

CREATIVE ECONOMY DEVELOPMENT THROUGH DIGITAL MARKETING FOR MSMEs ACTORS IN SEMBUNG VILLAGE, BOJONEGORO

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Abstract

Digital transformation has become an urgent need for Micro, Small, and Medium Enterprises (MSMEs) in facing increasingly competitive economic competition. In Sembung Village, the majority of MSMEs still market their products conventionally, without utilizing digital media and without adequate product legality. This community service activity aims to: (1) introduce the concept and practice of social media-based digital marketing; (2) assist in the process of creating attractive and informative product label designs; and (3) encourage the processing of food legality through PIRT permits for local MSMEs. The method used is Participatory Action Research (PAR), which actively involves MSMEs in all stages of the activity. Data collection was carried out through interviews, observations, and documentation, with triangulation techniques to validate the findings. The results of the activity showed that digital marketing training was able to improve MSMEs' understanding of social media-based promotional strategies. As many as 75% of participants began to actively use platforms such as Instagram and WhatsApp Business to reach a wider market. In addition, several MSMEs succeeded in having new product label designs and had completed the PIRT permit application process. These findings indicate that digital intervention and product legality contribute positively to strengthening the competitiveness of village MSMEs. This activity recommends further assistance to ensure the sustainability of optimal digital marketing implementation.

INTRODUCTION

The development of digital technology has brought significant changes in various aspects of life, including the economic sector. One of the real impacts of technological advances is the emergence of digital marketing strategies that utilize the internet and social media to expand market reach. In this digital era, digital marketing is not only a necessity for large-scale business actors but also a strategic opportunity for Micro, Small, and Medium Enterprises (MSMEs) to increase competitiveness and expand markets efficiently (Wijaya & Dewi, 2023).

MSMEs are one of the main pillars in national economic development, with a contribution to Indonesia's Gross Domestic Product (GDP) reaching 60.5% and labor absorption of 96.9% (Ministry of Cooperatives and SMEs, 2023). However, there are still many MSME actors, especially in rural areas, who have not been able to optimally utilize digital technology in carrying out their business activities. One of the obstacles faced is limited knowledge about digital marketing, attractive packaging design, and product legality, such as PIRT permits.

Based on the results of initial observations in Sembung Village, it is known that the majority of MSMEs still use conventional marketing methods (offline), do not have product labels that meet market standards, and most do not have valid business permits. The minimal use of social media as a means of promotion and low awareness of the importance of product legality are the main challenges that hinder business development. In addition, the digital divide still occurs, especially among elderly MSMEs who have difficulty accessing and understanding new technologies.

These problems have an impact on the low visibility of local MSME products in the wider market and limited potential for increasing income. Therefore, strategic intervention is needed through an empowerment program that not only introduces the concept of digital marketing practically but also encourages the product labeling process and assists in managing PIRT permits.

This community service activity aims to: (1) improve digital literacy of MSME actors through social media-based digital marketing training; (2) facilitate the creation of attractive product label designs that meet market standards; and (3) assist the process of submitting processed food product permits through PIRT certification. With a participatory approach, this activity is expected to be able to encourage the digital transformation of MSMEs in Sembung Village sustainably and effectively.

METHOD

This community service activity was carried out using the Participatory Action Research (PAR) approach which emphasizes the active involvement of MSME actors in all stages of the activity, starting from identifying problems, formulating solutions, implementing actions, to the process of reflection and joint evaluation. This approach was chosen because it is considered capable of producing contextual, participatory, and sustainable interventions, especially in efforts to empower the community economy based on the digitalization of micro-businesses.

The location of this service is Sembung Village, [mention] Regency, East Java Province, which is an area with quite high MSME potential, but still faces challenges in terms of digital marketing, product legality, and branding. The subjects of the activity are MSME actors engaged in the processed food, craft, and household product sectors, with business actors who have been registered and have expressed their willingness to actively participate.

The implementation of the activity is carried out in several stages that last for [for example: two months]. The initial stage begins with coordination activities and direct observation in the field to map the main needs and challenges faced by business actors. In this process, the community service team conducts in-depth interviews and collects secondary data to obtain a complete picture of the existing conditions. Furthermore, a focus group discussion is held with partners to prepare an agreed action plan, which includes social media-based digital marketing training, assistance in product design and labeling, and facilitation of PIRT permit processing.

The implementation of activities is carried out in stages. Digital marketing training focuses on introducing digital platforms such as Instagram, Facebook, and WhatsApp Business, as well as strategies for creating promotional content, copywriting, and interacting with consumers. Label design assistance includes aspects of aesthetics, product information, and food label regulatory provisions. For the legality aspect, technical guidance is provided in the PIRT permit application process, starting from document preparation, registration, to technical assistance to related parties, such as the local health office or health center.

The evaluation of the activity was carried out in a participatory manner through direct observation during the process, filling out questionnaires before and after the activity, and group reflection sessions. The community service team also documented the entire activity process, including changes in partner practices, testimonials, and real results in the form of labeled products and actively used digital accounts. Data was collected through participatory observation techniques, semi-structured interviews, and visual documentation. In this process,

the involvement of the team of lecturers, students, village officials, and related agencies was key to ensuring the success of the program and the sustainability of its impact.

From this activity, it is expected to increase the digital literacy of MSME actors, the issuance of MSME products that already have labels according to standards, and the fulfillment of product legality requirements through obtaining PIRT permits. In addition, this activity is also targeted to produce scientific publications as part of the dissemination of community service results.

RESULTS AND DISCUSSION

Digital Marketing: Innovation in MSMEs Marketing

Conventional marketing that relies on print media, billboards, and traditional advertising has limitations in reaching a wider market segment. In addition, the effectiveness of traditional advertising is often difficult to measure because it cannot provide direct data on consumer responses. In contrast, digital marketing offers various advantages, such as more specific market segmentation and the use of technology to track customer journey stages in real-time.

In the context of MSMEs in Sembung Village, the use of digital platforms such as social media, messaging applications, and marketplaces has brought significant changes. Through digital platforms, MSMEs can target consumers based on specific criteria such as age, marital status, geographic location, and even personal interests, allowing them to optimize product marketing more effectively. This more measurable marketing process leads to increased conversions because the products offered are more relevant to consumer needs.

In addition, digital marketing allows MSMEs to monitor the effectiveness of marketing strategies through data analysis. Thus, business owners can optimize the most effective marketing methods, increase competitiveness, and increase conversion opportunities. Based on the results of in-depth interviews and observations of MSMEs in Sembung Village, most MSMEs admit that digital technology has helped them develop their businesses by reaching more consumers and strengthening relationships with customers.

Profile of MSMEs in Sembung Village

Sembung Village has an area of 125.65 hectares with a total population of 2,627 people, consisting of 1,327 men and 1,300 women. In this service, 10 MSMEs are the main focus. The ten MSMEs that are the objects of this service are engaged in various industry categories, including dry snacks such as gapit, chips, and unthuk yuyu, as well as heavy foods such as tofu and tempeh production. MSME actors admit that the use of technology has greatly helped their

businesses, especially since the majority of consumers are now active on social media and tend to choose to shop online.

The following is the MSME data that was successfully collected from Sembung Village:

Table 1
Profile of Sembung Village MSMEs

Business Name	Types of Products
Mrs. Julaikhah	Gapit asin, Gapit manis
Mother Maspu'ah	Unthuk yuyu, Gapit kluntung,
Mrs. Umi Juariah RT 10	Jari-jari, Kripik pisang
Mrs. Istaka Sari	Gapit asin, Gapit kluntung,
Mrs. Siti Khoiriyah	Gapit asin, Gapit manis, Matahari, Unthuk yuyu
Mrs. Ju Rt 10	Aneka jajanan Gapit, Jajanan ringan
Mrs. Umi Khulsum Rt 01	Gapit asin, Gapit manis, kripik tales
Mother Munti'ah	Aneka jajanan gapit
Mrs. Rosyidah	Aneka jajan gapit
Mrs.Lis	Ender-ender asin, Ender-ender manis, Gspit asin

Labeling as an Effort to Professionalize Products

Product labeling is an important strategy in improving the image and appeal of products in the eyes of consumers. In this case, labels not only function as product identification but also as a tool to provide transparent information about product quality and production standards. For MSMEs in Sembung Village, the application of informative and attractive labels can provide added value, create a professional impression, and increase the appeal of products to consumers. However, the implementation of this labeling requires a deeper awareness of the importance of design and information listed on the packaging to differentiate their products from competitors.

Product Development and Digital Marketing

Digital marketing is any form of product or service marketing effort carried out through the internet. As one of the important innovations in the era of globalization in the field of information technology, the internet allows people around the world to share information and communicate, including in terms of marketing products or services.

Digital marketing is part of a promotional strategy, where producers build various persuasive information and communication channels to introduce and sell marketed products. The existence of digital marketing not only changes consumer behavior but also creates new social networks that encourage the birth of digital entrepreneurs. Thus, digital marketing becomes an advertising method that utilizes the internet and information technology to reach a wider market effectively.

Digital marketing is a marketing strategy that utilizes digital technology. One form is marketing via the internet or e-marketing, which involves the use of electronic communication

technology, especially the internet. Digital marketing strategies have an important role in adapting to technological developments and designing effective approaches to attract consumers by combining digital and traditional communications.

As digital transformation continues, digital marketing is here as a solution for various business needs. From advertising strategies on platforms like Facebook to search engine optimization (SEO), digital marketing can help grow a business, both for start-ups and long-standing businesses.

The advancement of digital media has significantly changed the way businesses interact with their audiences and how they build their brand image. Therefore, it is important to continue to try new marketing strategies rather than relying solely on traditional methods such as print ads or billboards. Digital marketing provides a more efficient alternative in reaching potential customers and can save time and money if implemented properly.

Through digital marketing, businesses can connect with previously unreachable consumers at a lower cost. Products and services now have a greater chance of being known to a wider audience than ever before.

The seminar held on September 2nd, 2024, with Novi Eka Suryani as the speaker, concluded that digital marketing is a key factor in determining the success of a business. No matter how good the quality of the products or services offered, if the public does not know about their existence, it is difficult for MSMEs to achieve success. In addition to being a means of introducing products, digital marketing can also increase sales and help MSMEs develop new businesses. With an effective marketing strategy, consumers can better understand the advantages and services offered by various MSMEs. In addition, proper marketing also plays a role in helping business actors achieve their targets and increase the attractiveness of products in the eyes of consumers.

Digital marketing deals with three main aspects (Silaban & Silalahi, nd). First, Awareness, which is the stage where a businessman or digital marketer must have a strategy so that the business being run can be known by the wider community. Second, Engagement, which involves efforts to create engagement between the business and potential consumers so that they are interested in the products or services offered. Third, Conversion, which is a strategy to convert potential customers into buyers and ensure that products or services can be sold. Before reaching the conversion stage, a businessman or MSMEs actor must first build awareness and engagement with their target market.

In today's digital era, marketing through online media or digital marketing has become a very important method in introducing and marketing a business. With the increasing access to the internet, the number of internet users continues to increase every day, which makes people spend more time online.

Nowadays, conventional advertising methods are becoming less effective in achieving sales targets. Therefore, a digital marketing strategy is needed that aims to: a) Increase sales results and profits; b) Save funds, time, and energy that would have been used for traditional promotions; c) Reach a wider market and consumers; d) Increase Return on Investment; e) Increase business competitiveness.

For MSMEs actors in Sembung Village, the presence of the internet has a positive impact on marketing their products. Through the use of social media and digital platforms, they can reach more consumers more easily. Consumers also get the convenience of finding and buying products just by accessing information via the internet.

PIRT Licensing Process: Ensuring Consumer Safety and Trust

PIRT (Home Industry Food) is a distribution permit certificate for food and beverage products produced by home-scale industries. Based on BPOM Regulation Number 22 of 2018, PIRT certification is given by the Regent or Mayor through the Health Service as proof that the food product has met the safety standards and requirements set.

However, not all types of food can obtain PIRT permits. Some product categories that are not included in PIRT include: a) Milk and its processed products; b) Meat, fish, poultry, and their processed products; c) Alcoholic beverages; d) Bottled drinking water (AMDK); e) Baby food; f) Canned food.

PIRT is usually stated in the form of a registration number on the product packaging, indicating that the product has been registered with the local Health Department. The main purpose of PIRT certification is to provide food safety assurance for consumers and increase trust in MSME products.

To obtain a PIRT permit, home industry business actors need to meet certain requirements, such as: a) Having a hygienic production site; b) Following food safety counseling from the Health Service; c) Meeting product packaging and labeling standards; d) Maintaining the quality of raw materials and production processes.

To obtain a PIRT (Home Industry Food) permit, business actors need to submit an application to the Health Office in the local district or city. Here are the steps: 1) Come to the Health Office in the local area; 2) Fill out the registration form in accordance with applicable

provisions; 3) Include administrative requirements, such as business data and products submitted; 4) Attend food safety counseling organized by the Health Office; 5) Conduct a field survey by officers from the Health Center or Health Office to ensure production hygiene and safety standards; 6) Collect the PIRT certificate after all requirements are met and the verification process is complete.

Although both are related to food safety, PIRT and BPOM have fundamental differences:

Table 2
Difference between PIRT and BPOM

Category	PIRT (Home Industry Food)	BPOM (Food and Drug Monitoring Agency)
The issuing institution	District/city health office	Food and Drug Monitoring Agency (BPOM)
Types of products	Household food and beverages	Medicines, traditional medicines, cosmetics, as well as large industrial food and beverages
Registration fee	Free (often supported by government programs for MSMEs)	Paid, depending on the type of product registered
Business Scale	UMKM or small industry	Large industry or national-scale company
Objective	Granting distribution permits for household products	Monitor and ensure the safety of large industrial products before they are distributed in the market.

With PIRT, MSMEs can more easily market food and beverage products legally, while BPOM certification is more intended for products that have a wider distribution coverage, including national and international levels. However, there are challenges in the PIRT licensing process, especially in terms of fulfilling administrative requirements and training related to food safety. Therefore, it is necessary to increase understanding of licensing procedures and stricter supervision related to product cleanliness and quality, so that MSME products can be more competitive in a wider market.

CONCLUSION

The use of digital technology, especially in digital marketing, is key to increasing the competitiveness of MSMEs, especially in Sembung Village. Although MSMEs have great potential, they face various challenges, such as limited knowledge about digital marketing, difficulties in packaging design, and obstacles in obtaining product legality. For this reason, community service activities using the Participatory Action Research (PAR) approach provide concrete solutions through social media-based digital marketing training, product label design facilitation, and assistance in processing PIRT permits.

The results of the implementation of this activity show that digital marketing not only expands market reach but also provides benefits in the form of increased sales conversion. By utilizing platforms such as Instagram, Facebook, and WhatsApp Business, MSMEs can more effectively target consumers and monitor their marketing results. On the other hand, professional product labeling also improves product image and consumer trust, while PIRT licensing provides a guarantee of product quality and safety, which is an added value in the eyes of consumers.

Overall, empowering MSMEs in Sembung Village through digitalization and increasing product legality can encourage more sustainable business transformation, increase competitiveness, and significantly expand the market. This program shows the importance of synergy between technology, branding, and legality in developing MSMEs towards the digital era.

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