

Competitive MSME Strategy: Business Workshop, Halal Certification, and Digitalization in Kemasantani Village

Darda Mujahada¹, Alfiansyah Agung Saputra², Sabrina Aisah Putri³, Tiara Dinda Amalia Kartika⁴,
Budwi Harsono⁵

^{1,2,3,4,5}Muhammadiyah University of Sidoarjo, Indonesia



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ABSTRACT

Objective: Micro, Small, and Medium Enterprises (MSMEs) significantly contribute to economic growth, employment, and community welfare. However, they face persistent challenges in marketing, legality, and technological adaptation. This study aims to enhance the competitiveness of MSMEs in Kemasantani Village through structured interventions, including business workshops, halal certification assistance, and digitalization strategies. **Method:** A participatory approach was employed, involving direct engagement with MSME actors. Training sessions were conducted on digital marketing, guided assistance was provided for halal certification, and digital platforms were introduced to optimize business operations. **Results:** The intervention yielded significant outcomes, with 85% of participants demonstrating an improved understanding of digital marketing, 15 MSMEs successfully obtaining halal certification, and 60% of participants recognizing the potential of the digital market for business expansion. **Novelty:** This study provides an integrated model of MSME development by combining digital literacy, legal compliance, and market expansion strategies. The findings highlight the effectiveness of a participatory approach in empowering MSMEs, offering a scalable framework for enhancing business sustainability and competitiveness in similar rural contexts.

INTRODUCTION

Micro, small, and medium enterprises (MSMEs) are businesses that have the potential to expand employment opportunities, provide broad economic services to the community, and play a role in equitable distribution and growth of community income, thereby encouraging economic growth. In addition, MSMEs also play a role in realizing national economic stability[1].

The role of MSMEs in the Indonesian economy can be seen from: (1) its position as the main actor of economic activities in various sectors, (2) as the largest provider of employment, (3) an important actor in regional economic development activities and community empowerment. (4) creators of new markets and sources of innovation, and (5) their contribution to maintaining the balance of payments through export activities [2]. Micro, small and medium enterprises (MSMEs) play a very important role in Indonesia's economic development, contributing significantly to job creation and income generation. In recent years, the use of digital media has become increasingly important for small and medium-sized businesses to enhance their brand image and reach a wider audience. One of the responsibilities of MSMEs is to bring products to market from

introduction to distribution until they reach consumers. While there are many marketing methods and tactics available today to market goods or services, marketers must keep up with the trends to compete with their competitors in the open market.

Marketing is the social and managerial process by which individuals and groups get what they need and want through the creation and exchange of products and value with others [3]. Digital marketing is an advertising strategy that uses the internet and digital platforms to market products or services. The utilization of digital platforms in marketing opens up opportunities for MSME businesses to showcase their products widely, potentially increasing sales [4].

In the digital age, it is important for MSMEs to build their brand and to differentiate themselves from competitors and attract customers. By using digital media platforms such as social media sites and online marketplaces, it is possible to increase brand awareness, customer loyalty and ultimately sales. A study conducted by [5] found that SMEs that actively use social media to promote their brand have higher levels of brand awareness and customer engagement. By regularly publishing content that answers customer questions and running targeted advertising campaigns, small and medium-sized businesses can build a strong online presence and generate credibility.

The problem faced by MSMEs today is that in this digital era, the use of digital technology is also an issue in product marketing due to increasingly fierce competition and an increasingly complex market. One of them is the lack of branding capabilities when introducing products to consumers. Most MSME entrepreneurs still focus on business and forget about branding [6]. The reason could be due to the entrepreneurs' ignorance or closed attitude towards new ideas and instant gratification. Furthermore, MSME stakeholders do not understand the benefits of branding, have little knowledge about branding, do not have a positive entrepreneurial spirit and last but not least, they lack training or support regarding technical branding strategies for MSME stakeholders [7].

Advances in information technology have had a significant impact on the world of business and marketing. One of them, advances in information technology have provided better opportunities for micro, small and medium enterprises (MSMEs) in marketing their products. Marketing itself is intended as a way to strengthen relationships with existing customers and attract new customers to the business they are building.

With the workshop and assistance in digital marketing strategies using social media accounts as a means of marketing and introducing local products of Kemasantani Village MSMEs to the wider community so that they [8] are better known and more competitive. The efforts of KKN students are expected to expand market reach and help overcome product promotion obstacles faced by MSME players in Kemasantani Village.

This research is motivated by previous research Kusnadi et al which uses descriptive research while this research uses purposive sampling research [9]. The next development is in the use of promotional media used by research, namely using the

whatsapp platform, Instagram, Facebook, then also using marketplace media such as Shopee, Gofood, and Grabfood [10]. Meanwhile, the research in this article uses whatsapp, Shopee, and Instagram promotional media. The gap also occurs in research which stands out in the digital marketing strategy for MSMEs using affiliate or influencer marketing services and e-mail assistance [11]. Meanwhile, in this article research only utilizes digital marketing media without using the help of influencers.

The purpose of this article is to improve the competitiveness of MSMEs in Kemasantani Village through three main strategies, namely:

1. **Business Workshop:** Provides MSME owners with essential knowledge on business management, marketing, and financial planning to enhance their entrepreneurial skills.
2. **Halal Certification Assistance:** Facilitating the process of obtaining halal certification so that MSME products have credibility and are accepted in a wider market.
3. **Digitalization Support:** Encourage the adoption of digital tools, including e-commerce platforms and marketing through social media, to expand market reach and improve business sustainability.

Importance of MSME development

The significance of MSMEs in national economies cannot be overstated. They provide employment opportunities, particularly in rural and semi-urban areas, and contribute to the overall stability of the economy. According to data from the Indonesian Ministry of Cooperatives and Small and Medium Enterprises, MSMEs account for more than 60% of the country's Gross Domestic Product (GDP) and absorb nearly 97% of the workforce. These statistics highlight the importance of supporting MSMEs to sustain economic growth and development.

Despite their contributions, MSMEs often face structural challenges such as limited access to financial resources, lack of business knowledge, and inadequate regulatory compliance. One of the critical barriers for MSMEs in Indonesia is the lack of halal certification, which significantly affects their ability to enter both domestic and international markets, particularly in Muslim-majority countries. Additionally, with the rapid advancement of digital technology, businesses that fail to embrace digitalization risk being left behind [12].

Challenges faced by MSMEs in Kemasantani Village

In Kemasantani Village, MSMEs encounter several obstacles that hinder their growth and competitiveness. These challenges can be categorized into three main areas:

1. **Marketing and Business Knowledge:** Many small business owners lack formal education in business management, leading to ineffective marketing strategies and suboptimal financial planning. Without proper training, they struggle to position their products competitively in the market [13].
2. **Halal Certification and Legal Compliance:** As halal products become increasingly important in Indonesia and globally, obtaining halal certification is

crucial for businesses dealing with food, beverages, and cosmetics. However, the certification process can be complex and costly, discouraging many MSME owners from pursuing it [14].

3. **Digitalization and Technology Adoption:** The digital economy offers immense opportunities for MSMEs, but many entrepreneurs in Kemasantani Village lack the skills and resources to leverage online platforms effectively. Without proper guidance, they miss out on potential customers and revenue streams available through e-commerce and digital marketing [15].

This study aims to enhance MSME competitiveness in Kemasantani Village by implementing three strategic interventions:

1. **Business Workshops:** Providing MSME owners with essential knowledge on business management, marketing, and financial planning to improve their entrepreneurial skills.
2. **Halal Certification Assistance:** Facilitating the process of obtaining halal certification to increase product credibility and market acceptance.
3. **Digitalization Support:** Encouraging the adoption of digital tools, including e-commerce platforms and social media marketing, to expand market reach and improve business sustainability.

RESEARCH METHOD

The participatory implementation method was chosen to proactively involve MSME entrepreneurs in Kemasantani Village, Gondang District, Mojokerto Regency, East Java Province in implementing activities. Training and mentoring in marketing through social media are carried out by optimizing the Understanding of Local MSMEs in building branding through social media.

The implementation of the KKN work program through the following stages:

1. Workshop activities in the form of presentations on strategies using digital marketing for local MSMEs which were carried out at the Kemasantani Village Hall, Gondang District, Mojokerto Regency, East Java Province. The workshop activities were carried out with the participation of MSME entrepreneurs in Kemasantani Village, Gondang District, Mojokerto Regency, East Java Province totaling 20 participants including village communities and students. In this activity, the implementing team delivered material on strategies using digital marketing through social media such as Shopee, Tokopedia, and other marketplaces as insight to support the marketing of MSME products more effectively and efficiently.
2. Making halal certificates, mentoring in making halal certificates where residents who do not yet have halal certificates can have halal certificates so that consumers will be more confident when buying products. Community service activities are carried out for 3-7 days and are attended by UMKM entrepreneurs in Kemasantani Village, Gondang District, Mojokerto Regency

3. Assistance in creating shopee, whatsapp, Instagram, ETC accounts. the importance of marketing through social media. Community service activities are carried out for 1-3 days and are attended by UMKM entrepreneurs in Kemasantani Village, Gondang District, Mojokerto Regency, East Java Province including village communities.

The three stages in this community service activity are expected to increase the effectiveness and efficiency of product marketing, as well as expand the marketing segment of UMKM products in Kemasantani Village, Gondang District, Mojokerto Regency, East Java Province, not only locally, but also increasing to between villages, sub-districts, regencies and even to national and international levels.

RESULTS AND DISCUSSION

Results

1. Business Workshop

The business workshop held in Kemasantani Village involved local MSMEs with a focus on improving managerial, marketing, and financial management skills. From the results of observations and interviews with participants:

- a. 85% of participants experienced an increase in understanding of digital marketing strategies.
- b. 75% of participants were able to create a simple business plan.
- c. 90% of participants stated that the workshop provided new insights into more effective business management.

2. Halal Certification

The halal certification process is carried out to assist MSMEs in meeting consumer safety and trust standards. The results obtained from this initiative:

- a. 15 MSMEs have successfully obtained halal certification.
- b. 1 MSME is in the process of applying for certification.
- c. Business actors reported an increase in consumer trust in their products after obtaining halal certification.

3. MSME Digitalization

The digitalization program is carried out through online marketing training and the use of e-commerce platforms. From the results of this implementation:

- a. 50% of participants started creating marketplace accounts
- b. 50% of participants successfully created accounts on marketplaces or business social media.
- c. 60% of participants started to understand about digital markets.

Discussion

a. Effectiveness of Business Workshop

Business workshops have proven effective in improving MSMEs' understanding of business management strategies. The materials provided are able to improve

participants' insights, especially in terms of digital marketing and business plan preparation. However, the main challenge faced is limited access to the internet and digital devices in some MSMEs.



(a)



(b)

Figure 1. (a) Digital marketing seminars, (b) Seminar participants

b. Impact of Halal Certification

Halal certification has a positive impact on the competitiveness of MSMEs. Consumers have more confidence in products that have a halal label, especially in the food and beverage sector. However, the cost and procedures for managing certification are still obstacles for some MSMEs, so assistance from the government or related institutions is needed to facilitate this process.



(a)



(b)

Figure 2. (a) MSME survey, (b) Product will be certified Halal

c. Success of MSME Digitalization

The digitalization program has shown significant results, with many MSMEs becoming active on digital platforms. However, a challenge faced is the lack of knowledge regarding more complex digital marketing strategies such as the use of paid advertising and online sales data analysis. Further guidance is needed to increase the effectiveness of digitalization by creating e-commerce accounts shopee, instagram, and utilizing whatsapp media.



(a)



(b)



(c)

Figure 3. (a) MSME Entrepreneur, (b) MSME Product, (c) MSME Digitalization

d. Recommendations

1. **Strengthening the Workshop:** Training materials need to be expanded with direct practice sessions and ongoing mentoring.
2. **Halal Certification Support:** The government and related institutions can provide subsidies or facilitate the certification process for MSMEs.
3. **Digitalization Assistance:** MSME actors need to be given advanced training in digital marketing so that they can utilize technology optimally.

With this strategy, MSMEs in Kemasantani Village can be more competitive and develop in facing increasingly competitive market challenges. And, through this initiative, the study seeks to measure the impact of structured interventions on the competitiveness of MSMEs, with the aim of providing a replicable model for other rural communities facing similar challenges.

CONCLUSION

Fundamental Finding : This study demonstrates that the integration of business workshops, halal certification, and digitalization significantly enhances the competitiveness of MSMEs in Kemasantani Village. The results indicate that structured training improves business management and marketing skills, halal certification increases consumer trust, and digitalization expands market access while optimizing operational efficiency. **Implication :** The findings provide a practical framework for

policymakers, business development organizations, and local governments to support MSMEs in rural areas. The proposed strategies can serve as a scalable model for fostering sustainable business growth and economic resilience in similar contexts. **Limitation** : This study is limited to a specific rural setting, which may affect the generalizability of the results to urban or larger-scale enterprises. Additionally, the assessment primarily relies on short-term observations, necessitating further longitudinal analysis to evaluate long-term impacts. **Future Research** : Further studies should explore the long-term effects of digitalization on MSME sustainability, the role of financial inclusion in enhancing business resilience, and the adaptability of these strategies in different economic and cultural settings. Empirical investigations comparing rural and urban MSMEs would also provide valuable insights into the effectiveness of targeted interventions.

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Darda Mujahada

Muhammadiyah University of Sidoarjo, Indonesia

Alfiansyah Agung Saputra

Muhammadiyah University of Sidoarjo, Indonesia

Sabrina Aisah Putri

Muhammadiyah University of Sidoarjo, Indonesia

Tiara Dinda Amalia Kartika

Muhammadiyah University of Sidoarjo, Indonesia

*** Budwi Harsono (Corresponding Author)**

Muhammadiyah University of Sidoarjo, Indonesia

Email: Budwiharsono@umsida.ac.id
