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## **Entrepreneurship Education and Digital Marketing for Improving the Welfare of the Community – A Case Study on Gada Village, Gunungsitoli Regency, Nias**

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### **Abstract**

*Community welfare is an inseparable part of the paradigm of economic development, economic development is said to be successful if the level of community welfare is getting better. Gaps and inequality in people's lives are caused by the success of economic development that is not accompanied by an increase in people's welfare. One of the villages that has the potential for natural and cultural village tourism that can be maximized is Gada Village, located in Gunungsitoli Regency, Nias. Gada Village is one of nine villages located in West Gunungsitoli District, Gunungsitoli City, North Sumatera Province. Data analysis was carried out through PLS-SEM using the Smart PLS 3 program. The results showed that entrepreneurship education had a positive and significant effect on digital marketing. Entrepreneurship education has a positive and significant impact on people's welfare. Digital marketing has a positive and significant impact on people's welfare. Entrepreneurship education has a positive and significant impact on people's welfare through digital marketing.*

**Keywords:** *Entrepreneurship Education, Digital Marketing, Community welfare*

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## **INTRODUCTION**

The development strategy in the Unitary State of the Republic of Indonesia is the development of equitable economic development and infrastructure development such as roads, posyandu places, social services, tourist attractions and their results through sectoral development policy directions from the Central Government and community performance, especially those living in rural areas. Village development is a subject of development, and as a community movement in carrying out development based on awareness to improve a better life, it is known that almost all Indonesians live in rural areas with a population and natural components that have the potential to get assets through the "Alokasi Dana Desa" (ADD).

Law No. 6 of 2014 concerning Villages places the Village as the subject of discussion for development actors, now Village residents through the existing structure have full authority to carry out Village development. There is a great effort to develop empowerment, development of Village communities in the economic, social, cultural fields in program implementation, the program is not enough to only provide a support base for Village Fund Allocation to Village communities but must also be encouraged by Village economic efforts in a broad sense, activities that open up access to production such as agriculture, plantations and farmer groups, distribution such as distribution, training such as community groups sewing wedding makeup, electronic replation, SMEs businesses, community wedding makeup and markets for village people in collective and individual management, although developing, sustainable. This situation is different from the pattern of village development which was carried out before the birth of the Village Law. Village building is an activity of instilling values and productivity of the village community because the values embedded help explore the existing productivity values so that they can improve the quality of thinking and feeling as well as psychological quality and productivity. Previously, the village was considered only as a subject of discussion so far, village development was determined by the above utilization structure, namely sub-districts, districts, and provinces.

In essence, the development of a village area is to create better possibilities for each member of the community in order to achieve their goals, the creation of various possibilities is characterized by a process of changing the economic structure through increasing production and absorption of the average workforce, increasing income, decreasing different income, changes in the structure of distribution of power between community groups towards a more just, and there is a change in the relationship with cultural values, the changes that occur are expected to be more directed towards improving the quality of life and social life.

Hilman (2017) the obstacle faced in the development planning process is that village local wisdom is not listed in the village planning document. Village authority is the authority possessed by the village including authority in the field of village government administration, implementation of village development, community development, village community empowerment based on community actions.

## RESEARCH METHODS

This study was conducted to test the proposed hypothesis using research methods that have been designed in accordance with the variables studied in order to obtain accurate results. The approach of this research is associative quantitative, that is, the research will examine the relationship of each exogenous, endogenous and intervening variable using the PLS model analysis.

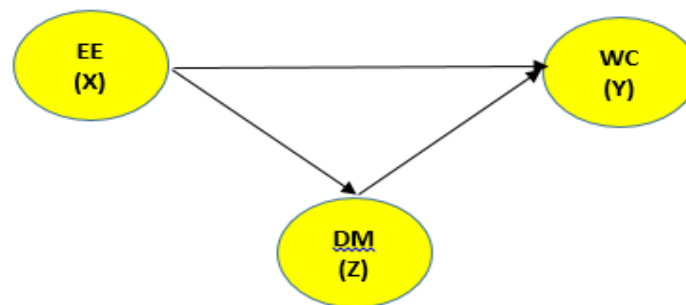


Figure: Conceptual Framework

### Note:

EE = Entrepreneurship Education  
DM = Digital Marketing  
WC = Welfare of the Community

## RESULTS AND DISCUSSION

### a. Validity Test

Validity testing was carried out on respondents from Gada Village, Gunung Sitoli District, Nias. The results of the validity of each research variable can be seen, as follows:

Table Validity Test

Statement	Corrected Item-Total Correlation	Result
EE1	.963	Valid
EE2	.656	Valid
EE3	.713	Valid
DM1	.663	Valid
DM2	.857	Valid
DM3	.370	Valid
DM4	.366	Valid
DM5	.365	Valid
WC1	.371	Valid
WC2	.423	Valid
WC3	.365	Valid

Source: Result Output SmartPLS 3, 2022

### b. Reliability Test

Reliability testing was carried out on respondents from Gada Village, Gunung Sitoli District, Nias. The results of the reliability test of each research variable can be seen, as follows:

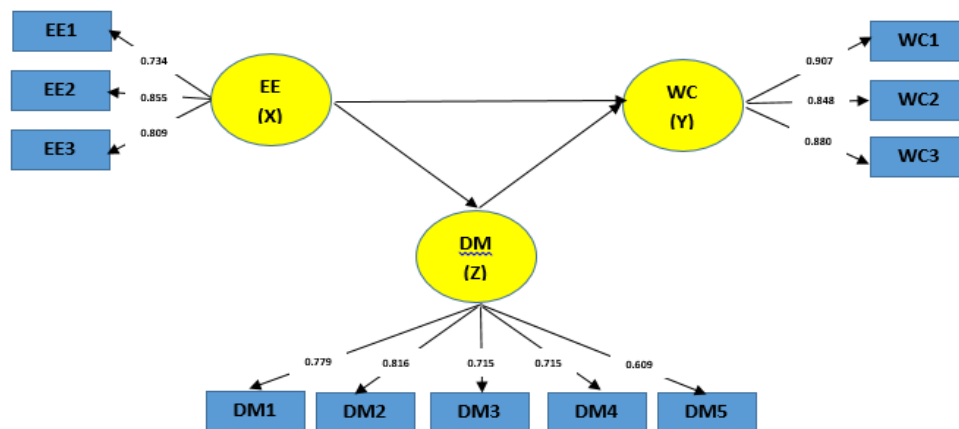
Table Reliability Test

	Cronbach's Alpha	N of Items	Result
EE (X)	.852	3	Reliable
DM (Z)	.776	5	Reliable
WC (Y)	.643	3	Reliable

Source: Result Output SmartPLS 3, 2022

### c. PLS Model Analysis

The first model or initial model proposed in the study was carried out using all indicators in each construct. The first model is analyzed using the basic reference frame model in Figure



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Source: Data Primer SPSS v.25, 2022

### d. Evaluation of the Measurement Model (Outer Model)

Evaluation of the measurement model or the outer model is carried out to assess the validity and reliability of the construct model. The outer model with reflexive indicators is evaluated through convergent, discriminant and composite reliability as well as Cronbach alpha for the indicator block (Ghozali and Latan, 2015). In a reflective construct, the indicator reliability test is carried out using a loading factor. Each indicator is measured by the value of the loading factor on each construct. The loading factor value is expected to reach more than 0.7. However, in exploratory research, a value of more than 0.5 is considered adequate (Ghozali, 2013). The loading factor value of each indicator on each construct is measured using the algorithm in the SmartPLS program.

Table Factor Loading Test

	EE (X)	DM (Z)	WC (Y)
EE1	.734		
EE2	.855		
EE3	.809		
DM1		.779	
DM2		.816	
DM3		.715	
DM4		.715	
DM5		.609	
WC1			.907
WC2			.848
WC3			.880

Source: Result Output SmartPLS 3, 2022

Based on the Table Factor Loading Test, it is known that each of the research variable

indicators has a value of outer loading  $> 0.5$ . According to Ghozali (2014), the outer loading value between 0.5 - 0.6 is considered sufficient to meet the convergent validity requirements. The data shows the indicators are declared feasible or valid for research use and can be used for further analysis.

Internal consistency reliability assessment was carried out on each construct. The composite reliability value of each construct is expected to be at least 0.7. However, in exploratory research, the composite reliability value of 0.6 is acceptable (Bagozzi and Yi, 1998). The results of the SmartPLS algorithm on the composite reliability of each construct are shown in Table 4.7, as follows:

Table *Composite Reliability*

	<i>Composite Reliability</i>
DM (Z)	.850
WC (Y)	.809
EE (X)	.910

Source: Result Output SmartPLS 3, 2022

The Composite Reliability table shows that the category is quite good, each construct has met the outer model reliability assessment criteria with a composite reliability value  $> 0.7$ . Thus the analysis of the outer model is continued to the outer model validity stage. The validity of the outer model is carried out using convergent validity and discriminant validity. Convergent validity assessment is carried out by looking at the average variance extracted (AVE) value in each construct (Hair et al. 2011) stating that the AVE value in each good construct is at least  $> 0.5$ . The results of the SmartPLS Algorithm on the AVE value are summarized in Table above

Table *Average Variance Extracted (AVE)*

	<i>Average Variance Extracted (AVE)</i>
DM (Z)	.533
WC (Y)	.589
EE (X)	.772

Source: Result Output SmartPLS 3, 2022

The table above shows that the AVE value of each construct in the final model has reached a value of  $> 0.5$ . Thus, the proposed structural equation model has met the convergent validity criteria.

### **Evaluation of the Structural Model (Inner Model)**

After the estimated model meets the Outer Model criteria, then measurements are made by testing the structural model (Inner Model) by looking at the R-Square (R<sup>2</sup>) value on the variable. The results of the R-Square (R<sup>2</sup>) value on the variables based on the measurement results are shown in the table below, as follows:

Table 4.9 *R Square*

	<i>R Square</i>
DM (Z)	0.612
WC (Y)	0.417

Source: Result Output SmartPLS 3, 2022

Based on the table above, it is known that:

- a. The R Square value for the Digital Marketing variable is 0.612, this means that the percentage of the influence of Entrepreneurship Education on Digital Marketing is 61.2% while the remaining 38.8% is explained by other variables not examined in this study.
- b. The R Square value for the Community Welfare variable is 0.417, this means that the percentage of the influence of Entrepreneurship Education on Community Welfare is 41.7% while the remaining 58.3% is explained by other variables not examined in this study.

### Direct Effect Test

Hypothesis testing is done by using T-statistics test (t-test) with a significance level of 5%. It is said to be significant if the T-statistics value is  $> 1.96$ . If in this test the p-value is  $< 0.05$  ( $\alpha$  5%), it means that the test is significant, and vice versa if the p-value is  $> 0.05$  ( $\alpha$  5%), it means that it is not significant. The results of the direct influence test of each variable can be seen in Table.

Table Path Coefficients

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistics ( O/STDEV )</i>	<i>P Values</i>
<b>DM (Z) <math>\rightarrow</math> WC (Y)</b>	0.646	0.650	0.072	9.005	0.000
<b>EE (X) <math>\rightarrow</math> DM (Z)</b>	0.782	0.787	0.045	17.193	0.000
<b>EE (X) <math>\rightarrow</math> WC (Y)</b>	0.505	0.512	0.069	7.317	0.000

Source: Result Output SmartPLS 3, 2022

Based on the results in the table above, the results are as follows:

- a. The Effect of Entrepreneurship Education on Digital Marketing, based on Table Path Coefficients, explains that the influence of Entrepreneurship Education on Digital Marketing with (P-Values = 0.000  $<$  0.05) then H0 is rejected, H1 is accepted, meaning that there is a positive and significant influence between Entrepreneurship Education and Digital Marketing.
- b. The Effect of Entrepreneurship Education on Community Welfare  
Based on Table Path Coefficients, explains that the influence of Entrepreneurship Education on Community Welfare, (P-Values = 0.000  $<$  0.05) then H0 is rejected. H1 is accepted, meaning that there is a positive and significant influence between Entrepreneurship Education and Community Welfare.
- c. The Effect of Digital Marketing on Community Welfare  
Based on Table Path Coefficients, explains that the influence of Digital Marketing on Community Welfare (P-Values = 0.000  $<$  0.05) then H0 is rejected, H1 is

accepted, meaning that there is a positive and significant influence between Digital Marketing and Community Welfare.

### **Indirect Effect Test**

Indirect influence is the amount of influence through the mediating variable. The magnitude of the indirect effect is the product of the direct effect of the independent variable on the mediating variable and the direct effect of the mediating variable on the dependent variable, the magnitude of the indirect effect of the independent variable on the variable can be calculated and summarized in the following table:

#### **Indirect effect Test**

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistics ( O/STDEV )</i>	<i>P Values</i>
<b>EE (X) → DM (Z) → WC (Y)</b>	0.505	0.512	0.069	7.317	0.000

Source: Result Output SmartPLS 3, 2022

Based on the table above, it shows empirical evidence that Entrepreneurship Education on Community Welfare through Digital Marketing. Thus, the coefficient value of the indirect influence of Entrepreneurship Education on Community Welfare Through Digital Marketing is 0.000 with P-Values = 0.000 < 0.05, then Entrepreneurship Education indirectly has a positive and significant impact on Community Welfare through Digital Marketing.

## **CONCLUSION**

The direct influence of Entrepreneurship Education on Digital Marketing is 78.2%. This shows that Entrepreneurship Education has a greater direct influence on Digital Marketing. Entrepreneurship Education is a factor that encourages people to be more active in marketing products so that customers are satisfied with the conveniences customers get. Entrepreneurship Education can be defined as a science that can provide more innovation and high creativity. Good and bad Entrepreneurship Education can be measured through the stimulation of the service received by customers. The evaluation of each customer regarding the stimulation of the service can differ from one individual to another.

The direct effect of Entrepreneurship Education on Community Welfare is 50.5%. Entrepreneurship Education has less direct influence on Community Welfare than Digital Marketing. Maintenance of Entrepreneurship Education will continue to influence the community in making decisions for business progress. The community can be more prosperous if the education needed, especially business development, can be fulfilled properly. The direct effect of Digital Marketing on customer satisfaction is 64.4%. This shows that Digital Marketing has a greater direct influence on Community Welfare. Digital Marketing with Community Welfare has a positive impact. Digital marketing is at the forefront of today's millennial era and if knowledge related to digital can be mastered by the community, in the future the community will be more developed and prosperous.

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