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VILLAGE BRANDING BASED ON DEVELOPMENT OF MSMEs

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Abstract. Village branding based on the development of Micro, Small and Medium Enterprises (MSMEs) is an innovative approach that aims to increase the economic potential and welfare of village communities. Village branding integrated with MSME development can create an environment that supports local business growth, increases market access, and optimizes the use of local resources. Apart from that, village branding also contributes to increasing community skills and knowledge, increasing their participation in decision-making processes, and improving basic infrastructure that supports economic sustainability. This research aims to get an overview of village branding based on MSME development in Indonesia which has been studied by researchers based on community service activities carried out by university personnel. The approach used is a qualitative approach with a literature review method based on data obtained from the Garuda Platform. This research succeeded in reviewing 9 literature documents regarding MSME-based village branding. The results of the literature review identified problems faced by MSMEs in Indonesia, including lack of literacy about branding, digital marketing, operational management, financial management and use of technology.

Abstrak. Pemerekan desa berbasis pengembangan Usaha Mikro, Kecil, dan Menengah (UMKM) merupakan pendekatan inovatif yang bertujuan untuk meningkatkan potensi ekonomi dan kesejahteraan masyarakat desa. Pemerekan desa yang terintegrasi dengan pengembangan UMKM dapat menciptakan lingkungan yang mendukung pertumbuhan bisnis lokal, meningkatkan akses pasar, dan mengoptimalkan pemanfaatan sumber daya lokal. Selain itu, pemerekan desa juga berkontribusi pada peningkatan keterampilan dan pengetahuan masyarakat, meningkatkan partisipasi mereka dalam proses pengambilan keputusan, serta memperbaiki infrastruktur dasar yang mendukung keberlanjutan ekonomi. Penelitian ini bertujuan untuk mendapatkan gambaran tentang pemerekan desa berbasis pengembangan UMKM di Indonesia yang telah dikaji oleh para peneliti yang berbasis pada kegiatan pengabdian kepada masyarakat yang dilakukan oleh insan perguruan tinggi. Pendekatan yang digunakan adalah pendekatan kualitatif dengan metode kajian pustaka berdasarkan pada data yang diperoleh dari Platform Garuda. Penelitian ini berhasil meninjau 9 dokumen literatur tentang pemerekan desa berbasis UMKM. Hasil tinjauan literatur yang dilakukan mengidentifikasi permasalahan-permasalahan yang dihadapi oleh UMKM di Indonesia, antara lain minimnya literasi tentang branding, pemasaran digital, manajemen operasional, manajemen keuangan dan penggunaan teknologi.

INTRODUCTION

Villages, as socio-economic entities that represent cultural diversity and natural potential, play an important role in driving the wheels of a country's development. Despite having abundant natural wealth and local wisdom, many villages face challenges in optimizing their resources to improve community welfare. Therefore, village branding, a concept that places local communities as the main agents of development, is becoming increasingly relevant in efforts to achieve sustainable development.

In this context, the development of Micro, Small and Medium Enterprises (MSMEs) has been recognized as a driver of economic growth that can directly empower village communities. Empowering MSMEs not only creates new economic opportunities, but also plays a key role in maintaining cultural identity and environmental sustainability at the local level. Therefore, this research aims to explore and analyze the implementation of village branding based on MSME development as an innovative solution in overcoming village development challenges.

The Micro, Small and Medium Enterprises (MSME) development program as an instrument to increase people's purchasing power, will ultimately become a safety valve against monetary crisis situations. The development of MSMEs is very strategic in driving the national economy, considering that their business activities cover almost all business fields so that the contribution of MSMEs is very large in increasing income for low-income groups. (Anggraeni et al, 2013)

According to Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs), what is meant by Micro, Small and Medium Enterprises are:

1. Micro Business is a productive business owned by an individual and/or individual business entity that meets the Micro Business criteria as regulated in this Law.
2. Small businesses are productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part, either directly or indirectly, of medium or large businesses that meet Small Business criteria as intended in this Law.
3. Medium Enterprises are productive economic enterprises that stand alone, carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part, either directly or indirectly, of Small Businesses or Large Businesses with total assets. net or annual sales proceeds as regulated in this Law.

Based on the definition above, in essence, Micro, Small and Medium Enterprises are a form of productive economic enterprise carried out by individuals or individual business entities that meet the criteria for Micro, Small and Medium Enterprises. (Anggraeni et al, 2013).

This research limits itself to a study of MSME-based village branding. This is because MSMEs are the main backbone of rural communities in Indonesia, especially villages that are not blessed with charming natural resources. Search results on the Garuda platform found 9 research documents on the theme of village branding which made MSMEs the object of study.

METHOD

A literature review is a critical and comprehensive analysis of existing literature on a specific topic or research question. It involves identifying, evaluating, and synthesizing relevant studies,

articles, books, and other sources that have been published on the subject. The purpose of a literature review is to provide a summary of the current state of knowledge in a particular field, highlight gaps or inconsistencies in existing research, and identify areas where new research can contribute to the understanding of the topic.

In this research, researchers used the literature review method as well as classifying MSME literature based on the issues or problems they face. This method was adapted from Baran (2020) who succeeded in conducting a literature review using traditional techniques and was easy for novice researchers to understand. According to him, literature reviews are very useful in providing an overview of what researchers have produced in previous studies.

In addition, literature reviews also allow for content analysis for classification purposes. Content analysis is one of the most popular methods for qualitative research. The method is to carry out a careful, detailed, systematic examination and explanation of certain material in an effort to identify paragraphs, sentences, and so on as part of a text. In this case, this study used manual content analysis to better understand the findings.

The literature review process in this research is divided into six stages (Li & Wang, 2018), namely:

Stage 1: Defining the Problem

At this stage, researchers identified problems regarding MSME literature related to village branding. In this case, the village branding literature has quite broad issues and sectors, so researchers focus more on studying the dynamics of MSMEs as a potential that supports village branding.

Stage 2: Search for Relevant Literature

At this stage, researchers searched for relevant literature on the Garuda platform. Researchers entered the keyword "village branding" and found 46 documents containing many themes.

Stage 3: Selecting Study Subjects

At this stage, researchers selected quite diverse themes. Then the researchers chose a village branding theme that raised MSMEs and the issues they faced.

Stage 4: Reading Literature

At this stage, the researcher reads 9 existing literature. Most of the literature is research based on community service activities carried out by universities.

Stage 5: Organizing Data

At this stage, the researcher organizes the existing data, then categorizes them based on the MSME business sector and the problems they face.

Stage 6: Writing a Review

At this stage, the researcher wrote a systematic literature review starting from the introduction, methods, manuscript findings to conclusions.

RESULTS

MSME is the abbreviation of Micro, Small and Medium Enterprises. The definition of MSMEs includes the business sector involving small and medium enterprises, including micro enterprises, which have an important role in a country's economy. Some general characteristics used to define MSMEs involve the number of employees, amount of capital, and level of turnover or business income. However, this definition may vary between countries.

Based on their development, MSMEs can be classified into 4 groups, namely (Septiana, 2016 in Hanim & Noorman, 2018):

1. Livelihood Activities, are MSMEs that are used as work opportunities to earn a living, which is more commonly known as the informal sector, for example street vendors.
2. Micro Enterprise is an MSME that has the characteristics of a craftsman but does not yet have an entrepreneurial nature.
3. Small Dynamic Enterprise, is an MSME that has an entrepreneurial spirit and is able to accept subcontract and export work.
4. Fast Moving Enterprise, is an MSME that has an entrepreneurial spirit and will transform into a large business.

The role of MSMEs in the context of village branding is very important for the progress of a village. If MSMEs in villages develop, they will contribute positively in creating jobs, encouraging economic growth at the local level, strengthening economic competitiveness, and supporting social inclusion and poverty alleviation.

This research succeeded in reviewing and classifying 9 article titles about MSMEs in the context of village branding. Researchers succeeded in identifying the business sectors of MSMEs being studied, then mapping the problems they faced.

Table. Business Fields and Problem Identification of MSMEs

No.	Business Fields	Location	Problems
1	Cakes and snacks	Ciawi Village, Brebes	Business operations are still carried out traditionally; Employees do not yet have digital technology literacy.
2	Conventions, F&B and Handicrafts	Kenongo Village, Sidoarjo	Do not have business and product legality; Product and packaging quality is still low.
3	Blacksmith	Sukosari Village, Jember.	No product diversification; Do not have a strong marketing network.

4	Culinary, handicrafts, photography, water rides, campsites, horse riding, flying fox and guest houses.	Tegal Waton Village, Salatiga	Management is still traditional and relies too much on the personal influence of village leaders; The management of the selling area is not good; The selling environment is not neatly arranged.
5	Wood, weaving, cloth, and agriculture.	Mekarbuana Village, Karawang.	Lack of digital promotion skills.
6	Food, clothing, furniture and others.	Padasuka Village, Bandung	Need to improve digital skills.
7	Cakes and snacks.	Mojosari Village, Lumajang	Weak marketing, operational and financial management skills.
8	Packaged snacks	Purwoharjo Village, Kulonprogo	Many do not yet have brands and logos; Unattractive packaging; The technology server for invoicing is not yet optimal.
9	Culinary, retail, furniture manufacturing and laundry.	Riang Gede Village, Tabanan.	Minimal knowledge of business actors about branding.

Aryani et al (2022) studied MSMEs in Ciawi village, Banjarharjo District, Brebes Regency which continue to improve in the production and sales of the products/services offered. There are 20 business actors with various business variants, such as grandma's hair sweet arum, rengginang, serabi, risoles, pastels, and various sponge cakes. One of the MSMEs that has the potential to be developed and can create jobs for rural communities in Brebes district is the cassava chips MSME. This is because cassava chips are a snack that is very popular with the wider community, from children to adults regardless of education level and economic strata. One of the cassava chips business actors is Mrs. Desti.

The problem experienced by MSMEs in Ciawi Village is that the business they run is still traditional, namely only selling based on incoming orders. This was done because there were still few experts in the work process, apart from that, the existing employees had not yet mastered information and communication technology.

Dewi et al (2023) studied Kenongo Village, Tulangan District, Sidoarjo Regency, which is one of the villages in the Sidoarjo area that has many MSMEs. From the initial results, the number of MSMEs in Kenongo Village is 210 with various types of business. The types of businesses available are convection, batik, souvenirs, food and drinks, as well as various other kinds of handicrafts. With this large number of MSMEs, there are still very few who have business legality and the ability to brand their business.

The problem faced by MSME actors in Kenongo Village is that they still have very minimal knowledge regarding legality, product quality, marketing and financial management, this is supported by a lack of knowledge regarding information technology that can be used. for the development and management of SMEs.

So it is necessary to provide assistance with products and their packaging. Kenongo Village UKM does not yet have legality and finally in its financial management it has not implemented a manual accounting recording system, which is still done by combining personal finances with business finances so that it cannot measure the profits obtained. From the explanation above, there are several partner problems that must be resolved immediately, namely: MSMEs do not have legal business and products. Apart from that, MSMEs do not have good packaging and product quality, as well as effective marketing strategies.

Rokhani et al (2023) carried out community service activities in Sukosari Village, Jember Regency. The problem faced is that the Pandebesi UKM in Sukosari Village has not carried out significant product diversification in its business. There is no strong institution (such as an association) that oversees MSMEs in Pandebesi, only an informal group that was formed temporarily for program intervention from one of the agencies/offices in Jember Regency. The blacksmith craft business has also not been integrated into the Village Owned Enterprise (Bumdes) because the iron craft business is purely a family business.

In this regard, the University of Jember community service team formulated a program to provide an introduction to MSMEs by marking the location of the blacksmith business, which includes marking the location by marking the location on Google Map for the Pandebesi MSME area in Sukosari Sukowono Village. Regency, Jember apart from that, also provides assistance and coaching for MSMEs related to digital branding of Pandebesi in Sukosari Village, Sukowono District, Jember Regency.

Utami et al (2022) researched MSMEs in Tegal Waton Village, Salatiga Regency. MSMEs in Sendang Senjoyo are managed by the Tegal Waton Village-Owned Enterprise (BUMDES) Semarang Regency which is led by a chairman and a secretary who doubles as treasurer. In Sendang Senjoyo there are 50 MSMEs that are members, including those engaged in culinary, handicrafts, photography, water rides, campsites, horse riding, flying fox and guest houses.

The problems with MSMEs in this village include that the village government has never created a special program. The progress of developing the Sendang Senjoyo tourist attraction so far has only been based on the ideas, thoughts and initiatives of one person. The steps taken by the management include repairing and adding game rides and always trying to maintain the cleanliness of the Sendang Senjoyo tourist attraction so that it is always clean to create comfort for visitors/tourists.

For parking management, there is a problem that vehicles parked on the border road with the next village are taken by another village, not handed over to the tourist attraction manager, thereby reducing income. Apart from that, there is also a voluntary social fund box whose social funds are used to provide compensation to orphans and people in need around Tegal Waton village. The management of the stalls/places of MSMEs is not well organized, MSMEs make their own stalls in the sense that they are not made by the management due to limited funds, this causes the environment to look untidy and seem haphazard so it is less attractive to visitors who want to taste typical Sendang Senjoyo food. such as Jembak, Cassava Leaf Bakwan, Cassava Cheese, Grilled Corn and others.

Yani et al (2022) studied the branding of Mekarbuana village, Tegalwaru District, Karawang Regency. One of the potentials in Mekarbuana Village is agricultural potential, there is 1.71 km² of rice fields available, 6.01 km² of plantations, 1.2 km² of forest, and 0.02 km² of ponds or ponds. Mekarbuana Village is also one of the villages that has state-owned forest covering an area of 10.81 Ha. The potential for the wood industry is 3 industries, the weaving industry is 5 industries, and the fabric industry is 3 industries. The agricultural potential that we are currently developing to build new tourism is coffee farming, with the concept of a coffee village towards ecotourism.

The main problem faced by MSMEs in Mekarbuana village is their lack of digital marketing skills, where one of the biggest obstacles currently is that digital promotions have not been implemented properly and correctly by the community, so there is a need to socialize the introduction of digital promotions.

Sugiana et al (2023) studied the branding of MSMEs in Padasuka village, Bandung Regency. In the study, it was found that many MSME products from Padasuka Village were mentioned by consumers from various regions outside the Bandung region or district. For example, a typical food such as Peuyem can be known in other regions because it uses digital marketing tools.

Training activities provided to MSMEs in Pasuka village include providing outreach on the importance of digital marketing and branding, starting with choosing digital marketing tools that are easy to use and writing copywriting for each product. Apart from that, it also provides provision, assistance and training using Canva tools to create interesting content and suitable graphic designs to add value to the product.

Meanwhile, Al Maidah et al (2023) researched the problems experienced by MSME entrepreneurs in Mojosari Village, Lumajang Regency. The problems faced by MSMEs in Mojosari Village include:

1. MSME entrepreneurs still have limited knowledge about the importance of branding a product.
2. Lack of adequate work equipment to carry out operational activities. This is proven by the absence of machines or work tools that support the production process. The majority of production still uses human labor. This will cause low effectiveness and efficiency in terms of time and energy required. Therefore, a breakthrough is needed in the use of machines to make it more effective and efficient.
3. The packaging is less attractive so the selling value is still low. The plastic packaging used is fragile and unattractive. Packaging methods that still use traditional methods make product packaging less attractive and unsightly. Apart from that, the packaging label is also simple; it only uses small pieces of paper, and no fancy label designs.
4. Bookkeeping or financial bookkeeping management is still weak. Most MSME entrepreneurs do not carry out financial bookkeeping when running their business, so that personal funds are often mixed with business results, resulting in unknown profits that should be obtained from their business activities.
5. Lack of promotional strategies implemented. In terms of promotion, MSMEs do not carry out any promotional activities in conventional or digital form. They only market their products directly at home without making advertisements on paper or digital flayers on gadgets.

Cempaka et al (2023) researched MSMEs in Purwoharjo Village, Kulonprogo Regency. There are at least ten MSME products developed by residents, such as gotu kola chips, cassava chips, wingko, rock paintings, T-shirts, steamed banana chips, key chains, sandals, ashtrays and herbal medicine. However, these products still do not produce maximum sales performance. Some of the problems that have been identified include:

1. A lot of MSME products do not yet have brands and logos
2. Profit Allocation Issues
3. Unattractive packaging
4. The technology server for invoicing is not optimal.

Meanwhile, Pratiwi et al (2023) researched MSMEs in Riang Gede village, Tabanan, Bali. MSMEs in Riang Gede Village have diverse backgrounds in the culinary, retail, furniture manufacturing and laundry sectors. Based on a survey conducted on small and medium businesses in Riang Gede village, there are still often residents who do not understand and do not build product brands.

MSMEs in Riang Gede village face many challenges in developing their product branding. This means that there is still a lack of knowledge about what branding is and what its benefits are. There has not been optimal assistance in branding small business products and competitive advantages as an entrepreneur.

CONCLUSION

The results of a literature search throughout the year until 2024 on the Garuda Platform found 9 articles that specifically discussed MSMEs in the context of village branding. The rural locations studied are spread across West Java, Central Java, East Java and Bali. In essence, every MSME in villages in Indonesia faces various problems. Such as the lack of literacy about branding, digital marketing, operational management, financial management and use of technology.

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