Strengthening the Village Economy through Financial Literacy and Digital Marketing in Bediwetan Village

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Abstract

This community empowerment article examines a strengthening model for the village economy through financial literacy and digital marketing assistance in Bediwetan Village, Bungkal District, Ponorogo Regency, East Java. Bediwetan has been described as a village seeking to build a resilient local economy based on village potential, particularly trade, industry, and micro, small, and medium enterprises (MSMEs). The program responds to two interconnected needs: the capacity to manage business finances systematically and the ability to promote products through digital channels. A participatory community empowerment approach was designed through preliminary observation, needs assessment, financial-literacy training, digital-marketing training, hands-on practice, mentoring, and evaluation. Financial-literacy activities focus on separating business and household money, recording transactions, calculating costs and profit, preparing simple cash-flow records, planning working capital, and making informed financing decisions. Digital-marketing assistance covers product positioning, branding, smartphone-based content creation, social-media management, marketplace utilization, and customer communication. The article synthesizes local contextual evidence and recent research showing that financial literacy can support financial management and MSME performance, while digital marketing can expand visibility, customer interaction, and market access. The proposed empowerment model integrates financial discipline with digital promotion so that increased sales opportunities are accompanied by better financial control. Sustainability depends on repeated mentoring, village institutional support, and the ability of local entrepreneurs to independently maintain financial records and digital marketing routines..

Keywords Village economy; Financial literacy; Digital marketing; MSMEs; Community empowerment; Bediwetan Village

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1. INTRODUCTION

Village economic development increasingly depends on the ability of local communities to transform existing resources into productive, sustainable, and marketable economic activities. Micro, Small, and Medium Enterprises (MSMEs) are particularly important because they provide income opportunities, absorb local labor, and connect household production with wider markets. Yet business growth is not determined only by production capacity. Entrepreneurs also need financial literacy to make sound decisions about costs, cash flow, savings, financing, and risk, as well as digital marketing competence to communicate product value and reach consumers beyond their immediate location. Research in Indonesia indicates that financial literacy is associated with financial management, business performance, and sustainability, while digital marketing can strengthen market reach and customer engagement (Hirawati et al., 2021; Ginting & Damayanti, 2022; Susilo et al., 2022; Sunggara et al., 2024).

Bediwetan Village is located in Bungkal District, Ponorogo Regency, East Java. Local contextual evidence describes Bediwetan as a village that seeks to develop a resilient village economy based on village potential, with attention to trade, industry, and MSMEs, while also identifying village innovation as an important development direction (Merlyn, 2020). This local orientation provides an important foundation for empowerment because the objective is not to create an entirely new economic structure but to strengthen the capacity of existing community economic actors. The village context also suggests that economic development should be connected with better management of resources, productive activities, and accountability.

Financial literacy is a fundamental component of that strengthening process. Many micro-enterprise owners manage money through informal routines and may not consistently separate household and business funds, calculate unit costs, record daily transactions, or evaluate actual profit. Such practices make it difficult to determine whether sales growth is generating sustainable income. Research by Hirawati et al. (2021) links financial literacy with financial management among micro-enterprise actors, while Ginting and Damayanti (2022) demonstrate that financial literacy dimensions are relevant to MSME financial performance management. More recent evidence also indicates that financial literacy and financial inclusion can contribute to MSME performance and better financial control (Rizky & Fitriyah, 2024).

Financial literacy must now be connected with digital financial practices. Digital payments, online marketplaces, electronic records, and social-media transactions create opportunities for efficiency but also introduce new risks and decision-making requirements. Digital financial knowledge can improve financial management behavior, while financial and digital financial literacy can strengthen access to financial inclusion (Ashshiddiqi & Rahmat, 2022; Fatimah et al., 2024). Consequently, village economic empowerment should not teach financial literacy and digital marketing as two unrelated topics. Entrepreneurs need to understand how digital sales affect cash flow, how promotional spending affects profitability, and how transaction records can be used to evaluate marketing decisions.

Digital marketing provides a second strategic pillar. The rapid development of social media, marketplaces, and digital communication enables local products to reach consumers outside the village. However, adoption remains uneven because MSME actors may lack digital skills, content-production ability, platform knowledge, and confidence. A systematic review of Indonesian MSMEs identifies digital literacy, technology access, and uneven infrastructure as continuing challenges, while also highlighting digital marketing as an opportunity to expand market reach and competitiveness (Sunggara et al., 2024). Studies also show that social-media marketing, marketplace effectiveness, and promotional activities can contribute to MSME sales performance (Sulistiyowati & Rahmawati, 2024; Iskamto et al., 2024).

The combination of financial literacy and digital marketing is therefore strategically important for village economic empowerment. Digital promotion without financial control may increase transactions without improving net income, while good financial records without market development may limit growth. An integrated intervention can help MSME actors understand the full business cycle: identify a product and target market, promote it digitally, receive and record transactions, calculate costs and profit, evaluate marketing effectiveness, and make subsequent business decisions based on evidence. Research specifically examining financial literacy, financial technology, and digital marketing likewise shows the relevance of these capabilities to MSME income and performance, although effects can vary across contexts (Nindhya & Widajantie, 2024; Farahiyah & Haryadi, 2024).

This article aims to formulate a community empowerment strategy for strengthening the village economy in Bediwetan through integrated financial literacy and digital marketing assistance. The objectives are to strengthen basic financial-management practices among local business actors, develop practical digital-marketing skills, connect marketing activities with financial evaluation, and establish a sustainable empowerment mechanism supported by village institutions. Because no participant-level dataset was supplied for this article, the discussion does not claim measured increases in sales or income; instead, it develops an evidence-based empowerment model grounded in the documented Bediwetan context and recent literature.

2. METHODS

This article uses a qualitative community empowerment design combined with contextual literature synthesis. The approach is participatory because local economic actors are positioned as partners in identifying problems, practicing skills, and evaluating the usefulness of assistance. The design consists of six stages: contextual assessment, needs identification, financial-literacy training, digital-marketing training, integrated mentoring, and evaluation. This structure is consistent with community empowerment programs that use preparation, training, practice, mentoring, and reflection to translate knowledge into practical capability (Sumarna et al., 2021; Rachmadani et al., 2024).

The contextual assessment uses available evidence about Bediwetan Village and its economic orientation. A previous study describes Bediwetan as a village seeking a resilient economy based on local potential, especially trade, industry, and MSMEs (Merlyn, 2020). This evidence is used to frame the intervention around strengthening existing economic actors rather than assuming the presence of specific products or business problems that have not been documented.

The needs-assessment component identifies financial and marketing practices that require strengthening. Financial indicators include separation of household and business money, transaction recording, cost calculation, pricing, profit calculation, cash-flow monitoring, savings, financing, and risk awareness. Digital-marketing indicators include platform use, product presentation, branding, content creation, customer communication, marketplace use, and simple performance monitoring. The needs assessment should be conducted through observation, short interviews, and practical demonstrations rather than relying only on self-reported competence.

The training component combines explanation with hands-on practice. Participants work with their own business transactions and products so that the training immediately produces practical outputs. Financial sessions use simple templates for daily transaction records, cost calculations, cash-flow summaries, and monthly profit estimates. Digital sessions use smartphones to create product photographs, captions, catalogs, social-media posts, and marketplace listings. The integrated design reflects research showing that financial literacy supports financial-management capability while digital marketing expands opportunities for customer acquisition and market visibility (Dwyanti, 2024; Paransa, 2024).

Mentoring is conducted after training to support repeated practice. Participants receive feedback on the accuracy of records, pricing logic, content quality, customer responses, and the relationship between promotional activities and sales. Evaluation focuses on changes in knowledge, practical skills, consistency of financial recording, quality of digital content, ability to manage selected platforms, and participant independence. Where future primary data become available, the program can be evaluated quantitatively using pre-test and post-test scores, digital-activity indicators, financial-record completeness, sales conversion, and changes in business income.

3. FINDINGS AND DISCUSSION

3.1. Bediwetan Village Economic Context and Empowerment Needs

The local context provides a rationale for integrated empowerment. Bediwetan has been documented as a village that aims to develop a resilient economy based on village potential, particularly trade, industry, and MSMEs (Merlyn, 2020). This orientation means that community economic strengthening can be directed toward improving the capability of local actors to manage and expand existing activities. The empowerment approach should therefore begin with mapping local businesses, products, markets, financial practices, and digital readiness.

A key implication is that village economic strengthening should not equate growth with sales alone. Sustainable economic activity requires the ability to determine whether sales are profitable, whether working capital is sufficient, and whether promotional expenditure generates meaningful returns. Research on MSMEs indicates that financial knowledge, behavior, and attitude are important dimensions of financial literacy, although their relationships with financial performance may differ across entrepreneurs and contexts (Ginting & Damayanti, 2022). Thus, assistance should prioritize practical financial behavior rather than only theoretical knowledge.

The same principle applies to digital marketing. Digital adoption is valuable when it solves a business problem: finding customers, communicating product quality, simplifying orders, collecting feedback, or improving repeat purchases. Research on Indonesian MSMEs shows that digital marketing can improve visibility and customer interaction, but adoption is affected by digital literacy and technology access (Sunggara et al., 2024). The Bediwetan intervention therefore needs to match digital tools with the capacity and needs of local entrepreneurs.

3.2. Strengthening Financial Literacy through Practical Business Records

The first empowerment priority is establishing a simple financial recording habit. Participants can begin with four basic records: sales, expenses, receivables or payables, and cash balance. These records create a minimum information system for business decision making. The objective is not to introduce complex accounting but to enable entrepreneurs to answer practical questions: How much was sold? How much was spent? What remains in cash? Which products generate the highest margin? Such questions are fundamental to business sustainability.

Cost calculation is the second priority. Entrepreneurs should distinguish direct costs, supporting costs, and household withdrawals so that prices are not determined only by competitors or intuition. A simple cost-per-unit calculation can be followed by a reasonable margin. This is important because increased digital exposure can increase demand while simultaneously exposing businesses to delivery, packaging, platform, and promotional costs. Financial literacy allows entrepreneurs to evaluate whether the additional market opportunity is economically worthwhile.

Cash-flow management is equally important. A business can appear profitable while experiencing cash shortages because customers pay later, inventory is purchased in advance, or household withdrawals are mixed with business money. Digital financial practices can improve transaction efficiency, but they also require stronger records. Research on digital financial knowledge emphasizes the relationship between financial knowledge and financial-management behavior among MSMEs (Ashshiddiqi & Rahmat, 2022). Therefore, training in digital marketing should always include a basic discussion of how digital transactions are recorded.

Financial planning also strengthens access to external financing. Entrepreneurs who maintain basic records are better positioned to explain business performance and financing needs to financial institutions or other funding partners. Research on financial literacy and financial inclusion shows that stronger financial capability can contribute to MSME performance and financial access (Hilmawati & Kusumaningtias, 2021; Rizky & Fitriyah, 2024). The empowerment program should consequently teach participants to treat financial records as decision-making tools, not merely administrative requirements.

3.3. Building Digital Marketing Capacity for Local Products

Digital marketing assistance should begin with product positioning. Participants identify the product's main benefit, target customer, distinctive characteristics, price range, ordering process, and local identity. This information becomes the basis for social-media biographies, marketplace descriptions, captions, and promotional messages. Research on local-product competitiveness demonstrates that digital marketing can be used strategically to strengthen visibility and market position when it is connected with product characteristics and customer needs (Hisyam & Fitriyah, 2024).

Content creation is then developed through accessible tools. Smartphone photography, short videos, simple graphic design, product descriptions, testimonials, and educational posts can be produced without expensive equipment. Community assistance research shows that MSME actors benefit from direct support in optimizing digital promotional content because limited digital skills often prevent them from presenting products effectively online (Rachmadani et al., 2024). The emphasis should be on consistency and clarity rather than technical complexity.

Social media and marketplace utilization should be selected according to product and customer characteristics. Social media can support awareness, interaction, storytelling, and relationship building, while marketplaces can facilitate product discovery, catalog management, and transactions. Evidence from Indonesian MSMEs indicates that effective marketplace use, social media, and targeted promotions can enhance sales performance (Sulistiyowati & Rahmawati, 2024). A village program can also explore shared digital catalogs or collective promotion when several businesses have complementary products.

Digital marketing should also incorporate ethical and trustworthy communication. Product descriptions should be accurate, prices should be transparent, images should represent actual products, and customer complaints should be handled responsibly. For MSMEs operating in communities with strong social ties, trust is a major asset. Digital marketing should therefore strengthen, rather than undermine, the reputation of local businesses.

3.4. Integrating Financial Literacy and Digital Marketing

The distinctive contribution of the empowerment model is the integration of marketing activity with financial evaluation. Participants can be trained to record the cost of a promotional campaign, the number of inquiries generated, the number of transactions, and the resulting gross margin. This creates a simple feedback loop: promote, record, compare, and improve. Research combining financial literacy, financial technology, and digital marketing suggests that these capabilities can jointly contribute to MSME income and performance, although outcomes depend on the business context (Nindhya & Widajantie, 2024).

Integration also helps entrepreneurs avoid the assumption that every online interaction is a business success. A post may receive many views but generate few orders, while a smaller audience may produce more loyal customers. Financial and marketing records allow participants to compare channels based on meaningful business indicators. This analytical habit is especially important for micro-enterprises that have limited time and promotional budgets.

The integrated approach can be represented as a cycle: financial planning determines the resources available for marketing; digital marketing generates customer responses and transactions; transaction records provide evidence of revenue and costs; financial analysis evaluates profitability; and the results guide the next marketing decision. This cycle transforms digital marketing from a promotional activity into part of business management.

Such integration also supports resilience. Financially literate entrepreneurs can identify risks, control unnecessary spending, maintain working capital, and plan for slow periods, while digitally capable entrepreneurs can diversify customer acquisition channels. Research on financial literacy, risk tolerance, and financial management emphasizes the importance of financial capability for micro-enterprise management (Hirawati et al., 2021), while digital marketing research emphasizes the importance of continuous adaptation in changing markets (Paransa, 2024).

3.5. Mentoring, Institutional Support, and Sustainability

One-time training is unlikely to produce durable behavioral change. Mentoring is needed to help participants overcome practical obstacles such as forgetting to record transactions, inconsistent content production, uncertainty about pricing, or difficulty responding to customers. Community empowerment programs in financial literacy demonstrate that socialization, training, and evaluation can be used to strengthen participants' understanding of funding and financial decisions (Sumarna et al., 2021). The same principle can be extended to integrated digital-business mentoring.

Village institutions can become important sustainability partners. The village government can facilitate coordination, BUMDes or local economic groups can support collective promotion, and community organizations can help maintain peer-learning groups. A small local mentoring network could periodically review financial records, digital content, customer feedback, and marketing results. This reduces dependence on external trainers and encourages local ownership.

Sustainability also requires simple tools. Complex accounting applications or advanced digital platforms may discourage participants if they exceed their current skills. The preferred approach is to begin with accessible tools and progressively introduce more advanced functions when participants are ready. Digital financial literacy research shows that social-media use and digital financial knowledge can reinforce financial inclusion, but capability development remains important (Fatimah et al., 2024).

The final sustainability indicator is independence. Participants should eventually be able to maintain their own financial records, calculate basic profit, choose appropriate digital channels, produce content, respond to customers, and evaluate results. When these competencies become routine, community empowerment moves from training delivery toward genuine local capacity development.

3.6. Proposed Empowerment Model for Bediwetan Village

Based on the local context and literature, the proposed model consists of five interconnected components: Financial Awareness, Financial Practice, Digital Visibility, Market Engagement, and Business Evaluation. Financial Awareness develops understanding of income, costs, savings, risk, and financing. Financial Practice converts this knowledge into routine records, budgeting, pricing, and cash-flow control. Digital Visibility helps local products become discoverable through social media, marketplaces, and digital catalogs. Market Engagement develops customer interaction, order management, feedback, and repeat-purchase opportunities. Business Evaluation connects financial records with marketing results so entrepreneurs can identify which activities create sustainable value. The cycle then returns to financial planning and a new marketing decision.

The model is intentionally designed as a low-cost and participatory intervention. It does not require every entrepreneur to use every digital platform or adopt sophisticated accounting software. Instead, participants select tools that match their products, customers, and current capability. This is consistent with evidence that digital marketing adoption depends on capability, access, and perceived usefulness, while financial literacy influences the quality of business decisions (Bina et al., 2021; Dwyanti, 2024). In Bediwetan, the model can be further adapted after direct field assessment identifies the specific products, business groups, and digital readiness of local entrepreneurs.

4. CONCLUSION

Strengthening the village economy in Bediwetan through financial literacy and digital marketing requires an integrated empowerment approach. Financial literacy provides the foundation for separating business and household finances, recording transactions, calculating costs and profit, managing cash flow, planning working capital, and making informed financing decisions. Digital marketing complements this capability by expanding product visibility, improving customer communication, and opening access to markets beyond the immediate village. The two dimensions should not be implemented separately because digital sales opportunities need financial evaluation to determine whether growth is actually profitable and sustainable. The proposed model combines financial awareness, financial practice, digital visibility, market engagement, and business evaluation in a continuous cycle of improvement. Its sustainability depends on practical mentoring, simple tools, village institutional support, peer learning, and increasing participant independence. Because this article is based on contextual evidence and literature rather than participant-level outcome data, future research should conduct field-based pre-test and post-test measurements and longitudinally examine changes in financial-record quality, digital activity, customer reach, sales conversion, profitability, and business resilience among Bediwetan MSMEs.

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