

The Influence of Community Support on the Sustainability of MSMEs in the Digital Era

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Abstract

With the advancement of technology and internet penetration, the Micro, Small, and Medium Enterprises (MSMEs) sector has undergone significant changes. The digital era presents new opportunities and challenges for MSMEs, enabling them to leverage technology to enhance productivity, marketing, and market access. This research aims to contribute additional insights to the existing literature, focusing on the sustainability of MSMEs amidst the dynamics of the digital era. The study adopts a qualitative approach with an emphasis on literature review, drawing data from Google Scholar during the period 2009 to 2023. The findings indicate that community support plays a crucial role in maintaining the sustainability of Micro, Small, and Medium Enterprises (MSMEs) in the digital era. Awareness of the importance of local products, financial support through investment and crowdfunding, and social support in the form of promotion and active participation form a strong foundation for MSME growth. The strong bond between MSMEs and the community creates an environment in which MSMEs can develop and compete effectively in the dynamic digital market.

Keywords: Community, MSMEs, Digital Era

Integrasi Pengaruh Dukungan Masyarakat terhadap Keberlanjutan UMKM di Era Digital

Abstrak

Seiring dengan kemajuan teknologi dan penetrasi internet, sektor Usaha Mikro, Kecil, dan Menengah (UMKM) mengalami perubahan signifikan. Era digital membuka peluang baru dan tantangan bagi UMKM, memungkinkan mereka untuk memanfaatkan teknologi dalam meningkatkan produktivitas, pemasaran, dan akses pasar. Penelitian ini bertujuan untuk memberikan kontribusi tambahan terhadap literatur yang sudah ada dengan fokus pada keberlanjutan UMKM di tengah dinamika era digital. Penelitian ini menerapkan pendekatan kualitatif dengan penekanan pada tinjauan pustaka, dengan sumber data yang diambil dari Google Scholar selama periode 2009 hingga 2023. Hasil studi menunjukkan bahwa dukungan masyarakat memegang peran utama dalam menjaga keberlanjutan Usaha Mikro, Kecil, dan Menengah (UMKM) di era digital. Kesadaran akan pentingnya produk lokal, dukungan finansial melalui investasi dan crowdfunding, serta dukungan sosial dalam bentuk promosi dan partisipasi aktif, membentuk fondasi kuat bagi pertumbuhan UMKM. Adanya ikatan yang kuat antara UMKM dan masyarakat menciptakan lingkungan di mana UMKM dapat berkembang dan bersaing secara efektif dalam pasar digital yang dinamis.

Kata kunci: Masyarakat, UMKM, Era Digital

INTRODUCTION

With the continuous advancement of technology and widespread internet penetration, the Micro, Small, and Medium Enterprises (MSME) sector is undergoing a substantial transformation (Harahap, Ausat, et al., 2023). The digital era has ushered in new opportunities and challenges for MSMEs, enabling them to leverage technology to enhance productivity, marketing strategies, and market access (Sutrisno, Ausat, et al., 2023). Consequently, it becomes crucial to comprehend the role of societal support in ensuring the sustainability of MSMEs amidst this digital transformation. The evolving landscape necessitates a proactive approach to harness the potential benefits and address the evolving needs of these businesses, underscoring the importance of collaborative efforts in fostering a conducive environment for their growth and adaptation.

Community support is considered a pivotal factor influencing the sustainability of Micro, Small, and Medium Enterprises (MSMEs) (Harahap, Sutrisno, et al., 2023). This support encompasses positive responses from consumers, active participation in local programs, and an increased awareness of the products or services offered by MSMEs. Understanding the extent to which community support can impact the sustainability of MSMEs in the digital era is essential for the development of both local and national economies. The multifaceted nature of community backing involves not only financial patronage but also a holistic engagement that fosters a symbiotic relationship between MSMEs and their local communities (Subagja et al., 2023). Recognizing and fostering such support mechanisms becomes imperative for creating an ecosystem that nurtures the growth and resilience of MSMEs, contributing significantly to the economic fabric of the region and the nation at large.

Despite the acknowledged importance of community support, previous research may have identified challenges or obstacles faced by Micro, Small, and Medium Enterprises (MSMEs) in securing such support. These challenges may encompass a lack of public awareness about local products, insufficient digital infrastructure, or uncertainties related to online transaction security (Rijal et al., 2023). Conversely, opportunities may arise through community initiatives, local product promotions, or activities that foster relationships between MSMEs and consumers. Addressing these challenges and capitalizing on opportunities requires a comprehensive understanding of the intricacies involved in the dynamics between MSMEs and their communities. Strategies aimed at enhancing public awareness, improving digital connectivity, and ensuring the security of online transactions can contribute to creating an environment conducive to increased community support for MSMEs, thereby fostering their sustained growth and success in the digital era.

A profound understanding of the impact of community support on the sustainability of Micro, Small, and Medium Enterprises (MSMEs) can provide a foundation for formulating more effective policies, strategies, or supportive programs. The identification of critical factors influencing the relationship between the community and MSMEs can assist in creating an environment that supports the growth and sustainability of small and medium-sized businesses. This understanding allows policymakers, stakeholders, and

entrepreneurs to tailor interventions and initiatives that address specific challenges and capitalize on opportunities within the intricate dynamics of community and MSME interactions. By developing targeted policies and fostering a supportive ecosystem, it becomes possible to enhance the resilience of small and medium enterprises, thereby contributing to the overall economic development and vitality of local and national economies (Sudirjo et al., 2023). In this way, a nuanced comprehension of the interplay between community support and MSME sustainability serves as a cornerstone for crafting holistic and impactful approaches.

While some research may have been conducted in a similar context, there is a pressing need to delve further and deepen our understanding of the specific impact of community support within the realm of Micro, Small, and Medium Enterprises (MSMEs) in the digital era. Therefore, this study aims to make an additional contribution to the existing literature by honing in on the sustainability of MSMEs amidst the dynamics of the digital age. Recognizing the evolving landscape and unique challenges faced by MSMEs in the digital era, this research seeks to provide nuanced insights into the intricate interplay between community support and the longevity of small and medium-sized businesses. By concentrating on this specific aspect, the study endeavors to offer a more comprehensive understanding of the factors influencing MSME sustainability, thus informing future policies, strategies, and initiatives tailored to the intricacies of the digital landscape and community dynamics.

Community

Community or society refers to a collection of individuals living together in a specific region or environment, forming a social entity that interacts and shares norms, values, and culture (Bhandari & Yasunobu, 2009). In this context, society can encompass various layers, ranging from small groups like families and neighbors to broader social entities such as villages, cities, or nations. Interactions among individuals in society play a crucial role in shaping social structures, behavioral norms, and patterns of member relationships (Umberson & Karas Montez, 2010). Community support, consisting of both individual and collective support, becomes a significant factor in various aspects of life, including the context of research on the sustainability of Micro, Small, and Medium Enterprises (MSMEs) in the digital era (Arjang et al., 2023). Therefore, understanding the dynamics of society and how interactions and support from the community can influence the sustainability of MSMEs is a crucial aspect in designing policies, business strategies, and initiatives for local and national economic development.

Micro, Small, and Medium Enterprises (MSMEs)

Micro, Small, and Medium Enterprises (MSMEs) refer to the business sector that includes various types of companies with relatively small operational scales (Yani et al., 2023). MSMEs serve as the backbone of the economy in many countries due to their significant contributions to job creation, local economic empowerment, and economic diversification (Sutrisno, Permana, et al., 2023). MSMEs can span various sectors, including trade, services, and manufacturing, often operated by their owners or with a limited number of

employees. Key characteristics of MSMEs include limited production scale, relatively small capital, and high flexibility in adapting to market changes (Risdiyanto et al., 2023). In the current global economic context, MSMEs play a key role in implementing innovation, utilizing technology, and embracing the digital era to enhance competitiveness. Therefore, understanding the challenges and opportunities faced by MSMEs, including factors such as community support, is essential in supporting the growth and sustainability of this sector amid changing economic dynamics.

Digital Era

The digital era reflects a period in which information and communication technology, especially the internet, has a significant impact on various aspects of human life, including communication, work, shopping, and accessing information (Agustian et al., 2023). In this era, digital technology has fundamentally changed how we interact with the world, enabling instant, global, and geographically unlimited information exchange (Suherlan, 2023). This phenomenon includes various innovations such as social media, e-commerce, big data, artificial intelligence, and the Internet of Things (IoT), collectively permeating everyday life (Purnomo, 2023). The digital era also provides significant opportunities for business and government transformation, facilitating operational efficiency, broader market access, and the use of data for better decision-making. Thus, understanding and adapting to the dynamics of the digital era are crucial in various sectors, including business, education, and public services, to harness positive potential and address challenges arising from technological changes (Wanof, 2023).

METHOD

This research adopts a qualitative approach with a focus on literature review, drawing data from Google Scholar during the period 2020 to 2023. Methodological steps involve identifying specific topics related to the "Influence of Community Support on the Sustainability of MSMEs in the Digital Era." Through searches using relevant keywords, literature found will be selected based on specific criteria such as relevance, research quality, and depth of analysis. Data from this literature will be qualitatively analyzed to gain a deep understanding of findings and perspectives from these studies. The literature review will then be organized based on this analysis, providing a comprehensive understanding of the influence of community support on the sustainability of MSMEs in the digital era. A conceptual framework will be developed as a result of the literature review, encompassing key factors influencing the relationship between community support and MSME sustainability. The research will conclude with summarizing key findings, identifying practical implications, and suggesting potential future research directions relevant to the impact of community support on MSMEs in the digital era.

FINDING AND DISCUSSION

In the rapidly evolving landscape of the digital era, Micro, Small, and Medium Enterprises (MSMEs) play an increasingly vital role in the global economy. In this context,

community support emerges as a pivotal factor with profound implications for the sustainability of MSMEs. This influence encompasses a spectrum of aspects, ranging from the societal acceptance of MSME products or services to the provision of financial and social support that can fortify the MSME ecosystem in navigating the intricacies of the digital dynamics. As the digital realm becomes a cornerstone of economic activities, understanding and harnessing the potential of community support are critical elements for the continued growth and resilience of MSMEs (Irwan, 2023). Beyond mere consumer relationships, community backing has the power to foster innovation, enhance market access, and contribute to the overall vitality of the MSME sector, solidifying its significance in the broader context of the global economic landscape.

Community support for Micro, Small, and Medium Enterprises (MSMEs) in the digital era manifests itself in diverse ways, reflecting a multifaceted engagement. Primarily, the societal awareness of the significance of endorsing local products and services emerges as a pivotal factor. As consumer behaviors shift towards a preference for locally-produced items, MSMEs find opportunities to enhance their competitiveness in an increasingly competitive digital market (Susanti et al., 2023). This shift not only fosters a sense of local pride but also creates an environment where MSMEs can thrive and flourish. Beyond the economic implications, the communal embrace of local businesses contributes to the preservation of cultural identity and communal ties. Thus, the intricate interplay between community awareness and MSME support in the digital age forms a dynamic framework that not only bolsters local economies but also sustains the unique fabric of communities in the face of evolving market landscapes.

Moreover, financial support from the community holds significant implications for the sustainability of Micro, Small, and Medium Enterprises (MSMEs). Direct investments from individuals or through crowdfunding platforms represent capital sources that can assist MSMEs in expanding their operations, enhancing the quality of their products or services, and adopting digital technologies to improve efficiency (Riswandi et al., 2023). This financial backing not only infuses much-needed resources into the MSME ecosystem but also creates an environment where these enterprises can access the necessary means to compete effectively in the digital market. Beyond the monetary aspect, community-driven financial support establishes a collaborative relationship between MSMEs and their local supporters, fostering a sense of shared responsibility for the success and growth of these businesses (Yakob et al., 2021). As a result, the integration of community-backed financial resources not only addresses the immediate funding needs of MSMEs but also contributes to the overall resilience and adaptability of these enterprises in the dynamic landscape of the digital age.

Nevertheless, community support extends beyond mere financial contributions; social support also plays a crucial role in the sustainability of Micro, Small, and Medium Enterprises (MSMEs) in the digital era. Through promotion, recommendations, and active participation in MSME programs, the community contributes to enhancing the visibility and reputation of MSMEs in the digital realm. Positive interactions between MSMEs and the community forge strong bonds, build trust, and foster enduring consumer

loyalty (Lemon & Verhoef, 2016). Social support mechanisms create a ripple effect, where word-of-mouth recommendations and community endorsements amplify the reach and impact of MSMEs in the digital landscape (Hajli, 2014). This collaborative synergy not only bolsters the market presence of MSMEs but also nurtures a sense of communal ownership and pride in supporting local businesses. Consequently, the intertwining of social and community backing emerges as a cornerstone for the sustained success and resilience of MSMEs navigating the complexities of the digital age.

The importance of an inclusive approach needs to be underscored, particularly in the digital era, where Micro, Small, and Medium Enterprises (MSMEs) receiving support from diverse segments of society, including marginalized or minority groups, can yield broader social and economic impacts. Inclusivity in supporting MSMEs not only fosters a more equitable distribution of opportunities but also ensures that the benefits of digital progress are not disproportionately enjoyed by certain segments of the population. By embracing a wide spectrum of participants, including those from marginalized backgrounds, community support for MSMEs becomes a catalyst for social cohesion and economic empowerment (Bansal et al., 2019). This inclusive approach contributes to the creation of opportunities that bridge socio-economic gaps and reinforces the notion that digital advancement should be a force for collective progress, leaving no community behind. As such, an inclusive paradigm becomes imperative in fostering a digitally progressive landscape that is both socially and economically enriching for all.

The challenges confronted by Micro, Small, and Medium Enterprises (MSMEs) in the digital era necessitate careful consideration. While community support is invaluable, MSMEs must exhibit rapid adaptability to changes in technology, market trends, and regulations. Therefore, ensuring the sustainability of MSMEs amidst the dynamic digital landscape requires a comprehensive focus on education and continuous training for MSME operators. This emphasis on ongoing learning becomes a linchpin in their ability to navigate and thrive in the ever-evolving digital dynamics. By investing in education and training initiatives, MSMEs can equip themselves with the necessary skills, knowledge, and resilience to confront and capitalize on digital challenges. Moreover, fostering a culture of continuous learning within the MSME community not only enhances their individual capacities but also contributes to the overall agility and innovation within the sector, positioning it for sustained success in the digital age.

In conclusion, the impact of community support on the sustainability of Micro, Small, and Medium Enterprises (MSMEs) in the digital era is undeniably profound. This support extends beyond mere financial aspects to encompass heightened awareness, promotional efforts, and active participation in fostering the growth of MSMEs. The multi-dimensional nature of this support reflects not only a commitment to financial backing but also a collective effort to elevate the visibility and market presence of MSMEs through shared awareness and promotional activities. With a robust backing from the community, MSMEs can emerge as resilient economic pillars, contributing significantly to sustainable development in the ever-evolving digital landscape. The symbiotic relationship between MSMEs and their communities forms a cornerstone for navigating challenges, seizing

opportunities, and collectively thriving in the dynamic digital age. Therefore, community support emerges not only as a facilitator of economic success for MSMEs but also as a catalyst for fostering a resilient and sustainable economic ecosystem in the digital era.

CONCLUSION

The community's support plays a crucial role in ensuring the sustainability of Micro, Small, and Medium Enterprises (MSMEs) in the digital era. Awareness of the importance of local products, financial support through investment and crowdfunding, as well as social support in the form of promotion and active participation, form a strong foundation for the growth of MSMEs. The strong bond between MSMEs and the community creates an environment in which MSMEs can thrive and compete effectively in the dynamic digital market. The significance of community support gives rise to several significant implications. Firstly, there is a need to continually raise public awareness of local products and services. Educational initiatives and promotional campaigns can be effective tools in enhancing the public's understanding of the positive impact of supporting MSMEs. Furthermore, additional efforts are required to create crowdfunding platforms and investment mechanisms that facilitate community participation in supporting MSMEs financially. Additionally, it is crucial to encourage collaboration between MSMEs and the community through social programs and promotional events. Active community involvement can create a broader market niche for MSMEs in the digital era. The use of social media and other digital technologies can be effective tools in facilitating positive interactions between MSMEs and the community. To support the sustainability of MSMEs in the digital era, several recommendations can be proposed. Firstly, the government needs to develop policies that support the growth of MSMEs, including fiscal incentives and easy access to resources. Additionally, efforts are needed to enhance digital literacy among MSME players so that they can adopt technology more effectively. It is also important to involve the education sector in developing curricula relevant to the needs of MSMEs in the digital era. Targeted education and training can help MSME players develop the skills necessary to cope with technological and market changes. Although important, there are some limitations to consider in this context. Firstly, the influence of community support may vary depending on geographical, cultural, and industry sector factors for MSMEs. Therefore, the findings generated may not be fully generalizable. Additionally, this research may not cover all complex aspects of the relationship between MSMEs and the community in the digital era. There may be additional factors to consider for a deeper understanding. By recognizing these limitations, further research and actions can be taken to deepen the understanding of how community support can be optimized to enhance the sustainability of MSMEs in the digital era.

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