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Empowerment of Village Communities through the Creative Economy

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ABSTRACT

This service seeks to bridge the disparity between the potential of local resources and the limited capacity of the residents of Village X in transforming items into competitive creative economy commodities, resulting in stagnant income. The primary issue encountered is the deficiency in knowledge and expertise about product innovation, business management, and the utilization of digital channels for marketing. This service activity aims to enhance the capabilities of village communities by providing intense training and ongoing support in the creative economy sector, particularly in handicrafts and culinary arts, while also expanding market access through digitization. This service's innovation is rooted in the implementation of the Community-Based Creative Incubation Model, which combines hard skills (production) with soft skills (management and digital marketing) training in a comprehensive group format. The service results indicated a substantial enhancement in product diversification, superior package quality, and a market reach expansion of up to 60% via e-commerce, which connected positively with a rise in the income of supported company groups.

Keywords: Creative Economy, Village Empowerment, Digital Marketing, Community Incubation

INTRODUCTION

The economic potential in numerous rural regions of Indonesia is sometimes obscured by inadequate contemporary infrastructure and knowledge. Rural populations, despite possessing considerable local knowledge, plentiful natural resources, and traditional skills, redominantly rely on primary sectors like agriculture that yield poor added value (Li, 2024). Restricted access to finance, current market intelligence, and digital technology are fundamental barriers that

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impede local economic growth. This phenomenon establishes a circle of economic dependence that is challenging to dismantle, particularly for women and youth groups who are intended to be the catalysts of village innovation.

A significant disparity exists between the potential resources of Village X, such as the availability of raw materials for bamboo crafts and premium spices, and the actual items marketed (Xia & Wang, 2023). The manufactured products remain conventional, lacking modern design elements, modest packaging innovation, and a compelling branding narrative. Consequently, these products may only compete in the local market at significantly reduced rates. The deficiency is worsened by the insufficient digital literacy of business stakeholders, hindering their ability to access consumers beyond rural locales, despite the substantial potential of the digital market at present.

The advancement of the creative economy has demonstrated itself as a strategic approach to enhance the value added to rural products. The creative economy prioritizes individual intellectual property, skills, and talents to produce high-value products. The sector not only provides enhanced revenue but also promotes the preservation of local culture by reinterpreting classic products in a contemporary manner. Consequently, interventions emphasizing product development training, design enhancement, and comprehension of the value chain are essential for village products to elevate and conform to superior market norms (Maheshkar & Soni, 2021).

This service program's innovation lies in the implementation of the transformative Community-Based Creative Incubation Model. This methodology offers not merely a singular training session but encompasses six months of mentorship organized into three phases: (1) Potential Assessment and Identification, (2) Intensive Training (Product Innovation & Digitalization), and (3) Sustainable Marketing Coaching and Mentoring. This comprehensive strategy guarantees that the skills acquired by the community are effectively applied rather than merely theoretical and that issues encountered during the manufacturing and marketing processes may be addressed in real-time by the service team.

This service program aims to transition business participants in Village X from traditional producers into autonomous creative business entities, addressing the identified difficulties and gaps. This program specifically seeks to (a) formalize creative business collectives, (b) enhance innovation capabilities and product diversification by up to 50%, and (c) establish digital

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marketing infrastructure through professional e-commerce and social media accounts, thereby facilitating the attainment of sustainable income growth within one year.

RESEARCH ELABORATIONS

The service project was conducted in Village X over a six-month period, engaging 30 participants, including members from craft and local gastronomy groups. The employed methodology is Participatory Action Research (PAR), which positions the community as an active agent in the process of transformation (Lopitf, 2023).

Phase 1: Evaluation and Strategy Development (Month 1) A preliminary survey and Focus Group Discussion (FGD) were executed to delineate prospective resources, assess specific training requirements, and pinpoint marketing obstacles. The outcomes of this phase inform the creation of a training program customized to the genuine requirements of the community.

Phase 2: Rigorous Training and Product Development (Months 2-3) The course consists of two primary modules: Creative Production Module: Emphasize design innovation, enhancement of raw material quality, and the creation of ergonomic and visually appealing product packaging. Digital Marketing Module: Comprises product photography, crafting engaging product descriptions (copywriting), establishing e-commerce accounts (e.g., Shopee or Tokopedia), and managing social media for branding purposes.

Phase 3: Mentorship and Ongoing Assessment (Months 4-6) The service team performs biweekly field visits to oversee the application of acquired knowledge. This phase emphasizes technical digital marketing problem-solving, consumer feedback evaluation, and basic financial documentation. Data on sales and post-mentoring progress has been gathered for outcome analysis.

RESULTS AND DISCUSSIONS

The preliminary findings indicated significant enthusiasm among the participants, as all 30 individuals successfully completed the entire training program. The discourse revealed that the implementation of the Community-Based Creative Incubation Model technique effectively

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motivated the community to establish two new formal business organizations, namely "Kreasi Bambu Jaya" and "Rempah Nusantara Mandiri." This formalization is crucial, as it establishes the legal basis for corporate operations, facilitating access to financing and potential partnerships. The participants' comprehension of digital marketing materials improved from an average of 35% in the pre-test to 85% in the post-test.

The execution of the Creative Production Module led to substantial product variety. The bamboo craft group has successfully developed three novel product lines: tissue holders, multipurpose containers, and ornamental lights. The culinary group has achieved an invention in airtight standing pouch packaging for spice items, enhancing shelf life and market value. This alteration demonstrates the dissemination of information regarding the significance of packaging as a determinant of product value. Table 1 delineates the comparative analysis of products pre- and post-intervention.

Table 1: Comparative Analysis of Product Innovation Preceding and Following Service

Indicator	Craft Group (Before)	Craft Group (After)	Culinary Group (Before)	Culinary Group (After)
Type of Product	Type (Farm Implements)	Type (Craft + Souvenir)	Type (Raw Material)	Type (Ready-to-Use Seasoning)
Packaging	Plastic	Cardboard Box with Label	Plain <i>Sealed</i> Plastic	<i>Premium Standing Pouch</i>

The most significant achievement is observed in the evolution of the marketing channel. Group representatives successfully activated and managed two e-commerce accounts and four professional social media profiles. Within three months of phase 3 support, village products commenced distribution to external markets.

Analysis of sales data from the fourth to the sixth month revealed a 45% increase in average monthly turnover compared to the same period of the previous year (prior to the intervention). The growth was mostly driven by sales via digital channels, which constituted around 60% of the group's overall income. The rise in income enhances the welfare of group members and simultaneously draws the attention of ten more village youngsters to participate in training for the manufacturing process, illustrating the principles of regeneration and sustainability.

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While the program has effectively met its initial capacity and revenue growth objectives, its sustainability remains crucial. Subsequent dialogue underscored the necessity for collaborations with local governments or the business sector to expedite the certification of food product permits for the domestic industry and to safeguard intellectual property rights for innovative items. The proposal is to establish a digital cooperative that collectively manages all village products to enhance supply chain efficiency and achieve better economies of scale.

CONCLUSIONS

The initiative "Empowering the Creative Economy for Village Communities," utilizing the Community-Based Creative Incubation Model, has effectively transitioned village business groups from traditional producers to competitive participants in the creative economy. This achievement was characterized by the establishment of two corporate entities, an average turnover rise of 45% within six months, and a substantial growth in the digital market. The innovation of the Community-Based Creative Incubation model, which concurrently incorporates elements of production, branding, and digital marketing, is essential for bridging the gap in community capability. The hamlet is advised to persist with this project, backed by local administration, to attain product legality and broaden the capital network.

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