

Enhancing Small Business Competitiveness through Product Packaging Innovation and Digital Marketing Integration

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ABSTRACT

Traditional home-based industries in rural areas often face significant market stagnation due to poor product presentation and limited digital engagement. This study addresses the marketing and presentation gaps faced by the Bakti Nagari Women Farmers Group (WFG) in West Padang Panjang of West Sumatra, where suboptimal packaging and a lack of digital literacy hindered growth. The primary objective was to modernize fried shallot products through knowledge sharing and practical training in professional packaging and social media marketing. Utilizing a qualitative research design, the methodology involved a multi-stage intervention comprising field observations, socialization, technical demonstrations, and digital market activation. Results indicate a significant improvement in participants' understanding of packaging diversification and digital content creation. Specifically, the adoption of professional labeling and ziplock packaging enhanced product value, while training in platforms like Instagram and TikTok expanded the group's market reach beyond local boundaries. This study concludes that bridging the digital divide through creative skills is essential for economic independence. These findings imply that community empowerment programs must transition from production-focused support to integrated marketing strategies to ensure long-term sustainability for micro-enterprises.

Keywords: Community Empowerment, Digital Transformation, Home Industry, Marketing Strategy, Product Modernization

1. Introduction

Entrepreneurial growth is fundamentally rooted in the ability of individuals to remain innovative and creative to achieve economic independence. In West Sumatra, Women Farmers Groups (WFG) play a vital role in local economies by transforming agricultural materials into value-added products. However, a critical research problem identified in this sector is the "marketing gap," where high-quality production is not matched by professional presentation or modern outreach. Current field observations reveal that traditional enterprises often suffer from suboptimal packaging that lacks professional labeling and a reliance on localized marketing channels.

To solve these issues, this study proposes a modernization strategy centered on knowledge sharing and technical skills development. The plan involves upgrading packaging aesthetics to act as a "silent sales force" and integrating Social Media Marketing Activities (SMA) to overcome geographical barriers. Consequently, the research objective is to provide insight and evaluate the impact of a structured modernization program on the capacity of WFG members to enhance product value and market accessibility.

Entrepreneurship development must start from the smallest things. This, of course, requires communicating the importance of being innovative and creative, so that people can become economically independent and meet their needs (Eliza & Mulya, 2021a). For instance, small business groups often struggle with substandard product packaging, which diminishes market appeal, or with limited access to digital marketing channels, preventing them from reaching wider audiences. Additionally, insufficient knowledge of financial management, pricing strategies, and legal business registration can impede growth and limit formal market participation. By addressing these issues and fostering problem-solving skills, entrepreneurship development can equip community members with the tools to overcome real-world barriers and achieve sustainable economic empowerment.

KWT Bakti Nagari was established in 2019, just before the Covid-19 pandemic hit. KWT Bakti Nagari was initiated by the Silaing Atas Community Empowerment Institution (LPM). The initial focus of KWT Bakti Nagari's activities was to utilise residential gardens for growing medicinal plants for family use (TOGA). The members of KWT Bakti Nagari are housewives and young women from RT 5, Silaing Atas Village.

Post-COVID-19 activities of KWT Bakti Nagari include making various crispy snacks, such as Brazilian Spinach Chips, Potato Serundeng, Yogurt, and Fried Shallots, to be marketed in Silaing Atas and its surroundings. The following Figure 1 is one of the activities currently being carried out by KWT Batki Nagari.



Figure 1. Activities of the Bakti Nagari Women's Working Group

Based on in-depth interviews and field observations conducted by the STIE Perdagangan community service team, KWT Bakti Nagari faces several challenges in developing its business operations. First, the current product packaging is suboptimal, lacking the aesthetic appeal and professional labelling needed to enhance product value and competitiveness in broader markets. Second, marketing efforts remain largely traditional and localized, with limited utilisation of digital platforms that could expand their consumer reach. Third, members encounter significant barriers in digital literacy, which constrains their ability to maximise social media marketing (SMM) activities and connect with consumers beyond their immediate geographic area. Finally, issues related to business legality, including organisational permits and formal registration, further restrict the group's capacity to enter the formal retail market. Collectively, these challenges impede the group's growth and limit its potential for broader market engagement.

To address this gap, a modernisation strategy through knowledge sharing and practical guidance is essential. By improving packaging techniques and implementing social media marketing strategies, KWT Bakti Nagari can transform its traditional operations into a more resilient and modern SME. This intervention is designed to provide sustainable solutions to increase product sales and family welfare through innovative entrepreneurship.

Based on the background of the problems in this study, the STIE Perdagangan PKM Team was motivated to try to provide insights and knowledge about packaging and social media marketing of products produced in modernising the products made by KWT Bakti Nagari members in terms of marketing.

The object of this PKM activity focused on the fried onion business initiated and managed by KWT Bakti Nagari. The raw materials needed to make fried onions are fresh red onions, salt, and cooking oil. The capacity of fresh red onions needed is 1 sack per production process. In one month, up to 100 kg of red onions can be processed, and the result obtained after processing into fried onions shrinks to 10% of the original amount. If

there are orders or requests from customers, the women of KWT Bakti Nagari will fulfil those orders. The fried onions produced are original fried onions because they do not use flour as an additional ingredient.

Seeing the great potential of the women of KWT Bakti Nagari Padang Panjang, our team at PKM STIE Perdagangan is interested in providing guidance in the form of knowledge sharing on product modernisation by upgrading the type and form of packaging and utilising social media as a marketing communication medium to reach a wider consumer audience.

2. Literature Review

2.1. Micro, Small and Medium Enterprises

According to Zefriyenni et al. (2022) Micro, Small, and Medium Enterprises (MSMEs) are the backbone of economic growth because they absorb a large workforce. For MSMEs to thrive, packaging optimization is essential as it creates the consumer's first impression and directly influences the perceived quality of the brand. Research suggests that creative and unique packaging design allows MSMEs to command higher selling prices and build stronger brand awareness.

Simultaneously, the adoption of digital marketing has become a non-negotiable requirement. As noted by Appel et al. (2020), "the future of social media in marketing lies in its ability to foster real-time, interactive, and personalized relationships between brands and consumers, moving beyond traditional one-way communication toward a more dynamic ecosystem." Digital platforms offer cost-effective tools for small businesses to reach a wider audience without significant capital. Social media marketing facilitates engagement through various formats such as microblogging, podcasts, and video content. Community empowerment, specifically targeting women, further strengthens this model by improving family welfare through productive leisure-time activities.

MSMEs act as business actors who optimize product packaging to improve quality and achieve higher selling prices through creative and unique ideas in packaging and labeling (Purnaningrum et al., 2018; Suprihatin et al., 2024). According to Zefriyenni et al. (2022), The existence of the MSME sector plays an important role in supporting Indonesia's economic growth because it includes entrepreneurs who absorb a large workforce. According to (Hendajany et al., 2025) Women are often considered to have free time, especially those who already have grown-up children. In addition, packaging plays a very important role because it creates the consumer's first impression before the product is consumed. Packaging design can increase awareness of product quality, and packaging appearance and aesthetics are important for building a product brand (Larissa & Sonja, 2023).

2.2. Community Empowerment

Community empowerment, particularly for women, plays a crucial role in fostering social and economic development. Beyond providing productive ways to fill their free time, empowerment programs can enhance women's skills, boost self-confidence, and increase participation in decision-making processes within the household and community, ultimately contributing to improved family welfare (Hendajany et al., 2025). Empowered women are better equipped to manage small businesses, access financial resources, and adopt innovative practices, which can lead to greater household income and economic resilience.

Moreover, community empowerment fosters social cohesion, encourages knowledge sharing, and cultivates leadership abilities, enabling women to advocate for their needs and contribute meaningfully to local development initiatives (Sanni, 2025). Through structured training, mentorship, and support networks, community empowerment transforms not only individual participants but also strengthens the broader socio-economic fabric of the community.

2.3. Digital marketing strategy

Digital marketing strategy is defined as an integrated process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services in a digital environment to create exchanges that satisfy individual and organizational goals (Li et al., 2021).

2.4. Social Media Marketing

Using digital marketing media does not require large expenses because there are many free applications that can be used to help MSMEs reach the public and enable more people to access them (Larissa & Sonja, 2023). According to (Eliza & Mulya, 2021b) Social media is a technology-based medium that can be classified into various forms, such as magazines, internet forums, weblogs, social blogs, microblogging, wikis, podcasts, photos or images, videos, ratings and social bookmarks.

2.5. Packaging

Packaging design can increase awareness of product quality, and packaging appearance and aesthetics are important for building a product brand (Larissa & Sonja, 2023).

2.6. Previous Research

Research by Hendajany et al. (2025) states that women's empowerment is essential to help improve family welfare by filling leisure time with productive activities. According to Zefriyenni et al. (2022), the development of digital-based MSMEs plays a key role in supporting local economic growth through employment and sustainable innovation. The findings of Purnaningrum et al. (2018) indicate that packaging optimisation provides added value and higher quality for SME products. This packaging also functions as a 'silent sales force' that builds consumers' first impressions, in line with the theory of Larissa and Sonja (2023). The effectiveness of technology-based media for entrepreneurship and the view of Larissa and Sonja (2023) that digital media greatly helps the accessibility of MSMEs by the wider community.

3. Methodology

3.1. Research Design

The type of research used is qualitative study, with results not obtained through statistical processes or other forms, and an effort to understand and interpret the significance of interaction events in human behaviour in certain situations according to the researcher's own opinion (Fitriyana et al., 2024).

A survey was conducted by the PkM team to develop KWT Bakti Nagari in Silaiang Ateh Village, Padang Panjang Barat Subdistrict, Padang Panjang City, West Sumatra. The purpose of this study was to collect the necessary data and information. The survey was conducted by visiting the KWT Bakti Nagari business location and conducting direct interviews with the owner.

The results of this survey were used to determine which programmes would be implemented, such as the schedule for implementing the Bakti Nagari product innovation programme through packaging and social media marketing. The methods used in this activity involved several stages (Eliza et al., 2019; Eliza & Mulya, 2021b, 2021a), namely: a) preparation (direct observation); b) socialisation; c) demonstration; d) activity evaluation; e) activity report.

To ensure an integrated 'upstream to downstream' development process, these activities are organised into five distinct phases: preparation, socialisation, demonstration, evaluation, and reporting.

1) Pre-Implementation Phase (Upstream: Needs Assessment)

The programme began with direct observation and surveys conducted at the WFG Bakti Nagari business location in Silaiang Atas Village. This 'upstream' phase focused on identifying key production and marketing obstacles through in-depth interviews with group members. The data collected during this stage served as the basis for designing a tailored curriculum for product modernisation and digital marketing.

2) Socialisation and Theoretical Training

The team conducted an awareness session involving 20 invited members of WFG Bakti Nagari. During this phase, various lecture methods were used to convey the basic concepts of marketing management, product branding, and the importance of strategic packaging aesthetics. Participants were introduced to the theoretical framework of Social Media Marketing Activities (SMA) to build a foundation for digital expansion.

3) Technical Demonstration and Implementation (Middle Stage: Skills Development)

In the middle stage, the programme shifted from theory to practice through live demonstrations. This stage was divided into two intensive sessions:

- a. Session I (Market Strategy): Focused on intensive marketing strategies, including market development and product diversification.
- b. Session II (Packaging Practices): Instructors demonstrate how to use cost-effective yet high-quality materials, such as PP ziplock plastic, to professionally package fried shallots while maintaining product hygiene.

4) Digital Integration (Lower Stage: Market Activation)

The lower stage focuses on market activation through social media. Participants are trained to create regular and diverse content for platforms such as Instagram, TikTok, and YouTube. This includes practical guidance on consistent posting schedules and utilising live streaming features to attract customers outside the Padang Panjang area.

5) Evaluation and Reporting

The final stage involves evaluating participants' mastery of the material. The team uses a question-and-answer approach and open discussions to assess members' ability to independently implement new packaging and digital marketing strategies. A final activity report is compiled to document the progress and success of the modernisation programme.

4. Results and Discussion

This section describes the research results. Data should be presented in Tables or Figures if possible. There should be no duplication of data in Tables and Figures. Discussions should be consistent and should interpret results clearly and concisely, and their significance, supported by appropriate literature. The discussion must demonstrate the relevance between the results and the field of investigation and/or hypotheses. Each table and figure should be clearly explained in the text.

4.1. Results

The training participants involved in this community service activity were members of the Women Farmers Group (KWT) Bakti Nagari, Silaiang Ateh Village, Padang Panjang Barat Subdistrict, Padang Panjang City, West Sumatra.

There were 20 participants in this community service activity. They were invited officially by the STIE Perdagangan Padang Community Service Committee. The speakers and instructors involved in this activity provided knowledge and insights in the field of marketing management.

During the training activity, participants were given concepts and insights into marketing management, product packaging design, product packaging diversification, and the potential for market expansion by maximising the use of social media marketing for KWT Bakti Nagari's fried onion products. How to market and promote products so that the products produced will be recognised by the community.

Through the modernisation of fried shallots for members of the Women Farmers Group (KWT) Bakti Nagari in Silaiang Ateh Village, West Padang Panjang District, Padang Panjang City, West Sumatra, the following results displayed in the table 1 were obtained:

Table 1. Results of Community Service Activities

No	Activities	Respond	Description
1	Packaging	Very good	Participants know and understand the importance of packaging and packaging diversification to expand the market reach of their products to consumers, and how packaging can be used to increase product value and competitiveness.
2	Social Media Marketing	Very good	Participants gain knowledge to develop their creativity and innovation in creating content published on the KWT Bakti Nagari social media accounts, which is regular and diverse, to communicate their products so that their market reach is wider.

This community service activity was held on Jl. Kelurahan Silaing Atas, Padang Panjang Barat Subdistrict, Padang Panjang City, with 20 participants. The activity was held on Sunday, 29 December 2024, starting at 08:00 WIB until 17:00 WIB.

The community service activity was divided into two sessions. The first session ran from 8:30 AM to 12:30 PM, covering topics such as intensive marketing strategies for products, including market development, product development, and packaging diversification, followed by a question-and-answer session with the presenters. The second session began at 1:30 PM and ended at 4:30 PM, covering packaging.

At the beginning of the activity, participants were given an explanation on how to produce quality products and what to pay attention to during the production process to ensure that the products produced are of high quality and maintain product hygiene. This was followed by an explanation on how participants should design and package their products to add value to the products themselves. The activities documentation is displayed in the Figure 2.



Figure 2. Documentation of Knowledge Sharing on the benefits of packaging and social media marketing

In the second session, participants were given material on product packaging. In this session, the importance of product packaging was explained, even though the products that would later be produced were still home-based and marketed locally. Participants were equipped with knowledge about the types and variety of packaging models that they could potentially apply without incurring significant costs. It is hoped that these participants will be able and willing to implement better packaging that is more appealing, thereby increasing consumer interest in purchasing each product marketed (See Figure 3).



Figure 3. Documentation of the discussion between the presenter and PkM participants about the benefits of packaging innovation.

After the second session of this PkM activity was completed, there were still several questions asked by the participants. It could be seen from Figure 4 that the discussion session is still on going before the photo session in the Figure 5. There were several suggestions given by the speakers, such as:

- a) For packaging. This can be done by adjusting to the needs around Silaing Atas Village, Padang Panjang Barat Subdistrict, Padang Panjang City. Packaged fried onions in ziplock PP plastic sachets can be sold for Rp. 2,000.00, targeting students, housewives, and others.
- b) For promotion, this can be done consistently every Sunday with engaging posts uploaded across all social media platforms owned by KWT Bakti Nagari.
- c) Conduct live streaming on several social media platforms such as Instagram, TikTok, and YouTube to attract consumers outside Padang Panjang City to place orders online.



Figure 4. Documentation of participants' questions and answers with PkM speakers

In this activity, the organising committee evaluated participants' knowledge through a question and answer session and open discussion. The discussion and question and answer session were intended to assess participants' understanding and knowledge of the material presented.



Figure 5. Group documentation of the Community Service Programme team with members of the Bakti Nagari Women's Group

4.2. Discussion

The transition of the group from a traditional home industry to a modern MSME highlights the role of knowledge sharing in closing the "marketing gap." The use of modern packaging serves two purposes: protecting product hygiene and acting as a primary marketing tool. This is supported by Pop et al. (2022), who state that "visual merchandising and consumer purchase behavior: the role of product packaging and display" is critical, as visual elements and professional presentation significantly influence the consumer's decision-making process at the point of sale.

Furthermore, the integration of Social Media Marketing Activities (SMA) effectively mitigates geographical limitations. By leveraging free digital tools, the group can attract customers from outside their local area. This strategy is reinforced by the findings of Voronina et al. (2021), who highlight that "social media marketing activities, brand loyalty, and brand trust" are deeply interconnected, noting that consistent digital engagement is instrumental in fostering long-term consumer loyalty and trust in small brands. The enthusiasm shown by participants suggests that rural producers are highly receptive to digital transformation when provided with hands-on training, ultimately improving family well-being and professional standards.

5. Conclusion

The community service programme successfully overcame the marketing and packaging challenges faced by KWT Bakti Nagari. By implementing modern ziplock packaging and social media strategies, the group expanded its market reach and product value. This intervention empowered members towards economic independence and professionalised the KWT home industry. Future programmes should focus on securing formal business legality and Halal certification to facilitate entry into broader retail markets.

5.1. Acknowledgement

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