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Mentoring for MSME Transformation Based on a Capacity-Building Empowerment Model in Karangbaru Village, Bekasi Regency, West Java

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Abstract. Micro, small, and medium enterprises (MSMEs) in Indonesian villages often have marketable products but lack a clear understanding of their business potential, a recognizable brand, and the digital skills needed to reach wider markets. This community service program mentored 11 MSMEs, most of them culinary businesses, in Karangbaru Village, Bekasi Regency. It followed a Participatory Action Research cycle of planning, action, observation, and reflection and combined three interventions: business potential mapping with SWOT analysis, branding strengthening, and digital literacy training. Data were collected through participatory observation, semi-structured interviews, documentation, and before–after indicators, and were analyzed with Miles and Huberman's interactive model. After mentoring, 9 MSMEs (81.8%) had a written business profile and 8 (72.7%) had created or improved a logo. Seven (63.6%) had improved their packaging, and 8 (72.7%) could state their product positioning. In digital marketing, 9 (81.8%) had social media accounts, but only 7 (63.6%) posted regularly and 6 (54.5%) sold through a marketplace. The results show that participatory mentoring helped participants establish a business identity and a digital presence more readily than sustained digital use. Continued support for content production, marketplace management, and halal certification is therefore needed.

Keywords: Branding, Capacity Building, Digital Literacy, MSMEs, Participatory Action Research

1 Introduction

Micro, small, and medium enterprises (MSMEs) are the backbone of Indonesia's economy. They account for the great majority of business units and employment and are the main source of livelihood in rural and peri-urban areas [1]. Statistics Indonesia (BPS) reported approximately 59 million MSMEs in 2023, combining about 30.2 million non-agricultural units from the integrated MSME database with about 29 million agricultural units from the 2023 Agricultural Census [2]. Despite their number, many of these enterprises remain small, informal, and weakly connected to markets beyond their immediate neighborhood [1].

Three limitations recur in the literature and in field conditions. The first is weak strategic understanding: owners often run their businesses by habit, without analyzing product advantages, target customers, or growth opportunities. Simple tools such as SWOT analysis can make this reasoning explicit, provided they are linked to concrete decisions [3]. The second is weak branding. For small firms, a brand is built through a few practical steps, such as a name, a visual identity, consistent packaging, and a clear statement of what makes the product different, rather than through large advertising budgets [4]–[6]. Brand knowledge in the minds of customers drives preference and willingness to pay [7], and packaging imagery strongly affects whether a product is noticed on the shelf or on a screen [8]. The third is limited digital capability. Digital transformation requires not only access to platforms but also the capabilities to use them to change how value is created and delivered [9]–[11]. For SMEs, the main barriers are skills, resources, and owners' attitudes rather than technology itself [12]. Internet skills are unevenly distributed, and having an account does not mean knowing how to use it productively [13].

When these capabilities are in place, digital channels pay off. Social media adoption is associated with better marketing and financial outcomes for SMEs, including in developing countries [14]–[16], and e-commerce adoption by Indonesian SMEs is driven mainly by perceived benefits, owner readiness, and support from the business environment [17], [18]. During the COVID-19 pandemic, Indonesian SMEs that digitized their marketing and sales were better able to keep operating [19]. Research on digital and social media marketing also stresses that content quality and consistent engagement, not mere presence, determine results [20].

How these capabilities are built also matters. Evaluations of business training in developing countries show that classroom training alone produces modest and uneven effects on business practices and performance, and that results improve when training is tailored to participants and followed by practical support [21]. Mentoring helps new entrepreneurs learn by reflecting on their own business situations with an experienced guide [22]. In development practice, capacity building is most durable when it strengthens what participants already know and

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decide for themselves rather than transferring a fixed package from outside [23]. For food businesses in a Muslim-majority market, halal certification is an additional readiness factor, linked in Indonesian studies to market access and firm performance [24].

The MSMEs targeted by this program in Karangbaru Village, Bekasi Regency, West Java, are mostly culinary businesses, and initial observation showed that they faced all three limitations described above. This program therefore did not treat potential mapping, branding, and digital literacy as separate trainings. Instead, it used potential mapping as a diagnostic step to decide which branding and digital interventions each MSME needed, and it steered participants toward halal certification readiness and wider market access. The objectives were (1) to strengthen participants' understanding of their business potential, (2) to help them build basic brand assets, (3) to increase their use of social media and marketplaces, and (4) to document the changes and remaining gaps after mentoring.

2 Method

2.1 Approach and Design

The program used a descriptive qualitative approach with a Participatory Action Research (PAR) design. PAR treats community members as co-researchers who define problems, take action, and reflect on results together with the facilitating team [25]. It proceeds through repeated cycles of planning, action, observation, and reflection [26]. This design was chosen because the aim was not only to describe the condition of the MSMEs but also to change it through mentoring that participants shaped themselves. Figure 1 shows how the program stages map onto the PAR cycle.

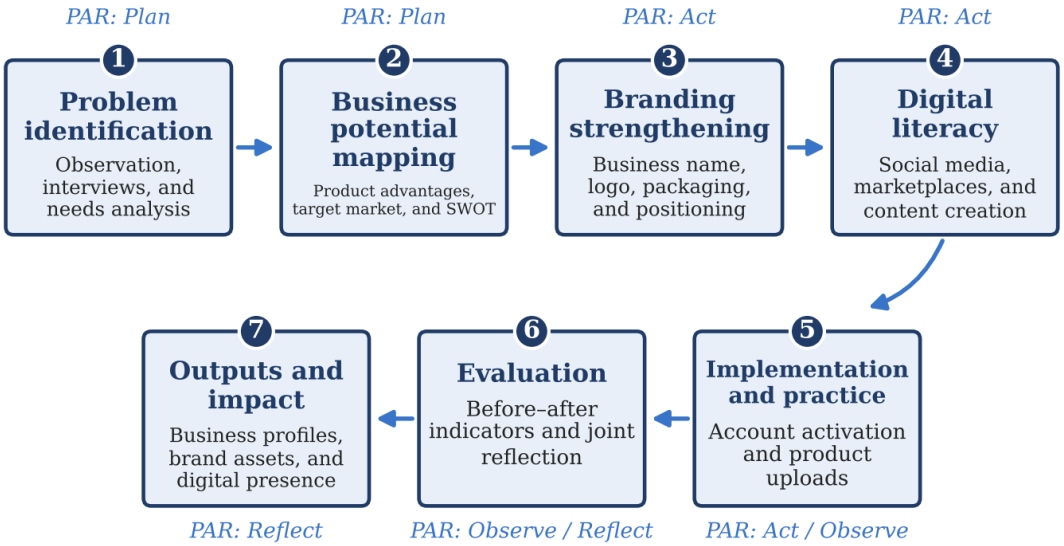


Figure 1. Program stages and their position in the Participatory Action Research cycle.

2.2 Location and Participants

The program took place in Karangbaru Village, Bekasi Regency, West Java. Participants were selected purposively [27] using three criteria: an active business operating for at least one year, potential for further development, and willingness to take part in the full mentoring program. In addition, the businesses selected lacked a strong brand and made limited use of digital media. Eleven MSMEs took part, most of which produce food and beverages.

2.3 Implementation Stages

In the planning stage, participants provided profile data (business type, years of operation, products, marketing conditions, and production capacity) and described their main challenges, digital experience, and growth targets. Observation and short interviews at each business produced a problem map and baseline description. Each participant then carried out a SWOT analysis with a mentor to identify product advantages, target market, and expansion opportunities [3], resulting in an individual business potential profile. Based on this profile, a

development plan was set for each MSME, covering branding, digital marketing, product quality, and, where relevant, halal certification readiness.

In the action stage, mentoring combined short training sessions, individual coaching, and hands-on practice. Branding sessions covered business names, logo creation, packaging, and product positioning [5], [6]. Digital literacy sessions covered setting up and using Instagram and TikTok accounts, creating promotional content, and listing products on the Shopee and Tokopedia marketplaces. Participants applied each step directly to their own businesses, while the team acted as facilitators. In the observation stage, participants reported which changes they had implemented, which problems arose, and which obstacles remained. In the reflection stage, participants and the team jointly assessed the benefits, the gaps, and the support still needed, and planned follow-up actions.

2.4 Data Collection and Analysis

Data were collected through participatory observation, semi-structured interviews, and documentation, including photographs of products before and after mentoring. Program outcomes were recorded with seven binary indicators for each MSME: a written business profile, a new or improved logo, improved packaging, the ability to state product positioning, ownership of a business social media account, regular posting of promotional content, and active marketplace selling. Qualitative data were analyzed with the interactive model of data condensation, data display, and conclusion drawing and verification, applied cyclically during the program [28]. Indicator data were summarized as counts and percentages of the 11 participating MSMEs.

3 Results and Discussion

3.1 Initial Conditions

Initial observation and interviews showed that most participants managed their businesses conventionally. Few could name their product's distinctive advantage or describe a specific target market. Most lacked a strong brand identity in terms of logo, packaging, and positioning, and digital media were not yet used systematically for marketing. These findings matched the problems that motivated the program and confirmed the need for an integrated intervention.

3.2 Business Potential Mapping

Through SWOT-based mentoring, participants learned to identify product uniqueness, market segments, and development opportunities. By the end of the program, 9 of the 11 MSMEs (81.8%) had compiled a simple business profile describing their product's competitive advantage. Mapping also revealed differences in needs between businesses. In the five cases documented in detail (Figure 2), four owners identified halal certification as their main next step and one identified packaging. The mapping step therefore did more than raise awareness: it determined which follow-up intervention each business received, which is the tailoring that business training evaluations identify as a condition for effectiveness [21].

3.3 Branding Strengthening

Table 1 summarizes the outcome indicators. Eight MSMEs (72.7%) had created or improved a logo, and seven (63.6%) had improved their packaging. Eight (72.7%) could explain how their product differs from competitors, which is the basis of product positioning. Figure 2 illustrates the packaging and presentation changes in five businesses. These steps correspond to the early phases of SME brand-building, in which the owner first defines the brand's identity and then expresses it consistently through name, visual elements, and packaging [4], [6]. A clearer identity makes the product easier to recognize and remember, which is the starting point of customer-based brand equity [7]. Improved product imagery on packaging and in photographs also matters because shoppers decide quickly which products to examine [8].

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MSME	Product	Main need	Before	After
MSME A	Fruit juice	Halal certification		
MSME B	Peanut brittle and macaroni snacks	Packaging		
MSME C	Fruit salad	Halal certification		
MSME D	Pizza	Halal certification		
MSME E	Bento meal box	Halal certification		

Figure 2. Main needs identified and product presentation before and after mentoring in five documented MSMEs (businesses anonymized).

3.4 Digital Literacy

Digital outcomes showed a clear gradient. Nine MSMEs (81.8%) had a business social media account, but only seven (63.6%) posted promotional content regularly, and six (54.5%) were selling through a marketplace. In other words, establishing a digital presence was easier than using it consistently, and using social media was easier than managing a marketplace store. This pattern agrees with research distinguishing access from the skills needed to use the internet productively [13] and with evidence that the benefits of social media for SMEs depend on active and strategic use rather than mere adoption [14], [15], [20]. Marketplace selling requires additional capabilities, such as product cataloging, photography, pricing, order handling, and customer service, which helps explain why it lagged behind [12], [18].

Table 1. Outcome indicators after mentoring (n = 11 MSMEs).

Indicator	After mentoring, n (%)
Written business profile	9 (81.8)
New or improved logo	8 (72.7)
Improved packaging	7 (63.6)
Able to state product positioning	8 (72.7)
Business social media account	9 (81.8)
Regular promotional posting	7 (63.6)
Active marketplace selling	6 (54.5)

3.5 Before–After Comparison and Broader Effects

Because the post-mentoring indicators are counts of 11 businesses and no comparison group was available, the results describe change within this group and do not allow statistical inference or attribution of all changes to the program alone.

Participants and facilitators also observed changes that were not captured by the indicators, including greater confidence in presenting products, stronger motivation to develop the business, and greater awareness of the need to innovate. Such shifts in mindset are often a precondition for sustained digital transformation, since owners' attitudes are among the strongest determinants of SME digitalization [11], [12]. Mentoring that asks owners to analyze and decide for themselves supports this kind of learning [22], [23].

3.6 Discussion

The program's main contribution lies in sequencing. Potential mapping came first and served as a diagnostic step that directed each MSME toward the branding, digital, or certification support it actually needed. This addresses a weakness that evaluations of business training repeatedly identify: standard packages delivered in the same way to all participants tend to produce small and inconsistent effects [21]. Integrating the three interventions also reflects the view that digital transformation is a change in capabilities and business practices, not only the adoption of tools [9], [10].

The results also show where the program reached its limits. The gap between account ownership (81.8%) and regular posting (63.6%) or marketplace selling (54.5%) indicates that short-term mentoring builds identity and presence faster than routine digital practice. Closing this gap is likely to require longer support focused on content planning, product photography, catalog management, and the analysis of customer responses [16], [20]. For the food businesses that identified halal certification as their next step, linking mentoring with certification assistance would address a requirement for wider distribution [24].

These findings should be read in light of the study's design. The participants were a small, purposively selected group, and outcomes were recorded as binary indicators at the end of the program, with baseline counts still to be reported. Business performance outcomes such as sales, customer numbers, or income were not measured. Future programs should record baseline and follow-up values for each indicator, add simple performance measures, and follow participants for several months to see whether brand assets and digital activity are sustained.

4 Conclusion

Participatory mentoring that combined business potential mapping, branding strengthening, and digital literacy helped 11 MSMEs in Karangbaru Village, Bekasi Regency, build the foundations of a more competitive business. After mentoring, most participants had a written business profile (81.8%), a new or improved logo (72.7%), a clear product positioning (72.7%), and a business social media account (81.8%). Fewer posted regularly (63.6%) or sold through a marketplace (54.5%). Using potential mapping as a diagnostic step made it possible to tailor branding, digital, and halal-readiness support to each business. The results show that identity and digital presence can be established within a short mentoring program, whereas consistent digital marketing requires longer support. Follow-up activities should focus on content production, marketplace management, and halal certification, and should measure business performance over time.

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Conflict of Interest

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Author Contributions

E.P.Y.: Conceptualization, Methodology, Investigation, Formal Analysis, Writing – Original Draft. I.A.S.: Investigation, Data Curation, Visualization, Writing – Review & Editing.

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