

# Product Innovation And Marketing Assistance To Eco Green Handcraft MSMEs

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## ABSTRACT

The condition of the export market, which is very sluggish, has put the MSME economy and the people who produce environmentally friendly handcrafts in Kasiman Village in an alarming condition; exports of handcraft products have stopped entirely as a result of the crisis after the Covid 19 Pandemic and the war that occurred in Europe. This mentoring program aims to help provide solutions for target partners. Handcraft product innovation and digital-based marketing assistance are expected to boost sales of handcraft products to compete in the local market by targeting millennial generation consumers and e-commerce and social media-based sales strategies. The implementation of innovation assistance for the diversification of handcraft products and the implementation of digital marketing has been going well, which has proven to have succeeded in boosting the sales of handcraft products for the people of Kasiman Village through various e-commerce channels, social media, or direct sales at galleries selling home decor and handcraft products made from friendly materials-environment in Kasiman Village.

**Keywords:** Eco Green Handcraft, Kasiman Village Community, Marketing Assistance, Product Innovation

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## 1. INTRODUCTION

Micro, small, and medium enterprises (MSMEs) are essential in driving the national economy besides their vital role in various indicators of economic development (Sulistyan et al., 2022). The development of MSMEs has also proven to expand employment opportunities by utilizing the potential of available natural resources & human resources (Safii & Suwarno, 2018; Yatminiwati et al., 2021). The strategic position of the MSME business sector is also related to the fact that this sector has advantages over large businesses, that MSME can absorb labor and use local resources. Micro-scale companies are more flexible in their operations (Suminah et al., 2022; Sarma et al., 2022).

The economic value of a product or service in the micro, small, and medium enterprise (MSME) sector is not always determined by the production system or raw materials but by using creativity and creating innovation to create a comparative advantage (Anom & Safii, 2022; Safii & Rahayu, 2021; Muttaqien & Sulistyan, 2022). Efforts to utilize various agricultural and plantation wastes are a distinct opportunity for people who can read this keenly. The people of Kasiman Village, Kasiman District, and Bojonegoro Regency have added value to various materials that have been underutilized to improve their welfare. Driven by local MSMEs, the synergy between the various communities in Kasiman Village has successfully penetrated the export market for home decoration products and household appliances by utilizing natural fibers from banana stems, corn husks, wild weeds, and mending fiber.

The pattern of cooperation between MSMEs and the local community has succeeded in increasing the welfare of the Kasiman village community, where local women have a dual role, namely as suppliers of raw materials for agricultural waste and craftsmen. Even though they already have their market for foreign home decoration enthusiasts, such as the Netherlands, Japan, Korea, and Italy, the global economic conditions currently experiencing a recession have brought the conditions for MSME businesses and the people of Kasiman Village to be in a difficult situation. The impact of the Covid 19 pandemic and the Russia-Ukraine war made the home décor market difficult; it almost stopped exporting to the European Region. The condition of MSMEs and handcraft-producing communities in Kasiman Village is also getting more difficult, apart from the sluggish export market, since home decoration and tableware products are not yet widely known in the Indonesian local market.

This MSME Assistance Program is an effort to solve some of the problems handicraft makers face in Kasiman Village. The main problem that is the focus of this innovation implementation program is the problem of innovation in the variety of products produced and marketing issues to boost sales apart from relying on the export share.

The purpose of implementing this mentoring program is to help increase sales through product differentiation, continue to produce the products that have been produced so far and apply the right marketing concept. Products made from environmentally friendly materials have great potential to be marketed and marketed in the local Indonesian market (Aqmala, 2013). Still, they need help to develop the right marketing concept to market eco-green-based products such as those produced by the people of Kasiman Village.

## **2. METHODS**

Implementing the assistance program for MSMEs and communities producing environmentally friendly handcrafts in Kasiman Village is an effort to solve the problems partners face. Based on the explanation from the previous chapter, it has been stated that the priority problems faced by program partners are production and marketing problems.

The first development carried out for target partners was product differentiation efforts. In addition to continuing to produce home decor and various household accessories, a strategy was needed by handcraft craft makers from Kasiman Village to target millennial generation consumers and develop various innovative products from natural fibres, such as sandals, bags and wallets. The millennial generation's awareness of eco-green-based products can be used to create an effective sales strategy.

The development of fashion products made from natural fiber crafts to increase sales is based on the fact that millennials and Generation Z are currently the majority population in Indonesia (Suci & Prakoso, 2020). Data from some e-commerce shows that fashion products are the most sought-after products between 2019 and 2021 (Putri, 2021).

Marketing and promotion aspects are the following priority issues to be resolved through the implementation of this innovation implementation program. Development of digital-based marketing methods to target potential consumers of handcraft products through website media, e-commerce, and social media.

Assistance in developing handcraft product marketing methods to focus on digital concepts is based on the fact that Smart Digital Content Marketing has proven successful in capturing market share because it follows the characteristics of Indonesian millennials (Hayu, 2019). Developing promotional videos with appropriate content can effectively increase social media users' buying interest in a product (Nandhita et al., 2023; Safii et al., 2023)

**Table 1.** Implementation Flow and Model Used in the Assistance Program

No.	Activity	Methods	Output
1	Focus Group Discussion on the development of innovative handcraft products	Structured discussions on production equipment owned by partners and the capabilities of local community hand craft craftsmen	Mentoring Activity Plan
2	Training and Assistance in the Production of Bags and Wallets from Pandan Leaf Fiber Product	Manufacturing training and product quality control assistance	Product diversification of eco-friendly bags and wallets with contemporary models.
3	Training and Assistance in the Production of Tissue Boxes from Fiber Mendong	Product manufacturing training and product quality control assistance	Diversification of Tissue Box products with current models.
4	Ecommerce-Based Marketing Assistance	Training and mentoring of product sales at e-commerce and strategies to increase sales traffic using the affiliate marketing method	Increased sales of handcraft products through e-commerce
5	Video Content Creation Training for Product Promotion	Training and assistance in video-based product promotion on social media	Educating the public why they should use environmentally friendly products.

Source: Work Plan for Product Innovation Assistance Activities and Marketing of Handcraft Products for the Kasiman Village Community (2022)

### 3. RESULTS AND DISCUSSION

Developing contemporary product innovations with environmentally friendly materials is carried out through several stages. The first stage is an innovation analysis to suit the partners' production equipment and the capabilities of the local community's handcraft artisans. Based on the results of joint discussions, bags, wallets, and pouches are innovative products developed during program implementation.

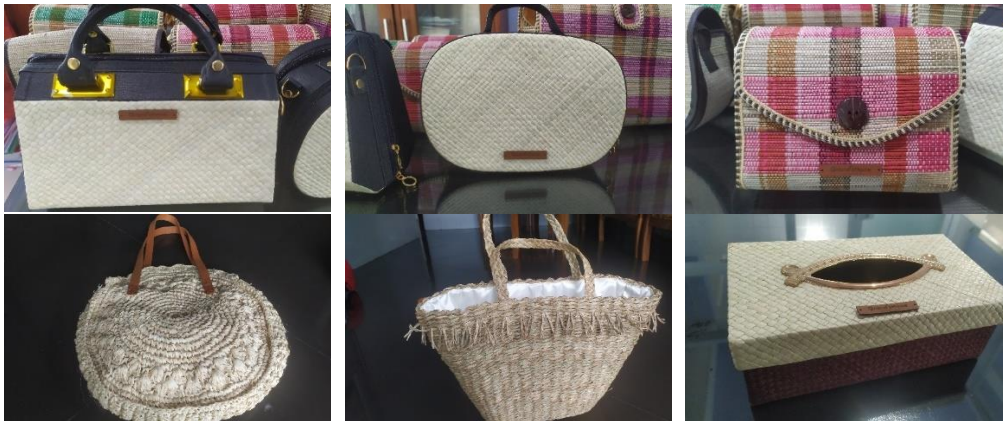
The next stage is product innovation training, which provides skills to the craftsmen regarding handcrafted fashion products, which are very different from the home decor products that have been produced so far. Furthermore, the production innovation assistance stage is carried out to ensure that the products follow the expected quality and facilitate finishing by local MSMEs.



**Figure 1.** Corn Skin Handcraft Product Innovation Training  
Source: Activity Documentation (2022)

Product innovation training and mentoring consist of two stages: product innovation training for bags and wallets made of pandan leaf fiber and training for product innovation for tissue box products made of mending fiber. The results of the training and mentoring activities

are that, within five months, fashion products such as mending fiber bags, wallets and pouches, pandan leaf bags, and mending fiber sandals have been appropriately produced by Kasiman village residents who are program partners.



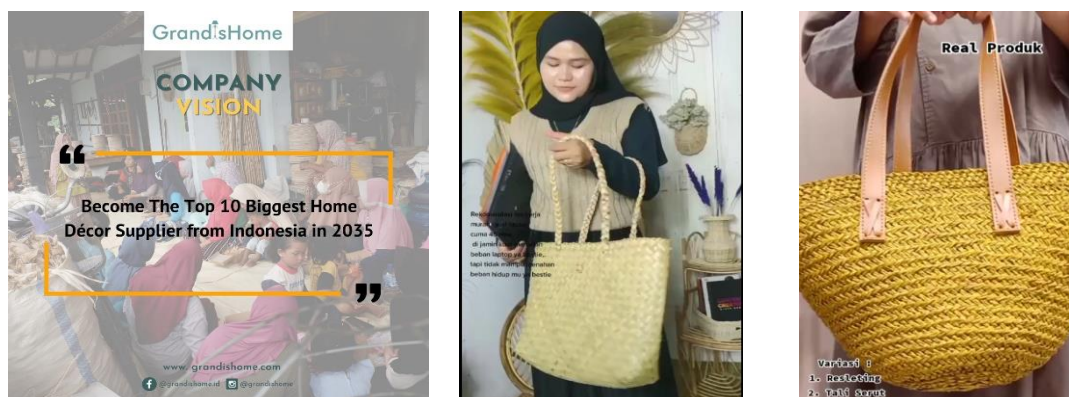
**Figure 2.** Products from Handcraft Innovation Assistance  
Source: Activity Documentation (2022)

Marketing assistance aims to optimize the sales reach of partners. So far, home decor products have only been marketed through various exhibitions and sales at MSME galleries. Training and mentoring are carried out to emphasize the use of digital media, namely websites, e-commerce, and social media, to introduce better various products that have been innovated.



**Figure 3.** Digital Media-Based Marketing Training for handcraft producers in Kasiman Village  
Source: Activity Documentation (2022)

Making various promotions based on social media videos focuses on follow-up assistance. Promotional videos about the advantages and uniqueness of environmentally friendly natural fibers products have proven to attract fashion fans to interact with sellers.



**Figure 4.** Handcraft Product Promotion Social Media Content  
Source: Activity Documentation (2022)

At the end of the assistance program, evaluation activities are carried out, which aim to measure and improve all activities that have been carried out (Anom et al., 2018). Measuring the level of success is carried out on various components, including the methods used, the use of facilities, and the attainment of goals. The mentoring program implementation team checks online marketing and content used by business actors. At this stage, the service team provides input on exciting content for online marketing. Evaluations are also conducted to obtain input on handcraft products produced and marketed on a limited scale.

## 4. CONCLUSION

The implementation of innovation assistance for the diversification of handcraft products and the implementation of digital marketing has been going well, which has proven to have succeeded in boosting the sales of handcraft products for the people of Kasiman Village through various e-commerce channels, social media, or direct sales at galleries selling home decor and handcraft products made from friendly materials-environment in Kasiman Village.

This research has several limitations that need to be considered. First, the limited research time can affect the understanding of the long-term effects of coaching, innovation and digital marketing programs on the sale of eco-friendly handicrafts. Second, because the study may have only been conducted in one particular village or area, the results cannot be generalized to other areas, and a lack of variation within the sample could also be a problem. Third, the limitations of available data and research methods can affect the validity and reliability of research results.

Suggestions for further research are to conduct comparative studies in various villages or regions to see the effectiveness of coaching programs in increasing sales of eco-friendly handicrafts in various local contexts. In addition, it is necessary to examine the long-term impact of the program to see if the increase in sales can be sustained over a longer period of time and identify possible side effects or unwanted effects of the program. Research on a larger scale involving more participants and a wider area can also provide a more comprehensive picture of the effects of innovation assistance and digital marketing in increasing sales of eco-friendly handicrafts. An in-depth analysis of other factors affecting sales and the social, economic and policy context is also important for a more holistic understanding of the program's success. Combining various research methods such as interviews, surveys, field observations, and statistical data analysis can also strengthen the validity and reliability of research findings.

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