract by which the seller transfers or agrees to transfer the property (which in layman's terms may be equated with ownership) in goods to the buyer for money consideration*". Another definition was presented by P.S. Atiyah and John N Adams, in his book Moch. Isnaeni (2015, p. 55) is "*A contract of sale first and foremost a contract, i.e., a consensual transaction based on an agreement to buy and an agreement to sell*".

The bond in the sale and purchase agreement is derived from a promise based on the agreement of the contractors, which is set forth in the contract. According to Subekti (2002, p. 1), "A contract or agreement is an event in which a person promises another or where two people promise each other to carry out a thing". Another definition about the contract as quoted by Moch. Isnaeni from his book D G Cracknell, namely: "*a contract is an agreement giving rise to obligations which are enforced or recognised by the law*". "*a contract as a promise or set of promises which the law will enforce*". In the definition of contract, there is no mention that the contract must be made in writing or in writing, nor does it state whether the contract must be made online or offline. Therefore, there is freedom of the parties in contracting. Along with the development of the times and the need for legal protection and for the purpose of proof, the contract is made in writing. In today's all-digital era, the form of contracts has also shifted from physically created contracts to digital contracts.

A digital contract is a process that transforms the entire lifecycle of a contract, not just signature, or storage, but each stage of the journey, will become a browser-based workflow that puts data first, collaborative. Digital Contract or also known as electronic contract (*e-contract*) is an agreement of the parties made through an electronic system, as regulated in Article 1 number 17 of Law No. 19 of 2016 concerning Amendments to Law No. 11 of 2008 concerning Electronic Information and Transaksi (ITE Law). Although the contract is made

digitally, in making the contract, you still must pay attention to the terms of the validity of the contract. As stipulated in Article 1320 of Burgerlijk Wetboek, the validity of a contract must meet the following conditions:

1. Agree of the parties to the contract.
2. The parties making and performing the contract must be legally capable.
3. The existence of a certain thing (object) to agree upon.
4. A cause or cause is allowed.

The agreement of the parties to bind themselves, which is stated in the contract, includes:

- a. There is an *offer* from the *offeror* as the first party.
- b. The submission of an offer to the *offeree* as a second party.
- c. The existence of acceptance of the offer by the second party expressing its will to be bound by the terms in the offer.
- d. There is an acceptance by these second party to the first party.

Given that the aspects of laws and regulations are important and basic in settlement through legal channels, it is certainly a choice from the legal jurisdiction side that really needs to be considered by *e-contract* actors, so that if there is misuse, it can be easily investigated the root of the dispute problem that occurs. For this reason, this legal clause is important to be included in the *e-contract* so that in the future it can be used as a basis for footing in the event of a dispute / dispute. The relationship between the proposed research and the ongoing or already produced research is as follows:

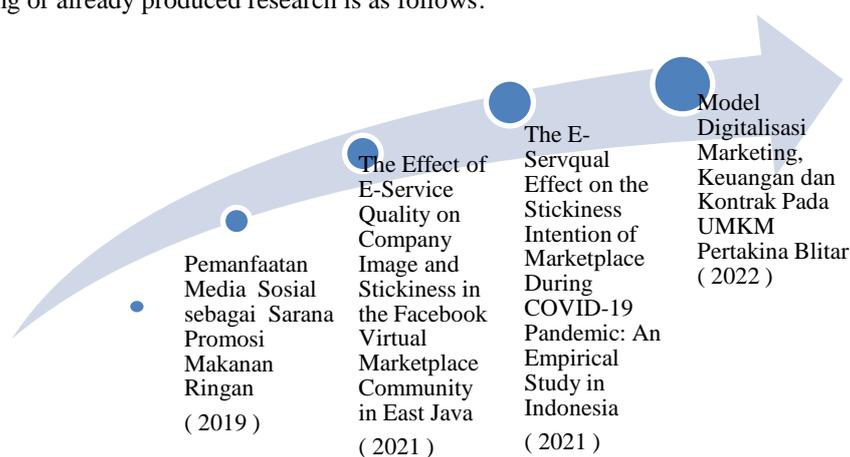


Figure 2 Research Roadmap

III. RESEARCH METHODS

1. Types of Research

Research on the model of increasing the digitization of marketing, finance and digital contracts is therefore very relevant using a descriptive-qualitative approach. Qualitative descriptive research is a type, design, or research design that is commonly used to examine research objects that are natural or in real conditions and are not set as in experiments. Descriptive itself means that the results of the research will be described as clearly as possible based on the research that has been carried out without drawing a conclusion based on the results of the research.

2. Fokus Penelitian

In the context of the research to be studied, the focus of this study is the picture of self-acceptance, the form of self-acceptance, and the model factors used by MSME owners using digitalization of marketing, digitalization of finance and digitization of work contracts with agents / distributors or customers of MSME prosuk in Pertakina Blitar.

3. Research Subjects

The research subjects were determined based on the focus of the study, including: (1) 14 MSMEs who are members of Pertakina, (2) MSMEs that are directly or indirectly involved in marketing, financial and contract management where the more representative MSME data includes ten MSMEs, namely the Telo Glithi business, Jam Nanas Galaxy Ekspres, Taiwan Culinary, Kedai Sidoyoso, Jenang Ketan, Ijo Peanut Milk, DVN Sempol Ayam, Kripik Mbote Nabila, Sambel Pecel Asli Blitar, Kripik Dua Brothers, Sari Soybean Madynur, Jamu Powder Widas, Kripik Ikan Salted, Kopi Powder, Opak Gambir, Gula Kelapa, Kripik Kelapa (c) Manager / administrator in Pertakina Blitar.

4. Research Location

Research locations on several MSMEs in Sanan Hamlet RT 03 RW 01 Dayu Village, Nglegok District, Blitar Regency, which joined pertakina Nglegok, East Java Province.

5. Data Collection Techniques

Data were collected through observation, in-depth interviews, documentation studies and *Focus Group Discussions* (FGDs). Observations were made early and plunged directly into the field seeing the role of MSMEs who members of Pertakina in are managing digitalization marketing, finance and digital contracts. Documentation studies are carried out not only documents in physical form, but also documents in the form of digital files, such as photos, videos, presentation slides, application programs, databases, coding systems (coding) and operating systems (operating systems). Meanwhile, FGD is used with the aim not only to explore problems from a wider and deeper perspective, but also as a means of verification of data and information obtained from observation and interview methods.

6. Data Analysis Techniques.

The data analysis technique uses an approach, the first isto collect data and information generated through observation methods, in-depth interviews, FGDs, and analysis of ex, documents, and digital files; mto identify and revise the data and information obtained by simplifying, extracting and transforming the data obtained in the field continuously during the research process aims to sharpening, classifying, directing, discarding unnecessary, and organizing data; m explainingand describing patterns and relationships in the form of narratives, matrices, tables, skema, diagrams, graphs, or drawings; menarik conclusions and verifications. At this stage seeks to find meaning, noting regularities, patterns, configurations, and causal relationships.

7. Operational Definition of Variables

Digital Marketing

marketing system using internet media in it including *mobile phones* to several other social networking sites.

Digital Finance

technology used by Micro, Small and Medium Enterprises to manage financial data, management of members and administrators through applications.

Digital Contracts

a sale and purchase transaction between Usaha Mikro Kecil Mikro as a producer with a consumer, bound bya sale and purchase agreement, asale and purchase agreement is an agreement where one party binds itself to hand over objects, while the other party binds itself to submit a certain amount of the agreed price which is carried out online / digitally.

IV. RESULTS AND DISCUSSION

Research Results

The results of interviews with several business owners (MSMEs) who are members of the Pertakina Blitar community, the research data obtained from the results of in-depth interviews and observations from the research team on 14 business owners who are members of the Pertakina Blitar MSME community at that time can be seen in the table as follows:

Table 1Pertakina Blitar MSME Data

Business Name and Owner	E Marketing	E Finance	E Contract
• Opak Gambir (Blitar Specialties)	There is no social media and plans to be promoted on the Marketplace, the distribution is deposited in stores,	Have never made financial statements using applications and manual financial statements / small bookkeeping	Have never entered into a contractual agreement with a store / distributor that helps sell products, Cooperation agreement orally only
• Coconut Sugar	Through social media (Facebook) and Shopee	Have never made financial statements using applications and manual financial statements / small bookkeeping	Have never entered into a contractual agreement with a store / distributor that helps sell products, Cooperation agreement orally only
• Madyna Brand Soybean Essence	what promotions have been / have been done through WA	Have never made financial statements using applications and manual financial statements / small bookkeeping	Have never entered into a contractual agreement with a store / distributor that helps sell products, Cooperation agreement orally only
• Ground Coffee: Ardaling Coffe	Through social media (Facebook, Instagram, and WhatsApp)	Have never made financial statements using applications and manual financial statements / small bookkeeping	Have never entered into a contractual agreement with a store / distributor that helps sell products, Cooperation agreement orally only
• Kripik Kelapa Brand Greendis snack	Through Facebook and WhatsApp stories	Recording is still regular / manual,	cooperation agreements in writing and how to do cooperation that has never used digitalization
• Gambir Crackers (Glutinous Onion Flavor)	Through social media (Facebook, Instagram, and WhatsApp)	Have never made financial statements using applications and manual financial statements / small bookkeeping	Have never entered into a contractual agreement with a store / distributor that helps sell products, Cooperation agreement orally only

Business Name and Owner	E Marketing	E Finance	E Contract
• Salted Fish Chips	Through Facebook and WhatsApp stories	Have never made financial statements using applications and manual financial statements / small bookkeeping	Have never entered into a contractual agreement with a store / distributor that helps sell products, Cooperation agreement orally only
• Coffee Grounds	Via Facebook and WhatsApp	Have never made financial statements using applications and manual financial statements / small bookkeeping	Have done a contract with a store with but through oral, have never done it in writing let alone digitally contract
• Dry Intestinal Chips	Media used by WhatsApp and Facebook	Have never made financial statements using applications and manual financial statements / small bookkeeping	Have done a contract with a store but through oral, have never done it in writing let alone digitally a contract
• Ecoprint Fabric	If there are guests, we promote in Pertakina or the city of Blitar, so without using <i>e marketing</i>	Have never made financial statements using applications and manual financial statements / small bookkeeping	Never done a contract at all
• Pentol Beans	Never do <i>e marketing</i>	Financial Statements Manual and Ms. Excel	Never done a contract at all
• Pineapple Jam	what promotions have been / have been done by the HP Application through social media (WhatsApp, Facebook, Telegram, IG);	Have never made the same financial report as <i>sekal</i>	Never done a contract at all
• Photo & Photocopy and Expedition Services (Galaxy)	Using online applications through social media (WhatsApp, Facebook, Shopee)	make financial reports using the Cashier Application	Cooperating with oral
• Penataran Art Gallery (Natural Leaves)	Through social media (WhatsApp, Facebook, Shopee)	financial statements using financial applications still through manual	Have never performed a contractual agreement, only verbally

Source: Results of an interview with MSME Pertakina Blitar

Opak Gambir products (Blitar SpecialTies) the owner of Mr. Siswandi is a business that was founded of its own accord and a family business, has joined Pertakina for 2-3 years, with its legality, namely PIRT, NIB and is in the process of halal, the business that was founded in 2017 has a turnover obtained per month of Rp.6,000,000-Rp.7,000,000. Opak Gambir products are sold at a price of Rp. 12,000 / 2 ounces, If classified as MSMEs that include micro karaena in a year get a minimal turnover of around Rp.50,000,000. Coconut Sugar with the business owner Mr. Pangestu Hanafi, utilizing coconut behind an abundant house, joining pertakina in 2016/2017, for now selling is still deposited in shops and through online, the price of products sold liquid sugar: Rp. 15,000 / per 100 ml and coconut sugar: Rp. 16,000 / per 1 kg while the legality owned by NIB and still in the halal process, approximately 6 years of business has been running until now. The turnover obtained per month is Rp.2,000,000 per month, the constraints on raw material production are inadequate and MSMEs are included in the classification of very micro businesses.

Sari Soybean Brand Madyna, the owner of Mrs. Markamah, the business was founded of its own accord in distributing / distributing sales of this product is still deposited in stores and distributed through the online Whatshapp. The price per bottle is Rp. 5000, the legality owned by NIB and PIRT has not been registered, the business was established in 2017 and the turnover obtained per month is Rp. 2,000,000 so that it can be classified as a very micro business. Ardaling Coffe Ground Coffee, whose owner is Mr. Rubani, initially established the business in 2018 because there are more and more coffe connoisseurs or increasing to create ground coffee in the lower middle class, distributing / channeling sales of its products that are still deposited in shops and through social media. The price of products sold per 100 grams is Rp. 15,000 and 250 grams is Rp. 16,000, 500 grams is Rp. 50,000; The legality of NIB, PIRT and Halal is still a process; The length of the business that has been running is about 4 years. The turnover obtained per month is Rp. 2,000,000 to Rp. 4,000.00, this business is classified as a very micro business where the current shortcomings are in tools that support production and premium packaging.

Kripik Kelapa Brand Greendis snack, the owner is Siti Koiriyah's mother, inspired by the business because of the large number of coconut trees at home so that it makes coconut chips. In distributing / distributing product sales, it is deposited in stores and sold through social media; the price of the product sold per pack is Rp. 5000. The legality of the company, namely NIB, PIRT and halal, is still in progress, the length of the business that has been running for 6 months with a turnover obtained per month of Rp. 2,000,000 so that it can be classified as a very micro business. Gambir Crackers (Rasa Bawang Ketan) the owner of the business is named Nining Siti Muyasaroh's mother. The background of establishing this business is because there are still not many food connoisseurs; while distributing / distributing product sales are deposited in shops and social

media; the price of products sold is 100 grams for Rp. 7,000, 250 grams for Rp. 20,000. The legality of NIB, PIRT and Halal is still a process; the length of the business that has been running for 2 years; The turnover obtained per month is Rp. 1,000,000 equals Rp. 2,000,000 so that it can be categorized as a very micro MSME.

Kripik Ikan Salted the owner is Mrs. Nur Kholifah, how to distribute / distribute product sales is deposited in shops and vegetable sellers also through whatsapp social media with the price of products sold at 250 grams of Rp. 15,000. The turnover obtained per month is Rp.1,000,000 so that the classification is included in very micro MSMEs where the obstacle is that no party wants to cooperate in selling the salted fish chips. Coffee Grounds the owner of the business is Mrs. Winarsih. In the production process carried out / the way of making coffee ground products is still manual by frying it with firewood, this is precisely what consumers prefer. How to distribute / distribute product sales is deposited in stores and through social media with a product price sold of 100 grams of Rp. 7,000. The legality owned by NIB, PIRT and halal is still being processed, the business that has been running for approximately 1 year has a turnover obtained per month of Rp. 1,000,000 so that when classified as a very micro MSME.

Dry Intestinal Chips where the owner of the business is Yuliati's mother. Cara distributes / distributes product sales deposited in stores with the price of products sold at 1 Kg with Rp. 75,000 while 180 grams for Rp. 15,000. The legality of PIRT, NIB and halal is still in the process where the length of the business has been running for 2 years. The turnover obtained per month is around Rp. 3,000,000 – Rp. 5,000,000 so that in a year it can be classified as a micro-business because it reaches a drinking turnover of Rp. 50,000,000. Ecoprint fabric the owner is Kartati's mother. How to distribute / distribute the sale of products to invited guests or immigrants who are visiting Pertakona Blitar or to the Blitar Regency office at the price of products sold at Rp. 200,000 to Rp. 1,000,000. The legality that NIB has with the length of the business that has been running in 2019 until now. The turnover obtained per month is Rp. 1,000,000, rarely people buy because it includes expensive goods so it is included in the classification of very micro businesses.

Pentol Kacang, the owner of the business, is Mrs. Maesari with the legality owned by PIRT, NIB and Halal which are still in process. In doing business, it has been 1 year with a monthly sales turnover of around Rp. 2,000,000 so that it can be classified as a very micro business. Pineapple Jam Products, the business owner, Mrs. Siti Maspupah, was inspired to make pineapple jam because pineapple jam is still lacking in Indonesia while Blitar regency is a pineapple producer. The price of pineapple jam products sold at 1 Per box for 50,000. The legality owned by NIB and PIRT and their businesses that have been running for 2 years with a turnover obtained per month of Rp. 5,000,000 so that it is a business that can be classified as a micro-business, has the obstacles experienced today in marketing and capital

Photo & Photocopy and Expedition Services (Galaxy) with the business owner, namely Anggun's mother, the legality owned by NIB. The length of the business that has been running for 2 years with a turnover obtained per month of Rp. 30,000,000 so that the photo and photocopy service business and Galaxy expedition are businesses with a classification of business businesses including small. Penataran Art Gallery (Natural Leaves) products the owner of the business is Pipit Prastiwi's mother, the price of the product sold is in the form of a pillowcase 1 set at a price of Rp. 300,000 and a tote bag is sold at Rp.250,000. Does not have legality while the length of the business has been running for 2 years. The turnover obtained per month is Rp. 1,000,000 to Rp. 2,000,000 so that this business is classified as a very micro business because in a year it cannot reach Rp. 50,000,000.

The table above can illustrate how the management model of MSMEs that have joined the Pertakina Blitar community, starting from management about digitalization of marketing, financial management or financial administration to how they manage forms of cooperation with outside parties to be able to work together in selling their products. The success of development is synonymous with the creation of an economic growth rate, one of the real sectors that can reduce the unemployment rate is Micro, Small, and Medium Enterprises (MSMEs) where the tools used as the driving force are people who work in urban and rural areas within the scope of small and medium enterprises.

The *management of e-marketing* for MSMEs in Pertakina Blitar has not used much sales promotion through e-marketing, even if using *e-marketing* facilities is not done optimally. The financial management they do in managing their business is only done simply and almost many do not do financial administration and recording, let alone use financial applications or financial digitization to make it easier to do good financial management to facilitate business financial management.

Discussion

In Law Number 20 of 2008 concerning MSMEs, the empowerment of MSMEs itself is an effort made by the Government, Regional Governments, the Business World, and the community synergistically in the form of climate growth and business development for Micro, Small and Medium Enterprises so that they can grow and develop into a shaggy and independent business. Hasil research shows that the role of MSMEs in employment is very large, because it can be seen from the continuous development of MSMEs that have experienced a significant

increase, it will also affect the level of employment. As a result of the classification of MSMEs incorporated in Pertakina Blitar, there are 2 (two) MSMEs whose scale includes micro, 1 (one) MSMEs that are small in scale and 11 (eleven) MSMEs with a very micro scale. Where the function and role of Micro, Small and Medium Enterprises are very large in the economic activities of the community where the functions and roles cover:

1. Provision of goods and services
2. Employment
3. Income equalization
4. As an added value for regional products
5. Improving people's living standards

A model is a plan, representation, or description that describes an object, system, or concept, which is often a simplification or idealization. The form can be a physical model (mockup, prototype form), model (draft drawing).

One of the factors that determine business development, including MSMEs. However, does Digital Marketing have an important role for MSMEs in building a business. Digital marketing can bring many opportunities and growth to businesses. This can lead to exposure and more sales. Hasil pemasaran adalah berupa output dengan kumpulan hasil dari berbagai kegiatan pemasaran yang mempresentasikan keberhasilan atau kegagalan dari pemasaran yang dipresentasikan dari hasil penjualan karena adanya kegiatan marketing, maka hasil pemasaran akan berbicara banyak tentang bagaimana dapat mengukur keberhasilan kegiatan pemasaran yang dilakukan. After all, the goal as a business owner is to increase profits. If you want to see an increase in business or increase sales, you must go into digital marketing. Where promotion through digital marketing is any form of advertising that appears online or on digital channels such as websites, search engines, social media platforms, mobile applications, and other channels that can be accessed online.

From the data obtained during in-depth interviews with several MSMEs who members of the Pertakina Blitar community are, it shows that the model of digitizing marketing in MSMEs is not carried out optimally, and some do not even promote through electronic marketing, nor have they recorded regularly in financial administration and have not done work contracts in writing, let alone electronically so that it can be seen from the existing model as follows:

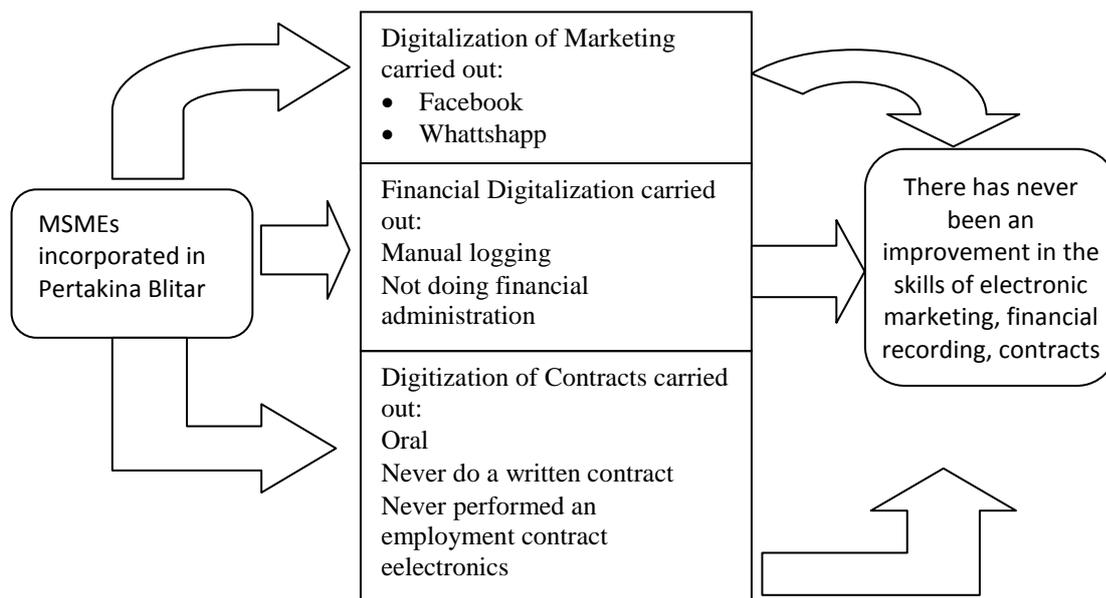


Figure 3. Digitalization Model e Marketing, Finance and MsME Contracts Pertakina Blitar

With the digitization of MSMEs, it not only has the potential to gain more customers, but also begins to enter a new round of competition in the modern industrial realm. Even though it still holds the status of AN MSME, businesses will get more value from potential customers if they already have a digitalization model as a marketing medium. With the efforts to digitize MSMEs, these small businesspeople can introduce unlimited products. Because internet users come from various corners of the world, it is not impossible that the products marketed can provide large profits.

Meanwhile, in recording financial administration that should be done by MSME actors who are members of the Pertakina Blitar community, so far there has never been guidance in recording finances to make it easier to carry out business transactions in MSMEs, such as using the *Technology Acceptance Model* (TAM).

The two main constructions that influence an individual's intention to use technology are *Perceived Usefulness* (PU) and *Perceived Ease of Use* (PEU). TAM provides a widely accepted model in various technologies. The model has been tested for more than two decades to predict and explain behavior. While the expanded TAM is believed to be effective in investigating the acceptance of technology for individuals, it is still valid and more suitable for investigating the adoption of technology by business organizations such as reported MSMEs. In contrast to TRA, TAM is more specific, and was developed to explore and predict user acceptance and information system behavior

In the study it was called a digital financial services platform. The latest technologies in digital financial services platforms have been built using a *cloud-native* architecture approach. With this latest approach, MSMEs can quickly adapt and build new business models very efficiently. This research approach uses a modified TAM model. Looking at the extent to which the influence of *Perceived usefulness* and *Perceived ease of use* affects attitudes and intentions to use *digital* financial administration platforms. Other independent variables such as *Knowledge*, *Trust*, and *Perceived Risk*. The results of this study also found that there was a contract agreement that was never carried out in writing, especially by using electronics as it is today, to make it easier to establish and run a business for MSMEs who are members of the community in Pertakina Blitar; As the findings and models found that in conducting buying and selling transactions between MSMEs as producers and consumers, it is bound by a sale and purchase agreement. A sale and purchase agreement is an agreement in which one party binds itself to hand over the object, while the other party binds itself to hand over an agreed amount of the agreed price.

In a contract, there is no mention that the contract must be made in writing or orally, nor is it stated whether the contract should be made online or offline. Along with the development of the times and the need for legal protection and for the purpose of proof, the contract is made in writing. In today's all-digital era, the form of contracts has also shifted from physically created contracts to digital contracts. A digital contract is a process that transforms the entire lifecycle of a contract, not just signature, or storage, but each stage of the journey, will become a browser-based workflow that puts data first, collaborative. Digital Contract or also known as electronic contract (*e-contract*) is an agreement of the parties made through an electronic system, as regulated in Article 1 number 17 of Law No. 19 of 2016 concerning Amendments to Law No. 11 of 2008 concerning Electronic Information and Transaksi (ITE Law). Although the contract is made digitally, in making the contract, you still must pay attention to the terms of the validity of the contract. As stipulated in Article 1320 of *Burgerlijk Wetboek*, the validity of a contract must meet the following conditions:

1. Agree of the parties to the contract.
2. The parties making and performing the contract must be legally capable.
3. The existence of a certain thing (object) to agree upon.
4. A cause or cause is allowed.

The agreement of the parties to bind themselves, which is stated in the contract, includes:

- a. There is an *offer* from the *offeror* as the first party.
- b. The submission of an offer to the *offeree* as a second party.
- c. The existence of acceptance of the offer by the second party expressing its will to be bound by the terms in the offer.
- d. There is an acceptance by the second party to the first party.

In accordance with the character of effective and efficient business standards, technology is a must to be applied. There are certainly doubts related to the legal power of digital contracts in the eyes of the positive laws of the country. This is due to the transition of concepts from physical to virtual with the characteristics not physically real. The creation of an *e-contract* or digital contract, there are several things that need attention, including: 1) the legal basis that specifically regulates the legality of *e-contract* has not been owned by the state, 2) the problem that is expected to arise when there is a dispute related to the agreement, is related to the evidentiary mechanism if this still refers to book IV *Burgerlijk Wetboek* (BW), the content of which is more or less that the written evidence must be authentic writing (Article 1867 BW). Now this is the weak point of the *e-contract*. As we all know that the nature of *e-contracts* is *intangible* (easily changed) so that it can result in weak validity of documents. The most basic thing is in the signature aspect, even though the existence of e-signature has been legally recognized as reads article 72 paragraph 2 of Law Number 13 of 2011 concerning Fund Transfers.

Given that the aspects of laws and regulations are important and basic in settlement through legal channels, it is certainly a choice from the legal jurisdiction side that really needs to be considered by *e-contract* actors, so that if there is misuse, it can be easily investigated the root of the dispute problem that occurs. For this reason, this legal clause is important to be included in the *e-contract* so that in the future it can be used as a basis for footing in the event of a dispute / dispute.

The recommended model in increasing the digitization of marketing, finance, and work contracts / cooperation agreements for MSMEs who members of Pertakina Blitar are so that sales and the development of

MSMEs themselves are through increasing skills and capabilities in marketing digitalization, financial digitization and digitization of cooperation contracts, which so far have never been obtained by MSME actors who are members of Pertakina Blitar.

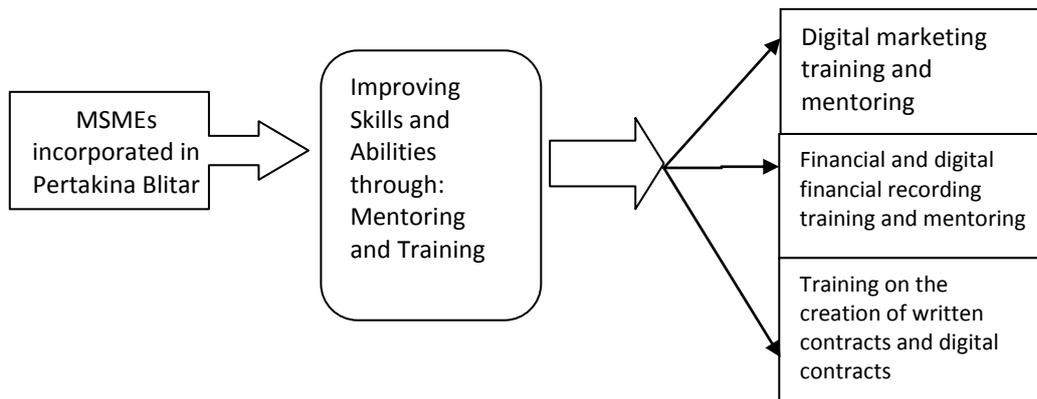


Figure 4. Skill and Ability Improvement Model Suggestions

MSMEs who are members of the Pertakina Blitar community need an increase in skills and abilities in their human resources through training and assistance in digital marketing, training on financial recording and digital finance as well as assistance at the same time, training on making written contracts and digital contracts. Downstreaming of the digital economy of MSMEs and Cooperatives in Indonesia, the problem is that digital literacy is still low, production capacity is inadequate, production quality is inconsistent or relatively low. In the KEMENKOPUKM program, namely digital literacy of MSMEs through on-boarding assistance, reseller development for those whose Human Resources are limited (through digital and product literacy). Economic competitiveness needs to be improved, especially in the capacity of innovation and adaptation of technology. Indonesia is highly competitive in economic size and macroeconomic stability but lags in the capacity of innovation and technology. Human resource development is needed to improve the level of education, health, and skills. The need for financial market deepening to strengthen the financial sector. Digital marketing that is widely done for now in online marketing media is the communication platform through whatsapp. Social media uses facebook and instagram while through *online marketplace / e commerce*.

CONCLUSION

1. Conclusions

Pertakina puts strengthening the economic base of communities in rural areas as the main strategy and the development of strategic networks with other institutions. Some MSMEs under the auspices of the community in Pertakina Blitar have not been optimally digitized which is a crucial element. Digitalization is crucial for MSMEs because Indonesia's demographic structure, which is dominated by the millennial generation, allows for the adoption of digital technology very quickly. Optimization of MSMEs, one of the goals is to accelerate the recovery of the national economy, which is dominated by Micro and Medium Enterprises (MSMEs).

The formulation of the problems in this study is 1) how the marketing digitalization model for MSMEs in Pertakina Blitar as a means of promotion so far, 2) how the financial digitization model for MSMEs in Pertakina Blitar as a tool to make it easier to make financial reports, 3) how is the digitalization model of employment contracts for MSMEs in Pertakina Blitar. While the benefits of this research are 1) the results of this study are expected to provide the latest information or *the latest updates* on marketing / marketing digitalization, digitalization about finance and digital work contracts on MSMEs in Pertakina Blitar. The findings and recommendations of this study are expected to be input for policy makers and policy implementers to improve the digitalization management model for MSMEs Pertakina Blitar, 2) the draft digital marketing management model, financial digitization and digital work contracts are expected to be a model system in the following research with applications that can be applied more simply and can be applied to MSMEs Pertakina Blitar. This means that this system can be operated at MSMEs in Pertakina Blitar, whereby using digitalization, MSME products in Pertakina Blitar can be more affordable anytime and anywhere by consumers.

Qualitative research methods are research methods based on the philosophy of postpositivism used to examine objects with natural conditions (real state, not set or in an experimental state) in which the researcher is the key instrument. The research subjects were determined based on the focus of the study, including: (1) 14 MSMEs who are members of Pertakina, (2) MSMEs that are directly or indirectly involved in the management

of marketing, finances, and contracts where they are increasingly representative. Collecting data and information generated through observation methods, in-depth interviews, FGDs, and analysis of texts, documents, and digital files.

The information obtained during in-depth interviews with several MSMEs who members of the Pertakina Blitar community are shows that the model of digitalization of marketing in MSMEs is not carried out optimally, and some have not even promoted through electronic marketing, nor have they recorded regularly in financial administration and have never done a written work contract, let alone electronically. MSMEs who are members of the Pertakina Blitar community need an increase in skills and abilities in their human resources through training and assistance in digital marketing, training on financial recording and digital finance as well as assistance at the same time, training on making written contracts and digital contracts. Downstreaming of the digital economy of MSMEs and Cooperatives in Indonesia, the problem is that digital literacy is still low, production capacity is inadequate, production quality is inconsistent or relatively low. In the KEMENKOPUKM program, namely digital literacy of MSMEs through on-boarding assistance, reseller development for those whose Human Resources are limited (through digital and product literacy).

2. Advice

a. The data obtained in the study is expected to be a follow-up to the next research on how the msME improvement model incorporated in the Pertakina Blitar community is a form of training and assistance to MSME business owners.

b. Pertakina management should cooperate with interested institutions to improve the skills and abilities of business owners who have joined Pertakina Blitar, so that the improvement of skills and abilities in their business, especially in the fields of digitalization of marketing, financial administration, and cooperation contracts.

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Fedianty Augustinah, et. al. "Digitalization Model Of Marketing, Finance And Contracts In Msmes Pertakina Blitar." *IOSR Journal of Business and Management (IOSR-JBM)*, 24(11), 2022, pp. 23-35.