

## Mentoring MSMEs through E-Promotion as A Rebranding Strategy Based on Local Wisdom

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### Abstract

The pandemic affects Micro, Small, and Medium Enterprises (MSMEs) as an economic sub-sector. MSMEs products have marketing problems, so many unsold products. Traditional marketing strategies can not reach a vast market share, so income significantly declined during the Covid-19 pandemic. In Kejuron Ward, Taman District, the Madiun City, MSMEs actors consist of several industrial sectors such as food and clothing sales. During the COVID-19 pandemic, MSMEs actors in the Kejuron Ward tried to use alternatives to online selling. However, promotions in online selling were still not optimal to attract customers as offline promotions. The target issues were a lack of knowledge in digital marketing and less attractive products. Mentoring MSMEs through e-promotion as a rebranding strategy based on local wisdom was an effort to overcome the partners' problems. The empowerment model used in this community service was participatory assistance through lectures, discussions, and practices methods. There were significant differences in success indicators before and after socialization and practice regarding e-promotion as a local wisdom-based rebranding strategy. The most significant increase was knowledge levels which improved by 50% after the socialization. Thus, this community service could increase innovation and creativity in the target community and solve MSMEs' business problems in Kejuron Ward. In conclusion, mentoring MSMEs through e-promotion as a rebranding strategy based on local wisdom increases partners' knowledge in digital marketing, more attractive products packaging, and updated MSMEs' products with trending products. There should be ongoing assistance and communication to support the sustainability of this program.

**Keywords:** Mentoring; Micro, Small, and Medium Enterprises (MSMEs); E-Promotion

### Abstrak

Pandemi selain berimbas pada kesehatan juga pada UMKM sebagai subsector ekonomi. Fenomena bahwa produk UMKM memiliki kendala dalam hal pemasaran sehingga banyak produk yang tidak terjual, penggunaan strategi pemasaran tradisional yang belum menjangkau pangsa pasar yang luas serta penurunan pendapatan yang berdampak pada ketahanan ekonomi pelaku UMKM yang rendah di Kecamatan Taman Kelurahan Kejuron Kota Madiun. Di kecamatan ini kebanyakan UMKM di sektor makanan dan pakaian atau aksesoris. Untuk mengatasi hal tersebut perlu penambahan promosi melalui media sosial yang lebih menarik dan pembaharuan packaging yang lebih milenial. Model yang digunakan dalam pengabdian ini adalah pendampingan partisipatif. Ceramah dan latihan praktik (drill practice) digunakan sebagai metode dalam pelaksanaan pendampingan melalui kegiatan sosialisasi sampai praktek e-promotion sebagai strategi rebranding berbasis kearifan lokal. Pendampingan ini diharapkan dapat memecahkan persoalan yang sedang dihadapi khususnya dalam keberlanjutan UMKM masa dan pasca pandemi yaitu dengan strategi pemasaran yang dilakukan oleh pelaku UMKM, yang awalnya berbasis pada offline marketing agar bergerak lebih kreatif dengan melakukan inovasi produk serta pengembangan sumber daya manusia dengan pemasaran/promosi online. Adanya pendampingan memberikan kontribusi dalam penguatan e-promotion berbasis kearifan lokal pada pelaku UMKM sehingga dapat mengembangkan usaha serta meningkatkan pendapatan masyarakat.

**Kata Kunci:** Pendampingan, UMKM, E-Promosi, Kearifan Lokal

## INTRODUCTION

The Covid-19 virus is hitting almost all countries in the world. It impacts not only health problems but also the economic sector. The Indonesian government implements a Community Activity Restriction Enforcement (in Indonesia, this program is called *Pemberlakuan Pembatasan Kegiatan Masyarakat* or *PPKM*) policy that has the potential to decrease income, especially for Micro, Small, and Medium Enterprises (MSMEs). Not only impacts large industries, but this pandemic also affects MSMEs actors. Various small and medium-scale MSMEs sectors also have the economic impact of this pandemic. One of them is MSMEs actors in Madiun City that find it difficult to get income.

Eighty-four per cent of Micro and small businesses (MSBs) and medium and large businesses (MLBs) have experienced declined income since the Covid-19 pandemic. Statistics Indonesia surveyed from 10 to 26 July 2020. Of 34 thousand MSBs and MLBs entrepreneurs in Indonesia, the most significant sectors affected were accommodation and food and beverage. In addition, 92.47 per cent of respondents in these two sectors had declined income (Pryanka and Zuraya, 2020).

Developing a people's economy requires a comprehensive strategy because it has many limitations. MSMEs products have marketing problems, so many unsold products. Traditional marketing strategies can not reach a vast market share, so income significantly declined during the Covid-19 pandemic. As a result, it impacts the low economic resilience of MSMEs actors.

## GENERAL DESCRIPTION OF THE COMMUNITY, PROBLEMS, AND TARGET SOLUTIONS

### General description

This community service was held in RT.32 RW.10 Kejuron Ward, Taman District, Madiun City. Madiun City is a city in East Java Province, Indonesia. It is located 160 km west of Surabaya, or 111 km east of Surakarta, Central Java. There is a railway industry in this city and has a railway high school, one of which is the Indonesian Railways Polytechnic. Madiun is an area pioneered by Ki Panembahan Ronggo Jumeno or commonly called Ki Ageng Ronggo. At first, it was not called Madiun but Wonoasri. The origin of the word Madiun can be interpreted from the words *medi* (ghost) and *ayun-ayun* (swinging). When Ki Ageng Ronggo traveled to Madiun, many ghosts were wandering around. In addition, the name of the *keris* owned by Ki Ageng Ronggo was named *Keris Tundhung Medhiun*.

Madiun Regency is mentioned in two names in its history, namely (village/district) Wonorejo and Purbaya. Meanwhile, on Wikipedia are Wonosari and Purabaya. The name Madiun has only been used since 16 November 1590 AD to replace Purbaya / Purabaya. Madiun City has been nicknamed City of Girls, City of *Brem*, City of *Pecel*, City of Culture, Industrial City, Charismatic City, and City of Warriors. Geographically, Taman Subdistrict is located at 111°E-112°E and 7°S-8°S and is directly bordered by Madiun District in the north, south by Geger District, east by Wungu District, and in the west by Jiwan District. The height of the

mainland of Madiun City is located at 63 meters to 67 meters above sea level with an average slope of 0% - 2%, or it can be said to be relatively flat.

The MSMEs sector is one of the economic pillars in Madiun. It is vital for the community because it can overcome unemployment by absorbing many workers. Madiun City prioritizes MSMEs initiated in 2020 and is now growing in various wards. In Kejuron Ward, Taman District, the Madiun City, MSMEs actors consist of several industrial sectors such as food and clothing sales. The community target in these activities were Small and Medium Enterprises (MSMEs) actors in Kejuron Ward, Madiun.

*Keris* (n): dagger stabbing weapon originating from the island of Sumatra

*Brem* (n): traditional fermented food or beverages from Indonesia

*Pecel* (n): traditional Javanese salad with peanut sauce

### **Problems**

During *PPKM* implementation, MSMEs actors in the Kejuron Ward significantly reduced income. So, they tried to use alternatives to online selling. However, promotions in online selling were still not optimal to attract customers as offline promotions. The target issues were:

1. Lack of knowledge, especially in digital marketing. The community service target relied more on repeat customers.
2. Less attractive products, so that customers feel bored with monotonous products.

### **Target solution**

Mentoring MSMEs through e-promotion as a rebranding strategy based on local wisdom was an effort to overcome the partners' problems. It was carried out in stages, from program socialization to mentoring practices for MSME actors.

E-promotion previously has been carried out on MSMEs producing rubber tire waste in Cirebon Regency, West Java. These activities included organizing production assistance activities and making marketing media online through social media such as Instagram, Youtube, and Facebook. The result revealed that a digital-based marketing strategy could directly impact the selling value of used tire waste, especially during the COVID-19 pandemic (Bakhri and Futiah, 2020). It aligns with the activities carried out in Slempit Village, Gresik, namely Empowering MSMEs in Food Based on Local Wisdom during the Covid-19 Pandemic. These activities included training and mentoring MSMEs in innovative food products, product innovation, human resource development, and online marketing. The result showed that MSMEs actors feel motivated to develop their products and try new marketing techniques online. Thus, increasing the capacity of MSME actors could grow their businesses and income (Nurdina *et al.*, 2021).

### **METHOD**

Socialization activities to the practice of e-promotion as a rebranding strategy based on local wisdom in this paper used participatory assistance. Participatory assistance is a community empowerment step that begins

with an assessment phase sourced from information collected. It is beneficial for the community to direct the activity or program and increase independence (Hikmat, 2010) (Hadiwijoyo, 2012).

The community service team also implemented mentoring through lectures, discussions, and practices. The lectures method was carried out because many MSMEs actors did not know about online marketing, rebranding, and repackaging. In addition, community involvement, especially in MSMEs, can provide ample opportunities and strengths to work together in solving various problems. It aims to make the implementation of activities more effective, efficient, and sustainable by providing more opportunities for the community to contribute and find better solutions to their problems (Andriany, 2015).

This participatory research-based Community Service activity was carried out due to an active collaboration between lectures of Universitas Islam Negeri Raden Mas Said (UIN RMS) Surakarta and students of *Kerso Dharmo* community service program of UIN RMS Surakarta in 2021. This team assisted in planning and implementing actions. They also involved the community, especially MSMEs. The participants were 10 MSMEs in Kejuron Ward, Madiun City. The stages of the community service activities were:

The planning process included identifying needs, existing potentials, and weaknesses, determining solutions, carrying out activities, and organizing activities. The planning was prepared by the community service team with involving participants.

The implementation process involved coordination between lecturers, MSMEs, and students. After agreeing and coordinating the proposed activity plans, an agreement was obtained to implement e-promotion as a rebranding strategy based on local wisdom through socialization and practice methods.

## **RESULTS AND DISCUSSION**

The stages in the empowerment process include site selection, socialization of community empowerment, and the community monitoring process (Mardikanto and Soebiato, 2017). The population in this community service had heterogeneous backgrounds, including ethnicity, religion, education, and occupation. In addition, most MSMEs in Kejuron Ward are in the food and clothing or accessories sector. Thus, it is necessary to do promotions through social media and repackaging that are more attractive and millennial to restore MSMEs' income during the *PPKM* period. This community service aims to increase MSMEs' capacity and business turnover, as happened to MSMEs actors in the Gresik Regency (Nurdina *et al.*, 2021).

Even though MSMEs have limited market coverage, MSMEs products have competitive quality products and government policies support. The marketing strategy must be as globally competitive as large business units or large industries. Fulfilling customer satisfaction is still a significant concern in micro and medium enterprises, so marketing strategies are crucial. Previous studies revealed that internet-based marketing and global competitiveness significantly increased business capacity or MSMEs (Istiqomah, Fajaryanti, and Dewi, 2020; Nurlinda and Sinuraya, 2020).

In practice, marketing is often concerned with identifying and meeting needs. Marketing is a process of planning and implementing plans for pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals (Anaroga, 2004). Most MSMEs actors currently use offline marketing strategies. However, the disadvantage of offline marketing is limited market share.

Digital marketing among MSMEs in Indonesia experienced slow growth due to internet access problems (Kompas. id, 2019). However, it is slowly but surely increasing because the digital era impacts almost all aspects of people's lives. Nowadays, some MSMEs have marketed their products through digital platforms. So it can expand market reach and create a competitive business ecosystem (Lukitaningsih, 2014; Fitriyanti and Astuty, 2021; Rokhaniyah and Sinta, 2021).



Figure 1. MSMEs in the Kejuron Ward, Madiun City

The community service team prepared the place and equipment for the activities. The activities began with introducing MSMEs in Kejuron Ward and their products (Figures 3 and 4). The team initiated marketing SMEs' products through Whatsapp and other social media. The community target participation in implementing this community service was quite active. Socialization activities of e-promotion as a local wisdom-based rebranding strategy held face-to-face went well and smoothly while adhering to health protocols.

The majority of MSMEs products in this community service were Hijab. Hijab products have been popular with the public. In addition, speedy trends and development in hijab models provide opportunities for more significant sales. However, more sellers mean more competitors. So in this community service, the team did a rebranding process by changing the packaging to become more attractive and millennial

In addition, the community service team also updated MSMEs' products with trending products, such as pashminas, so that the variety of products was more up-to-date (figure 6). There were significant differences in success indicators before and after socialization regarding e-promotion as a local wisdom-based rebranding strategy. The most significant increase was knowledge levels which improved by 50% after the socialization (Table 1). Thus, socialization regarding e-promotion as a rebranding strategy based on local wisdom has been quite successful.

Table 1. Results of e-promotion socialization as a local wisdom-based rebranding strategy

Success Indicators	Evaluation	
	Before	After
Ease of program implementation to obtain participants' consideration or approval for new ideas put forward	No program yet	70% (medium)
Knowledge about e-promotion as a rebranding strategy based on local wisdom	30% (low)	80% (medium)
Awareness and interest in e-promotion practices as a rebranding strategy based on local wisdom	50% (low)	80% (medium)

In addition, there were increased success indicators before and after community service activity. This socialization effectively improved e-promotion practices among MSME actors in Kejuron Ward (Table 2). Thus, this community service could increase innovation and creativity in the target community and solve MSMEs' business problems in Kejuron Ward

Table 2. Results of e-promotion practice as a local wisdom-based rebranding strategy

Success Indicators	Evaluation	
	Before	After
Number of MSMEs who are attending	Not implemented yet	80% (medium)
Ease of program implementation to obtain participants' consideration or approval for new ideas put forward	No program yet	75% (medium)
Practice regarding e-promotion as a rebranding strategy based on local wisdom	30% (low)	75% (medium)
Awareness and interest in e-promotion practices as a rebranding strategy based on local wisdom	40% (low)	75% (medium)
The enthusiasm of SMEs in paying attention and asking questions	No program yet	75% (medium)

## CONCLUSION

Mentoring MSMEs through e-promotion as a rebranding strategy based on local wisdom increases partners' knowledge in digital marketing, more attractive products packaging, and updated MSMEs' products with trending products. There should be ongoing assistance and communication to support the sustainability of this program.

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