



Empowering MSMEs in Lampung: Increasing Income Through Training in Financial Management, Digital Marketing, and Packaging

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Abstract: *Micro, Small, and Medium Enterprises (MSMEs) play a vital role in the economy of Lampung Province, Indonesia; however, they face challenges including limited financial management knowledge, ineffective digital marketing, and suboptimal product packaging. This community service initiative aims to address these issues by providing targeted training to MSMEs in South Lampung and Pringsewu Regencies. Using a Participatory Action Research (PAR) methodology, the program enhances participants' financial literacy, equips them with digital marketing strategies, and encourages innovation in product packaging. The results demonstrate a significant improvement in MSME competitiveness, market reach, and revenue generation. Additionally, the program highlights the integration of cultural and sustainable practices in product packaging to align with global trends and consumer preferences. This holistic approach not only empowers MSMEs but also fosters regional economic development, offering a replicable model for similar community service initiatives.*



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Introduction

Micro, Small, and Medium Enterprises (MSMEs) are integral to the economy of Indonesia, particularly in Lampung Province, where they contribute significantly to job creation and income generation. MSMEs account for nearly 97% of all businesses in Indonesia and employ around 60% of the workforce.¹ Despite their crucial role, MSMEs in Lampung face challenges that limit their growth and sustainability, including inadequate access to capital, poor financial management skills, ineffective use of digital marketing, and insufficient innovation in product packaging. According to recent studies,

¹ Kusdi Raharjo, Tri Wulida Afrianty, and Yudha Prakasa, "Digital Literacy and Business Transformation: Social-Cognitive Learning Perspectives in Small Business Enterprises," *Cogent Business and Management* 11, no. 1 (2024).

65% of MSMEs face challenges with accessing capital, and 60% of MSME owners lack essential financial knowledge, impairing their business decision-making.² Furthermore, 55% of MSMEs struggle to leverage digital marketing strategies, which are essential for expanding their market reach.³ Additionally, 50% of MSMEs have not invested in attractive packaging, limiting their marketability.⁴

Table 1.
Percentage of Challenges Faced by MSMEs in Lampung

Type of Challenge	Percentage (%)	Description
Limited Capital	60%	65 out of 100 MSMEs experience difficulties in accessing funds for business development.
Low Financial Management Knowledge	55%	60 out of 100 MSME owners lack basic knowledge of financial management.
Limited Digital Access	50%	55 out of 100 MSMEs struggle to utilize digital platforms for marketing.
Lack of Innovation in Packaging	65%	50 out of 100 MSMEs do not have attractive and functional packaging.

Based on tabel 1, these statistics highlight the urgent need for targeted interventions to address these challenges and enhance the capabilities and competitiveness of MSMEs in Lampung. Improving financial literacy is essential for MSME owners to access capital and make informed business decisions. Digital marketing strategies are crucial for expanding MSMEs' market reach and visibility, and innovation in packaging is vital to making products more appealing to consumers. Previous research shows that financial management knowledge significantly impacts business sustainability and growth.⁵ Furthermore, effective digital marketing is necessary for MSMEs to compete with larger businesses, especially in the context of the digital

² Laili Rohmatin et al., "Financial Management Analysis of Micro, Small, and Medium Enterprise (MSME) in the Covid 19 Pandemic Era," *JIFA (Journal of Islamic Finance and Accounting)* 4, no. 1 (May 10, 2021): 71-81.

³ Hilma Erfiani Baroroh et al., "Digitalization and Product Development of Micro, Small, and Medium Enterprises (MSMEs) in Tonjong Village as a Means of Empowering the Community Toward Prosperous," *Journal of Community Practice and Social Welfare* 3, no. 1 (September 28, 2023): 13-27.

⁴ Basri et al., "Digital Marketing Platform Development Model and Product Quality on Buying Decisions and Sales of Micro, Small, and Medium Enterprises (MSMES) Product Volume, South Sulawesi Province," *International Journal of Professional Business Review* 8, no. 9 (September 14, 2023): e03615.

⁵ Rini Tresnasari, "Increasing MSME Performance Through Institutional Strengthening, Entrepreneurship, and Digital Marketing," *International Journal of Research in Community Service* 4, no. 1 (2023): 11-17.

economy.⁶ Packaging innovation plays a key role in differentiating products and attracting consumers in a crowded marketplace.⁷

This community service initiative aims to provide comprehensive training to MSMEs in Lampung, focusing on financial management, digital marketing, and product packaging. By addressing these interconnected challenges, the initiative seeks to enhance MSME performance, improve income generation, and contribute to long-term economic sustainability in the region.

Method

The approach used in this Community Service (PKM) initiative follows the Participatory Action Research (PAR) method. PAR is a transformative methodology aimed at addressing practical community issues while simultaneously contributing to scientific knowledge and fostering social change. This approach not only empowers the community but also raises collective critical awareness about the constraints imposed by neoliberal globalization and traditional paradigms that limit societal transformation. It is, therefore, considered Transformative PKM, as it focuses on empowerment and tangible community change.⁸

Community Service Participants:

The primary participants in this community service are Micro, Small, and Medium Enterprises (MSMEs) in Lampung Province, specifically MSMEs that are part of joint business groups (KUBEs) supported by the local government. These include groups under the Social Service of Bandar Lampung City, Pringsewu Regency, and Metro Municipality. The specific MSMEs involved are:

- Salted Egg and Ecoprint Joint Business Groups (KUBE) from Bandar Lampung City.
- Grocery stalls, meatball stalls, and rice stalls from the Mandira Microfinance Institution of Metro City, supported by the Financial Services Authority (OJK).
- Red brick businesses, curtain fabric shops, and grocery stores under the guidance of Ambarawa District in Pringsewu Regency.

Research Methodology:

⁶ R Susanto Hendiarto et al., "The Influence Of Digital Marketing Competence And Financial Statements On Performance (Case Study on the Development Business of the West Java Chamber of Commerce and Industry in Bandung)," *Review of International Geographical Education (RIGEO)* 11, no. 3 (2021): 1324-1341, www.rigeo.org.

⁷ Basri et al., "Digital Marketing Platform Development Model and Product Quality on Buying Decisions and Sales of Micro, Small, and Medium Enterprises (MSMEs) Product Volume, South Sulawesi Province," *International Journal of Professional Business Review* 8, no. 9 (September 14, 2023): e03615.

⁸ Agus Afandi, *Participatory Action Research (PAR) Metodologi Alternatif Riset Dan Pengabdian Kepada Masyarakat Transformatif* (Malang: Workshop Pengabdian Berbasis Riset di LP2M UIN Maulana Malik Ibrahim Malang, 2020).

To achieve the expected outcomes, both primary and secondary data are utilized. Primary data is collected through survey methods and direct observation, ensuring the research team gathers firsthand insights into community needs and challenges. Secondary data, such as MSME development reports from the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, provides additional context to the study.

The purposive sampling technique is applied in the selection of participants. This method focuses on identifying individuals or groups that have specific characteristics or knowledge relevant to the study, allowing for a deeper understanding of the issues at hand.⁹

The stages of the community service process include:

1. Initial Planning and Community Engagement: The community is introduced to the project and actively participates in setting goals and objectives.
2. Data Collection: Primary and secondary data are gathered to understand the current state of MSMEs.
3. Training and Empowerment: Workshops are conducted to enhance financial management, digital marketing, and packaging innovation skills among MSME owners.
4. Follow-Up and Evaluation: Continuous support is provided with follow-up evaluations to measure the progress and outcomes of the training and empowerment initiatives.¹⁰

⁹ Maryani & Nainggolan., *Pemberdayaan Masyarakat, Pertama* (Yogyakarta: CV. Budi Utama, 2019).

¹⁰ Sukesni & Astuti Handini, *Pemberdayaan Masyarakat Desa Dalam Pengembangan UMKM Di Wilayah Pesisir* (Surabaya: Scopindo Media Pustaka, 2019).

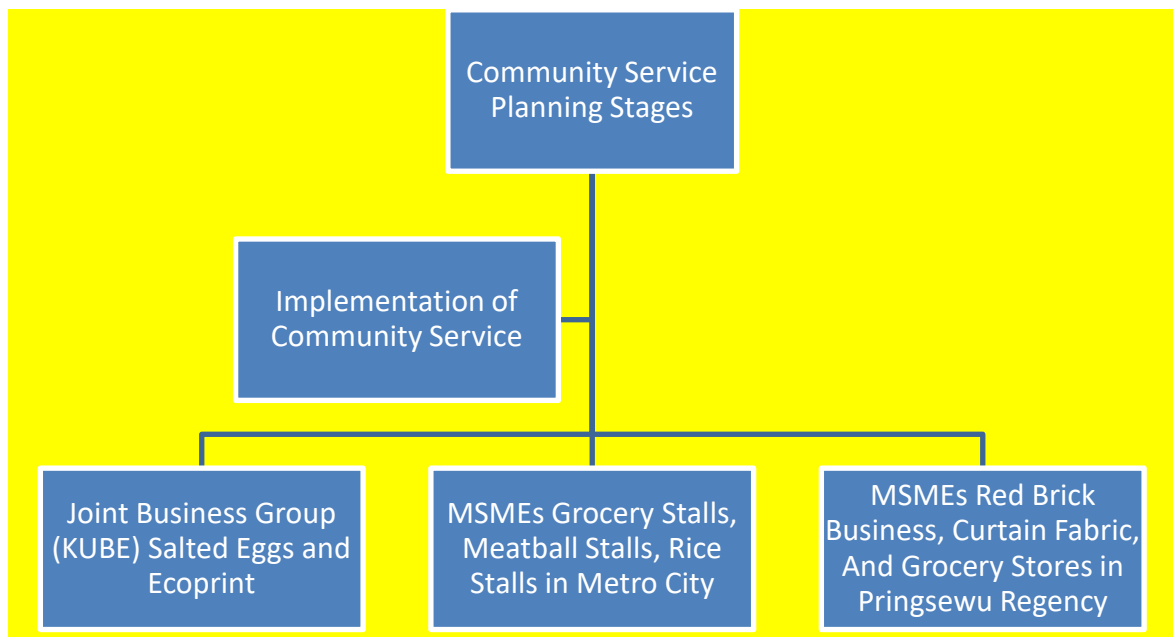


Figure 1 : the implementation process for the community service activities
Source: Data Processed 2024

Result

Financial Management of Micro, Small and Medium Enterprises (MSMES) In Lampung Province

In the context of improving the financial management of Micro, Small and Medium Enterprises (MSMEs) in Lampung Province, several important steps must be taken to build a strong framework that can improve their financial health and sustainability. The following are the important steps to be followed:

- a. **Assessment of Current Financial Knowledge and Practices**
In this initial stage, MSME owners should conduct surveys and interviews to gather data on their financial literacy levels. This includes understanding their grasp of basic financial concepts, bookkeeping practices, and financial decision-making processes. Additionally, evaluating existing financial statements and records is crucial for identifying common financial practices, strengths, and weaknesses within their businesses.
- b. **Training and Capacity Building**
MSMEs should develop comprehensive training programs that cover essential financial management topics such as budgeting, cash flow management, and financial reporting. Engaging financial experts to facilitate workshops and training sessions tailored specifically to the needs of MSMEs in Lampung is important for enhancing their financial skills and knowledge.

c. Implementation of Financial Tools and Systems

MSMEs can benefit from introducing simple accounting software that allows for efficient tracking of income, expenses, and profits. Establishing standard operating procedures for consistent financial record-keeping and reporting practices is also essential to ensure clarity and compliance in financial management.

d. Monitoring and Evaluation

Setting up a schedule for regular financial reviews enables MSMEs to periodically assess their financial records, ensuring compliance with established practices and identifying areas for improvement. Creating feedback mechanisms will allow MSMEs to share their experiences regarding the training and tools provided, facilitating adjustments and enhancements to the program as needed.

e. Access to Financial Resources

MSMEs should be informed about available financing options such as microloans, grants, and government support programs specifically designed for their needs. Building relationships with local banks or microfinance institutions is important for facilitating easier access to credit, helping MSMEs secure the funding necessary for growth.

f. Integration of Digital Financial Management

Promoting digital literacy among MSMEs is essential, with training on digital financial tools and platforms that can streamline financial management and reporting processes. Educating MSMEs on how to leverage digital marketing and e-commerce can significantly improve their sales and revenue management.

g. Sustainability and Continuous Improvement

Establishing support networks for MSME owners will foster peer support, allowing for the sharing of best practices and collaborative problem-solving. Encouraging ongoing education and continuous learning opportunities will keep MSME owners updated on the latest financial management trends and tools, ensuring they remain competitive and sustainable in the long term.

The five stages carried out by business actors, micro, small and medium enterprises (MSMEs) in Lampung province are given training by the community service team, where the service team provides education related to the process of financial management as shown in Figure 1 below:



Figure 2. Financial Management Training

The training program aimed to enhance the financial management knowledge of MSME participants. The following table illustrates the comparison of participants' understanding of key financial management concepts before and after the training.

Table 2 : Comparison of Financial Management Knowledge Before and After Training

Aspect of Knowledge	Before Training (%)	After Training (%)
Basic Financial Management Knowledge	40%	80%
Ability to Create Budgets	30%	75%
Cash Flow Management	25%	70%

Source: Data Processed 2024

The data in Table 2 indicates a significant improvement in the financial management knowledge of participants after the training. For instance, the percentage of participants who understood basic financial management concepts increased from 40% to 80%. Similarly, the ability to create budgets improved from 30% to 75%, and cash flow management knowledge rose from 25% to 70%. This demonstrates the effectiveness of the training program in enhancing the financial literacy of MSME owners.

Digital Marketing of Micro, Small and Medium Enterprises (MSMES) in Lampung Province

Digital marketing has brought significant changes in the development of micro, small and medium enterprises (MSMEs) in Lampung Province. The development of information and communication technology allows MSME players to utilize digital platforms as effective promotional and marketing media. In recent years, the use of digital marketing has become increasingly important, especially to face increasingly fierce competition in local and global markets. MSMEs in Lampung that previously only relied on traditional marketing methods such as exhibitions, brochures, or word-of-mouth can now reach a wider range of consumers through the internet. This not only increases sales, but also opens up opportunities for MSME players to compete in a larger market.

One of the main impacts of digital marketing on MSMEs in Lampung is increased market access. With platforms such as social media (Instagram, Facebook, and TikTok), marketplaces (Tokopedia, Shopee, Lazada), and e-commerce websites, MSMEs can market their products more widely, not only at the local level but also at the national and international levels. For example, superior products such as Lampung tapis cloth, Lampung robusta coffee, and various regional specialties can now be found in marketplaces and even exported thanks to the existence of digital media. This gives MSMEs a great opportunity to expand their consumer reach and increase sales significantly.

In addition, digital marketing allows MSMEs to run promotions more cost-efficiently than conventional marketing methods. In traditional marketing, MSMEs often have to spend a lot of money to print brochures, rent exhibition space, or place advertisements in print media. However, with digital marketing, MSMEs can utilize social media for free to promote their products or use paid advertisements such as Google Ads and Facebook Ads at an affordable cost. This efficiency is very important for MSMEs, especially for those with limited marketing budgets. In fact, many MSMEs in Lampung have successfully utilized digital trends such as using local influencers to increase brand awareness of their products.

The influence of digital marketing can also be seen in increasing brand awareness among consumers. MSMEs in Lampung can utilize creative content to attract consumers' attention, for example by creating short videos about the production process of tapis cloth or showing the unique taste of Lampung coffee through social media. These contents not only help introduce the product to consumers, but also create a strong brand identity. Consumers who are exposed to such content tend to recognize and remember the MSME's products more easily, thus increasing the chances of purchase.

Another advantage of digital marketing is the ease of interaction between MSME players and their consumers. Social media and digital platforms allow MSMEs to communicate directly with customers through comments, private messages, or reviews.

This provides a great opportunity for businesses to understand the needs and wants of consumers. By listening to consumer feedback, MSMEs can improve the quality of their products or services, thereby creating customer loyalty. For example, consumers who are satisfied with MSME services will often leave positive reviews on marketplaces or social media, which in turn can attract more new consumers.

However, this digital transformation also encourages MSMEs in Lampung to adapt to new technologies. The use of digital marketing encourages MSME players to adopt online order management systems, digital payments, and marketing data analysis. This transformation process not only improves the operational efficiency of MSMEs but also gives them a competitive edge in the market. For example, by analyzing consumer data available on digital platforms, MSMEs can devise more targeted and effective marketing strategies. They can determine which products are most in demand, when is the best time to promote products, and who their target market is. However, despite its many benefits, the implementation of digital marketing also faces several challenges. One of them is the low level of digital literacy among some MSME players. Not all businesses in Lampung understand how to use digital technology optimally, so they need training and mentoring to take advantage of this opportunity. In addition, limited internet infrastructure in some remote areas in Lampung is also an obstacle that needs to be overcome. Local governments and the business community in Lampung need to work together to provide digital literacy training and expand internet access so that more MSMEs can make the most of digital marketing.

The effect of digital marketing on MSME revenue is also very significant. A more targeted and effective marketing strategy allows MSMEs to reach consumers who really need their products, thus increasing sales conversion rates. For example, businesses in the culinary sector can utilize delivery services such as GrabFood or GoFood to increase their sales, while craft businesses can use marketplaces to sell their products to consumers outside Lampung. With this increase in revenue, MSMEs are not only able to survive in the midst of competition but also contribute to regional economic growth.

Overall, digital marketing is one of the strategic solutions for MSMEs in Lampung to face the challenges of the digital era. By utilizing digital technology, MSMEs can improve their competitiveness, create new innovations, and expand their market share. However, to ensure this positive impact can be felt by all MSME players, strong support is needed from various parties, including the government, educational institutions, and the business community, to provide training, mentoring, and access to adequate infrastructure. Thus, MSMEs in Lampung will not only grow, but also become one of the main pillars of sustainable regional economic development.

Related to digital marketing of micro, small and medium enterprises (MSMEs) in Lampung Province, for the flow carried out in marketing products, the following framework is made:

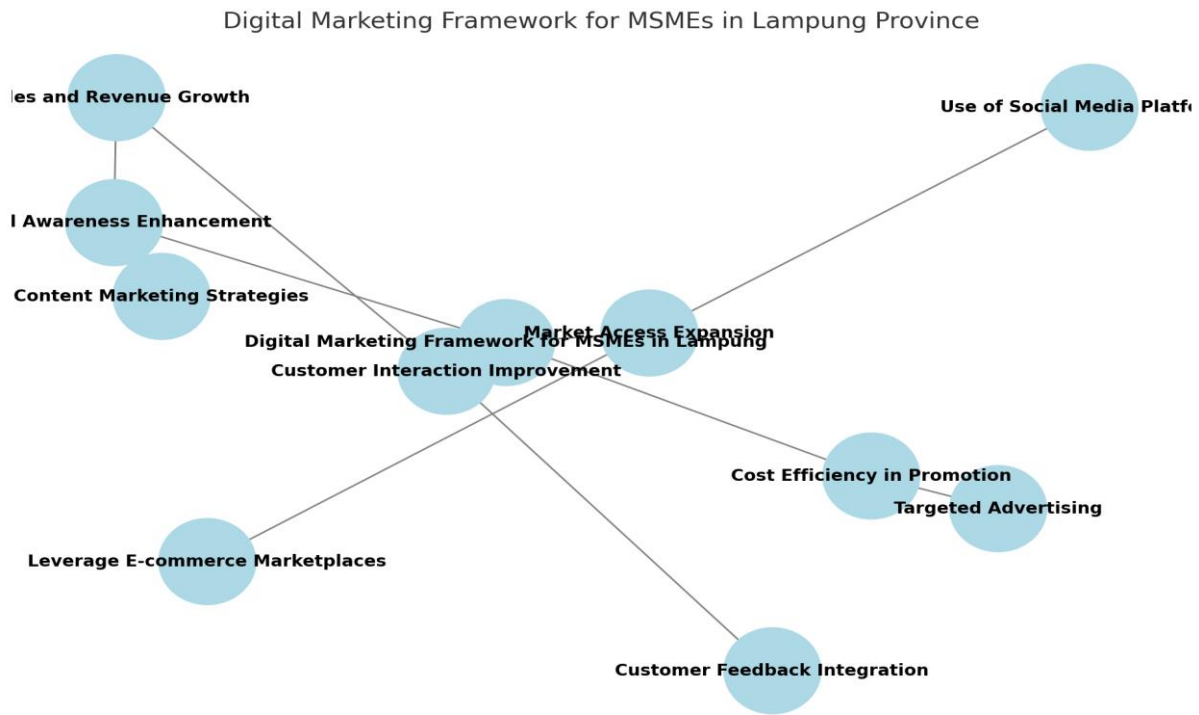


Figure 3. Framework Digital Marketing Product

The framework illustrates the critical components of digital marketing for Micro, Small, and Medium Enterprises (MSMEs) in Lampung Province, focusing on how digital tools and strategies can enhance business performance. At its core, digital marketing acts as the foundation for addressing challenges and unlocking opportunities for MSMEs. One of the primary objectives is market access expansion, where businesses leverage social media platforms like Instagram, Facebook, and TikTok, along with e-commerce marketplaces such as Shopee and Tokopedia, to reach local, national, and even global audiences. This significantly broadens the customer base beyond traditional physical markets.

Additionally, digital marketing provides cost efficiency in promotion, allowing MSMEs to implement targeted advertising on platforms like Google Ads and Facebook Ads. These tools enable precise audience targeting while minimizing promotional expenses, a critical advantage for small businesses with limited budgets. Another crucial aspect is brand awareness enhancement, achieved through content marketing strategies. By creating engaging visuals, leveraging cultural elements, and sharing authentic stories, MSMEs can build trust and recognition among consumers.

The framework also emphasizes customer interaction improvement, highlighting the importance of direct communication with customers through social media comments, reviews, and private messages. This facilitates better understanding of customer needs and preferences, enabling MSMEs to tailor their offerings. Furthermore,

integrating these components leads to sales and revenue growth, as businesses benefit from broader market reach, improved branding, and stronger customer relationships.

Product Packaging of Micro, Small and Medium Enterprises (MSMEs) In Lampung Province

Product packaging plays a crucial role in the growth and sustainability of Micro, Small, and Medium Enterprises (MSMEs) in Lampung Province. Packaging is not merely a protective layer for products; it is also a tool for branding, marketing, and communication. For MSMEs in Lampung, product packaging has proven to be an essential element that significantly impacts their competitiveness in local, national, and even international markets. This influence is particularly noticeable in sectors such as food and beverages, traditional crafts, and agricultural products, where packaging can determine the first impression a product creates on potential customers.

One of the most significant effects of good product packaging is its ability to enhance the visual appeal of products. Attractive and well-designed packaging helps MSMEs in Lampung capture consumer attention in crowded marketplaces, both online and offline. For example, MSMEs producing traditional Lampung coffee or snacks often use vibrant and creative packaging that highlights the authenticity and uniqueness of their products. This not only helps them stand out among competitors but also creates a sense of premium quality, which can justify higher pricing. Packaging becomes the ultimate tool for creating a strong first impression and encouraging impulse purchases.

In addition to enhancing visual appeal, packaging serves as a medium for storytelling and brand identity. Many MSMEs in Lampung incorporate local cultural elements into their packaging designs, such as motifs inspired by the traditional Lampung tapis fabric or images of iconic local landmarks. This cultural infusion not only differentiates their products from others but also fosters a sense of pride in local heritage. For instance, packaging for Lampung's robusta coffee often includes stories about the region's coffee plantations and the farmers who produce them. Such storytelling builds an emotional connection with consumers and helps MSMEs position themselves as authentic and community-driven businesses.

Furthermore, product packaging plays a critical role in communicating essential product information. Labels and packaging designs often include details about ingredients, nutritional facts, usage instructions, and certifications (e.g., halal certification or organic labels). For MSMEs in Lampung, this transparency builds trust with consumers, especially in urban markets where customers are more health-conscious and demand detailed information before making purchases. Clear and professional labeling can also help MSMEs comply with regulatory requirements, allowing them to access larger markets, including exports.

Sustainability is another area where product packaging has started to influence MSMEs in Lampung Province. As consumers globally become more environmentally conscious, the demand for eco-friendly packaging has increased. Many MSMEs in Lampung are adapting to this trend by using biodegradable materials or reducing excessive packaging. For example, some businesses use recycled paper, bamboo, or banana leaves as alternatives to plastic. This shift not only attracts environmentally aware consumers but also aligns with global market trends, making MSMEs from Lampung more competitive internationally. Eco-friendly packaging has become a value-added feature that resonates with modern consumers and strengthens the brand image of MSMEs.

Moreover, effective packaging also impacts the logistics and distribution processes of MSMEs. Durable and well-structured packaging ensures that products can withstand transportation challenges, especially for businesses targeting distant markets. In Lampung, where many MSMEs rely on exporting coffee, spices, and other agricultural products, the durability of packaging is critical. Secure and functional packaging minimizes product damage, reduces customer complaints, and enhances overall customer satisfaction. This is particularly important for MSMEs that rely on e-commerce, as their products need to arrive at customers' doorsteps in perfect condition.

The role of product packaging in increasing customer retention cannot be underestimated. When customers receive a product in packaging that feels premium, innovative, or thoughtful, it enhances their overall buying experience. This positive experience often leads to repeat purchases and word-of-mouth recommendations. MSMEs in Lampung that invest in unique unboxing experiences, such as including personalized messages or small freebies in their packaging, have seen improved customer loyalty. These seemingly small touches leave a lasting impression and differentiate them in a competitive marketplace.

Despite these benefits, many MSMEs in Lampung face challenges related to product packaging. Limited access to high-quality packaging materials and lack of design expertise are among the primary issues. Many small businesses operate on tight budgets, making it difficult for them to invest in premium packaging solutions. Furthermore, some MSMEs lack awareness of how packaging can impact consumer perceptions and marketability. Addressing these challenges requires support from local governments, business associations, and educational institutions to provide training on packaging design, access to affordable materials, and funding opportunities for packaging innovation.

The influence of packaging extends beyond aesthetics and functionality; it also affects the perception of value and quality. In many cases, customers equate high-quality packaging with high-quality products. This perception is particularly crucial for MSMEs in Lampung that compete in premium markets, such as specialty coffee or artisanal crafts. By investing in packaging that reflects the quality of their products, MSMEs can position

themselves as reliable and professional businesses, attracting more discerning customers.

For example, the product packing provided in the training and community service to micro, small and medium enterprises (MSMEs) in the Lampung province area covering South Lampung district and Pringsewu district is as follows:



Figure 4. Example Packaging Product

The image showcases a variety of product packaging designs from MSMEs (Micro, Small, and Medium Enterprises) in Lampung Province, blending traditional and modern aesthetics. Many of the designs incorporate traditional Lampung motifs, such as tapis patterns, floral ornaments, and geometric elements, giving the products a strong cultural identity. The coffee packaging, for instance, utilizes eco-friendly kraft paper bags adorned with vibrant ethnic-inspired labels, emphasizing the authenticity and premium quality of Lampung's signature robusta coffee. Beverage and snack packaging demonstrates a modern approach with colorful labels and clear product information, presented in durable materials suitable for consumer convenience.

Sustainability is also a prominent theme, as some packaging uses biodegradable and natural materials like recycled paper or banana leaves, reflecting the commitment of Lampung's MSMEs to environmentally friendly practices. The color schemes across the designs include bright and vibrant tones such as red, green, and orange, creating a lively and eye-catching appeal. For artisanal products like crafts and souvenirs, the packaging employs elegant boxes with traditional patterns, conveying exclusivity and targeting higher-end markets.

The packaging prominently features detailed product information, such as ingredients, certifications (e.g., halal or organic), and usage instructions, arranged professionally to build consumer trust. These designs not only highlight local cultural heritage but also align with global packaging trends, making them suitable for both local

and international markets. Overall, the packaging exemplifies how MSMEs in Lampung creatively integrate cultural identity, innovation, and sustainability to enhance product appeal and competitiveness in broader markets.

An essential aspect of the training was to encourage innovation in product packaging among MSMEs. The table below presents the types of packaging used by participants before and after the training.

Table 3: Types of Packaging Used Before and After Training

Type of Packaging	Before Training (%)	After Training (%)
Traditional Packaging	70%	30%
Innovative Packaging	20%	60%
Eco-Friendly Packaging	10%	10%

Source: Data Processed 2024

Table 3 reveals a significant shift in the types of packaging utilized by MSMEs. The percentage of participants using traditional packaging decreased from 70% to 30%, while the adoption of innovative packaging rose from 20% to 60%. This indicates that the training successfully encouraged participants to explore and implement more modern and appealing packaging solutions, which can enhance product attractiveness in the market.

Discussion

The community service initiative in Lampung Province aimed to enhance the financial management, digital marketing, and product packaging capabilities of Micro, Small, and Medium Enterprises (MSMEs), addressing key challenges that hindered their growth and sustainability. These interventions focused on improving financial literacy, expanding digital marketing reach, and promoting innovative packaging practices, leading to observable social and economic improvements within the MSME sector.

Financial Management Improvement:

The results of the community service clearly demonstrate an increase in financial literacy among the MSME participants. As shown in the comparison of participants' financial management knowledge before and after the training, there was a significant improvement in their understanding of budgeting, cash flow management, and basic financial concepts. The percentage of participants who understood basic financial management concepts increased from 40% to 80%, illustrating the effectiveness of the program. This finding aligns with Arifin, Noor, and Ainunnisa¹¹, who emphasized that

¹¹ Arifin, Farid, Julfan Herliansyah Noor, and Rarassatika Ainunnisa. "Increasing Financial Knowledge in Supporting MSMEs in Kiangroke Village in Supporting the Digital Market." Ejournal

increasing financial knowledge is critical for MSME owners to navigate the complexities of the digital market. Effective financial management helps MSME owners make informed decisions, access financial resources, and sustain their businesses. Similarly, Rohmatin et al.¹² highlighted that financial literacy directly impacts the operational performance and growth of MSMEs, reinforcing the importance of equipping entrepreneurs with the skills to manage their finances effectively.

The integration of digital financial tools in the training also echoes the findings of Irwansyah et al.¹³, who pointed out that digital tools enhance financial management and support MSMEs in adapting to modern financial practices. The training provided MSME owners with the necessary knowledge to streamline financial processes and ensure sustainability, demonstrating the transformative impact of Participatory Action Research (PAR) in fostering both knowledge and practical skills for business empowerment, as discussed by Raharjo et al.¹⁴

Digital Marketing Enhancement:

The results of the digital marketing training were equally impactful. Before the intervention, most MSMEs in Lampung relied on traditional marketing strategies, which limited their reach. However, after the training, they adopted digital marketing strategies that allowed them to access broader markets. The ability to use social media platforms (Instagram, Facebook, TikTok) and e-commerce marketplaces (Shopee, Tokopedia) enabled MSMEs to increase their market visibility, reaching both local and global audiences. This finding is consistent with Basri, Basalamah, and Hasbi¹⁵, who noted that digital marketing significantly improves MSME sales volume and market presence, particularly in competitive markets. Additionally, Setyawati and Sugangga¹⁶ highlighted the role of digital marketing in boosting MSME performance, particularly by enhancing customer engagement and brand visibility.

Mandalanursa (n.d.). <http://ejournal.mandalanursa.org/index.php/PB/issue/archive>.

¹² Basri, Salim Basalamah, Amir Mahmud, and Alina M Hasbi. "Digital Marketing Platform Development Model and Product Quality on Buying Decisions and Sales of Micro, Small, and Medium Enterprises (MSMES) Product Volume, South Sulawesi Province." *International Journal of Professional Business Review* 8, no. 9 (September 14, 2023): e03615.

¹³ Irwansyah, M. Rudi, Gede Ade Yuniarta, and Kadek Rai Suwena. "Financial Performance of MSMEs: Effects of Financial Inclusion, E-Commerce Use, Education, and Product Innovation." 97–109, 2024.

¹⁴ Raharjo, Kusdi, Tri Wulida Afrianty, and Yudha Prakasa. "Digital Literacy and Business Transformation: Social-Cognitive Learning Perspectives in Small Business Enterprises." *Cogent Business and Management* 11, no. 1 (2024).

¹⁵ Basri, Salim Basalamah, Amir Mahmud, and Alina M Hasbi. "Digital Marketing Platform Development Model and Product Quality on Buying Decisions and Sales of Micro, Small, and Medium Enterprises (MSMES) Product Volume, South Sulawesi Province." *International Journal of Professional Business Review* 8, no. 9 (September 14, 2023): e03615

¹⁶ Setyawati, Amelia, and Rayyan Sugangga. "Farij Ibadil Maula, Adelia Rahma / Digital Marketing Business Strategy to MSME Performance in the Industrial Revolution." *Jurnal Entrepreneur dan Entrepreneurship* 12, no. 1 (2023): 19–32.

The use of digital marketing platforms not only helped MSMEs to expand their market reach but also provided cost-effective promotional options compared to traditional marketing methods. The effectiveness of using targeted digital ads, such as Google Ads and Facebook Ads, for reaching specific audiences was a crucial aspect of the intervention. This outcome supports the research by Simanjuntak et al. ¹⁷, who argued that digital marketing platforms allow businesses to optimize their advertising budgets by reaching the right consumers at lower costs.

Product Packaging Innovation:

A critical part of the intervention was improving product packaging, which plays a vital role in the competitiveness of MSMEs. Before the training, a majority of MSMEs used traditional packaging methods, but the training successfully encouraged a shift toward more innovative and eco-friendly packaging solutions. The use of traditional packaging dropped from 70% to 30%, while innovative packaging adoption increased from 20% to 60%. This shift aligns with Erfiani et al. ¹⁸, who emphasized that product packaging is essential for differentiating products in crowded markets, particularly when targeting higher-end consumers. The incorporation of local cultural elements into the packaging, such as Lampung motifs, added value to the products, enhancing their marketability.

Moreover, the move toward eco-friendly packaging, as seen in the use of recycled materials and biodegradable packaging, demonstrates an awareness of global sustainability trends. This approach resonates with the findings of Khattak et al. ¹⁹, who noted that sustainable packaging not only aligns with consumer preferences but also gives businesses a competitive edge in international markets.

The packaging innovation also supported the notion that effective packaging communicates key product information, builds brand identity, and establishes trust with consumers. This perspective is reinforced by Simanjuntak et al. ²⁰, who argued that

¹⁷ Simanjuntak, Gracesiela Yosephine, Mitha C. Ginting, Farida Sagala, Lamria Sagala, Duma Megaria Elisabeth, Ivo Maelina Silitonga, Kristanty M.N. Nadapdap, Thomas Sumarsan Goh, Faido M. P. Simanjuntak, and Yosephine N. Sembiring. "Strategy for Improving Micro, Small and Medium Enterprises (MSMEs) Through Innovation in Medan, North Sumatra." *Jurnal Pengabdian Masyarakat Bestari* 3, no. 7 (July 30, 2024): 377-384.

¹⁸ Erfiani Baroroh, Hilma, Widyasari Widyasari, Yudi Efendi, and Afriani Afriani. "Digitalization and Product Development of Micro, Small, and Medium Enterprises (MSMEs) in Tonjong Village as a Means of Empowering the Community Toward Prosperous." *Journal of Community Practice and Social Welfare* 3, no. 1 (September 28, 2023): 13-27.

¹⁹ Khattak, Muhammad Sualeh, Qiang Wu, Maqsood Ahmad, and Insaf Hattab. "The Role of Managerial Overconfidence in Digital Transformation and Sustainable Competitive Performance in Emerging SMEs: The Role of Digital Culture." *Business Strategy and Development* 7, no. 3 (September 1, 2024).

²⁰ Simanjuntak, Gracesiela Yosephine, Mitha C. Ginting, Farida Sagala, Lamria Sagala, Duma Megaria Elisabeth, Ivo Maelina Silitonga, Kristanty M.N. Nadapdap, Thomas Sumarsan Goh, Faido M. P. Simanjuntak, and Yosephine N. Sembiring. "Strategy for Improving Micro, Small and Medium Enterprises (MSMEs) Through Innovation in Medan, North Sumatra." *Jurnal Pengabdian Masyarakat Bestari* 3, no. 7 (July 30,

packaging plays a crucial role in creating a strong first impression and influencing purchase decisions. For MSMEs in Lampung, improved packaging has led to better consumer recognition and increased sales.

Theoretical Perspectives on the Service Process and Social Change:

The Participatory Action Research (PAR) approach was central to the success of this community service initiative. By actively involving MSME owners in the learning process, the project fostered a sense of ownership and empowerment. Raharjo et al.²¹ highlighted that PAR enhances community engagement by encouraging participants to actively address their own challenges and find solutions collectively. This participatory approach helped MSME owners develop both practical skills and critical thinking, which are essential for long-term business sustainability.

The social changes observed in this initiative were significant. As participants gained financial management skills, digital marketing knowledge, and innovative packaging ideas, they were able to make informed decisions that contributed to the growth and sustainability of their businesses. The community service program empowered MSME owners to adapt to modern business practices, which is in line with Arifin et al.²², who argued that increasing financial knowledge helps MSMEs participate more effectively in the digital market. By addressing these interconnected challenges, the initiative has contributed to the social and economic empowerment of MSMEs, thereby fostering broader community development.

The findings of this community service initiative reflect the theoretical understanding that holistic interventions targeting multiple aspects of business development—such as financial literacy, digital marketing, and packaging innovation—can significantly enhance the competitiveness and sustainability of MSMEs. The results demonstrate the effectiveness of integrating theory with practical interventions, showing that MSMEs in Lampung can thrive when supported with the right knowledge and tools.

2024): 377–384.

²¹ Raharjo, Kusdi, Tri Wulida Afrianty, and Yudha Prakasa. "Digital Literacy and Business Transformation: Social-Cognitive Learning Perspectives in Small Business Enterprises." *Cogent Business and Management* 11, no. 1 (2024).

²² Arifin, Farid, Julfan Herliansyah Noor, and Rarassatika Ainunnisa. "Increasing Financial Knowledge in Supporting MSMEs in Kiangroke Village in Supporting the Digital Market." *Ejournal Mandalanursa* (n.d.). <http://ejournal.mandalanursa.org/index.php/PB/issue/archive>.

Conclusion

The results of this community service initiative highlight the significant role that product packaging plays in the growth and success of Micro, Small, and Medium Enterprises (MSMEs) in Lampung Province. Packaging is not only essential for protecting products but also serves as a critical tool for branding, marketing, and consumer communication. Effective packaging helps attract consumer attention, build a strong brand identity, and differentiate products in competitive markets. The importance of packaging aligns with the findings that packaging is essential for positioning products in the market and establishing emotional connections with consumers.

One of the key recommendations is for MSMEs to incorporate local cultural elements into their packaging designs. The integration of traditional motifs and storytelling in packaging not only enhances the cultural value of products but also instills regional pride. This approach differentiates MSME products from competitors and adds a unique value proposition. Such practices can foster community engagement and contribute to the empowerment of local businesses.

Additionally, packaging must provide clear, professional information about the product to foster consumer trust and ensure compliance with market regulations. This is particularly important in urban markets, where transparency is valued, and consumers demand detailed product information. The incorporation of eco-friendly packaging practices is also strongly recommended. Using biodegradable materials and reducing excessive packaging align with global sustainability trends and appeal to environmentally conscious consumers. MSMEs that adopt such practices not only improve their competitiveness in local and international markets but also demonstrate their commitment to environmental responsibility.

The move toward sustainable packaging reflects a broader shift towards corporate social responsibility (CSR), where businesses are increasingly expected to balance profitability with sustainability. This transition supports the theory of sustainable development, which advocates for responsible business practices that consider environmental, social, and economic impacts.

Despite the benefits, MSMEs face challenges in accessing high-quality materials and acquiring the expertise required for innovative packaging. As such, the role of the government and industry associations is crucial. Training initiatives and supportive resources must be provided to help MSMEs overcome these barriers. The government should create platforms that offer access to affordable packaging materials and design services tailored to small businesses. Such measures will empower MSMEs to improve their packaging capabilities and enhance their competitive edge in the market.

The implications of these recommendations are far-reaching. Investing in effective and sustainable packaging not only strengthens the market presence of MSMEs but also contributes to economic development in the region. By focusing on packaging innovation, MSMEs can increase customer loyalty, boost sales, and position themselves for long-term success. This approach fosters a more resilient MSME sector, which is essential for the

sustainable growth of the regional economy in Lampung.

The community service initiative has demonstrated that packaging innovation is a critical factor for the growth and sustainability of MSMEs. By focusing on integrating local culture, ensuring regulatory compliance, adopting eco-friendly practices, and providing the necessary support, MSMEs in Lampung can strengthen their market positions and contribute to regional economic development.

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