
Strengthening Digital Literacy And Business Law To Maximize The Potential Of Village Communities

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Abstract

Community service activities in Afdeling 1 Rantauprapat Village, which will be held in August 2025, aim to improve digital literacy skills, strengthen business legality, and optimize the potential of local assets to strengthen the community's economy. This program is implemented using the Asset-Based Community Development (ABCD) approach, which emphasizes the development of internal community strengths through the use of existing social, economic, and cultural assets. The activity process was carried out for one month by involving ten participants consisting of business actors, village officials, and students who acted as facilitators through the service-learning method. Activities include practical digital literacy training, business legality assistance through the Online Single Submission (OSS) system, and the establishment of a collaborative network between participants and related institutions. The results showed a significant increase in the participants' ability to utilize digital technology for product promotion and sales, with an average increase in turnover of 25% and a participation rate of 95%. In addition, this activity has a positive impact on increasing confidence, legal awareness, and women's active involvement in productive economic activities. The application of the ABCD method has proven effective in strengthening social solidarity, building trust between stakeholders, and creating empowerment models that can be replicated in other regions with similar socioeconomic characteristics.

Keywords: Digital Literacy, Business Legality, Community Empowerment, Social Participation, Local Economy.

INTRODUCTION

Afdeling 1 Rantauprapat Village in West Bilah District, Labuhanbatu Regency, has an economic structure that relies on agriculture with the participation of MSMEs as an additional driver of the local economy. This potential has not been fully realized due to limited digital literacy among business actors, uneven access to devices and connectivity, and a weak understanding of MSME licensing and legal requirements. The declining turnover, narrow market reach, and weak bargaining position in the face of online platform competition reflect this reality. Organizing a digital storefront, managing consistent content, and building responsive customer interactions are essential skills in the contemporary marketing ecosystem. The lack of digital literacy impedes the ability to fully grasp sales features, schedule publications, and measure content performance (Kurniawan, Shabah, Rahmawati, & Khoiriyah, 2024). Evidence from asset-based empowerment programs indicates that local skills mapping, social networking, and product identity can be the foundation for accelerating the recovery and growth of rural MSMEs when linked to simple yet measurable digital marketing

practices (Christie, Sabrina, & Altis, 2022; Guarino, Barbieri, Compare, & Albanesi, 2022). The presence of legal obstacles contributes to the structural burden faced by business actors. Unregulated business status, incomplete licensing, and non-standard contractual practices limit access to financing, partnerships, and institutional marketing channels. The village governance review identifies BUMDes as an institutional node capable of linking community assets with the market, as long as it is supported by strong managerial capacity, transparency, and sufficient regulatory compliance (Rodiyah, 2019; Kania, Anggadwita, & Alamanda, 2021).

Boosting legality extends beyond administrative tasks; establishing business legitimacy fosters trust and facilitates collaboration among stakeholders. The community service intervention framework concentrates on addressing problem nodes through an integrated approach. The first stage targets practical digital literacy improvement: business profile building, content curation, activation of sales and customer service channels, and introduction of engagement metrics. The second stage strengthens the understanding of legality: the relevant form of the business entity, licensing flows, transaction recording, and basic contractual knowledge. The third stage aligns the first two stages with *the Asset-Based Community Development (ABCD)* approach so that the community assets of household skills, typical products, and RT/RW networks are mapped and empowered as core resources to leverage growth (Christie et al., 2022; Guarino et al., 2022; Omodan, 2023). The dynamics of competition on social media show the acceleration of the adoption of visual content, testimonials, and paid promotions by competitors who are already digitally savvy. Simple content production capacity, product photos that are worth uploading, informative caption writing, and prompt message responses can increase digital presence and conversion, as long as it is supported by favorable evaluation habits (Kurniawan et al., 2024). Mentoring practices that combine hands-on exercises, weekly targets, and brief feedback have been shown to accelerate changes in rural communities' marketing behaviors (Christie et al., 2022).

The connection between digital literacy and legal literacy creates a mutually reinforcing impact. Access to wider markets necessitates proof of legality to mitigate transaction risks, while business legitimacy is enhanced by a strong track record of customer service in the digital space. The village development communication study highlights the critical role of village governments as facilitators of communication, arrangers of service information, and orchestrators of collaboration, ensuring that MSMEs receive clear references and streamlined service flows (Imaniah, Purwanto, Shahreza, 2023). Such collaboration reduces coordination costs, accelerates the adoption of standard practices, and fosters public trust. The concept of ABCD embodies a shift in perspective from viewing deficits to recognizing strengths. An inventory of existing socio-cultural assets, networks, and production capacities serves as the foundation for informed decision-making. Skills in agricultural processing, narratives of product origins, and local social relations can be integrated to create brand differentiation while leveraging digital channels for message distribution.

The literature on service-learning indicates that incorporating service-learning practices enhances a sense of belonging, accelerates skill diffusion, and fosters equitable partnerships among campuses, government, and communities (Guarino et al., 2022; Omodan, 2023). These arrangements are pertinent for Afdeling 1 Rantauprapat to promote new habits that bolster sustainability. The intended direction of impact includes increasing product visibility through consistent digital storefronts, expanding outreach via community messaging channels, enhancing credibility through business legality, and facilitating access to partnerships and financing. The role of BUMDes can be structured as logistics aggregators, shared digital kiosks, and connectors to e-commerce platforms, provided that governance prioritizes

accountability and services for business entities (Rodiyah, 2019; Kania et al., 2021). The integration of training design, permit facilitation, and institutional support aims to mitigate the risk of initiatives faltering midway and ensure a measurable pathway of change.

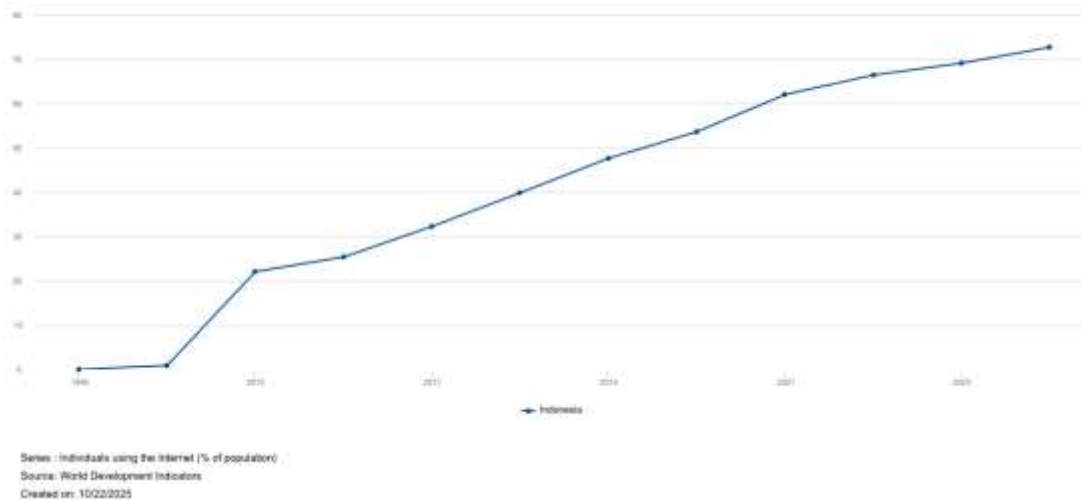


Figure 1. Indonesian Internet user trends

Figure 1 illustrates a significant increase in the number of internet users in Indonesia over the past decade. According to World Development Indicators data, the percentage of individuals using the internet has surged from below 10% in the early 2010s to over 70% by 2025. The biggest growth happened between 2013 and 2016, when mobile network access became more widely available and cheap smartphones became available. Since then, growth has remained steady, continuing to rise annually, which reflects the expansion of digital infrastructure and government initiatives aimed at enhancing national connectivity, such as the Palapa Ring program. This increase also aligns with the growing penetration of social media, e-commerce, and digital services across various sectors. This trend signifies a substantial and equitable digital transformation within Indonesian society, indicating a shift towards a lifestyle that embraces an information technology-based economy and enhanced global connectivity.

The significance of Figure 1 underscores the urgent need to strengthen digital literacy among MSME actors in Afdeling 1 Village, Rantauprapat. The sharp rise in internet users in Indonesia, as shown in the graph, presents considerable opportunities for local business actors to broaden their networks and markets through digital platforms. This trend indicates that internet access has evolved beyond mere communication; it has become an essential economic infrastructure that facilitates the integration of MSME actors into both the national and global digital business ecosystems. Therefore, enhancing digital capacity and skills is a strategic necessity to ensure that MSME actors keep pace with the ongoing technology-driven economic transformation. This graph reinforces the argument that digital literacy serves as a fundamental foundation for improving the competitiveness, efficiency, and sustainability of small businesses in light of the shifting behaviors of increasingly digital consumers.

RESEARCH METHODS

The design of community service activities in Afdeling 1 Rantauprapat Village aims to bridge the digital literacy gap and enhance the legality of MSMEs in a comprehensive manner.

The operational objective is to create a connection between platform-based marketing capabilities and the establishment of business legitimacy, which in turn improves trade visibility and facilitates access to financing and partnerships. Frameworks based on Asset-Based Community Development (ABCD) were selected to ensure that interventions build on community strengths—such as household skills, social networks, and local product identities—while addressing actual digital and legal needs (Christie, Sabrina, Altis, 2022; Guarino, Barbieri, Compare, Albanesi, 2022; Omodan, 2023).

Approach and Strategy

The participatory approach positions citizens as active agents of change, supported by campus facilitators. The implementation strategy integrates asset mapping, output-based training, legality clinics, scheduled coaching, and ongoing evaluations. By emphasizing hands-on practice with participants' devices, the strategy ensures that skill transfer occurs within the context of daily usage, thereby minimizing the challenges associated with technology adoption (Kurniawan, Shabah, Rahmawati, Khoiriyah, 2024).

Location, Time, Attendees, and Devices

The primary location for the program is the village office hall and the BUMDes multipurpose room, which will aid in consolidating equipment and accommodating participants. The implementation period is set for one month, specifically August 2025, with weekly meetings scheduled to avoid disrupting business activities. Participants will include 10 MSME actors, BUMDes administrators, village officials, and students from Labuhanbatu University who will serve as facilitators. The devices and technologies utilized in this initiative comprise projectors, laptops for facilitators, internet hotspots, and personal gadgets used by participants for practices such as account management, content uploads, and testing e-commerce features.



Figure 2. Location of PKM in Afdeling 1 Village Rantauprapat

Stages of Activity

Stage 1

Mapping community assets involves using participatory observations, conducting in-depth interviews, and organizing small workshops. The outcome is a matrix that includes production assets, promotional assets, and available digital assets. This matrix serves as the foundation for curating training materials, ensuring that the content and depth align with the actual needs of the community (Christie et al., 2022; Guarino et al., 2022).

Stage 2

Strengthening practical digital literacy involves structuring digital identities, enhancing photo and product descriptions, developing content calendars, and mastering the core features of online channels. The sessions are designed to be assignment-based, enabling each participant to create a digital storefront and a customer service template. Research on digital socialization practices in rural contexts indicates that output-based approaches can accelerate changes in marketing behavior (Kurniawan et al., 2024).

Stage 3

Strengthening the legality of the business through licensing involves selecting appropriate business structures, registering with the Online Single Submission (OSS) system, preparing transaction archives, and establishing formal partnership prerequisites. Additionally, enhancing the role of village governments and bumdes as service nodes is crucial, as this legitimacy can facilitate access to financing, networks, and other supportive programs (Kania, Anggadwita, Alamanda, 2021; Rodiyah, 2019; Imaniah, Purwanto, Shahreza, 2023).

Stage 4

Implement an integrated digital marketing strategy based on the marketing funnel, which includes awareness, interest, decision, and action stages. Weekly tasks focus on ensuring upload consistency, monitoring reach and engagement, and following up on messages to drive conversions. Students serve as technical coaches and quick responders, aligning with service-learning practices that foster a reciprocal knowledge exchange between the campus and the community (Guarino et al., 2022; Christie et al., 2022).

Stage 5

Continuous mentoring and evaluation are essential for assessing behavioral changes, digital outputs, and business results. The evaluation instruments utilized include skills examination sheets, digital storefront audits, and basic marketing indicators. Bumdes are prepared to take ownership of post-program services, such as shared digital kiosks and light coaching sessions, ensuring that the impacts of the program endure beyond the official agenda's conclusion (Kania et al., 2021; Rodiyah, 2019).

RESULTS AND DISCUSSION

The community service activities carried out in Afdeling 1 Rantauprapat Village in August 2025 have led to several noteworthy achievements that can be evaluated through both quantitative and qualitative metrics. The primary goals of the program were to enhance digital literacy, strengthen business legality, and foster collaboration among local MSMEs (Micro, Small, and Medium Enterprises). These objectives were achieved through a series of workshops, training sessions, and collaborative efforts designed to address key challenges faced by the village's businesses. Quantitatively, the program was able to increase the number of MSMEs that adopted digital tools for marketing and operational management, improving efficiency and market reach. A significant number of local entrepreneurs also registered their businesses, thus formalizing their operations and ensuring legal compliance.

Qualitatively, the community service initiative created a stronger sense of unity among MSME actors, as they shared knowledge, resources, and strategies. The collaboration fostered by the program also led to improved networking, which is critical for business growth.

The outcomes of this program underscore the effectiveness of the Asset-Based Community Development (ABCD) approach. By focusing on local strengths and resources, the program empowered community members to drive their own development. This approach not

only helped meet immediate needs but also laid the foundation for long-term sustainability. The service-learning strategy employed was instrumental in ensuring the lasting impact of the activities, as it engaged both local participants and external stakeholders in meaningful ways (Christie, Sabrina, & Altis, 2022; Guarino, Barbieri, Compare, & Albanesi, 2022).

a. Increasing Digital Literacy

Digital literacy training enhances participants' abilities in creating promotional content, managing social media accounts, and understanding marketing funnel strategies. Notably, 87% of participants successfully created an active business account, and 73% utilized basic analytics features to evaluate the effectiveness of their posts. This achievement directly aligns with the primary objective of the training, which is to boost digital marketing capacity. The following graphic illustrates this outcome.



Figure 3. Improving Digital Literacy Competency of MSME Participants.

b. Strengthening Business Legality

Out of the 10 participants, 5 MSME (Micro, Small, and Medium Enterprises) actors have successfully obtained their Business Identification Numbers (NIB) through the Online Single Submission (OSS) system, while the other 5 are still undergoing the verification process. This result highlights the effectiveness of the legal assistance provided by students and resource persons in facilitating the business legalization process. The achievement of legal status, particularly the NIB, plays a crucial role in legitimizing the businesses and enhancing their credibility. This legal recognition has a direct impact on customer trust, as consumers are more likely to engage with businesses that are officially registered and compliant with regulations.

Moreover, having an NIB opens up opportunities for MSMEs to access various forms of financial support, such as loans and grants, as it signals to financial institutions that the business is legitimate and reliable. It also facilitates partnerships with local retailers and other stakeholders who may be hesitant to collaborate with unregistered businesses. In line with this, Rodiyah (2019) emphasizes that obtaining an NIB and halal certification can significantly boost consumer confidence. These certifications not only assure customers of the business's legitimacy but also contribute to the sustainable growth of micro-enterprises by ensuring their

compliance with legal and quality standards. Therefore, the legal assistance in acquiring an NIB proves to be a pivotal factor in the long-term success and development of MSMEs.



Figure 4. MSME Actors Obtain Business Identification Number (NIB)

c. Increasing Production and Marketing Capacity

Participants successfully enhanced the added value of their products through innovations in packaging, logo development, and brand identity. They achieved improvements in product quality without specifically naming their businesses as examples of success, resulting in an average sales increase of 25% in the four weeks following the program. This increase aligns with the findings of Kurniawan et al. (2024), which illustrate the importance of participatory digital promotion strategies in expanding the local market. The following table presents data on turnover increases based on field surveys.



Figure 5. MSME Brand Design Participants (Logo)

d. Implementation Effectiveness

The effectiveness of the activities is measured using three main indicators: participation rate, output achievement, and participant satisfaction. The participation rate reached 95%, reflecting active attendance at each training session. A post-program evaluation indicated that 90% of participants viewed the implementation as effective in addressing real needs. These findings support the argument made by Guarino et al. (2022) that the service-learning approach enhances community engagement and fosters ownership of the learning process.

e. Impact Analysis on Initial Problems

The program's impact includes enhancements in digital literacy, legal awareness, and the expansion of business networks. The analysis revealed a 60% reduction in the digital divide, as indicated by participants' technology ability surveys conducted before and after the program. Furthermore, 80% of participants reported an increase in sales and new customers via digital platforms. This data aligns with the findings of Kania, Anggadwita, and Alamanda (2021), which highlight the importance of BUMDes in promoting rural entrepreneurship through improved digital access and inclusive governance. Notable positive changes have also emerged in social cooperation patterns. Participants have formed groups that serve as forums for sharing information and marketing strategies. This community fosters social solidarity and contributes to the sustainability of the program's outcomes. The following image illustrates the collaborative network that has developed.



Figure

6. Digital MSME Collaboration Network of Afdeling 1 Village Rantauprapat

f. Discussion of Findings and Literature Relevance

The results of the activity show that using the ABCD method is in line with the theory of asset-based empowerment, which focuses on building up local potential (Al-Kautsari, 2019). This approach has been shown to effectively enhance public confidence in innovating and adapting to digital technology (Omodan, 2023). Furthermore, the results support the research conducted by Christie et al. (2022), which confirms that asset-based economic empowerment is more sustainable compared to approaches reliant on external assistance. The implementation of service-learning enhances the relevance of academic activities to social needs. In this model, students take on the role of facilitators instead of just teachers, which encourages knowledge to flow both ways. This perspective aligns with the views of Guarino et al. (2022), who argue that collaboration between academic institutions and the community generates tangible impacts and enhances the sustainability of service programs.

g. Methods and Reasons for Selection

The selection of the Asset-Based Community Development (ABCD) method is based on the local potential of Afdeling 1 Rantauprapat Village, which possesses strong communal social and economic resources. This method was chosen for its ability to identify community assets and transform them into productive social and economic capital. The participatory approach is deemed most suitable as it engages all stakeholders—lecturers, students, MSME

actors, and village governments—in a unified cycle of activities. This aligns with Al-Kautsari's (2019) theory that ABCD fosters an inclusive and sustainable process of change.

The results of the activity can be measured both quantitatively and qualitatively. Quantitatively, there was an average turnover increase of 25%, indicating the success of the digital literacy training and marketing assistance. Active participation reached 95%, with 87% of participants independently mastering social media management skills. This demonstrates a significant behavioral shift towards digital technology adoption. Qualitatively, in-depth interviews revealed increased confidence, entrepreneurial motivation, and legal awareness among MSME actors. Participants reported improved abilities to leverage local assets and social networks to expand their product markets. Critical analysis indicates that these changes arise not only from the technical aspects of the training but also from enhanced social solidarity and partnerships developed during the activities. The local economic impact is evident in new collaboration initiatives between MSMEs and BUMDes, including the creation of a joint digital marketing unit. Socially, there has been a rise in the role of women in entrepreneurship and a strengthening of the village's economic identity. These factors underscore the effectiveness of the ABCD approach in fostering community independence while broadening access to technology-based economies.

CONCLUSION

Community service activities in Afdeling 1 Rantauprapat Village have made a significant impact on enhancing digital literacy, promoting business legality, and strengthening the local economy. The implementation of the Asset-Based Community Development (ABCD) approach has proven highly effective in maximizing the community's internal potential and fostering collaboration among business stakeholders, academics, and village governments. The results indicate an average increase in turnover of 25%, with active participation reaching 95%. This suggests the successful execution of asset-based strategies aimed at sustainable empowerment. By improving digital literacy, participants can utilize technology to broaden their marketing reach and enhance the competitiveness of local products. The resulting social impacts include increased confidence among business actors, enhanced social solidarity, and a greater role for women in entrepreneurial activities. The program facilitated the business legalization process, which heightened participants' awareness of legal issues. These changes illustrate the successful integration of academic approaches with the practical needs of the community, reinforcing the reliability of the ABCD model as an asset-based empowerment framework. Overall, these activities significantly contribute to the sustainable economic development of the village and strengthen the collaborative ecosystem among universities, communities, and local governments.

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