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## MSME Development Strategy through Branding Training and Business Digitization by DPPKB in Malang Regency

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**Abstract:** This activity aims to increase partners' understanding of branding and digital business to strengthen product images and marketing strategies in the digital market. This activity lasted for six weeks in 49 villages with 1,377 participants. The stages of this activity include (1) identification of partner problems, (2) branding training and business digitization, (3) creating social media and e-commerce accounts, (4) making packaging and logo designs, (5) monitoring and evaluation, and (6) activity report. The results of this activity are that 61% of all participants understand the importance of social media, 59% of participants understand the importance of branding, 55% of participants understand the importance of e-commerce, 50% of participants understand social media, 48% of participants understand the meaning of branding, 47% of participants understand about e-commerce. In addition, 661 of 1,377 participants who previously did not have a social media account now have one, and 1,063 participants who previously did not have an e-commerce account now have one.

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## INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of the people's economic system to eradicate poverty problems. Their development can expand the economic base and significantly improve the regional economy and national economic resilience. This sector significantly reduces unemployment and poverty, advance welfare, and shapes the nation's character (Rahayu, 2011). MSMEs are also one of the most resilient sectors in the Indonesian economy. It is proven that after the crisis in 1997 and 2008, the growth of MSMEs increased yearly. Based on data reported on the BPS website, the development of MSMEs in 2011 – 2013 is shown in the following table:

**Table 1**  
**Official scale**

MSME Development	MSME Development Table		
	2011	2012	2013
Number of MSMEs (Units)	55,206,444.00	56,534,592.00	57,895,721.00
Number of MSME Workers (Persons)	101,722,458.00	107,657,509.00	114,144,082.00
MSME GDP Contribution (Constant Price) (Billion Rupiah)	1,369,326.00	1,451,460.20	1,536,918.80

Source: <https://bps.go.id> (2013)

From the table above, it can be seen that MSMEs in Indonesia have experienced significant growth. It was noted that from 2011 to 2013, the growth of MSMEs in Indonesia was at an average rate of 2.46%. In line with the change in number, the absorbed workforce from

this sector also increased to an average of 14.19%. This data increased the region's Gross Domestic Product (GDP) contribution, whose output reached an average of 6.21%. In 2008, the contribution of MSMEs to national foreign exchange also increased by 28.94% through non-oil exports (Hamid & Susilo, 2011). In the same year, MSMEs contributed to the national GDP at constant prices in 2000, Rp. 1,165.26 trillion or 58.33% of the total GDP (Indrawan, 2019). The strength of MSMEs in the Indonesian economy makes it one of the government's development priorities in the Government Work Plan (RKP). It is also considered capable of bringing the great potential to move the community's economy and become the foundation for the income source of some people for their welfare (Utomo, 2017).

Most MSME business players are still too focused on the trade process and ignore the branding side of their products. It is due to ego, closed nature, ignorance, and feelings of complacency with the products they sell. On the other hand, MSME actors also do not understand branding benefits. Entrepreneurs' character is less positive, and they have not received training and assistance on branding strategies. (Oktaviani, Sariwati, Rahmawati, F., & N., 2018).

Because branding is one of the strategies in marketing a product, this will significantly influence a consumer's decision-making, so planting a strong product image through branding must be appropriately applied to a product (Kotler & Keller, 2009). Poor brand management will suppress consumer interest in a product, and the worst thing that can happen is that the product can potentially be lost in the market (Kotler & Keller, 2009).

On the other hand, the digital revolution is an increasingly happening phenomenon today, and business digitization is one of the suitable methods to compete in the era of society 5.0. The role of marketing strategy is crucial in developing digital technology and developing plans to attract consumers and direct them to a mix of electronic and traditional communications (Chaffey, Chadwick, Mayer, & Johnston, 2009). Therefore, business digitization is currently very influential for government programs to support

MSMEs as the wheels of the country's economy (Sulchan, Maslihatin, & Yulikah, 2021).

In addition, the development of MSMEs in Indonesia was also accompanied by the proliferation of online markets, which shifted people's shopping tastes (Rohimah, 2018). As in the editorial media that aired on October 27, 2017, on the Trans 7 tv channel, it was informed that one of the well-known retailers in Jakarta named Lotus did a warehouse wash and completely closed all of its shops at the end of October. A similar incident also happened to Giant. The largest retailer-owned by PT Hero Supermarket was forced to close due to the shift in the public spending trend, which is increasingly disinterested in the hypermarket model (Ramli, 2021). This event made business digitization the right strategy to reach a broader market (Qamari, Herawato, Handayani, Junaedi, & Jati, 2020).

Unfortunately, the expansion of digitization is still spreading in cities with adequate infrastructure. Following these conditions, research from the Ministry of National Development Planning (Bappenas) states that the main problems MSME actors face in digitalization are the lack of operational facilities and mastery of digital platforms. Even though some of the MSME products in areas not reached by digitization also have good production values. MSMEs are also deemed necessary to follow technological developments for more comprehensive product marketing to create significant opportunities and encourage industrial growth in the country (Ahmad, Syamsuardi, & Farid, 2021).

The Department of Population Control and Family Planning (DPPKB) Malang Regency is one of the government agencies tasked with carrying out some of the Regent's duties in population control, family planning, and family welfare resilience (DPPKB, 2021). In carrying out its duties, DPPKB is also responsible for developing MSME products to improve the welfare of family planning in the community. However, based on the research they conducted on several MSMEs in 64 villages in Malang Regency, the main thing that caused local products to be underdeveloped was the low

mastery of technology, leading to low literacy levels regarding digital business and branding.

Referring to these two conditions, the Malang Regency Regional DPPKB and Jagoan Indonesia held branding training activities and business digitization for MSME actors in Malang Regency. This activity was attended by 1,377 participants in 49 villages in Malang Regency.

This community empowerment program aims to introduce and implement branding and digital business in business marketing. The strategy taken to achieve this goal is through a program that is divided into the following three activities:

1. Branding and digitalization material training
2. Creation of shop accounts on Instagram social and Shopee e-commerce
3. Packaging and logo design

## METHOD

Based on the solutions previously offered, the implementation of this MSME training activity was accompanied by nine expert facilitators and three designers with three main activities, namely training on business branding and digitization materials, creating store accounts on Instagram and Shopee social e-commerce, and making packaging and logo designs. The descriptions of the three activities are as follows:

1. The training was carried out in stages over six weeks in 49 villages in Malang Regency. A total of 30 participants in each region were united into 1 group with selected MSME products that DPPKB had selected with specific criteria. The total duration of training in one day ranges from 90 to 120 minutes. This training is a solution to the lack of insight into branding in supporting the marketing of partner products. This training aims to increase the partners' understanding of digital branding and business to strengthen the digital market's product image and marketing strategies.
2. The creation of store accounts on Instagram social and Shopee e-commerce

is carried out after the training activities. Participants are asked to follow the account creation steps listed on the module and submit their account names to the committee. This account creation activity is carried out no later than 60 minutes after the presentation of the material has been delivered with assistance from the facilitator if problems are encountered in practice.

- Packaging and logo designs are made by designers who have been prepared with criteria determined by partners. The determination of these criteria is based on the branding principles that have been included in the training activities. Participants were asked to fill out an online questionnaire for making designs. Creating packaging and logo designs is carried out for 24 hours with a design revision process for two days after the design reaches the group leader.

The support and commitment partners provide in implementing this training program are in the form of activity facilities. The instruments needed to organize this program include smartphones, projectors, laptops, microphones, and speakers. Partners only need to provide stationery and smartphones to practice in this activity. The list of participants and the location of this activity are as follows:

**Table 2**  
**List of Participants and Location of Activities**

No.	Activity Location		Group Leader Name
	Subdistrict	Village	
1	Pagak	Sempol	Sulistiani
2	Singosari	Wonorejo	Waseni
3	Poncokusuma	Pandansari	Mistiani
4	Kalipare	Sumberpetung	Karni
5	Gedangan	Segeran	Ika Istiana
6	Kesambon	Pait	Wiwik Retno

7	Pakisaji	Jatisari	Surya Dewi
8	Kepanjen	Mojosari	Evi Yuliana
9	Wagir	Dalisodo	Supriadi
10	Pujon	Wiyurejo	Lilik Mudayaro
11	Karangploso	Ngenep	Ayu
12	Tirtoyudo	Taman Satrian	Sunarmi
13	Lawang	Mulyoarjo	Ismi
14	Bululawang	Sukonolo	Lilik Maulati
15	Pakis	Bunutwetan	Suliah
16	Tajinan	Gunungsari	Ida
17	Sumawe	Argotirto	Tri
18	Pagelaran	Banjarejo	Novita Yulianti
19	Jabung	Ngadirejo	Ummul
20	Wajak	Sumberputih	Sismawan
21	Ngajum	Babadan	Lutfi Megasari
22	Ampelgading	Purwoharjo	Ita Widarti
23	Tumpang	Duwet	-
24	Ngantang	Tulungrejo	Lilik Susani
25	Dampit	Pamotan	Sulis
26	Taji	Kaki Langit	Zeni
27	Panggungrejo	Tegarom	Dewi Sri
28	Kemulan	Wisang Geni	Sumari
29	Tlogosari	Gerbang Tlaga Senja	-
30	Sumberkerto	Kaligading	Suminah
31	Plandi	Lestari	Lilik Kusmiat

			i
32	Tumpang	Wringison go	Erna
33	Brongkal	Sidomakm ur	Husnati
34	Ngajum	Kesamben	-
35	Kromengan	Jambuwer	Nur Faizah
36	Dau	Gading Kulon	Yuli
37	Gedangan	Girimulyo	Sukariy ati
38	Turen	Tumpuk Renteng	Intan
39	Sumberpucung	Senggreng	Wasiah
40	Dampit	Baturetno	Antin Susilow ati
41	Gondanglegi	Sumberjay a	Nurlilik
42	Bantur	Wonorejo	Ely
43	Wajak	Wonoayu	Ridho'i
44	Tajinan	Ngawongg o	Sri Nurdiati
45	Pujon	Pujon Kidul	Wulan
46	Sumbermanjing wetan	Tmbak Rejo	Ira
47	Ampelgading	Tamansari	Citra
48	Kromengan	Slorok	-
49	Ngantang	Waturejo	-

Source: Author (2021)

The duration of all these activities is six weeks, divided into three stages: the socialization stage, the training stage, and the mentoring stage. Evaluation of the implementation of this program is carried out with the following approach:

1. The evaluation of the success of the training activities was carried out through a comprehension test by filling out pre-test and post-test questionnaires by all participants.
2. The mentoring program success evaluation was carried out by interviewing group representatives in each village regarding the obstacles faced

during the training, such as the facilities provided, the skills of the presenters, the completeness of the material, and others.

3. The sustainability of the program will be maintained with responsibility by trained facilitators.

The plan for the process of implementing the activities can be seen in the following structure diagram:



Source: Author (2021)

**Figure 1. Activity Implementation Process Plan**

## RESULTS AND DISCUSSION

### 1. Branding and Business Digitization Training

This first activity was conducted at the KB Center in Sempok Village, Pagak District. The total duration of the training is 90 – 120 minutes. Participants in each village were combined into 1 group with 1 product representative selected by DPPKB. Activities are carried out in the format of presentations and practice with the facilitator. Before the presentation begins, the facilitator distributes a pre-test questionnaire to measure the extent to which participants understand the material to be presented. After that, the presentation explained the branding material, which consisted of understanding, stages, objectives, elements, and colour psychology in

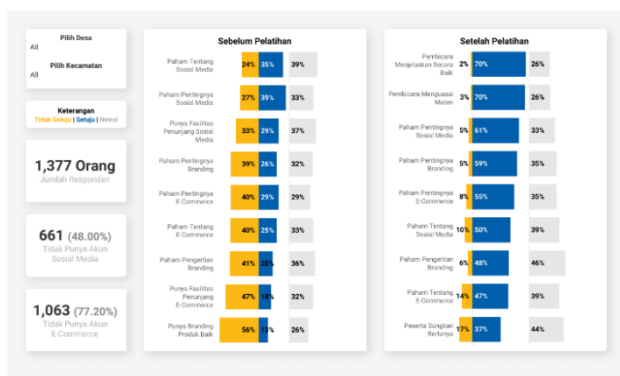
branding. After the material is finished, it is continued with the delivery of business digitization material which consists of the understanding and urgency of digital business, Instagram marketing, steps to create a store account in e-commerce, and how to sell in e-commerce.



Source: Author (2021)

Figure 2. Overview of Design Examples

The mentoring program success evaluation is carried out through an understanding test through post-test questionnaires distributed after the training. The correct branding elements implementation in the packaging and digital marketing understanding are the benchmarks for the success of this program. From the two tests, the following results were obtained:



Source: Processed Data (2021)

Figure 3. Results of Pre-test and Post-test

Based on the diagram above, it can be concluded that 70% of all training participants agreed that the speaker explained and mastered the material well. Furthermore, 61% of all participants understand the importance of social media, 59% of participants understand the importance of branding, 55% of participants understand the importance of e-commerce, 50% of participants understand social media, 48% of participants understand the meaning of branding,

47% of participants understand e-commerce. In addition, 661 of 1,377 participants who previously did not have a social media account now have one, and 1,063 participants who previously did not have an e-commerce account now have one.

## 2. Creating Store Accounts on Social Instagram and E-Commerce Shopee

After the presentation material was delivered, participants were asked to follow the facilitator's instructions to create a shop account on Instagram social media and Shopee e-commerce. Instructions are prepared step by step with the help of explanations from the facilitator so that participants can follow them optimally. The following is a list of shop account names for MSME participants and the types of products:

Table 2  
List of MSME Participant Store Account Names and Types of Products

No	Instagram account	Shopee account	Types of products
1	bhaktipertiwi_uppks	bhakti.pertiwi	Snack
2	batik_blandit	batik.blandit	Blandit Batik
3	uppkscriissan	uppkscriissan	Crissant Chips
4	omahrenik	omahresik	Oemah Renik (mask & turban)
5	minuman.instant_mlg	uppksmelati10	Instant Powder
6	batik_gamawening	batik_gamawening	Gamawening Batik
7	keripik_gunungkatu	uppksmanggis	Mount Katu Chips
8	kress_mojosari	kress_mojosari	Various Chips
9	Omahvas.uppks	omahvas.uppks	Various Chips
10	uppkswiyurejo1	uppkswiyurejo1	Pare and Kamur Chips

11	lilikkusmiati99	lilikkusmiati99	Eunoia's Hand-drawn Batik
12	srikandi.semeru	srikandi.semeru	Various Cakes
13	kunyasem_dorowati	kunyasem_dorowati	Turmeric Tamarind and Kencur Rice Drink
14	sweet_sukonolo	lilikmauliati123	Miscellaneous (chips, mushrooms, hijab)
15	kampungkbbersi	kbbersi	Totebag and Mask
16	brownistajinan	brownistajinan	Bread (mountain bread)
17	Uppks.tirtomakmur	uppkstirtomakmur	Pastry
18	al_ikhlas_berkahjaya	tepungmocaf_sukoarum	Mocaf Flour
19	snack_anyar	snack_anyar	Banana and Taro Chips
20	kopiluwengbopong	sismawan_malang	Coffee

Source: Author (2021)

### 3. Making Packaging and Logo Design

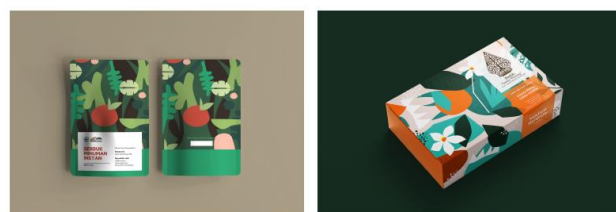
To assist participants in digital marketing their products, Jagoan Indonesia provides three designers who will assist in making packaging designs and product logos. At the end of the event, participants were also asked to fill out an online questionnaire containing the desired design criteria to be poured into the packaging and logo. These design criteria filling is expected to be adjusted with the submitted branding elements to maximize these products' marketing. The duration of making the packaging design is 24 hours, with a maximum revision of 2 days after the design arrives at the group

representative. The following is a questionnaire and some logo and packaging designs examples that are formed according to each MSME criteria:

**Table 3**  
**Questionnaire for Product Design and Packaging Logo**

No.	List of questions
1	The name of your MSME product?
2	Your MSME brand name?
3	Company name?
4	Who is the target market for your product?
5	What do you think is the specialty of your product?
6	Do you already have a product logo?
7	If so, do you want to change your logo?
8	What dominant color do you want for the packaging design?
9	What color combination do you want?
10	What packaging size do you want?
11	What kind of packaging do you want?
12	Do you have a photo of the finished material you want to appear on the new packaging?
13	What is your brand/product slogan?
14	PIRT/BPOM number....
15	Composition/raw material you want to include
16	If so, what net weight do you want to include in the package?

Source: Author (2021)



Source: Author (2021)

**Figure 4. Example of Packaging Design**



Source: Author (2021)

**Figure 5. Example of Logo Design**

#### 4. Conclusion

The digitalization training effectively boosts partner knowledge about branding and company digitalization, according to the implementation of the training program for 49 MSME groups in the Malang Regency. This serves as the basis for the introduction of strengthening product image and marketing strategies in the digital market. With assistance from facilitators and designers on duty, all MSME partners can open their stores and do digital marketing on social media and marketplaces. In addition, they admit that they feel more confident with the packaging design and product logo based on the branding elements conveyed. This activity is expected to increase local product sales productivity and improve the Gross Regional Domestic Product in the Malang Regency area.

Suggestions for the future need to be monitored to see the development of each MSME actor so that it can run well and the MSME actors can develop their business for the better.

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