

# Local Government Strategies in Supporting Digital Marketing and Product Packaging Design for Local Food SMEs

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## Abstract

This study aims to analyse the strategies of the Local Government, through the Department of Cooperatives and SMEs of Deli Serdang Regency, in supporting the development of local food SMEs, particularly Kacang Bawang Rahasia, through digital marketing and product packaging design. The main challenges faced by SMEs include low digital literacy, suboptimal use of digital marketing media, and packaging designs that have not effectively represented product value. This research adopts a qualitative descriptive approach, with data collected through interviews, observation, and documentation. Data analysis was conducted through data reduction, data display, and conclusion drawing. The findings indicate that local government strategies are implemented through training and mentoring in digital marketing, utilisation of social media and digital marketplaces, and the development of informative packaging designs aligned with product characteristics. A participatory approach and continuous learning process play a crucial role in enhancing SMEs' capacity, competitiveness, and sustainability in the local food sector.

**Keywords:** Local Government Strategy, Digital Marketing, Packaging Design, SMEs, Local Food Products

## 1. INTRODUCTION

The rapid development of digital technology has brought significant changes to various aspects of economic activity, including marketing practices and business development. Digital transformation has reshaped how businesses promote their products, interact with consumers, and create sustainable value. These changes have also affected micro, small, and medium-sized enterprises (SMEs), which play a vital role as the backbone of regional and national economies. In an increasingly competitive and dynamic market environment, the ability of SMEs to adapt to digital transformation has become a key determinant of their competitiveness and long-term sustainability.

Digital marketing is understood as the utilisation of digital technologies and internet-based platforms to create, communicate, and deliver value to consumers in a more effective and measurable manner (Putri & Yuliana, 2022; Rahmawati & Hidayat, 2021). Through digital marketing, SMEs are able to expand market reach, establish two-way interactions with consumers, and enhance product visibility without geographical limitations. Social media, digital marketplaces, and other online platforms have become strategic tools for introducing products, building brand image, and influencing consumer behaviour. However, in practice, the implementation of digital marketing among local food SMEs remains constrained by several challenges, including limited digital literacy, insufficient human resources, inconsistent content management, and underutilisation of available digital platforms.

In addition to digital marketing, product packaging design represents a critical component of SME marketing strategies. Packaging design does not merely function as product protection but also serves as a visual communication medium that shapes brand identity and consumer perception (Amelia, 2022; Viedy & Samsadi, 2022). For local food products, packaging plays a strategic role in conveying product information, enhancing perceived quality, and building consumer trust. Packaging that is informative, aesthetically appealing, and aligned with product characteristics can significantly increase product value and competitiveness. Nevertheless, many local food SMEs continue to rely on simple and less communicative packaging designs, limiting their ability to compete in increasingly saturated markets.

Within the context of SME development, local governments play a strategic role as facilitators, regulators, and mentors. Local government strategies in SME empowerment can be defined as a set of policies, programmes, and targeted actions aimed at strengthening business capacity and ensuring economic sustainability (Arianty & Andira, 2021). Through the Department of Cooperatives and SMEs, local governments seek to encourage the adoption of digital marketing and packaging design improvement through training programmes, mentoring activities, market access facilitation, and institutional strengthening. This approach positions government not only as a policy maker but also as a strategic partner supporting SMEs in navigating market dynamics and digital transformation.

Such strategies align with the concept of public strategy, which emphasises clarity of objectives, understanding of the operating environment, effective policy direction, implementation actions, and continuous learning (Mulgan, 2020). In the context of SME empowerment, effective public strategies require participatory and adaptive approaches that consider the diverse characteristics and capacities of business actors. This is particularly relevant for local food SMEs, which face not only marketing challenges but also issues related to product identity, consumer trust, and business sustainability.

Previous studies have demonstrated that digital marketing and packaging design significantly contribute to SME competitiveness. Digital marketing influences not only market reach but also consumer behaviour and purchasing decisions. Putri (2024) highlights a strong relationship between consumer behaviour and purchasing decisions, particularly for lifestyle-related products. Moreover, brand identity and consumer trust are recognised as important determinants of purchase intention (Maulidina & Putri, 2025). Amelia (2022) found that the utilisation of social media and digital marketplaces enhances SME market exposure, although its effectiveness depends heavily on mentoring and digital literacy levels. Meanwhile, Inayah (2020) emphasises that attractive and informative packaging design can improve perceived quality of local food products, despite persistent resource limitations among SMEs.

Despite these findings, most previous studies focus primarily on internal SME efforts or consumer perspectives, with limited attention given to the integrated role of local governments in supporting both digital marketing and packaging design development. Research that explicitly examines local government strategies in facilitating these two aspects in local food SMEs remains limited, particularly at the regional level. Considering the importance of SMEs in regional economic development, a deeper understanding of government-led strategies is necessary.

Therefore, this study aims to analyse the strategies of the Local Government, through the Department of Cooperatives and SMEs of Deli Serdang Regency, in supporting digital marketing and product packaging design for local food SMEs. This research seeks to contribute both conceptually and practically by providing insights into effective SME empowerment strategies that are adaptive, participatory, and sustainable in the era of digital transformation.

## 2. RESEARCH METHODE

### 2.1. Research Framework

This study employs a qualitative descriptive approach to gain an in-depth understanding of local government strategies in supporting digital marketing and product packaging design for local food SMEs. The research framework is based on the assumption that SME competitiveness is not solely determined by internal business capacity but is also influenced by the strategic role of local governments as facilitators, regulators, and mentors in marketing transformation processes.

The focus of this research is directed towards analysing government strategies implemented through the Department of Cooperatives and SMEs, particularly in encouraging the adoption of digital marketing and packaging design improvements. In this framework, the Department of Cooperatives and SMEs is positioned as the primary policy actor responsible for programme formulation and implementation, while SMEs act as active participants and beneficiaries. The interaction between government policies, mentoring mechanisms, and SME responses forms the basis of the analytical framework used in this study.

A qualitative approach is considered appropriate as the research aims to explore processes, meanings, and policy dynamics rather than testing causal relationships between variables. Accordingly, this framework emphasises contextual understanding of digital marketing practices and packaging design development facilitated by local government interventions.

### 2.2. Research Design and Data Collection

The research was conducted in Deli Serdang Regency, focusing on a local food SME, Kacang Bawang Rahasia, which actively participated in empowerment programmes organised by the Department of Cooperatives and SMEs. The selection of this case study was based on its relevance in illustrating the practical implementation of government-supported digital marketing and packaging design initiatives.

Data sources consisted of primary and secondary data. Primary data were collected through in-depth interviews with key informants, including officials from the Department of Cooperatives and SMEs involved in programme planning and implementation, as well as SME owners as programme beneficiaries. Semi-structured interviews were employed to allow flexibility while maintaining alignment with research objectives. Observation was also conducted to examine digital marketing practices and product packaging implementation. Secondary data were obtained from programme reports, training materials, and relevant documentation.

#### 2.2.1. Data Analysis Technique

Data analysis was conducted interactively following the Miles and Huberman model, comprising data reduction, data display, and conclusion drawing. Data reduction involved selecting and focusing on information relevant to the research objectives. The reduced data were then presented in narrative form to facilitate interpretation of patterns and relationships. Conclusions were drawn by linking empirical findings with theoretical frameworks and contextual considerations.

#### 2.2.2. Data Validity

To ensure data credibility, this study applied triangulation techniques, including source triangulation and method triangulation. Information obtained from government officials and SME actors was cross-checked, while interview findings were validated through observation and documentation. This approach enhanced the reliability and accuracy of the research findings.

### 3. RESULT AND DISCUSSION

#### 3.1. Strategy of Local Government in Supporting Digital Marketing for SMEs

The findings indicate that the strategy of the Local Government, implemented through the Department of Cooperatives and SMEs of Deli Serdang Regency, in supporting digital marketing for local food SMEs is realised through structured training and mentoring programmes aimed at strengthening business capacity. This strategy is designed to encourage SMEs to adapt to digital transformation in response to changing consumer behaviour and increasingly competitive market conditions. Digital marketing is viewed by the local government as a strategic instrument for expanding market reach and enhancing product visibility in a sustainable manner.

The implementation of the digital marketing strategy involves training in the use of social media and digital marketplaces, accompanied by continuous mentoring in managing marketing content. These activities are tailored to the level of digital literacy among SME actors, adopting a gradual and adaptive approach. The Department of Cooperatives and SMEs not only provides technical guidance but also assists SMEs in the practical application of digital platforms as promotional and communication tools. Continuous mentoring is considered essential, given the limited digital experience and resources possessed by many SME actors.

Based on interviews and observations, Kacang Bawang Rahasia has begun to utilise social media more actively to promote products and engage with consumers. In addition, the use of digital marketplaces has enabled the SME to reach customers beyond the local area. This shift demonstrates that government-facilitated digital marketing strategies can drive SMEs to transition from conventional marketing methods towards digitally oriented practices.

Analytically, the digital marketing strategy adopted by the Department of Cooperatives and SMEs reflects the role of local government as a facilitator in SME empowerment. This strategy aligns with the concept of public strategy, which emphasises clarity of objectives, environmental awareness, and context-sensitive implementation (Mulgan, 2020). In this regard, the local government acts not merely as a policy maker but as a strategic partner assisting SMEs in overcoming knowledge gaps and technological barriers.

These findings are consistent with Maulidina, Putri, and Arista (2024), who demonstrate that digital marketing strategies, including the use of influential digital figures, can increase consumer purchase interest. Furthermore, Putri, Maulidina, and Yudha (2025) show that digital marketing plays a significant role in encouraging purchasing decisions for healthy snack products when implemented consistently and integratively. In addition, Putri (2024) highlights the strong relationship between consumer behaviour and purchasing decisions, reinforcing the importance of interactive and informative digital marketing in building consumer trust.

Nevertheless, the findings also reveal ongoing challenges, such as inconsistent content management and continued dependence on government mentoring. This suggests that the sustainability of digital marketing strategies requires long-term commitment and further capacity building to enable SMEs to manage digital marketing independently. Overall, the findings confirm that local government support plays a crucial role in promoting digital marketing adoption as a means of enhancing SME competitiveness and business sustainability.

#### 3.2. Strategy of Local Government in Developing Product Packaging Design

The results show that product packaging design constitutes a key focus of the local government's strategy to enhance the competitiveness of local food SMEs. Packaging design is perceived not only as a means of protecting products but also as a strategic element for building product identity and communicating value to consumers. Consequently, the Department of Cooperatives and SMEs prioritises improvements in visual presentation and informational content as part of its SME empowerment strategy.

The implementation of packaging design development is carried out through mentoring activities that address visual aesthetics, product information clarity, and alignment between packaging design and market segmentation. This mentoring aims to assist SMEs in producing packaging that is more attractive, recognisable, and reflective of product quality. The approach adopted is contextual, taking into account SMEs' resource constraints and production capacities.

Observations indicate that Kacang Bawang Rahasia has made improvements to its packaging design, including enhanced visual elements, clearer product information, and greater consistency in brand identity. These changes suggest that government-facilitated packaging mentoring can gradually improve product presentation and market appeal.

From an analytical perspective, this strategy reflects the facilitative role of local government in addressing SMEs' limitations in accessing design expertise. The findings support the view that packaging design functions as a marketing communication tool that shapes consumer perceptions of quality and trust (Amelia, 2022; Viedy & Samsadi, 2022). In the context of local food SMEs, informative and appealing packaging is essential for differentiation in competitive markets.

These findings also corroborate Inayah (2020), who argues that effective packaging design enhances perceived quality and purchase interest in local food products. However, the study also identifies challenges related to production costs and limited access to professional design services. This indicates that sustained support is required to ensure long-term improvements in packaging practices. Overall, the findings emphasise

that packaging design development should be integrated into broader SME marketing strategies supported by continuous government mentoring.

### 3.3. Participatory Approach and Learning Process in SME Empowerment

The findings demonstrate that the success of local government strategies in supporting digital marketing and packaging design for local food SMEs is strongly influenced by the adoption of a participatory approach in the empowerment process. This approach positions SMEs as active participants throughout programme stages, including planning, implementation, and evaluation. Active involvement enables strategies to be more closely aligned with SMEs' actual needs and contextual conditions.

The participatory approach is reflected in mentoring processes that are dialogical rather than one-directional. The Department of Cooperatives and SMEs provides training while also facilitating discussions to identify challenges faced by SMEs in implementing digital marketing and packaging strategies. Through this process, SME actors are encouraged to share experiences, constraints, and expectations, allowing strategies to be adjusted contextually.

In addition, continuous learning emerges as a critical element of SME empowerment. The study finds that digital marketing and packaging development programmes are not treated as one-off activities but as ongoing processes requiring evaluation and adjustment. Local government monitors SME progress following training and provides feedback to inform future improvements, thereby supporting gradual capacity development.

Continuous learning also involves adaptation to emerging digital innovations. Putri, Neni, and Lela (2025) demonstrate that the use of artificial intelligence tools, such as ChatGPT, in SME content marketing strategies enhances communication effectiveness. This reinforces the importance of government-facilitated learning processes to enable SMEs to adopt technological innovations strategically rather than passively.

Analytically, the participatory and learning-oriented approach aligns with Mulgan's (2020) public strategy framework, which emphasises learning from policy practice as a foundation for sustainable development. The findings further indicate that participatory empowerment contributes to increased SME awareness and independence in managing digital marketing and packaging design. SMEs begin to demonstrate initiative in content creation, packaging improvement, and strategic adaptation to market responses. Overall, this approach strengthens policy effectiveness and supports sustainable SME development at the regional level.

## 4. CONCLUSION

This study concludes that the strategy of the Local Government, implemented through the Department of Cooperatives and SMEs of Deli Serdang Regency, plays a significant role in supporting the development of local food SMEs through digital marketing and product packaging design. Government-facilitated digital marketing initiatives have enabled SMEs to transition from conventional marketing approaches towards more digitally oriented practices, thereby expanding market reach and enhancing product visibility. At the same time, the development of packaging design has contributed to improved product identity, perceived quality, and consumer trust.

The findings further demonstrate that the effectiveness of these strategies is closely linked to participatory approaches and continuous learning processes. By actively involving SMEs in programme implementation and evaluation, local government strategies become more responsive to actual business needs. Continuous mentoring and feedback mechanisms support gradual capacity building, enabling SMEs to adapt to evolving digital technologies and market dynamics.

Despite these contributions, this study is limited by its focus on a single SME case, which restricts broader generalisation. Future research should involve multiple cases across different SME sectors to examine the wider applicability of government-led empowerment strategies. Practically, the findings provide valuable insights for local governments in designing integrated, adaptive, and sustainable SME empowerment policies in the era of digital transformation.

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