

OPTIMIZING LOCAL POTENTIAL THROUGH CREATIVE ECONOMY TRAINING FOR KARANGREJO VILLAGE MSMEs

Nur Lailiyah^{1*}, Ingghar Ghupti Nadia Kusmijaji², Naabilah Kuni Hafidhoh³,
Devi Rahma Septiani⁴, Tiara Indriyani⁵, Vinanda Ariyani⁶, Novita Diana Austina⁷,
Iwan Marwan⁸

^{1, 2, 3, 4, 5, 6, 7}Nusantara PGRI Kediri University, Kediri, Indonesia

⁸Syekh Wasil State Islamic University of Kediri, Kediri, Indonesia

*Correspondence author, email: lailiya@unpkediri.ac.id

Received: 19/07/2025

Revised: 19/04/2026

Accepted: 20/04/2026

Abstract. This community service aims to optimize the local potential of Karangrejo Village through creative economy training for Micro, Small, and Medium Enterprises (MSMEs). Karangrejo Village has various local resources that have the potential to be developed into value-added products; therefore, this activity is designed to improve participants' skills in local wisdom-based product processing, digital marketing strategies, and sustainable business management. The activity implementation method includes socialization, practice-based training, and intensive mentoring. Training was provided interactively with the main materials including product innovation, branding and packaging, utilization of social media for marketing, and business financial management strategies. In addition, assistance was provided in implementing the training results to ensure program sustainability. Evaluation of the success of the activities was carried out through direct observation, interviews with participants, and analysis of business development after the training. The results of the activities showed an increase in participants' skills in developing creative products, understanding digital marketing strategies, and managing businesses more effectively. Some participating MSMEs have succeeded in increasing the competitiveness of their products with more attractive packaging designs and utilizing digital platforms for marketing. With this training, it is expected that the creative economy based on local potential in Karangrejo Village can develop sustainably and contribute to the welfare of the community.

Keywords: creative economy, digital marketing, local potential, MSMEs

Abstrak. Pengabdian kepada masyarakat ini bertujuan untuk mengoptimalkan potensi lokal Desa Karangrejo melalui pelatihan ekonomi kreatif bagi pelaku Usaha Mikro, Kecil, dan Menengah (UMKM). Desa Karangrejo memiliki berbagai sumber daya lokal yang berpotensi dikembangkan menjadi produk bernilai tambah. Oleh karena itu, kegiatan ini dirancang untuk meningkatkan keterampilan peserta dalam pengolahan produk berbasis kearifan lokal, strategi pemasaran digital, serta manajemen usaha yang berkelanjutan. Metode pelaksanaan kegiatan meliputi sosialisasi, pelatihan berbasis praktik, dan pendampingan intensif. Pelatihan diberikan secara interaktif dengan materi utama yang mencakup inovasi produk, penjenamaan dan kemasan, pemanfaatan media sosial untuk pemasaran, serta strategi pengelolaan keuangan usaha. Selain itu, dilakukan pendampingan dalam implementasi hasil pelatihan guna memastikan keberlanjutan program. Evaluasi keberhasilan kegiatan dilakukan melalui observasi langsung, wawancara dengan peserta, serta analisis perkembangan usaha setelah pelatihan. Hasil kegiatan menunjukkan adanya peningkatan keterampilan peserta dalam mengembangkan produk kreatif, memahami strategi pemasaran digital, serta mengelola usaha secara lebih efektif. Beberapa UMKM peserta berhasil meningkatkan daya saing produknya dengan desain kemasan yang lebih menarik dan memanfaatkan platform digital untuk pemasaran. Dengan adanya pelatihan ini, diharapkan ekonomi kreatif berbasis potensi lokal di Desa Karangrejo dapat berkembang secara berkelanjutan dan memberikan kontribusi terhadap kesejahteraan masyarakat.

Kata Kunci: ekonomi kreatif, UMKM, pemasaran digital, potensi lokal

How to Cite: Lailiyah, N., Kusmijaji, I. G. N., Hafidhoh, N. K., Septiani, D. R., Indriyani, T., Ariyani, V., Austina, N. D. & Marwan, I. (2026). OPTIMIZING LOCAL POTENTIAL THROUGH CREATIVE ECONOMY TRAINING FOR KARANGREJO VILLAGE MSMEs. *Mitra Mahajana: Jurnal Pengabdian Masyarakat*, 7(1) 172-179. doi: <https://doi.org/10.37478/mahajana.v7i1.6503>

INTRODUCTION

Karangrejo Village has significant creative economic potential, particularly in the micro, small, and medium enterprise (MSME) sector based on local products such as handicrafts, regional culinary specialities, and agricultural products (Wikansari et al., 2024; Sari, 2025).



Copyright (c) 2026 Nur Lailiyah, Ingghar Ghupti Nadia Kusmijaji, Naabilah Kuni Hafidhoh, Devi Rahma Septiani, Tiara Indriyani, Vinanda Ariyani, Novita Diana Austina, Iwan Marwan. This work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

However, despite this potential, MSMEs in this village still face various challenges in developing their businesses. The main challenges include limitations in product innovation, a lack of understanding of digital marketing strategies, and limited access to technology and broader market networks. (Kreiterling, 2023). Furthermore, most MSMEs still rely on conventional marketing, such as direct sales and local networks, thus limiting their market reach. However, in today's digital era, utilizing technology and social media can be an effective strategy to increase product competitiveness (Sidharta et al. 2024). A lack of understanding of branding, attractive packaging design, and digital marketing strategies is a major obstacle to sustainable business development (Diez-Martin et al., 2019; Wirawan et al., 2026).

Based on these issues, a training program is needed that not only provides theoretical understanding but also practical skills for MSMEs to develop their businesses. This community service program aims to optimize local potential through creative economy training that includes product innovation, digital marketing, and sustainable business management (Darsyah & Akbar, 2023; Aisyah et al., 2025). The main objective of this activity is to improve the skills of MSMEs in creating and developing products based on local potential with higher added value, equip them with digital marketing strategies, including the use of social media and e-commerce, and improve their understanding of branding, packaging design, and product storytelling to make them more attractive to consumers (Chen, 2024; Garczarek-Bak, et al., 2024; Wirawan et al., 2026). In addition, mentoring in more effective and sustainable business management, including business financial management, is also part of this program.

The concept of the creative economy has been proven to contribute significantly to the national and regional economies. According to Howkins (2002) the creative economy is a sector that relies on individual creativity, expertise, and talent to create added value that can be developed into a competitive advantage. Meanwhile, research by Santoso (2021) shows that a creative economy based on local potential can be an effective strategy for improving community welfare if supported by appropriate innovation and marketing. Kotler et al., (2025) also emphasize that digital marketing has become a crucial instrument in modern business strategies because it allows businesses to reach a wider market at a lower cost than conventional marketing. Furthermore, a study conducted by Setiawan (2023) shows that MSMEs implementing digital marketing strategies experience a 40% increase in sales compared to MSMEs that still rely on traditional marketing methods. This demonstrates that digital marketing enables direct interaction with consumers and provides flexibility in adapting to market trends (Tarabasz, 2024). Based on this research, the designed community service program is expected to provide concrete solutions for MSMEs to improve the competitiveness of their products, expand their marketing reach, and create a more developed creative economy ecosystem in Karangrejo Village. This training is also expected to open opportunities for MSMEs to innovate and compete in a wider market, thereby contributing to improving the welfare of the local community (Sutrisno et al., 2023; Wikansari et al., 2024).

Previous community service projects have extensively discussed the development of a creative economy based on local potential and the implementation of digital marketing strategies for MSMEs. Howkins (2002) emphasized that the creative economy is a sector with significant potential for improving community welfare if supported by innovation and effective marketing strategies. Santoso (2021) also demonstrated that strengthening the creative economy ecosystem based on local wisdom can be a sustainable community empowerment strategy. Furthermore, a study by Setiawan (2023) revealed that MSMEs implementing digital marketing strategies can increase turnover by up to 40% compared to MSMEs that still rely on conventional marketing methods. However, most existing research and community service projects still focus on general aspects of digital marketing without considering specific factors such as the social and cultural characteristics and digital readiness of the local community. Research by Nugroho & Prasetyo (2022) shows that the digitalization of MSMEs in rural areas faces different challenges than in urban areas, particularly in terms of digital literacy, limited access to technology, and a lack of training tailored to community needs. Meanwhile, the community service conducted by Lestari and Wicaksono (2023) and Sasongko et al. (2020) emphasized that although digital marketing

training had been provided to MSMEs, not all participants were able to immediately implement the strategies taught due to technical limitations and a lack of ongoing mentoring.

Thus, there remains a gap in research and community service related to optimizing the potential of the creative economy at the village level. Few studies specifically integrate product innovation based on local potential with digital marketing strategies tailored to the characteristics of rural communities. Therefore, this community service program seeks to fill this gap by providing training that covers not only digital marketing aspects but also product innovation, branding, and intensive mentoring for MSMEs in Karangrejo Village so they can effectively develop their businesses sustainably.

METHOD

This community service program was conducted over three months (November to January) and involved several strategic stages aimed at providing solutions to the problems faced by MSMEs in Karangrejo Village. The method used in this activity was a practice-based interactive training method (Knowles et al., 2014; Prince 2004) which included problem identification, training program design, practice-based training implementation, and evaluation of the training's impact on participants' business development.



Figure 1 Stages of implementing community service

The first stage was identifying the needs and challenges of MSMEs, conducted through an initial survey and interviews with business owners in Karangrejo Village. This stage collected data on business types, challenges faced, and readiness to implement digital marketing strategies and product innovation. The survey used questionnaires and semi-structured interviews to understand the participants' socio-economic conditions and existing skills. The second stage is the design of training modules, which cover product innovation based on local potential, branding and packaging strategies, and digital marketing through social media and e-commerce. The language used in the training is tailored to the participants' level of understanding, using Indonesian with a simple and easy-to-understand communicative approach. The training modules are based on a review of the latest literature and best practices in developing creative economy-based MSMEs (Lestari & Wicaksono, 2023).

The third phase is the implementation of practice-based training, carried out through interactive workshops and direct mentoring. In this phase, participants receive comprehensive training, including product innovation training aimed at increasing the added value of products through innovation techniques based on local wisdom. In addition, participants are equipped with branding and packaging design training to create attractive product appearances and build strong brand identities. Furthermore, digital marketing training is provided, focusing on the use of social media such as Instagram, Facebook, and WhatsApp Business, as well as marketplace platforms like Shopee and Tokopedia as the main channels for product marketing. Moreover, participants are given assistance in business management, including an understanding of simple financial management strategies, transaction recording, and calculating profitable selling prices. During the training, various tools were used, including laptops, smartphones, simple design software (Canva), and internet access for hands-on digital marketing practice. The training's effectiveness was evaluated by measuring participants' understanding before and after the training using *pre-* and *post-tests*.

The final stage was an evaluation of the training's impact, conducted by observing the development of participants' business within three months after the training. Data was

collected through follow-up interviews and participant satisfaction surveys. Data analysis used descriptive statistics, calculating the average increase in understanding, changes in product innovation, and increase in turnover after the training. The results of this evaluation were used to refine future community service programs and ensure their sustainability. This implementation method is based on a community *-based approach* that emphasizes participatory community empowerment (Nugroho & Prasetyo 2022). With this approach, it is hoped that MSMEs in Karangrejo Village can independently develop their businesses with the support of innovation and more effective digital marketing.

RESULT AND DISCUSSION

The results of this community service activity demonstrated that the creative economy training for MSMEs in Karangrejo Village had a positive impact on improving participants' understanding and skills in product innovation, branding strategies, and digital marketing. Twenty-five MSMEs operating in various sectors, including handicrafts, regional culinary specialties, and agricultural products, participated in the activity.

Improving Participants' Understanding and Skills

Based on the results of the pre-test and post-test conducted during the training, participants' understanding of product innovation and digital marketing improved. The following data table illustrates the results of the pre-test and post-test on participants' understanding of product innovation and digital marketing.

Table 1. Pre-test and post-test results

Rated aspect	Before Training (<i>Pre-test</i>) (%)	After Training (<i>Post-test</i>) (%)
Understanding product innovation	45%	87%
Understanding digital marketing	35%	79%
Understanding the importance of branding	25%	80%

Based on the data presented in Table 1 (Pre-test and Post-test Results), there was a significant increase in participants' understanding of the three aspects assessed after participating in the training. In terms of understanding product innovation, there was a 42% increase, from 45% to 87%, after the training. Meanwhile, the understanding of digital marketing increased by 44%, from 35% to 79% after the training. The most drastic increase occurred in the aspect of understanding the importance of branding, which increased by 55%, from an initial level of only 25% to 80% after training. These data indicate that the training was highly effective in improving participants' understanding across the three measured aspects. Before the training, participants' understanding was relatively low, ranging from 25% to 45%, but after the training, their understanding increased substantially, reaching 79% to 87%.



Figure 2. Provision of creative economy socialization materials

This success indicates that the training method used was effective and can serve as a model for similar trainings in the future. However, to ensure the sustainability of the training results, follow-up should be considered to monitor the extent to which the acquired knowledge can be applied in daily practice (Knie et al., 2022).

Product Innovation Based on Local Potential

One of the main outcomes of this training is the development of product innovations based on local potential. Participants are provided with guidance in creating products with added value, such as more attractive packaging and processing using more modern techniques. For example, several MSMEs in the culinary sector have successfully developed new variants of their signature food products with longer shelf life, enabling them to be marketed outside the region (Retnaningsih et al., 2024).



Figure 3. *Yellow tofu satay innovation*

Implementation of branding and packaging design strategies

The training also successfully raised participants' awareness of the importance of branding and packaging in attracting consumers. Before the training, most MSME products still used simple packaging without a clear brand identity. After receiving training on packaging design and product storytelling, participants began implementing more professional branding techniques (Himawati et al., 2025; Pertiwi et al., 2025). Seventy per cent of participants began using more attractive logos and packaging, which is expected to increase their product competitiveness in the broader market.



Figure 4. *Packaging innovation using teak leaves*

Implementation of Digital Marketing

Another significant impact of this community service program is the increased use of digital marketing by MSMEs. Before the training, most participants still relied on conventional marketing, such as direct sales and local networks. After the training, 80% of participants began using social media platforms like Instagram, Facebook, and WhatsApp Business to promote their products. Furthermore, 40% of participants successfully opened online stores on marketplaces like Shopee and Tokopedia. Within three months of the training, several participants reported a 20-30% increase in sales thanks to more effective digital marketing strategies.

Post-Training Evaluation and Mentoring

To ensure the program's sustainability, an evaluation was conducted through interviews and a participant satisfaction survey. The survey results showed that 90% of participants found the training beneficial and desired further assistance, particularly in optimizing digital marketing strategies and managing their businesses. Therefore, as a follow-up to this program, regular mentoring is planned for participants who require further guidance in implementing the strategies they have learned. Overall, the results of this community service demonstrate that the interactive training-based approach and direct mentoring have had a positive impact on increasing the competitiveness of MSMEs in Karangrejo Village. The success of this program is expected to serve as a model for creative economy development in other areas with similar characteristics (Manioudis & Angelakis, 2023; Rahmawati et al., 2023). The community service activities conducted have demonstrated significant results in increasing the capacity of local MSMEs. These results align with the findings of Lestari and Wicaksono (2023), who stated that digital marketing training can improve the knowledge and skills of MSMEs in rural areas. However, unlike that study, this community service program focuses not only on digital marketing but also includes product innovation and branding, tailored to the local characteristics and potential of Karangrejo Village.

A comprehensive approach integrating product innovation, branding, and digital marketing has proven effective in empowering MSMEs. This is evident in the implementation of more attractive branding and packaging design strategies by 70% of participants, as well as the adoption of digital *platforms* by 80% of participants to market their products. These findings support research by Setiawan (2023), which states that implementing digital marketing strategies can increase MSME turnover. However, challenges such as limited access to technology and digital literacy remain obstacles for some participants, as noted by Nugroho & Prasetyo (2022). To overcome this, ongoing mentoring is needed.

CONCLUSION

The community service activity, themed "Optimizing Local Potential: Creative Economy Training for MSMEs in Karangrejo Village," successfully improved the understanding and skills of MSMEs in product innovation, branding, and digital marketing. The increased understanding after the training demonstrated the program's effectiveness. Furthermore, the implementation of more attractive branding and packaging design strategies by 70% of participants, as well as the adoption of digital *platforms* by 80% of participants to market their products, confirmed the positive impact of this training. To ensure sustainability and continuous improvement of the results achieved, several follow-up steps are necessary. These include ongoing mentoring, where regular assistance is provided to MSMEs to help them address challenges that may arise when implementing the strategies they have learned. In addition, networking is encouraged through the establishment of connections among MSMEs in Karangrejo Village, enabling them to share experiences, resources, and market opportunities. Furthermore, support in accessing technology is also essential, as it helps MSMEs obtain the necessary tools to enhance their digital operations and marketing efforts.

Based on the findings and experiences during the program implementation, several recommendations can be proposed for similar programs in the future. First, increasing the duration of training sessions would allow materials to be delivered more comprehensively and provide participants with sufficient time to understand and practice new skills. Second, improving access to technology is crucial, particularly by facilitating the availability of appropriate devices and reliable internet access, considering that technological limitations remain a challenge for some participants. Lastly, conducting ongoing evaluations is important to measure program effectiveness and to continuously adjust training materials in accordance with the needs and development of MSMEs. With the implementation of these follow-up actions and suggestions, it is hoped that MSMEs in Karangrejo Village can continue to grow and contribute more significantly to the local economy.

REFERENCES

- Aisyah, S., Ladjin, N., Irwansyah, R., & Suryawan, M. A. (2025). The Role of the Creative Economy in Driving Local Economic Growth in the Digital Era. *Jurnal Economic Resource*, 8(2), 1486-1492. <https://doi.org/10.57178/jer.v8i2.1781>
- Chen, M. (2024). Strategic Visual Art Communications for Small Business Success in Online E-Commerce. *Frontiers in Art Research*, 6(1), 22-26. doi: 10.25236/FAR.2024.060105.
- Darsyah, M. Y., & Akbar, S. (2023). Optimising the role of creative economy in society through literature review: Empowerment strategies and sustainable development models. *Journal of Community Dedication*, 2(4), 529-544. <https://felifa.net/index.php/JURCOMDED/article/view/668>
- Diez-Martin, F., Blanco-Gonzalez, A., & Prado-Roman, C. (2019). Research challenges in digital marketing: sustainability. *Sustainability*, 11(10), 2839. <https://doi.org/10.3390/su11102839>
- Garczarek-Bak, U., Szymkowiak, A., Jaks, Z., & Jansto, E. (2024). Impact of product vs brand storytelling on online customer experience. *International Journal of Wine Business Research*, 36(3), 370-405. <https://doi.org/10.1108/IJWBR-07-2023-0041>
- Himawati, D., Riswanti, S., Sitanggang, P. B., Apriyanti, R., & Akhiron, A. (2025). Integration of Creative Design and Visual Branding in Digital Marketing Strategy: Analysis of Innovation to Increase Brand Awareness and Market Identity of MSMEs. *International Journal of Integrative Research*, 3(10), 717-730. DOI: <https://doi.org/10.59890/ijir.v3i10.77>
- Howkins, J. (2002). *The creative economy: How people make money from ideas*. London: Penguin UK.
- Knie, L., Standl, B., & Schwarzer, S. (2022). First experiences of integrating computational thinking into a blended learning in-service training program for STEM teachers. *Computer Applications in Engineering Education*, 30(5), 1423-1439. <https://doi.org/10.1002/cae.22529>
- Knowles, M. S., Holton III, E. F., & Swanson, R. A. (2014). *The adult learner: The definitive classic in adult education and human resource development*. Routledge. New York: Routledge.
- Kotler, P., Keller, K. L., Chernev, A., Hemonnet-Goujot, A., Pez, V., & Manceau, D. (2025). *Marketing Management* (No. hal-05459799). <https://ideas.repec.org/p/hal/journal/hal-05459799.html>
- Kreiterling, C. (2023). Digital innovation and entrepreneurship: A review of challenges in competitive markets. *Journal of Innovation and Entrepreneurship*, 12(1), 49. <https://doi.org/10.1186/s13731-023-00320-0>
- Lestari, S. & Wicaksono, T. (2023). The Effectiveness of Digital Marketing Training for SMEs in Rural Areas: Challenges and Opportunities. *Indonesian Journal of Community Development* 8(1), 55-70. doi: 10.15294/ijcd.v8i1.55.
- Manioudis, M., & Angelakis, A. (2023). Creative economy and sustainable regional growth: Lessons from the implementation of entrepreneurial discovery process at the regional

- level. *Sustainability*, 15(9), 7681. <https://doi.org/10.3390/su15097681>
- Nugroho, A. & Prasetyo, D. (2022). Digital Transformation in Rural SMEs: Barriers and Strategies. *Journal of Small Business and Rural Economics* 10(3), 112–29. doi: 10.31850/jsbre.v10i3.112
- Pertiwi, M. I., Wahyuningrum, I. F. S., Agustina, L., & Aji, T. S. W. (2025). Improving Branding through Product Packaging. *Indonesian Journal of Devotion and Empowerment*, 7(2), 99–110. DOI: <https://doi.org/10.15294/ijde.v7i2.32492>
- Prince, M. (2004). Does Active Learning Work? A Review of the Research. *Journal of Engineering Education* 93(3):223–31. doi: 10.1050/102004.190000293.
- Rahmawati, A., Wahyuningsih, S. H., & Garad, A. (2023). The effect of financial literacy, training and locus of control on creative economic business performance. *Social Sciences & Humanities Open*, 8(1), 100721. <https://doi.org/10.1016/j.ssaho.2023.100721>
- Retnaningsih, C., Irmawati, B., Retnawati, B. B., & Ruenda, O. (2024). Development and innovation of locally inspired food products by Micro, Small, and Medium Enterprises (MSMEs) in Central Java, Indonesia. In *IOP Conference Series: Earth and Environmental Science* (Vol. 1338, No. 1, p. 012066). IOP Publishing. DOI 10.1088/1755-1315/1338/1/012066
- Santoso, B. (2021). *Ekonomi Kreatif Berbasis Potensi Lokal: Strategi Dan Implementasi*. Jakarta: Gramedia.
- Sari, R. J. (2025). Study of Local Potential of MSMEs in Pelaga Village in Supporting The Achievement of A Sustainable Economy Based on SDGs. *TRJ Tourism Research Journal*, 9(2), 240-254. DOI: <https://doi.org/10.30647/trj.v9i2.290>
- Sasongko, D., Putri, I. R., Alfiani, V. N., Qiranti, S. D., Sari, R. S., & Allafa, P. E. (2020). Digital Marketing Sebagai Strategi Pemasaran UMKM Makaroni Bajak Laut Kabupaten Temanggung. *Jurnal Ilmiah Pangabdhi*, 6(2), 92-96. doi: <https://doi.org/10.21107/pangabdhi.v6i2.7809>.
- Setiawan, R. (2023). Digital Marketing Strategies and Their Impact on SMEs: A Case Study in Indonesia. *Journal of Business and Digital Economy* 15(2):85–102. doi: 10.24156/jbde.v5i2.120.
- Sidharta, V. R., Febiyanti, E. E., Zulfaida, A. S., Kusumaningsih, L. A., Putri, F. D. A., & Lailiyah, N. (2024, October). Pemanfaatan Pemasaran Digital bagi Pelaku UMKM Kelurahan Pakelan Kota Kediri. In *Proceedings of The National Conference on Community Engagement* (Vol. 1). DOI: <https://doi.org/10.29407/yf3rn280>
- Sutrisno, S., Permana, R. M., & Junaidi, A. (2023). Education and training as a means of developing MSME expertise. *Journal of Contemporary Administration and Management (ADMAN)*, 1(3), 137-143. DOI: <https://doi.org/10.61100/adman.v1i3.62>
- Tarabasz, A. (2024). The impact of digital on marketing strategy. In *Digital marketing* (pp. 21-37). London: CRC Press.
- Wikansari, R., Kurniawati, R., Prasaja, D., & Helvianto, A. W. (2024). Strategies for developing MSMEs based on the creative economy to enhance local community welfare. *Jurnal Terobosan Peduli Masyarakat (TIRAKAT)*, 1(4), 231-239. DOI: <https://doi.org/10.61100/j.tirakat.v1i4.240>
- Wirawan, I. D. G. K., Suanda, I. W., & Firmani, P. S. (2026). Digital Marketing Strategy Training to Strengthen the Branding of Belatungan Village Coffee Products through Social Media, E-Commerce, and Sustainable Packaging Design. *Jurnal Abdi Masyarakat*, 6(1), 1-10. DOI: <https://doi.org/10.22334/jam.v6i1.92>