



SOCIALIZATION OF MSME FORMATION TO THE COMMUNITY

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Abstract: The rapid growth of the digital economy has shifted consumer behavior toward online-first preferences. However, this transformation has not been fully matched by the digital adoption of Micro, Small, and Medium Enterprises (MSMEs), which form the backbone of Indonesia's economy. The low level of digitalization limits MSMEs' competitiveness, particularly in an increasingly digital marketplace. This community service program aimed to assist MSME actors in Batu Merah Subdistrict in their digital transformation through practical interventions, including the creation of promotional websites using Google Sites, business email setup, business location registration on Google Maps, and education on QRIS-based cashless payment systems. The program was implemented over a four-week period through direct visits to five local MSMEs using a combination of educational and technical approaches. The results showed that all MSMEs successfully established basic digital assets (websites and business emails), while the Google Maps registration process faced verification challenges due to technical and location-related constraints. The QRIS socialization was well received, but adoption remains low due to limited understanding and the continued dominance of cash transactions. In conclusion, the program effectively improved the digital visibility and professionalism of MSMEs, though further support is needed to enhance cashless transaction adoption and fully utilize global digital platforms. Continued collaboration with local authorities and financial institutions is essential to ensure the long-term success of MSME digitalization in the region

Keyword: Socialization of MSME Formation to the Community

INTRODUCTION

The rapid development of the digital economy has changed people's consumption patterns to be entirely online. However, this transformation has not been matched by the ability of micro, small, and medium enterprises (MSMEs), which are the backbone of the Indonesian economy, to adopt technology. Data from the Ministry of Cooperatives and SMEs in 2022 shows that MSMEs make a significant contribution, accounting for 60.3% of the Gross Domestic Product (GDP) and employing 96.9% of the workforce. Unfortunately, this enormous potential has not been optimally exploited due to the low level of digitization. Based on a 2023 survey by the Central Statistics Agency, only about 19.3% of MSMEs have utilized the internet to market their products. This is in stark contrast to the number of internet users in Indonesia, which has reached 212.9 million (APJII, 2023). This has created a massive digital market. The phenomenon of online-first consumer behavior, where people are accustomed to searching for information and conducting transactions online, further marginalizes MSMEs that do not have a digital presence (Lestari,



2023). They lose their competitiveness and access to a wider market. Therefore, this community service program is implemented as a strategic effort to bridge this digital divide through concrete assistance, including the creation of an online presence using Google Maps and Google Sites, as well as the introduction of the QRIS digital payment method, so that MSMEs can survive and compete in the digital era.

One of the main challenges faced by MSME players is the limited knowledge and skills in utilizing digital media to support business activities. Many MSME players do not yet have sufficient skills or knowledge to utilize technology effectively (Morisson, 2025). In addition, many MSME players do not yet have a clear digital identity, such as an official website, professional business email, or accurate listing of business locations on digital platforms such as Google Maps. This challenge arises mainly due to the limited knowledge and understanding of some business owners regarding the workings and benefits of digital platforms. In many cases, MSME players find it difficult to adapt to the ever-evolving technology ecosystem, such as e-commerce, digital payments, and social media-based marketing strategies. This limits the potential market that can be reached and reduces the competitiveness of MSMEs amid global competition (Arianto, 2020).

Through this Community Service Program, we took the initiative to assist MSME players in the process of digitizing their businesses through several strategic steps. The work program we are promoting includes: (1) creating Google Sites as a medium for online business promotion and information, (2) creating business emails to increase the professionalism and credibility of business communications, and (3) listing business locations on Google Maps so that businesses are easier to find by consumers both online and offline (3) Socialization of non-cash payments (QRIS).

It is hoped that with this program, MSME players will be better prepared to face the challenges of the digital era, increase the visibility of their businesses, expand their market reach, and build more professional relationships with consumers. This program is also a form of tangible contribution by students in supporting digital transformation at the local level, particularly in the MSME sector.

METHODOLOGY

This People's Economy Activity aims to implement the People's Economy Program by digitizing MSMEs for residents of Batu Merah sub-district. MSME digitization refers to the use



of information and communication technology (ICT) in various aspects of business, such as production, marketing, financial management, and administration. In practice, MSME digitalization can be carried out through the use of digital platforms such as websites, social media, mobile applications, and e-commerce (Firdausya, 2023). This MSME digitalization is expected to help develop the businesses of the Batu Merah sub-district community and make it easier for MSME players in Batu Merah to develop their businesses through the technological developments that our group has socialized. This activity was attended by 5 MSMEs in RW01 Batu Merah, including 2 grocery stores, 1 culinary business, 1 laundry business, and 1 clothing sewing business.

The technical implementation of this program involves educating residents about the digitization of MSMEs in the community, including how to create Google Sites for their businesses, set up business email accounts, list their businesses on Google Maps, and educate residents about cashless transactions (QRIS) through direct visits to their places of business.

Our visits were carried out gradually, namely 2 MSMEs during 2 meetings with a total progress time of 4 weeks for all MSME targets that have been implemented.

In implementing this program, we involve all members, especially those in the economic empowerment cluster and, of course, MSME actors in the Batu Merah urban village.

In this program, we received a warm welcome and support from local business people, who were willing to give us their time while we socialized the work program we were carrying out.

RESULTS AND DISCUSSION

The Community Service work program focused on the digitization of micro, small, and medium enterprises (MSMEs) with an educational and technical approach, particularly in the use of simple digital services such as Google Sites, business email, listing business locations on Google Maps, and promoting cashless payments (QRIS). This activity involved 5 MSME actors in the target area with the following types of businesses:

Each MSME entrepreneur was guided to create online promotional media through Google Sites, with a simple appearance but covering important elements such as: Business profile, List of products or services, Photos of business activities, and Contact information for orders. This activity resulted in several things, including: All 5 MSMEs successfully created a Google Sites website with content tailored to their respective business types. Creating this website was an easy



and free first step towards digitalization. MSME players felt helped because they could introduce their businesses online without having to create a paid website. Google Sites can also be managed by business owners through their respective email accounts. The selection of this platform was based on several strategic considerations. First, in terms of cost-effectiveness and ease of use. Google Sites offers a completely free platform that is integrated with the Google ecosystem, with a drag-and-drop interface that allows MSME actors with minimal technical skills to develop and manage their own websites (Nugroho, 2022). Second, as a credible and trusted platform. The existence of a publicly accessible website enhances the credibility of the business in the eyes of consumers, while also functioning as a “digital storefront” that can display products, addresses, contacts, and testimonials in full, thereby compensating for their absence on Google Maps (Lestari, 2023). Finally, in terms of integrated marketing strategy.

Business emails are created for each MSME with a format relevant to the business name or owner. These emails will be used for formal communication with consumers, registration on other digital platforms (e-commerce, Google Maps, etc.), and promotional media through newsletters or digital catalogs (optional). These activities have resulted in several things, including all MSMEs having active Gmail-based business emails and some businesses starting to use email to receive orders. Before this initiative, business communication was still dominated by informal media such as WhatsApp without a specific identity. With business emails, their businesses now appear more professional in the eyes of consumers and other business partners.

This work program aims to make businesses easier to find through Google Maps and Google Business Profile. However, this activity has not been fully implemented. This activity has resulted in several things, including the process of identifying location points and documenting businesses for all MSMEs. This program is very important for increasing the visibility of MSMEs locally. Locations on Google Maps will greatly assist customers in finding these businesses, especially for culinary, laundry, and clothing alteration businesses that depend on location. Follow-up assistance is needed after Community Service so that this registration can be fully completed. The results of the implementation of the business location listing program on Google Maps show that of the five businesses targeted, four of them are still pending or have not passed the verification process by Google.

These findings indicate that although the program has been well socialized among participants, as evidenced by their enthusiasm and adequate understanding, the determining factors for success lie in the policy level and Google's very strict system algorithms. The main



obstacles identified stem from several technical aspects. First, the accuracy of physical addresses that do not match Google Maps database data, especially for businesses located in alleys or areas that are not clearly visible through satellite imagery and Street View. Second, the unavailability of supporting verification documents (such as electricity bills or business licenses) that list the exact name and address of the business as registered. Third, the possibility that the business is categorized as a service-area business (a business that serves a specific area without a fixed physical location) by the Google system, thus requiring a different verification approach.

Based on the official Google Business Profile guidelines, verification is designed to mitigate fake listings and maintain the credibility of information, which means that the standards are difficult for MSMEs with less formal locations and administration to meet. Therefore, these results do not reflect a failure in socialization, but rather demonstrate the complexity of the challenges faced by MSMEs in the real world when it comes to global platform standards. Moving forward, the approach needs to be adjusted to focus more on pre-evaluating the eligibility of locations for verification before they are included in the program.

Socialization regarding QRIS is conducted to provide understanding about the importance of accepting non-cash payments in the digital era. The material presented includes: What is QRIS and how does it work, Benefits for MSME players and consumers, How to register and use QRIS, and Simulation of transactions using QRIS.

This activity was successful because the five MSMEs participated well in the socialization program. However, none of the MSMEs were willing or interested in registering for QRIS in the near future. The reasons for this refusal included: most transactions are still cash-based, a lack of understanding of digital payment systems, doubts about the costs or deductions charged by QRIS providers, and the fact that it is not yet a necessity because their customers have not asked for non-cash payment methods. Although QRIS provides convenience in transactions, the readiness of MSME players to adopt this technology is still low. The main factors are the lack of trust in digital systems and the dominance of cash transactions in the surrounding environment. A follow-up approach from other parties (government agencies, banks, or MSME communities) is needed to gradually bridge the adaptation of this technology.



Figure 1. *Documentation of MSME Digitalization Activities in Batu Merah*

CONCLUSION AND RECOMMENDATIONS

The Community Service Program, focusing on the digitalization of MSMEs (Micro, Small, and Medium Enterprises) in Batu Merah Village, successfully provided assistance, including the creation of Google Sites, business email, listing business locations on Google Maps, and the socialization of non-cash payments (QRIS). All participating MSMEs now possess basic digital promotion media that they can manage independently. However, QRIS adoption remains low due to minimal understanding and trust in the digital payment system. Generally, this activity managed to increase the visibility and professionalism of the MSMEs, although some programs still require follow-up. Based on the program's implementation, it can be concluded that there are two main obstacles hindering the optimization of MSME digitalization: Resistance to QRIS: Resistance from a segment of the community toward using QRIS, caused by a lack of understanding regarding the security and convenience of digital transactions. Google Maps Verification Hurdles: The process of listing business locations on Google Maps was constrained by the strict verification procedures imposed by Google. This verification difficulty is often experienced by businesses located in areas with unclear addresses, buildings that are not easily identifiable via satellite, or certain business types that do not meet the Google Business Profile policy requirements. In brief, the verification constraint by the Google team was not due to negligence by the program team but rather the highly rigorous Google policies and algorithm system designed to maintain the accuracy and security of its digital map. The main contributing factors are: Limited Regional Digital Infrastructure: Areas that have not been mapped in detail by Google. Business Location Characteristics: Unconventional addresses or locations difficult to



access via digital imagery. Availability of Official Documents: Lack of business legality documents that comply with Google's verification standards. As part of a comprehensive assistance strategy, the program also involved the creation of physical banners for each partner business. This initiative was specifically designed to support and reinforce the business location verification process on Google Maps, beyond just conventional marketing. The banner serves as a physical verification tool (*physical proof*) that aids the validation process by both the Google system and its team. By clearly listing the business name, logo, type of service/product, and telephone number, the banner addresses one of Google's verification criteria: the clarity and unique identity of the business at a specific location. In the Google Business Profile guidelines, the consistency of information (name, address, phone number) across various sources, including what is visible at the physical location, is a crucial factor. A photo of the installed banner can be uploaded as part of the documentation during the verification process, providing strong visual evidence that the business is truly operating at the registered address. Thus, the banner acts as a visual marker that distinguishes the partner business from surrounding buildings, facilitates identification via Street View imagery, and ultimately increases the chances of verification approval by defining the business type more clearly and professionally.

ACKNOWLEDGEMENTS

The author would like to thank the Institute for Research and Community Service (LPPM) for its support and funding, as well as the entire community of Batu Merah Village for their extraordinary participation and enthusiasm, and the contribution and cooperation of the students of group 12 for their community service.

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Proceeding
UNRIKA International Conference on Community Service (UICCS)
Universitas Riau Kepulauan, Batam, November 27, 2025

Volume 1(1), 149-156, 2025

E-ISSN:
xxxxxxx

E-ISBN:
xxxxxxx

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