

Increasing Entrepreneurial Capacity Based on Digital Technology for Small Medium-sized Enterprises (SMEs)

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Abstract. Community potential empowerment programs to improve economic welfare have been carried out, especially for culinary SMEs in the tourist village of Kokolaka Village, Gunungpati District. MSMEs are actively developing kolang-kaling processing, resulting in new products that are very varied. Partners face the problem that product marketing is still limited to traditional markets, and sales turnover is declining. The purpose of service activities for SME members in Kokolaka Village is to create attractive brands for promotional activities assisted by digital technology and online product marketing. The method of implementing service is the Participatory Rural Appraisal (PRA) approach, which reviews actions through workshop activities by applying learning by doing. The purpose of community service activities for SME members in Kokolaka Village is to create attractive brands for digital technology-assisted promotional activities and online product marketing. The method of implementing the service is the Participatory Rural Appraisal (PRA) approach and action review through workshop activities by applying learning by doing. The results achieved were that SME members increased the knowledge and practice of skills in creating branding and marketing through social media platforms like TikTok and Instagram and opening online stores for business transactions. The benefits of service activities for members of culinary MSMEs are the increased ability to manage entrepreneurship, especially in designing product branding, promoting entrepreneurial products, and selling products online. The impact includes expanding the target market share of MSME products, increased sales turnover, and higher SME income.

Keywords: branding, e-commerce, SMEs, tourism villages, digital technology-based entrepreneurs

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INTRODUCTION

The Jatirejo tourist village has an area of 2.34 km², consisting of 3 hamlets, namely Dukuh Blabak, Dukuh Sirayu, and Dukuh Ngablak, with a population in 2022 of 2,405 people. Data on the level of family welfare in the Jatirejo tourist village in 2022 there are still more than 15% of families in the poor category or the Pre-Prosperous Family and Prosperous Family I categories (Sari et al., 2022). Most families are included in the Prosperous Family III category, with a total of 504 families or the equivalent of 80.89% of the total 623 families.

The village government's efforts to empower the people of Jatirejo Village by maximizing the potential of culinary tourism include empowering tourism potential, bag screen printing training, and training on processing various ko lang Kaling products. As a result of the community empowerment activity, Jatirejo village has become a tourist area with unique culinary tourism attraction characteristics for each RW. RW 1 Kokolaka Village (Kolang Kaling Village), RW 2 Kambara Village (Rawit Chili), RW 3 Kajera (Red Ginger), and RW 4 Kajakris (Crystal Guava).

In 2022, 21 MSMEs will grow in Jatirejo village, with various kinds of innovative culinary preparations being produced (Zuhri, 2021). Types of culinary products, namely raw kolang kaling crackers, fried kolang kaling crackers, original kolang kaling, candied kolang kaling, various spicy kolang kaling chips, rolled rice (gudangan kolang kaling), meatball tofu, rendang, bothok, jam, brownies, chocolate, butterfly pea flower drink, dried butterfly pea flower, chili tamarind wedang, crystal guava resoles, ginger pudding, red guava juice, cassava tape, and spiced milk. SMEs actors in the Jatirejo tourist village were accommodated in a Sunday Market activity.

SMEs in Kokolaka Village, part of the Jatirejo tourist village, struggle to increase sales turnover as partners in community service activities. The Chairman of SMEs said that the average sales turnover of Kolang Kaling per SMEs reached 3 million per month, now to reach a turnover of just 2 million per month is very difficult. Over the past year, turnover has decreased by 30% from previous years, even though the COVID-19 pandemic is gradually recovering. The regional government's efforts have facilitated the opening of the Pasar

Minggu bazaar is a place to sell products (once a week) and provides educational tourism infrastructure for processing kolang kaling.

The main target market share for processed kolang kaling is regular buyers from traditional market traders as resellers. SMEs are promoted via WhatsApp Group (WAG), and buyers come to the kolang kaling processing artisans in Kokolaka Village or deliver orders to the homes. The number of reseller purchases is now decreasing because the purchasing power of traditional market consumers has decreased due to the COVID-19 pandemic. SMEs are making product innovations with varying packaging volumes. The problem is that MSMEs have never conducted market survey activities to assess consumer needs (Gunawan & Rachmani, 2022). Efforts to increase the productivity of SMEs significantly use branding strategies by optimizing the use of digital technology for promotion and marketing (Ainun et al., 2023; Fanaqi et al., 2020).

Paying attention to identifying problems faced by partners and the priority scale of solutions, service activities for SMEs members aim to increase information technology-based entrepreneurial capacity for Kokolaka Village SMEs by creating branding and optimizing digital marketing to promote products. The benefit of community service activities for Kokolaka Village culinary SMEs members is the increased ability to manage entrepreneurship by utilizing digital technology, especially in designing branding and promoting entrepreneurial products, and the ability to sell products online through the marketplace and utilizing social media. The impact is expanding targets and market share, increasing sales turnover, and increasing SMEs' income.

METHODS

The community service activities target 17 SMEs members of Kokolaka Village, Jatirejo Village, Gunungpati District. Workshop activities will be intensively carried out from 22-24 July 2023 at the Kokolaka Village meeting hall. The activity was followed up with mentoring activities carried out for one month until the end of August 2023.

Implementation of community service activities uses the Participatory Rural Appraisal (PRA) approach and the learning-by-doing model. During the workshop activities, SME members, as the target of the activity, received factual and procedural knowledge of promotional techniques and marketing business products, which were directly demonstrated using direct practice. Community service activities include workshops

(Beaumont et al., 2007; Surahman & Fauziati, 2021). The activity aims to empower the SMEs of Kokolaka Village, Jatirejo Tourism Village, by considering the specifications of the entrepreneurial potential capacity pioneered, namely culinary delights made from kolang kaling. Community service activities aim to increase the sales turnover of Kolang Kaling culinary products and, in turn, increase the family income of Kolang Kaling MSME members in Kokolaka village, Jatirejo sub-district.

Technically, operationally, the implementation of community service can be detailed in the stages of activities carried out by the service team, as follows: (a) conducting joint outreach with SME partners in Kokolaka Village and recruiting members of SMEs in Kokolaka Village whose turnover is decreasing; (b) assisting SME partners with processed kolang kaling products that suit consumer needs. The consumer needs analysis was obtained from an online questionnaire via Google Form (Rokhim et al., 2021); (c) assisting SME partners in the form of workshops. Demonstration techniques, learning by doing strategy material to promote products by creating branding and product packaging forms (Ainun et al., 2023); (d) assisting partners by utilizing digital technology to promote and market products belonging to SME partners. Assistance with learning by doing techniques to create MSME websites, Instagram social media, and online payment systems (e-commerce) (Ahmadi, 2020; Sari et al., 2022; Suminar et al., 2022); (e) The final activity was to reflect and evaluate PkM activities to determine the benefits of community service activities for Kokolaka village SME partners and evaluate shortcomings in implementing the community service program. Reflection was carried out by conducting open interviews with several SME members who diligently participated in activities from start to finish without stopping (Istiningsih et al., 2018).

RESULTS AND DISCUSSION

The first implementation of community service activities undertaken by the Service Team was establishing an appropriate mentoring program for the SMEs of Kokolaka Village. Activities were carried out through a feasibility study survey for processed kolang kaling products for consumers via a Google form questionnaire with the link <https://forms.gle/qcoFR87NXw8up3kN6>. Based on the feasibility study results, the service team can determine consumer needs and the root of the declining turnover problem on consumers' part. The



Figure 1. Participant participation in a workshop on creating product

service team analyzed the root cause of the decline in sales turnover of SMEs in Kokolaka Village, namely, consumers' lack of knowledge of the products. The product is known to consumers after visiting the Kokolaka Jatirejo village tourist attraction.

The second service team activity is determining a strategy for workshop activities, demonstrations, and learning by doing. The material focuses on partners' weaknesses in managing entrepreneurship with the help of digital technology, namely designing the product logo for each SMEs. A logo is an icon and symbol of a business or trademark so that consumers or buyers easily recognize the product.

The target group of SMEs from Kokolaka Village who attended the workshop comprised around 17 SMEs, totaling 24 people. The target were enthusiastic and eager to follow the workshop material to create product logo designs presented by exciting speakers using participatory, demonstrative, and learning-by-doing methods.

The focus of the workshop participants' attention was centered on showing a short 5-minute video. Next, photos of examples of products with logos were displayed as product identities that were attractive to potential consumers. Consumers easily recognize products with logos or trademarks, influencing the decision to buy products that consumers already recognize through the logo or trademark. The video screening showed the target audience of the Kokolaka Village SMEs workshop and the difference between products with and without a logo, influencing buyers' psychology in purchasing decisions. Workshop participants understand the importance of product logos or trademarks in product marketing techniques. The participants were very interested in learning how to create a product logo to attract buyers and increase sales turnover.

The resource person gave examples of techniques for making simple and attractive logos/trademarks/branding to attract buyers. Creating a logo can provide consumers with

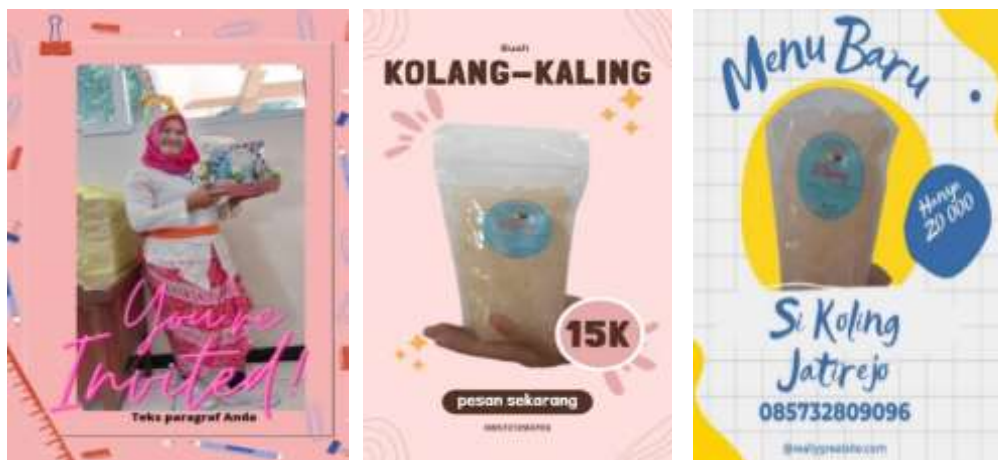


Figure 2. Results of logo creation from workshop participants (SMEs in Kokolaka Village Tourism Village)



Figure 3. Presentation of Product Marketing Workshop Material via Tiktok

information about the product's specific identity. Apart from that, the logo created also provides convincing information about quality to customers. In this way, the logo can be used to determine business consumer targets. The business product logo can also represent the name through the entrepreneur's tagline (Ainun & Altri Wahida, 2023; Indriana & Nita Syahputrib, 2022). The importance of branding in business was also explained by Defri, that efforts to design branding show a quality code that reflects the product's self-image, so branding is very useful for saving costs or efficiency, both internally and externally (Ainun & Altri Wahida, 2023; Defri et al., 2022; Suminar et al., 2022). The solution strategy from the service team to overcome the problem of declining sales of Kolang Kaling SMEs by re-branding is very appropriate. Re-branding is to attract consumer interest or use of the product so that it has the impact of increasing sales turnover in product

marketing (Hermawan, 2019). Therefore, for SMEs that have problems with declining sales, it is highly recommended that re-branding is carried out. Products with re-branding that are unique and attractive to consumers can attract buyers or consumers (Defri et al., 2022).

At the stage of mentoring activities by the service team for Kokolaka Village SMEs members to practice creating branding designs online, a very simple, not difficult, and complicated method was chosen to demonstrate using the Canva application (Indriana & Nita Syahputrib, 2022). Canva has diverse features and more variety, displays creative images through photo filters and good animations, and is easy to download via smartphone (Gunawan & Rachmani, 2022). Owning a smartphone is very important for designing effective and efficient branding when running a business.

The following image results from branding designs made by members of the SMEs of



Figure 4. Signing of cooperation between the Non-formal Education Study Program and SMEs

Kokolaka Village, Jatirejo sub-district, Kec. Gunungpati.

The service team's following activities in the workshop were demonstrations and direct practice (learning by doing) in packaging attractive products based on weight and various kinds of palm-frond products. SMEs producers try to give a unique and attractive impression on the product packaging and pay attention to consumer needs or product market share. Attractive packaging plays a significant role in creating a trademark image as well as a means of promoting products. Apart from that, it is recognized that product packaging has another primary function, namely protecting product safety. Packaging products practiced in workshops and community service mentoring activities are containers or containers made of plastic in a very flexible shape (Shalmont, 2020).

As explained by Rezki, (2019); Todar et al., (2020) packaging products in a simple yet attractive manner aims to (a) protect the product from factors such as high or low air temperature, shock, and pressure; (b) shield the product from water droplets, dust, and steam; (c) enhance shipping transportation efficiency; (d) provide information on recycling; (e) prevent product theft; (f) improve convenience in selling, opening, and closing products; and (g) entice potential buyers to make a purchase (Garaika & Muslihudin, 2020).

The service team assists SME partners in techniques for marketing products by utilizing digital technology, often called e-commerce. The workshop begins with screening a sales video via the Shopee marketplace. The information informs Kokolaka SME members on registering, uploading product offers designed with Canva, and conducting buy and sell financial transactions online. Workshop participants were enthusiastic about learning by doing, using the smartphones owned by each Kokolaka SME member who practiced online sales in the marketplace. The benefits of digital technology development include increased promotions and sales for Kokolaka SMEs' products. The influence of digital technology in entrepreneurship is significant for SMEs, especially in marketing. Sales promotion is crucial for SMEs to ensure consumers buy the products.

The above reality is confirmed by digital technology experts stating that online sales promotion strategies are more cost-efficient and attract consumer attention with a more comprehensive and diverse range of market segments (Ahmadi, 2020). The service team accompanies Kokolaka SME partners by

optimizing digital technology to promote products through creating Instagram and TikTok social media, expanding the target market share. The business financial bookkeeping system is carefully organized with an online payment system (e-commerce). A workshop for SMEs on creating social media, TikTok, and Instagram for Kokolaka Village SMEs products, along with an online payment system (e-commerce), is beneficial for facing the challenges of the industrial era 4.0 in running entrepreneurship for products made from kolang kaling. In addition to the service team lecturers, the instructors in the workshop also involve non-formal undergraduate and postgraduate study program students to contribute by utilizing their expertise for the surrounding community.

At the end of the workshop, there was a reflection on community service activities for the target audience of SMEs in Kokolaka Village. Sample statements from several participants said that carrying out the activities was enjoyable and helpful in improving entrepreneurial abilities. The participants are optimistic that branding, attractive packaging, and online sales can increase sales turnover. The participants realize that entrepreneurs must have digital literacy skills due to developments in communication technology.

The signing of the collaboration implementation between the Non-formal Education Study Program FIPP UNNES was conducted by Tri Suminar as the head of implementing community service activities, with Dwi Sayekti Kadarini as the person in charge of SMEs in Kokolaka Village, Jatirejo Tourism Village, District. Gunungpati, Semarang City. Both parties are committed to implementing mutually beneficial cooperation.

CONCLUSION

The problem with SME partners in Kokolaka Village is the inability to market the business products. The solution strategy in the community service activity is to optimize the use of digital technology in entrepreneurship, especially for designing branding and selling local business products through e-commerce. Activities are carried out using a community empowerment approach, workshop methods, demonstration techniques, and learning by doing. The service activity can help Kokolaka SME members increase their knowledge and practice skills in creating branding and marketing products by utilizing digital technology. Branding design using the Canva application and editing short videos with the

Capcut application. Meanwhile, to market products using social media platforms like TikTok and Instagram and online shops such as Shopee. Thus, digital technology is also used to carry out online financial transactions (e-commerce). The impact of service activities for Kokolaka SMEs is increasing digital literacy skills in entrepreneurship, especially in branding, packaging, and marketing kolang kaling products and online financial transactions. The market share for kolang kaling products is expanding, and sales turnover is increasing.

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