

Strengthening Entrepreneurship in UMKM in Hendrosari Village, Gresik Regency, Indonesia Through a Bumdes-Based Entrepreneurship Workshop to Improve Competitiveness in The Digital Era

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ABSTRAK

Desa Hendrosari, Kabupaten Gresik, memiliki potensi ekonomi yang besar melalui Usaha Mikro, Kecil, dan Menengah (UMKM) berbasis sumber daya lokal, terutama buah lontar. Namun, UMKM di desa ini masih menghadapi berbagai kendala, seperti kurangnya inovasi produk, keterbatasan strategi pemasaran digital, dan desain kemasan yang kurang menarik. Untuk meningkatkan daya saing UMKM, Program Pengabdian kepada Masyarakat (PKM) berbasis Badan Usaha Milik Desa (BUMDes) diterapkan dengan pendekatan strategis yang mencakup pelatihan inovasi produk, pemasaran digital, peningkatan desain kemasan, dan optimalisasi peran BUMDes dalam mendukung distribusi serta pemasaran produk. Metode pelaksanaan program ini terdiri dari workshop inovasi produk berbasis buah lontar, pelatihan pemasaran digital, peningkatan kualitas kemasan, serta pendampingan usaha melalui BUMDes. Evaluasi program dilakukan dengan observasi, wawancara, survei kepuasan peserta, serta monitoring perkembangan usaha sebelum dan sesudah pelatihan. Hasil program menunjukkan adanya peningkatan inovasi produk, di mana UMKM mulai mengembangkan berbagai varian baru berbasis lontar, seperti sirup, selai, dan produk kosmetik. Dalam aspek pemasaran, lebih dari 80% peserta mulai memanfaatkan platform digital, yang berkontribusi pada peningkatan transaksi online sebesar 40% dalam dua bulan setelah pelatihan. Peningkatan kualitas kemasan juga berdampak signifikan terhadap daya jual produk, dengan harga jual meningkat hingga 30%. Selain itu, optimalisasi peran BUMDes dalam pemasaran kolektif turut memperluas jangkauan pasar UMKM. Kesimpulannya, PKM berbasis BUMDes terbukti efektif dalam meningkatkan daya saing UMKM melalui inovasi produk, transformasi pemasaran digital, serta penguatan ekosistem bisnis desa. Program ini dapat menjadi model pemberdayaan ekonomi lokal yang berkelanjutan untuk desa wisata lainnya.

ABSTRACT

Hendrosari Village in Gresik Regency possesses significant economic potential driven by Micro, Small, and Medium Enterprises (MSMEs) based on local resources, especially palm fruit. However, these MSMEs in this village still face several obstacles, such as a lack of product innovation, limited digital marketing strategies, and unappealing packaging designs. A Community Service Program (PKM) based on Village-Owned Enterprises (BUMDes) was implemented employing a strategic approach that includes product innovation training, digital marketing, improving packaging design, and optimizing BUMDes's role in product distribution and marketing. The program's

implementation involved a palm fruit-based product innovation workshop, digital marketing training, improving packaging quality, and business assistance through BUMDes. Program evaluation includes observation, interviews, participant satisfaction surveys, and monitoring of business development before and after the training. The program's outcome demonstrated increased product innovation, with MSMEs developing new palm-based variants, such as syrup, jam, and cosmetic products. More than 80% of participants started utilizing digital platforms, which caused a 40% increase in online transactions in the two months following the training. Improving packaging quality also significantly impacts product selling power, with increased selling prices by up to 30%. Apart from that, optimizing the role of BUMDes in collective marketing also expands the market reach of MSMEs. In conclusion, BUMDes-based PKM has proven effective in increasing the competitiveness of MSMEs through product innovation, digital marketing transformation, and strengthening the village business ecosystem. This program can become a model for sustainable local economic empowerment for other tourist villages.



INTRODUCTION

Hendrosari Village, situated in Gresik Regency, is a tourist village boasting a plethora of unique natural resources, particularly lontar fruit. The presence of lontar fruit is not only a regional identity but also holds an economic potential through various processed products based on local ingredients. This uniqueness renders Hendrosari Village a compelling destination for both domestic and foreign tourists. In addition to the tourism potential, the village's economy has micro, small, and medium enterprises (MSMEs) which play a vital role in improving the welfare of the local community. MSMEs in Hendrosari Village span various sectors ranging from processing lontar-based products and handicrafts to the regional culinary industry. However, despite their substantial potential, MSMEs in the village still face persistent challenges that hinder their competitiveness (Setiawan et al. 2021).

The challenges confronting MSMEs in Hendrosari Village are quite complex and cover various domains. A primary impediment is the dearth of innovation in product development. Lontar-derived products and handicrafts remain largely confined to traditional forms lacking diversification and novel approaches. Resultantly, their attractiveness to the modern market is limited, rendering them less competitive compared to similar products from other regions that have embraced innovation. Additionally, limitations in the marketing strategies hinder the growth of MSMEs. Many businessmen in the village still depend on conventional marketing practices. The underutilization of digital marketing further curtails their ability to reach a wider consumer base.

Beyond innovation and marketing challenges, unattractive packaging diminishes the sales of MSME's products. Attractive packaging not only elevates product aesthetics but also serves as a potent marketing instrument. In today's global competition, product appearance attracts consumer interest. Many MSME products in Hendrosari Village continue to use packaging without considering more professional design and branding principles. The issue resonates with the 2020 findings of the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, which stated the dearth of product innovation and digital adaptation as key challenges in Indonesian MSMEs (Yolanda, 2024).

Increasing MSME's competitiveness is imperative in the current epoch of globalization and digitalization. Prior research studies have demonstrated that digital transformation and product innovation are instrumental factors in driving MSMEs' growth (Tambunan, 2019). Digitalization empowers MSMEs to expand their market footprint, streamline operations, and improve marketing strategies. MSMEs empowerment yields significant social impact, including enhanced rural community welfare, job creations, and empowering women and vulnerable groups in the local economy (Setiawan, Kurniawan, Ramdhani & Ragilia, 2020). Therefore, targeted interventions through empowerment programs are essential to assist MSMEs in overcoming the identified obstacles (Komara et al., 2021).

A strategic initiative to amplify MSMEs' competitiveness in Hendrosari Village is the implementation of Community Service Program (PKM) based on Village-Owned Enterprises (BUMDes). This program delivers comprehensive entrepreneurship training, encompassing innovative product design, digital marketing strategies and the optimization of BUMDes as a strategic partner for local businesses (Komara et al., 2020). Innovative product development training aims to foster creativity in entrepreneurs, enabling them to develop novel products from the local ingredients. For example, diversification of lontar-based products into various snack, healthy drinks, and cosmetics. This diversification is anticipated to broaden the appeal of Hendrosari Village's MSME offerings.

Digital marketing strategies are a crucial component in expanding market access. Digital marketing enables entrepreneurs to leverage various digital platforms, including social media, e-commerce, and other digital marketing techniques that may reach a wider target market (Komara, Setiawan & Kurniawan, 2020). This training equips MSME entrepreneurs to implement digital technology effectively. Additionally, attractive packaging remains a focal point of the program. Participants in this program will receive guidance in packaging design, material selection, and branding to enhance product appeal. Strengthening the role of BUMDes as a strategic partner is also an important part of this program. BUMDes are expected to boost sustainable economic ecosystem (Setiawan, 2020). Through synergy between MSMEs and BUMDes, it is anticipated that a more solid economic ecosystem will be created, where BUMDes not only provide capital, but also actively engage in marketing and developing local products to ensure their competitiveness.

This empowerment program aims to improve the skills of MSME entrepreneurs in product innovation and digital marketing and build a more independent and sustainable ecosystem. Subsequently, this study will analyze the effectiveness of BUMDes-based training in increasing the capacity of MSMEs and providing strategic recommendations for the development of a village economy through local potential. Consequently, Hendrosari Village can serve as a model for a tourist village demonstrating a competitive MSME sector alongside its tourism industry.

METHOD

Program Preparation

The Community Service Program (PKM) is aimed at improving the competitiveness of MSMEs in Hendrosari Village. MSMEs frequently encounter challenges about digital marketing, and attractive packaging strategies. Therefore, this program will focus on several key aspects. Firstly, a workshop on lontar fruit-based product innovation will equip MSME entrepreneurs in

developing diverse product variants. Secondly, a digital marketing training will enable MSME entrepreneurs to expand their market reach through digital technology. Thirdly, the program will enhance product packaging quality and design to improve market competitiveness. Finally, the program will assist MSME entrepreneurs through BUMDes, serving as a marketing platform for local products to ensure business sustainability.

Program Implementation

The program's implementation will proceed systematically to ensure the efficacy of the planned activities. A workshop on lontar-based product innovation is designed to introduce novel techniques to MSME. Participants will receive training in lontar fruit processing techniques for value-added products like syrup, jam, and healthy snack. Product differentiation strategies will make them more attractive to consumers, while efficient production management will optimize productivity and product quality.

Given the imperative of online product marketing, this training will focus on introducing basic digital marketing skills through social media and virtual marketplaces, wherein digital content optimization techniques will attract and enhance customer interaction, effective branding and storytelling strategies to amplify the product appeal, and practical simulations of using digital platforms such as Instagram, Facebook, and e-commerce to market MSME products.

Improving the quality and design of product packaging is a critical focus of this program. Attractive product packaging that adheres to contemporary market standards exerts a significant influence on the competitiveness of MSMEs. Therefore, this activity includes training in packaging design tailored to product characteristics, selection of environmentally sustainable and high-quality packaging materials, and strategies for incorporating essential information such as composition, halal labels, and product benefits.

This activity includes business management training for BUMDes administrators to enable them to act as facilitators for marketing local products, assistance in administration and business legality for MSME entrepreneurs, and collaboration strategies with wider markets and distribution networks.

Program Evaluation

Evaluation is a crucial element of this program, ensuring the effective attainment of planned objectives. Evaluations employing observation and interview methods will gauge participants' post-training comprehension and assess the enhancement of their skills in product processing, digital marketing, and packaging design. Furthermore, participant satisfaction surveys will assess participants' satisfaction with the training materials and methods provided and provide space for participants to provide input regarding obstacles faced during the implementation of the program. Monitoring the development of MSME businesses is also carried out by comparing the conditions of MSME businesses before and after this program is implemented, as well as measuring the increase in the amount of production, sales, and marketing reach of MSMEs who are program participants.

With the implementation of this systematic method, it is hoped that this PKM program can have a real impact on increasing the competitiveness of MSMEs in Hendrosari Village. The sustainability of the program will also be monitored through collaboration with BUMDes and

periodic evaluations to ensure that MSME entrepreneurs continue to experience positive developments in running their businesses.

HASIL DAN PEMBAHASAN

Product Innovation Based on Local Resources and Digital Marketing Transformation

One of the main obstacles faced by MSMEs in Hendrosari Village before the training was the limitation in product innovation. Previously, lontar fruit-based products were limited to traditional drinks and sweets. However, through the product innovation workshop, participants succeeded in developing various new variations such as lontar syrup, lontar jam, lontar chips, and cosmetic products made from lontar. These results are in line with research by Rosidanti, Widjayanti & Inarto (2023), which emphasized that innovation-based training can increase the creativity and competitiveness of MSMEs. With product diversification, MSMEs can not only attract more consumers but also increase the economic value of previously underutilized local products.

Before the training, the majority of MSME entrepreneurs still used conventional marketing strategies, such as word of mouth and direct sales in local markets. After this program was running, more than 80% of participants began to utilize digital platforms such as Instagram, Facebook, TikTok, and marketplaces such as Shopee and Tokopedia. Data shows that in the two months after the training, there was a 40% increase in online transactions. This shows that digitalization is not just a trend, but also a major factor in the growth of MSMEs, as stated by Setiawan (2020), digital marketing contributes significantly to increasing MSME turnover in the era of globalization.

Optimizing the Role of BUMDes and Product Packaging Design Strategy as an Effort to Increase Selling Value

Attractive and quality packaging design has been proven to increase product competitiveness. Before this program, the packaging of MSME products in Hendrosari Village was still simple and less attractive. After participating in the training, 75% of participants began using higher-quality materials and more professional designs. This change has an impact on increasing the selling price of the product by up to 30% higher than before. According to Njoto (2016), packaging is not just a container, but also a brand communication tool that can build a positive perception in the eyes of consumers. This proves that visual branding plays an important role in the success of MSME product marketing.

The role of BUMDes in supporting MSMEs has become increasingly significant after the mentoring program. Previously, BUMDes in Hendrosari Village did not have a clear role in supporting the marketing of local products. However, after intervention in the form of training and strategic cooperation, BUMDes began to be active in collective marketing by providing MSME product displays in village souvenir centers and establishing partnerships with distributor agents. This step helps expand market reach and increase MSME sales volume. This is in line with the findings of the Ministry of Cooperatives and SMEs in 2020 which stated that synergy between MSMEs and BUMDes can create a more solid and sustainable business ecosystem.

The success of this program cannot be separated from the local needs-based approach. The program is designed based on the real conditions of MSMEs in Hendrosari Village so that the material provided is relevant to the challenges they face. An approach based on local potential, such as the use of lontar fruit, makes it easier for MSMEs to adopt the innovations provided. Strategies based on competitive local advantages have a greater chance of success in the long term because they are more in line with the socio-economic conditions of the local community.

Branding and Digitalization as Pillars of Strengthening MSMEs Toward a Sustainable Business Ecosystem

Digital transformation in MSME marketing has been proven to increase competitiveness and expand the market. Adoption of digital branding strategies, storytelling, and creative content creation are the main factors in sales growth. As stated by Rachibini (2019), MSMEs that utilize digital technology have a higher growth rate than those that still rely on conventional methods. With the increasing development of e-commerce, MSMEs that can adapt to digitalization will find it easier to compete in a wider market.

Investment in product design and packaging has been shown to increase consumer interest and boost selling prices. Strong branding can differentiate local products from competitors and create customer loyalty. As stated by Kotler & Keller (2020), visual experience is a factor that influences purchasing decisions. Therefore, MSMEs need to continue to improve the branding aspect to be able to compete not only locally, but also nationally and internationally.

Collaboration between MSMEs and BUMDes has proven that business sustainability can be strengthened through strategic cooperation. With the support of distribution and promotion from BUMDes, MSMEs can more easily develop and expand their market reach. A study by the Ministry of Cooperatives and SMEs in 2020 showed that BUMDes that play an active role in supporting MSMEs contribute to the overall economic growth of the village. Therefore, strengthening the capacity of BUMDes as MSME partners needs to be continuously optimized to create a sustainable business ecosystem.

CONCLUSION

The Community Service Program (PKM) implemented in Hendrosari Village has proven effective in increasing the competitiveness of Micro, Small, and Medium Enterprises (MSMEs) through innovation based on local potential, utilization of digital technology, and optimization of the role of village institutions. BUMDes-based entrepreneurship training, which includes product innovation training and digital marketing strategies, has encouraged product diversification that is more attractive and has high economic value, thereby increasing the creativity and competitiveness of MSME entrepreneurs. The implementation of digital marketing strategies has contributed significantly to expanding market reach, as reflected in the increase in online transactions after training. In addition, improvements in packaging design have been shown to increase the attractiveness and selling value of products, while optimizing the role of Village-Owned Enterprises (BUMDes) in distribution and marketing strengthens the local business ecosystem.

The success of this program confirms that the integration of product innovation, digital marketing strategies, and village institutional synergy are key factors in encouraging sustainable MSME growth. This empowerment model based on local wisdom and digitalization has the potential to be replicated in other tourist villages to strengthen the creative economy sector and improve community welfare inclusively.

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