

## Analysis Strategies To Promote Village Products Based On Local Wisdom; Lesson From Indonesia

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### Abstract

**Purpose:** This research aims to analyse the strategies to promote village products in Indonesia and to have better understanding of the role of local wisdom in promotion village products. Frequently, developing unique strategies could enhance local economy and create new jobs for the whole communities and people.

**Methodology/approach:** This study employs a qualitative research method based on regions and local communities in promotion village products. Multiple case study analysis and critical review of previous research is conducted in this study. The paper will analyse different point of view of local approaches to their respective promotion strategies and structures.

**Results/findings:** This study advances integrative framework to represent the strategies in promotion village products in Indonesia. Promotion based on local wisdom may leads to a new strategic cooperation and collaboration between people in villages, else, elevate village sustainable growth.

**Limitations:** The research approach done in this paper is based on the analysis of western part of Indonesia case studies. Therefore, future research of other geographical backgrounds may also encourage eastern part of Indonesia with its uniqueness and rich cultures.

**Contribution:** Promotion products is a part of marketing mix strategy. The presented promotion strategies based on local wisdom my distinct from other strategies in other country, which can support local communities to express their culture through products in the long-term framework and well recognized.

**Novelty:** The presented promotion strategies of local products based on local wisdom with its uniqueness and cultural collaboration provides the foundation of village entrepreneurial identity which further gain prosperity of rural economy.

**Keywords:** strategy, promo<sup>1</sup>tion, village products, local wisdom

### 1. Introduction

Indonesia is a country which is consisted of a thousand of villages and many of them are still underdeveloped village in the east and growing faster than those in the west and central Indonesia. Many villages in Indonesia depend on the local knowledge (Ramadhani et al., 2021), belief, and practice based on human adaptation to their live environment from generation to generation. The activity is done through their interaction to environment with

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traditional model (Latif, 2018). However, village contribution in socio-economic practices remain questioned and decentralized in terms of economy and development. Villages are marginalized and considered burden to economic performance (Tri Harsanto et al., 2022) but in the last 10 years, government of Indonesia put more attention to strengthen the villages and empower their economy. Since the presence of Ministry of Villages, Development of Disadvantage Region and Transmigration, the government has concerned on rural area economic development.

In Indonesia, village productivity is remained low, poverty has become a fundamental problem in the village, and critical action is needed to reduce the possible impact. Even though village is occupying the smallest administration and lower level in Indonesia, village and its communities must be able to contribute to economic development one of its by promoting their products to global market. In 2022, government has grand authority and fund to village to ensure the autonomy of village by strengthening their own resources the grand expanded up to one billion rupiah per year to support facilities, establish infrastructure and allocate for the business activities of village (Pratolo et al., 2020). Eventually, some of fund has been utilized for generating income of village through village-owned enterprises (or badan usaha milik desa/BUMDes). Pratolo (2020) suggest the economic welfare of village could be enhance by social, economic, and environmental resilience. However, the role of promotion products and its strategies in enhancing village economy has remained undisclosed in the literature (Inocian et al., 2019), some of them suggest cultural identity (Tan et al., 2019; Fusté-Forné, 2020) while others propose local wisdom (Sugiyarto & Amaruli, 2018; Rodiyah et al., 2020) which has economic value.

In the past research on promotion products which is part of marketing mix strategy has been conducted independently. The research on marketing mix was developed by Neil Borden in 1949 which constitute some variable such as products, price, place, and promotion (Baalbaki, 2015). They are rare studies which integrate village products into promotion systems. In other words, this study is an attempt to the highlighted gaps and developed different point of view of local approaches to their respective promotion strategies and structures in Indonesia context of a developing economy.

## **2. Literature review and background study**

Past literature showed; promotion has been recognized as part of marketing mix strategy. This is found that promotion of products is a kind of process in the business performance (Baalbaki, 2015) which is existed among all aspects of marketing strategies. In the context of marketing, promotion can be defined as “strategic way to engage with customer and leverage the business performance” (Fatima & Ali, 2022). Promotion is considered to be the last step in initiating marketing of product (Grimmer, 2022) after creation of product, deciding price, and positioning place. Thus, its very important to understand the meaning of promotion in undermining the concept of marketing. Literature indicates that promotion of village products can be done through product-village innovation (Susilo et al., 2021) and village tourism (Salouw & Widodo Dwi Pramono, 2023) by empowering local community. Consequently, marketing mix have been well explored by previous researchers (Onete et al., 2016; Odhiambo & Wanjira, 2019; Cassia & Magno, 2022). However, studies direct towards promotion approaches of village products had many limitations which had been criticized (Sugiyarto & Amaruli, 2018; Rodiyah et al., 2020).

Local wisdom is an important piece of the phenomenon of social life and interaction in Indonesia. Local wisdom has been used to encourage community involvement in village development (Rodiyah et al., 2020). The system is applicable to people to people, people to community, and community to environment and so on. Local wisdom might be relevant towards today’s marketing application in the context of diversity. For example, local wisdom has been conceptualized in the literature using terms such as cultural identity,

(Werthes, 2018; Forgas-Serra et al., 2021) and diversity (Pret & Cogan, 2019; Duffy & Pang, 2020). Moreover, local wisdom has been studied in the domains such as culture (Werthes, 2018), environmental sustainability (Branicki, 2018), and good governance (Rodiyah et al., 2020).

Wisdom analysis is frequently used in promotion products-related to local people. Studies on local community in producing innovative products and culturally unique is still rare (Sugiyarto & Amaruli, 2018) and accessible. Temporality issues in marketing of village products such as handicraft products (Ferreira et al., 2019) between local traditional and creative tourism concerned about promotion based on experience. Ferreira (2019) suggest developing effective marketing strategies through consumers' perceived experiential value. In the context of local community development, village products are observed in two directions: (a) pure village products ownership, (b) in the provision of village products supported by facility and infrastructure from the central government. However, village community consistently adopted their own traditional methods in producing and promoting products. For example in Palembang, "Kemplang Tunu" is one of the most popular snack food for local community in Palembang (Terttiaavini et al., 2019), their promote the products by establishing Kemplang Community development. It is logical promotion strategy for investment in village community. This work is important as it has direct practical implication to the society and linkage to the cultural identity of the village (Inocian et al., 2019).

In Batujajar Bandung, Pangauban village products is developed by women empowerment (Yulia et al., 2021). Housewives are recruited for creating potential village culinary tourism through processing potential local agricultural products. Village government prioritize commercial interest of local people rather than social interest in turn to increase the village infrastructure of other public-private investment to reach its goals (Islam et al., 2021). In Demak, Kudus, and Jepara, handicraft products has been developed based on local culture to enhance local cultural tourism (Sugiyarto & Amaruli, 2018). Village products being promoted in local festival such as Memeden Gadu, Jembul Tulakan, Perang Obor, Kupat Lepet, and Buka Luwur. Cultural identity has been regarded as sustainable attractive tourism which preserved the culture and environment (Scheyvens et al., 2021).

In Yogyakarta, Panggungharjo Village has been regarded as smart village (Bahirah, 2022). People of Panggungharjo village implemented strategic and collaborative partnership called "every home, one graduate" programs, Participation school, Puskesmas Sewon Innovation. According to Robbins & Devitt, (2017) smart people are culturally curious and facilitating collaborative innovation. Local people are collaborated in every action and programme developed for village, thus improve village performance in every aspect of life including economy and welfare.

### **3. Methodology**

This study employs a qualitative research method based on regions and local communities in promotion village products. Multiple case study analysis is done, and purposive sampling was taken from selected villages based on the major island and province in western part of Indonesia and else, considering to the availability of information accessible to researchers. The paper analyses different point of view of local approaches to their respective promotion strategies and structures. The data were collected using reports and reviews the case of promotion products in villages, and literature review related to the topic.

A review of academic and culture literature has been undertaken to understand how the village community promote their products using their own wisdom and beliefs. Promotion of products has been recognized in the diverse and interdisciplinary body of research in this area. To identify the relevant literature for this review processes the researcher selected some articles for Scopus database and Google Scholars as well for curating the data of villages especially in western part of Indonesia. The keywords were used such as

promotion, marketing, village products, and local wisdom. Papers were screened to identify the main articles related to the topic of research.

#### **4. Results and discussion**

Analysis of the data and literatures suggested that, in general, nowadays the promotion of products in village community moved from conventional way of marketing to digital (Soedarsono et al., 2020). There are challenges to the need of specific marketing process such as product distribution and promotion issues such as lack of sufficient infrastructure of road, accessibility and information systems which disproportionately negative effect on village performance and development (Purwanto & Imawan, 2020). Several attempts have been made to address the issues of village product promotion affordable and accessible to wider community. Villages received fund (Tarlani & Sirajuddin, 2020) for village community empowerment (Rahmaddhani & Prasetyoningsih, 2023).

This study critically reviews the village community development in terms of promotion village products. The research focus on the body of cultural identity concerning promotion or marketing related programs of villages in Indonesia. Emphasis is placed on capturing the local wisdom as the complexities involved in the promotion systems. Studies have evidenced disparities in product promotion with local wisdom is the key success of market segment particularly the early village tourism (Subekti et al., 2019

; Faridl Widhagdha & Anantanyu, 2022; Salouw & Widodo Dwi Pramono, 2023). However, challenge in village issues such as road infrastructure, village location, product price, accessibility, and uniqueness are difficult for social interest.

Other challenges faced by villagers are the maturity of village products. This study suggests measurement of village products could be packed into holistic strategies and implemented appropriately based on local wisdom and beliefs, and in accordance with local demographic characteristics (Saleh et al., 2016). Research into the marketing of village products and best practices has shown examples of local identity through cultural festival and village community engagement (Sugiyarto & Amaruli, 2018). Breaking down this finding in terms of promotion village products based on local wisdom provided insight such as Promotion Village Products based on local wisdom, cultural identity, village infrastructure and accessibility, village product uniqueness and affordability, and finally village community empowerment.

#### **5. Conclusion**

##### **5.1. Conclusion**

The findings of this study extend existing thinking of the concept of marketing mix in promotion variable especially promotion of village products. This study has synthesized evidence on village product promotion concerning on local wisdom in the debate. This review finally assimilates progress and to provide direction for policy makers to consider of village community development and village cultural identity recognition. Key issues or factors influencing promotion village products is community collaboration, cultural identity, and village accessibility.

##### **5.2. Limitation**

This study has certain acknowledged limitations such as analyse the western part of Indonesia case studies. First, case study is just exploring limited information than any general inferences that seems to be promising. Secondly, the study focus on secondary data, and primary data utilized for descriptive enrichment. Future studies might be benefit for collecting data from customers perspective and tourism agency.

##### **5.3. Suggestion**

Future research of other geographical backgrounds may also encourage eastern part of Indonesia with its uniqueness and rich cultures. This study suggests the significant role of promotion product in response to the village development. Understanding the actual mechanism of marketing mix strategy would be beneficial for village enterprises which characterized by local wisdom and cultural identity.

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