

Identification of Product Value, Packaging Design, and Marketing Communication of MSMEs in Karah, Jambangan – Surabaya

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Abstrak

UMKM berkontribusi mengurangi pengangguran di Indonesia. Namun, banyak UMKM mengalami stagnasi pertumbuhan dan pengembangannya. Pemerintah mencanangkan berbagai program untuk mendorong UMKM naik kelas, sebagaimana diamanatkan dalam Perpres No. 2 Tahun 2022. Kelurahan Karah telah melakukan pembinaan terhadap beberapa UMKM, meskipun masih banyak yang belum tertangani. Masalah UMKM Karah adalah pengelolaan masih tradisional dan belum mengenal pengelolaan modern. Hal ini memberikan dampak produk yang dihasilkan UMKM masih sangat terbatas, penjualannya juga masih di sekitar tempat tinggal pelaku UMKM. Kegiatan yang sudah dijalankan dalam membantu UMKM berkembang dan menjawab persoalan yang muncul adalah (1) ceramah mengenai mindset berwirausaha (2) kurasi untuk menemukan nilai produk (3) pelatihan pemilihan kemasan dan pembuatan label kemasan (4) Pelatihan pembuatan konten pemasaran digital. Output dari kegiatan-kegiatan dalam pelatihan ini adalah dari masing-masing UMKM dapat menemukan nilai produk yang diunggulkan dan akan dikomunikasikan kepada konsumen, kemasan dan labelling produk UMKM yang menarik dan konten pemasaran digital untuk diunggah di IG sebagai sarana promosi. Kegiatan awal diikuti oleh 16 UMKM, berdasarkan seleksi hanya 6 UMKM yang dapat dibina agar menjadi pilot project. Pembinaan dilakukan bersama-sama tim dari UKWMS dengan pihak Kelurahan Karah. Tujuannya agar kelurahan mampu mengkoordinir UMKM yang telah dibina untuk meneruskan kepada UMKM lainnya di Kelurahan Karah.

Kata kunci: UMKM, Nilai Produk, Konten Pemasaran Digital

Abstract

Micro, Small, and Medium Enterprises (MSMEs) are crucial in alleviating unemployment in Indonesia. Nevertheless, numerous MSMEs encounter standstill in their growth and development. The government has implemented several measures to enhance MSMEs, as specified in Presidential Regulation No. 2 Year 2022. In Karah Village, Jambangan Subdistrict, certain MSMEs have received assistance. The principal difficulty for MSMEs in Karah is their dependence on traditional management practices, which restricts their market access to local regions. A structured intervention program was implemented to address this issue, comprising (1) classes on entrepreneurial attitude, (2) product value discovery, (3) training on packaging and labeling, and (4) digital marketing content production. The program's deliverables encompass MSMEs' capacity to recognize and articulate product value, create appealing packaging and labeling, and implement digital marketing techniques using Instagram. Of the 16 participating MSMEs, six were chosen as pilot projects for additional mentoring. The initiative was executed in partnership between the WMCUS team and Karah Village. The overarching goal is for Karah Village to facilitate MSME development, enabling skilled MSMEs to share expertise with others, so promoting sustainable growth in the region.

Keywords: MSMEs, Product Value, Digital Marketing Content

1. INTRODUCTION

According to Law No. 20 of 2008, MSMEs are defined as productive firms owned by individuals and/or individual business entities that fulfill the criteria for micro and medium enterprises as specified in the legislation (djpb.kemenkeu.go.id)(1). MSMEs undeniably exert a significant influence and contribution to the Indonesian economy. The Ministry of Cooperatives and SMEs projects that Indonesia would have 65.5 million MSMEs by 2023, contributing 61% or Rp9,580 trillion to the Gross Domestic Product (GDP). Micro, small, and medium enterprises mostly consist of household business operations, possessing the ability to employ a substantial workforce. MSMEs account for 97% of overall workforce absorption (ekon.go.id) (2).

The development of National Entrepreneurship in 2021-2024 is guided by Presidential Regulation No. 2 of 2022 (regulasip.id) (3), which provides a framework for ministries, institutions, local governments, and stakeholders to implement National Entrepreneurship Development. The advancement of MSMEs necessitates collaboration across stakeholders (triple helix model), including government, academia, industry, and society (Widiastuti et al., 2024)[4]

In accordance with the Presidential Regulation, the Abdimas team, in partnership with Karah Village and Jambangan Surabaya Subdistrict, has devised a plan to assist MSMEs in Karah Village. The initial challenges encountered by MSMEs in Karah Village were recognized by the Head of Karah Village and the team, who communicated them directly to the abdimas team and LPPM UKWMS during a meeting on Tuesday, January 23, 2020.



Figure 1. Dialogue with Karah Village Associates in Karah Village
Courtesy : Personal Documentation

The Karah sub-district has been promoting the development of MSMEs in the local area, including poultry farming near the toll road; food and beverage MSMEs that operate and market their products at the Karah Culinary Tourism Centre (SWK). However, numerous MSMEs still necessitate assistance to enhance their welfare. A recent evaluation of MSMEs in Karah Village discovered a requirement for coaching in over 80 MSMEs.

Observations conducted by the Kelurahan reveal that the majority of MSMEs in this region are household-scale firms that are traditionally operated. Moreover, the offerings of these MSMEs have not been showcased appealingly, and the sales reach is confined to the local neighborhood. The main goal of fostering MSMEs in Karah Village is to secure a larger market share. The investigation results showed that multiple issues prevent the wider consumer base's awareness of MSMEs' products. A summary of these issues is presented below:

1. MSMEs possess an inadequate comprehension of sustainability's crucial significance in modern business operations.
2. MSMEs have not fully acknowledged the intrinsic value of their products and services or effectively highlighted it.
3. The packaging of items by certain MSMEs fails to comply to accepted standards, with the labeling seeming unprofessional and lacking simplicity.
4. MSMEs have not utilized Instagram social media as an option for product promotion.

Therefore, according to the conclusions of the problem analysis, it is crucial to provide improvements in packaging and marketing products to broaden the sales reach through digital marketing.

Objectives of the Activity

The activities and aims conducted to solve the challenges encountered by the MSMEs in Karah Village, Jambangan District, Surabaya are as follows:

1. Presentation of content regarding Entrepreneurial Mindset and UMKM Selection

Sixteen MSMEs from Karah Village, representing several sectors like food and beverages, crafts, and apparel, participated in the initial selection. The mentoring provided will not be

available to all SMEs; rather, it will be limited to a chosen few that demonstrate a sincere desire for growth and a commitment to engage in all planned activities. MSMEs have thus far believed that the purpose of receiving coaching is to facilitate product sales in the near future. Small and medium-sized enterprises frequently fail to recognize the necessity of assessing and enhancing their products for sale, implementing effective management practices, and effectively communicating their offerings to consumers. Consequently, by comprehending this entrepreneurial mindset, it is anticipated that MSMEs will recognize the significance of effective management by implementing fundamental management concepts customized for MSMEs. The development of MSMEs cannot occur on a large scale. Intensive coaching will be implemented for six SMEs as a pilot program. The abdimas team and the authorities of Karah Village define the selection procedure and the evaluation team. The result of this exercise is the selection of six SMEs for development.

2. Identification of Product Value

The value of a product is the advantage that it provides consumers relative to the sacrifices paid when purchasing it. Consumer sacrifice comprises four primary components: cost, exchange value, aesthetics, and relative function (Rizan and Arrasyid, 2008) [5]. Determine the product value that will serve as a reference for assessing the product value for SMEs in Karah Village. The method of developing the potential of UMKM in Karah Village involves recognizing the worth of the existing products. The pursuit of product value involves determining the offered price, the quality perceived by consumers, the emotional connection between consumers and the product, and the significance of the product's purpose for consumers. The analysis and identification of product value will constitute the basis for improvement and the information disseminated to consumers. The abdimas team collaborates with experts in the field to emphasize the product's value. The objective of this activity is to identify a unique product value to be presented to consumers.

3. Selection of Packaging and Development of Packaging Labels

Packaging involves the complete process of designing and producing the packaging. Most tangible products necessitate packaging. Kotler and Keller (2011: 339-340) [6] identify the functions of product packaging as follows: (1) to create a product/brand identity, (2) to improve the product's attractiveness, (3) to protect the product's contents and ensure safety during transit, (4) to guarantee product longevity, and (5) to assist in product consumption. Labels represent an integral component of the package and are affixed to it. Labels affixed to packaging provide essential information to consumers, including expiration dates, product functions, usage instructions, and ingredients. The label on the packaging provides information about the product to the consumer. Packaging and labels constitute an integral unit, forming the product's identity for easy recognition by consumers.

The UMKM of Karah Village must develop commercially viable products, particularly by enhancing their presentation through effective packaging and labeling. The choice of packaging and label design emphasizes the communication of product information and aesthetic value. Packaging and labels should be intended to attract consumer interest, so maximizing their aesthetic appeal and creating a sense of enjoyment and curiosity that encourages product purchase. The packaging and labeling option for UMKM in Karah Village will prioritize colors that match with product identity, a unique brand, clear information, and an aesthetically pleasing design. The result of this action is product packaging labels for each funded MSME, totaling six product packages and labels.

4. Development of IG Digital Content

The progression of both knowledge and technology facilitates the evolution of social media. Social media serves not just as a platform for one-way communication from companies to consumers, but also facilitates direct interaction between users and technology via the utilized applications. The emergence of the millennial age is essential for marketing communication via digital material. Digital marketing communication use many digital channels to present products

and business profiles to consumers. One efficient method of social promotion is via Instagram (Winarko et al., 2020) [7]. Digital marketing communication may overcome spatial and temporal limitations, enabling the marketed product to be visible and acknowledged by all societal segments, regardless of their location.

The measures conducted for promoting product promotions on Instagram encompass the creation of attractive digital material, the capture of product photographs, and/or the production of promotional videos. Small and medium-sized enterprises will receive instruction on generating digital content, including photographs and brochures, to effectively promote and market their products on Instagram. This initiative produced 6 digital contents shared to Instagram (1 content per MSME).

2. METHOD

Enhancing the marketability of MSME products requires training focused on product appearance, packaging, and digital marketing strategies. The proposed efforts are : (1) Training to deliver an overview of entrepreneurship and business sustainability conducted by MSMEs, encompassing expertise on packaging, promotional content, and pictures and videos for display on Instagram. (2) Product curation to evaluate product valuable and excellence. (3) Support with creating packaging, visual content, and basic advertising pictures for Instagram. Implementing MSME coaching encompasses two actions within the manufacturing and marketing sectors. The execution of these actions utilizes three methodologies, specifically:

A. CLASS DISCUSSION

An entrepreneurial mindset fosters the inclination to become an entrepreneur or businessperson. This mentality is defined by a proactive, imaginative, and solution-focused disposition. Numerous scholarly research indicate that an entrepreneurial attitude and entrepreneurial competence can enhance the performance of MSMEs. (Jemal, 2020) [8]. Consequently, it is essential for SMEs to comprehend and cultivate an entrepreneurial mindset to enhance resilience and company competitiveness. Furthermore, another objective is to encourage the entrepreneurial traits that are unique to SMEs, enabling them to distinguish themselves and establish a competitive advantage.

A class discussion on an entrepreneurial mindset was conducted for 16 MSMEs (from a total of 80 MSMEs needed enhancement) in Karah Village to emphasize their importance in advancing the family economy. These projects are designed to ensure the sustainability and expansion of business while fostering a culture of continuous learning to improve product quality and improve business management.

B. DESK EVALUATION

Selection of MSMEs for Support after the Class Discussion on entrepreneurial attitude, not all MSMEs will be developed. The community service program will support 10 MSMEs. These MSMEs will be chosen through a competitive procedure in which prospective MSMEs are required to submit a two-minute video presenting their products. The Abdimas team and Karah Village will evaluate the submitted videos and select the 10 most promising groups. These groups will then receive coaching to improve their comprehension of product benefits, design visually appealing and practical packaging, and develop digital Instagram display content.

The selection process includes the creation of short videos about MSME products, which is used as a criterion indicating that MSMEs possess the capability to produce such videos, understand the merits of their products, and maintain an active presence on Instagram. Consequently, it will facilitate MSMEs in acquiring knowledge with respect to effective advertisements via social media.

C. PRODUCT CURATION

Improving the production sector through the recognition of product value and quality. Product curation enhances the commercialization of the product by improving both its quality and attractiveness through packaging. MSMEs are encouraged to collaboratively examine the product's benefits and determine what they want to present to the market. Product curation involves the selection and management of products, particularly those from MSMEs, to guarantee quality, adherence to standards, and developmental potential, thereby preparing the product for export or enhancement (Qibtiyah, 2024) [9].

Identifying product value is a crucial aspect of enhancing productivity. The Abdimas team will assist MSMEs in curating their products. The procedure seeks to determine the product values and categories that MSMEs want to highlight for public recognition. The identified product value will consistently serve as the focal point for subsequent actions.

D. MENTORING AND PRACTICE

Enhancing the Production division: Creating Package labels.

The advancement of entrepreneurship in Indonesia can be improved by mentoring and practical experience, with mentoring offering access to pragmatic knowledge and expertise, while practical work facilitates the comprehension of entrepreneurship theory in real-world applications. (Rahmat 2023; Hardana, 2018) [10] [11]. The subsequent phase following the identification of the product value to be emphasized is to assess the packaging that is currently used by MSMEs. If packaging has not been used yet or if labels are already on the packaging, MSMEs, in collaboration with the team, will identify which type of packaging to select and design the labels to be produced. An assessment will be performed for MSMEs with existing packaging or labels to determine if the packaging matches with the product and if the label accurately represents the product identity, encapsulating the value that MSMEs want to highlight. If the packaging and labels are considered insufficient to reflect the product's value, they will be restructured together with the Abdimas team.

Digital Marketing Content Development: Creation of promotional content for Instagram.

The forthcoming actions will entail selling or promoting products and their benefits using Instagram. MSMEs will receive essential knowledge regarding Instagram and the material to be promoted, as well as the skills required to produce digital content and capture photographs and videos for upload to Instagram. The subsequent operations are to be executed: (a) the formulation of compelling words that may serve as slogans for MSME items, (b) the photography of products to enhance their attraction, and (c) the design of brochures.

Digital marketing content refers to material produced and disseminated online to capture audience interest. This content may consist of articles, videos, infographics, podcasts, and other formats. Digital marketing material is an excellent strategy for engaging the audience. The objective is to establish trust and trustworthiness, thereby motivating the audience to convert into consumers. (Lopes and Casais, 2022) [12]

3. RESULTS AND DISCUSSION

The implementation of activities that have been carried out in Karah Village, Jambangan Subdistrict until November 17, 2024 is as follows:

Table 1: Schedule of coaching activities

No	date	Activities	Aims	Presence of MSMEs
1	Tuesday, 25 June 2024	Opening Entrepreneurial Mindset Lecture	Add insight and knowledge of MSMEs about entrepreneurial character and business environment	17 UMKM
2	Tuesday, 25 June – 31 July 2024	Video Selection	Directing MSMEs to showcase products through short videos (2 minutes duration)	7 UMKM
3	Tuesday,, 13 August 2024	Product and Packaging Curation	Inviting MSMEs to think about and find product advantages that can be conveyed to consumers Provide insight into the importance of packaging as a representation of products that meet safety standards. The program aims to enhance the aesthetic appeal of packaging and ensure compliance with regulations for licensing	7 UMKM
4	Tuesday, 13 August – 30 September 2024	Label on Packaging (discussion and mentoring through WA group)	Displaying product uniqueness through labels on packaging	6 UMKM
5	Thrusday, 10 Okcober 2024	Social Media, Product Photos and Videos	Creating and displaying product photos and videos on social media (IG) as a means of promoting MSME products	6 UMKM
6	Wednesda y, 20 November 2024	Appreciation and Closing	Giving appreciation to MSMEs willing to upgrade their knowledge and give their best. Appreciation in the form of giving labels for packaging and also souvenirs for MSMEs	6 UMKM

Table 2: List of MSMEs Assisted

No	UMKM	Foto Produk	Stiker	IG
1	Anita Batik			@anitabatik

2	Pizza Fuzta			@pizzafuzta
3	Dua Putri Mandiri			@2putrimandiri
4	Dapur Safira			@dapursafira888
5	Dapur Dasa			@dapur_dasa25
6	D'fie Catering			@dfie.official

The predicted economic and social consequences following to the execution of this initiative indicate that each participating MSME, specifically six MSMEs, will be able to:

- recognize the intrinsic value of their products
MSMEs are able to identify product advantages or product values that they want to develop. And they can also express the advantages of the product in visuals printed on the packaging label. Thus, MSMEs can communicate their products to the public.

- b) access social media as a promotional medium, thereby enhancing their visibility within the Surabaya community
MSMEs can create image or short video content that is uploaded on social media (IG) so that they can expand their promotional reach online.
- c) improve product sales and contribute to the improvement of the family economy and the broader socio-economic the surroundings.
Promotion through digital content carried out by MSMEs can expand the coverage area and reach wider consumers efficiently. Thus, it is expected to be able to expand their market share and increase sales both in terms of quantity and area

4. CONCLUSIONS AND RECOMMENDATIONS

The community service activity concludes that the implementation of this program can enhance MSME management, particularly in recognizing the benefits of their products. MSMEs can also express product advantages through labels applied to the packaging, enhancing its attractiveness to consumers. Furthermore, MSMEs can disseminate their products to the larger community by promoting them on Instagram, accordingly enhancing product recognition among the general public.

Recommendations for executing this activity encompass engaging partners and sub-districts to motivate MSMEs to participate in the training program, ensuring that MSME development is not just focused on a limited number of active entities. Recommendations for future initiatives: MSMEs that have participated in coaching might extend the training program to additional MSMEs that are currently not engaged.

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