

## Local Government Policy in the Marketing of Home Industry Products in Bumiharjo Village

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### ABSTRACT

The home industry is crucial for regional economic growth by producing quality local products, requiring local governments to support its development through effective regulations. This research aims to assess the effectiveness of government policies in marketing home industry products in Bumiharjo Village and to identify internal and external factors that impact product distribution, while evaluating regional support initiatives like the Join Marketing Center (JMC) and promotional efforts. This study employs a qualitative method with an inductive approach, utilizing both primary and secondary data sources. Data were gathered through interviews, observations, and documentation, and analyzed using data reduction, display, and verification techniques. The findings indicate that the current marketing policy for home industry products in Bumiharjo Village remains suboptimal due to the lack of official regulations. Key obstacles include unformalized marketing policies for home industry products and limited production capabilities due to inadequate equipment and capital. The Regional Government has made efforts to address these challenges by establishing the JMC, promoting products through regional exhibitions, and endorsing them on official social media channels managed by the Regent and Deputy Regent of Way Kanan. These initiatives highlight the need for formalized policies and increased support to enhance the marketing and distribution of local products.

**Keywords:** Home Industry; Local Government; Marketing; Policy; SMEs

## INTRODUCTION

One of the essential tasks of the government in implementing fiscal decentralization, particularly for regional governments, is to enhance people's welfare through economic development. Economic growth serves as a significant benchmark for assessing the success and progress of development initiatives in a region, especially in social and financial sectors (Kolinug & Winerungan, 2022; Peterson, 2017; Runtunuwu & Kotib, 2021). The goals of both the development plan and national development aim to increase regional per capita income significantly and support the economy of the lower middle class (Fazaalloh, 2024; Yossinomita et al., 2024).

The household industry is a key driver of regional economic growth by producing quality, locally-made products (Arif & Syahputri, 2021; Nurasiah et al., 2023). Therefore, regional governments must support and encourage the advancement of the household industry through appropriate regulations. According to Law Number 11 of 2020 (Indonesia) Article 89 Paragraphs 1 and 3 on Job Creation, the central and regional governments are mandated to support the household industry of micro, small, and medium enterprises (MSMEs) by providing opportunities for these business actors to grow. Marketing plays a critical role in the growth of household industries, aligning with the customer-centered concept proposed by Rahmawati (2016), who describes marketing as "an activity that meets the needs and desires of consumers." This approach emphasizes the importance of identifying suitable products to meet consumer demands, thereby allowing companies to focus their products and sales on target customers effectively.

Way Kanan Regency is one of the 13 regencies and 2 cities in Lampung Province, formed based on Law Number 12 of 1999 (Indonesia), dated April 20, 1999, concerning the establishment of Dati II Way Kanan Regency, Dati II East Lampung Regency, and Metro City. Way Kanan Regency, especially Buay Bahuga District, has significant potential in natural resources, including palm oil, rubber, cassava, rice, and coffee. Additionally, the region features attractive waterfall tourism located in the natural forests of Way Kanan Regency. Table 1 below presents an overview of the home industries fostered in Bumiharjo Village, Buay Bahuga District, Way Kanan Regency, Lampung Province.

**Table 1.** Home Industries (SMEs) in Bumiharjo Village, Buay Bahuga District, Way Kanan Regency Registered in 2021

No	Business Name	Amount of Business
1	Eccho Chips	1
2	Degkla Ice	1
3	Tofu Chips	1
4	Cassava Chips	1
5	Kunci Lime Syrup	1

According to data from the Cooperatives and Small and Medium Enterprises (SMEs) Service of Way Kanan Regency in Table 1, there are five different types of home industries in Bumiharjo Village, Buay Bahuga District. These businesses harness the area's local potential as a supplementary source of income for the community. However, the efforts by the Way Kanan Regency Government to encourage village independence and ensure equitable economic growth face challenges such as limited access, a lack of skilled human resources, and overlapping regulations, which complicate the pursuit of effective economic development aimed at enhancing the quality of life for the village residents.

The Cooperatives and SMEs Service acknowledges that the Way Kanan Regency Government's policy on industrial and MSME business licensing has been suboptimal, as existing regulations do not fully align with the actual conditions and needs within the community, particularly those of industrial business actors. To address this, the Way Kanan Cooperative and SME Service has enacted a program based on [Regional Regulation Number 5 of 2004 \(Indonesia\)](#) concerning Industrial, Trade, and Marketing Business Permits. This initiative focuses on supervising and supporting industrial actors, particularly home industries in Bumiharjo Village, Buay Bahuga District.

Bumiharjo Village, one of nine villages in Buay Bahuga District, has a predominantly farming population reliant on agricultural income. To supplement this income, a group of residents in Bumiharjo Village established a home industry group comprising five people producing diverse items, such as mushroom chips, bitter melon chips, manggleng, degkla ice, and key orange syrup. This group provides additional income to the community alongside farming activities.

Currently, the marketing of these products is limited to local distribution within Bumiharjo Village, facilitated by direct intermediaries between producers and consumers. Additionally, a small number of resellers, typically one or two individuals, distribute the products to neighboring villages. While the Way Kanan Regency Government has supported these home industries by issuing Way Kanan Regency [Regional Regulation Number 5 of 2004 \(Indonesia\)](#), which simplifies business permits for home industry players, the government has not fully leveraged these regulations to improve product marketing networks. Consequently, while production has grown, marketing opportunities remain constrained. Further action is required from the Way Kanan Regency Government, particularly through the Cooperatives and SMEs Service, to optimize these regulations by expanding partner and marketing networks for home industry products.

Given these conditions, it is essential for the Regional Government, particularly the Way Kanan Regency Government, to support marketing efforts for home industry products, as current production levels are not matched by sufficient marketing reach. The Way Kanan Regency Government should take prompt and targeted actions to enhance policies that support village communities, especially home industry business actors, in product marketing through partnerships, marketing networks, and digital platform utilization. This research aims to assess the effectiveness of government policies in marketing home industry products in the village, identify internal and external factors influencing product distribution, and evaluate regional support initiatives such as the Join Marketing Center (JMC) and promotional efforts. The significance of this study lies in its exploration of the role of local government in empowering home industries, offering insights into effective marketing strategies and the support needed for product distribution in rural areas. The novelty of this research stems from its unique focus on Bumiharjo Village, examining the intersection of government policy, local businesses, and marketing networks in a specific regional context. The findings are expected to contribute valuable recommendations for local governments to improve policies and programs that support home industries, ultimately fostering sustainable economic growth in rural areas through enhanced market access and promotion.

## **LITERATURE REVIEW**

### **Public Policy**

Heclo, as cited in [Purwanto and Sulistyastuti \(2012\)](#), describes policy learning as the "actions needed by implementers to respond to changing external environmental demands." This definition implies that public policy is actively implemented because bureaucrats are motivated to interpret and execute policy strategies as tangible actions

on the ground (Widnyani et al., 2024). Effective public policy, therefore, relies on a foundation of regulation, motivation, and continuous learning. This is especially significant in government programs, where transparency and accountability are essential to public service (Hutabarat, 2024). Typically, a public policy begins as a directive from central government, subsequently adapted to align with the local culture of an autonomous region. This regional initiative ensures the policy is contextually relevant and feasible for local implementation.

For bureaucratic motivation to be effective, it must embody adaptability and flexibility in executing tasks within the framework of public policy and the principle of autonomy (Pahrudin & Darminto, 2021; Sitompul et al., 2022). Thus, robust coordination and efficient communication are critical within government systems. Timely access to information allows bureaucrats to swiftly receive and act upon public policy directives (Gasa et al., 2023; Hardhantyo et al., 2023). However, regulatory structures and human resource challenges often impede bureaucratic organizations from seamlessly adjusting to new public policies (Arif et al., 2024; Hidayat et al., 2024; Iyai et al., 2023). On one side, public policy institutions face pressure to transform from established frameworks. On the other, certain personnel may lack readiness to adapt to policy changes that arise as public issues evolve (Rudi, 2023). This gap highlights a deficiency in bureaucratic experience and learning, which hampers the ability to set and refine policy objectives in response to shifts in government regulations.

In practice, gaps emerge between government agencies and the public's expectations for adaptive service delivery. These challenges reflect the tension between traditional bureaucratic processes and the need for dynamic reengineering and resource reinvention to meet public service demands (Fefta et al., 2023; Hutabarat, 2024; Rudi, 2023). Addressing these gaps requires a commitment to learning and flexibility, empowering bureaucrats to manage evolving policy demands effectively while providing consistent and responsive public services.

### **Product Marketing**

Rahmawati (2016) defines marketing as an activity dedicated to fulfilling consumer needs and desires, emphasizing that effective marketing focuses on identifying and providing the right products to meet specific consumer demands. This approach, known as the customer-centered concept, is rooted in understanding the target audience and tailoring offerings to those most likely to engage with the company's products. Such a perspective helps companies align their strategies with the expectations and preferences of their customers, making both product development and sales efforts more effective.

Kotler and Susanto, as cited in Zainurossalamia (2020), elaborate on marketing as a "social and managerial process" where individuals and groups achieve their needs and desires by creating, offering, and exchanging items of value. This comprehensive view of marketing includes various interconnected activities such as purchasing, selling, transportation, storage, financing, risk management, obtaining market information, and standardization. Through this social process, businesses and consumers engage in transactions that fulfill mutual needs, facilitated by the exchange of goods or services (Nadiya et al., 2023; Rahayu, 2023). Such a process not only addresses immediate consumer needs but also builds relationships and trust, which are essential for long-term business success.

Further defining marketing, the American Marketing Association, as referenced by Rahmawati (2016), describes it as an integrated communication process designed to inform the public about products or services that satisfy their needs and wants (Shi et al., 2020). Marketing activities are effective only when they provide genuine value and

satisfaction to consumers, creating a favorable perception of the business. When marketing successfully enhances consumer satisfaction, it strengthens the business's reputation and encourages ongoing engagement. Consequently, this consumer-focused strategy serves as the foundation for sustainable business growth and a positive public image (Chong et al., 2017; Greenfield & Veríssimo, 2019; Kauffmann et al., 2019).

### **Industries Classification**

Industry encompasses businesses and activities centered on transforming raw materials or semi-finished goods into finished products with added value, thereby generating profit. It represents a fundamental component of economic activity, as it supplies both raw materials and finished goods to the market. Ali (2018) defines industry as a specific location or place where the production process occurs. Industries can be categorized according to several distinct criteria, including the type of raw materials used, the products generated, the source of raw materials, the location of business units, the nature of production processes, the type of goods produced, the capital sources, the management structure, and the scale of labor involved.

Industries based on raw materials include the extractive industry, which sources materials directly from natural resources such as agriculture, forestry, and fishing; the non-extractive industry, which relies on materials derived from other industries, like plywood or textiles; and the facilitative industry, which provides essential services such as banking, transportation, and tourism. Classification based on the type of product produced includes primary industries that generate unprocessed goods, secondary industries that create goods requiring further processing, and tertiary industries, which offer direct services to fulfill community needs. Industries are also organized by the origin of their raw materials, with categories such as agricultural, mining, and service industries.

Location-based classifications distinguish industries by their market orientation, including those positioned near distribution or population centers, raw material sites, or ones with flexibility in location, known as footloose industries. Regarding production processes, industries may function as upstream (processing raw materials into semi-finished goods) or downstream (transforming semi-finished goods into finished products). The classification based on goods produced divides industries into heavy industry, which involves large-scale machinery and equipment production, and light industry, focused on consumer goods like food and beverages.

Industries also differ by capital source, with categories for domestic investment (PMDN), foreign investment (PMA), and joint ventures. Management type further categorizes industries as either people's industries, managed by local entrepreneurs, or state-owned industries (BUMN), managed by the government. Finally, labor-based classifications identify home industries, small industries, medium industries, and large industries based on capital size, technological advancement, and workforce scale.

This research is focused on household industries in Bumiharjo Village, Buay Bahuga District, Way Kanan Regency, Lampung Province. This industry fits the labor-based classification for small industries, employing around five workers, operating with very limited capital, and primarily engaging in local marketing efforts. The insights gathered from this research contribute to a comprehensive understanding of the challenges and operational structure within this specific classification of the industry in the region.



## RESEARCH METHOD

This study employs a qualitative research method with an inductive approach, aiming to derive conclusions based on observed facts and then align them with theoretical and legal frameworks. The inductive approach enables the researcher to interpret field data meaningfully by grounding findings in real-world observations and subsequently evaluating their consistency with established theories and legal foundations. The operational framework guiding this research focuses on local government policies as defined by Heclo, which is cited in [Purwanto and Sulistyastuti \(2012\)](#). Heclo's theory emphasizes that policy actions taken by government implementers should adapt in response to the demands of a changing external environment. Additionally, this study draws on marketing theory proposed by [Rahmawati \(2016\)](#), who highlights the critical role of products and sales in shaping effective marketing strategies. The integration of these theories supports the study's focus on how local government policies can effectively aid product marketing within the regional economy.

The study gathers both primary and secondary data to capture a comprehensive view of the local government policy's impact on regional marketing. Primary data sources consist of responses, insights, and perspectives from individuals situated within the research locus. Secondary data sources include field documentation, archival records, and relevant government documents, offering a factual basis to complement the primary data. Information and data are collected from informants chosen via purposive sampling, a technique defined by [Sujarweni \(2019\)](#) as selecting samples based on specific criteria or considerations that align with the research objectives. The research locus is Bumiharjo Village, located in Buay Bahuga District, Way Kanan Regency, Lampung Province.

The study uses various research instruments, including interview guides, observation sheets, and documentation notes, to ensure a thorough collection of qualitative data. Data collection techniques involve in-depth interviews, group observations, and document analysis, providing a multi-dimensional understanding of the research problem. For data analysis, the study follows the methodology outlined by [Miles and Huberman \(2014\)](#), which includes data reduction, data display, and conclusion drawing or verification. Through these steps, the research systematically organizes and interprets data, allowing the researcher to draw well-supported conclusions regarding local government policies' role in enhancing regional marketing effectiveness.

## RESULTS

### **Local Government Policy in Marketing Household Industry Products**

#### ***Public Policy***

The Way Kanan Regency Government's active response is essential, as the policies it issues significantly impact the marketing of home industry products, particularly in Bumiharjo Village. One of the key challenges hindering the effectiveness of these policies is the limited accessibility to the Cooperative and SME Office of Way Kanan Regency, which is located approximately 20 kilometers from Bumiharjo Village. This distance has made it difficult for many home industry operators in the village to complete the registration process, leaving several businesses unregistered.

The home industry sector in Bumiharjo Village produces a variety of food and beverage items, including mushroom chips, bitter melon chips, manggleng chips, degkla ice, and lime syrup. However, several of these products are still awaiting the issuance of the Household Industry Food Permit (PIRT) from the Cooperative and SME Office of Way Kanan Regency, which is essential for their formal market entry and consumer trust. This situation underscores the need for the Regency Government to expedite regulatory

adjustments or issue new guidelines that facilitate permit access. Effective public policy must reflect the voices and needs of the local community, and in this case, the perspectives of Bumiharjo Village residents serve as a valuable resource for shaping relevant and responsive policies.

Interviews conducted with Bumiharjo Village residents, who are consumers of local home industry products, reveal that these products are widely regarded as high-quality and affordable. According to the analysis based on consumer feedback, the community expresses a strong appreciation for the taste and quality of Bumiharjo Village's household industry products, viewing them as competitive with other processed food and beverages available on the market. However, a portion of the population remains uncertain about the health and safety standards of these products, particularly regarding adherence to PIRT requirements. This feedback suggests that while consumer satisfaction with the products is high, there is a need for greater public awareness about health standards to ensure consumer confidence. This highlights an opportunity for the Way Kanan Regency Government to both support product marketing and to educate the community about the safety standards that home industry products must meet, thereby fostering informed consumer choices.

### ***Target Policy***

The determination of policy targets to overcome obstacles in marketing home industry products is crucial. Efforts by the government, including assistance, facilitation, and regulatory planning, play a significant role in supporting the development of home industries, particularly for business actors in Bumiharjo Village, Buay Bahuga District. When determining policy targets, it is essential that they align with the standards for implementing policies and regulations. A key to the success of any policy is its target—ensuring that home industry actors benefit from the policies issued by the Way Kanan Regency Government regarding the product marketing process. Program monitoring serves as a mechanism to control and assess policies, enabling the formulation of insights based on policy outcomes. The target policy for marketing home industry products in Bumiharjo Village, Buay Bahuga District, is as follows.

### ***Home Industry of Manggleng Chips***

The manggleng chips home industry relies on cassava as its primary ingredient, which is processed into a snack available in three flavors: original, spicy balado, and spicy green chili. The business was founded by Mrs. Siti Masrurah, who sought to create a side business with limited startup capital. Monthly revenue from manggleng chips ranges from IDR 500,000 to IDR 1,500,000. The unique processing method ensures the chips are crispy and dry, distinguishing them from typical sanjay chips, which are often softer and wetter. According to Mrs. Siti, the main challenge in expanding this business lies in the distribution process. Although the Way Kanan Regency Government has provided support in terms of licensing, training, and packaging, it has not yet addressed distribution issues, which limits the market reach of manggleng chips.

### ***Home Industry of Mushroom Chips***

The mushroom chips home industry produces crispy snacks made from oyster mushrooms, available in original and balado flavors. The business was started by Mrs. Samila, a farmer who wanted to supplement her income beyond seasonal harvests. She began this venture with a minimal investment of around IDR 1,000,000, initially selling her products at a nearby shop. Monthly revenue from mushroom chips is approximately IDR 1,000,000 to 1,500,000, varying with demand. The chips are distinct for their savory taste and the use of quality oil, which adds to their appeal. However, challenges include limited access to raw materials since the COVID-19 pandemic and a lack of sufficient

capital. Although the government has provided assistance in licensing and packaging, not all home industry operators have received the necessary capital support.

#### *Home Industry of Degkla Ice*

The Degkla ice home industry produces a beverage made from young coconut (*dugan*) known as Degkla Ice. Founded by Mr. Apip, a young entrepreneur aiming to support himself, the business began with a small investment in coconuts and a refrigerator. Monthly income from this product varies between IDR 1,000,000 and 2,000,000, depending on order volume. Degkla Ice offers a portable, frozen treat featuring dugan jelly, making it convenient for transport. Despite receiving support in the form of labeling and packaging from the Cooperatives and SMEs Office, the business faces challenges in reaching broader markets due to limited marketing access and high shipping costs. Additionally, the lengthy distance to the Cooperatives and SMEs Office complicates the process of securing the necessary PIRT.

#### *Home Industry of Bitter Melon Chips*

The bitter melon chips home industry transforms bitter melon, a vegetable often known for its bitter taste, into a snack available in original and balado flavors. Initiated by Mr. Eccho, a farmer looking for a supplementary income source, the business was inspired by his father's challenge to create a palatable product from bitter melon. With limited initial capital, Mr. Eccho succeeded in creating a snack that mitigates the vegetable's bitterness, resulting in a crispy and savory chip. Monthly earnings from bitter melon chips range between IDR 500,000 and IDR 1,000,000. Although the government has simplified the licensing process, the business remains constrained by a limited marketing network, with most sales occurring within the local village.

#### *Home Industry of Kunci Lime Syrup*

The kunci lime syrup home industry produces a syrup made from lime, developed by Bunda Simas, who sought a side business opportunity that required minimal capital. Monthly revenue from lime syrup sales ranges from IDR 500,000 to 1,000,000, depending on demand. The product is notable for its long shelf life of up to one year and its versatility, as it can be mixed with both warm water or consumed directly. This characteristic has made it an attractive beverage option, although, like other home industries in the region, its market reach is restricted by distribution challenges.

The home industries in Bumiharjo Village each contribute significantly to the local economy, showcasing the creativity and resourcefulness of the community in leveraging the natural resources of Way Kanan Regency. Despite operating with limited financial resources, these businesses have successfully created income opportunities, driving economic recovery within the region. This resilience underlines the importance of government support for fostering innovation within the home industry and SME sectors, so these local products can reach broader markets outside the region. Expanding the reach of these products would not only increase income for home industry operators but also attract larger market partners, enhancing the overall economic landscape.

Interviews conducted with officials from the Cooperative and SME Service of Way Kanan Regency revealed insights into the government's support for these local industries. Discussions with the Head of the Cooperative and SME Service and the Head of the Micro Business Empowerment Division focused on the policies and regulations governing the marketing of home industry products within the regency. The officials emphasized that, while the Cooperative and SME Service is committed to promoting home industry products, there currently are no formal regulations specifically addressing the marketing needs of these businesses. As a result, support has been largely limited



to providing a marketing platform through the JMC, which promotes home industry products from across Way Kanan Regency.

The Way Kanan Regency Government has set a clear objective to assist in the marketing process for local home industries, particularly those in Bumiharjo Village. Government support in the form of licensing and packaging assistance has been appreciated by the community; however, there remains a need for additional efforts in areas like marketing and capital assistance. To fully support these small-scale businesses, the government should consider implementing policies that specifically address these gaps, enabling home industry operators to scale their ventures and better respond to market demands. By fostering a supportive ecosystem that includes regulatory frameworks, capital access, and marketing channels, the Way Kanan Regency Government could further empower home industry entrepreneurs and significantly contribute to the long-term sustainability of local businesses.

### **Government Support and Coordination for Home Industry Development**

The Bumiharjo Village Government, along with the Sub-district Head, has played an active role in supporting local home industries by conducting data collection on existing businesses and recommending new ones to obtain necessary permits. The efforts of regional officials to promote the growth and marketing of home industry products have been enthusiastic and well-coordinated. This collaboration between village and sub-district governments and the Way Kanan Regency Cooperative and SME Service has strengthened the program aimed at marketing local products, especially those produced by home industries and SMEs in Bumiharjo Village.

The coordination and monitoring between these levels of government have been effective in addressing the challenges that home industry businesses face, particularly in Bumiharjo Village, Buay Bahuga District. Many of these businesses struggle with marketing their products due to limited access to distribution channels, a lack of business partners, and restricted capital. This intergovernmental support structure has become essential for facilitating the expansion of these businesses and ensuring that they have the resources needed to succeed in a competitive market.

Government regulations and policies are crucial for the sustainability of these home industry businesses. In particular, businesses in Bumiharjo Village rely heavily on governmental support to expand their marketing networks and stimulate regional economic recovery. Interviews with relevant officials, including the Head of the Cooperatives and SMEs Service, the Head of the Micro Business Empowerment Division, the Buay Bahuga Sub-district Head, and the Bumiharjo Village Head, revealed a shared commitment to improving the marketing conditions for household industry products. These officials expressed strong support for local businesses, particularly those in Bumiharjo Village, despite the absence of official regulations providing a designated space for product marketing. Nevertheless, a hierarchical and coordinated approach across government levels has enabled support for local entrepreneurs. For example, the Buay Bahuga Sub-district Head has undertaken initiatives to gather data on conventional and digital marketing methods while working with the Cooperative and SMEs Service to realize these marketing efforts.

Through these combined efforts, the local government has demonstrated its dedication to helping household industries overcome obstacles in product marketing and distribution, fostering an environment that encourages economic resilience and growth in the region.

## DISCUSSION

### **Inhibiting Factors of Local Government Policy in Marketing Household Industry Products**

#### ***Internal Factors***

Internal issues significantly impede the effective marketing of household industry products in Way Kanan Regency, particularly due to regulatory gaps affecting the legality and support structure of the product marketing network. Interviews with the Head of the Cooperatives and SMEs Service reveal that a lack of formalized regulations specifically targeting household industry product marketing remains a central issue. These missing regulations create barriers for household industry players, as the necessary infrastructure and budget allocations for marketing support are not adequately addressed. To foster a clearer and more robust marketing strategy, establishing specific guidelines for the creation of suitable marketing environments or centers for household industry products is crucial. This would not only provide clarity on budget allocation but also offer a structured approach for improving product visibility and market reach.

While the Cooperatives and SMEs Service has initiated the Joint Marketing Center (JMC) as a platform to develop a broader marketing network, limitations in policy and regulatory frameworks have hindered its effectiveness. The current policies surrounding marketing are insufficient, preventing the Way Kanan Regency Government from fully assisting and monitoring the marketing progress of household industry products through the JMC. Without clear regulatory backing, the JMC's capacity to function as an effective marketing support hub remains limited. Additionally, capital constraints present a significant challenge for home industry businesses. Limited access to financial resources restricts production capabilities, ultimately affecting the supply and consistency required to sustain smooth marketing efforts. Addressing these capital limitations, possibly through financial assistance or microcredit schemes, could help bolster production levels and facilitate the regular supply needed for a stable marketing pipeline.

#### ***External Factors***

Access to information is a key external challenge impacting the effective marketing of household industry products in Way Kanan Regency. Insights from the head of the Cooperatives and SMEs Service highlight the lack of adequate equipment and limited capital as primary obstacles in assisting household industry producers in Bumiharjo Village. These challenges are compounded by the absence of formal regulations specifically supporting the marketing of household industry products, leaving producers without structured guidance or resources. Without a clear regulatory framework, the necessary support for production equipment and financial resources remains out of reach, limiting the capacity for household industry players to expand their production and enhance market readiness.

Additional external factors also hinder the effective marketing of household industry products. The limited ability to expand networks and secure reliable marketing partners restricts the reach of these products, making it difficult for household industry players to establish a stable customer base or access new markets. Furthermore, the process for acquiring business permits is sluggish, which impacts the ease of accessing licensing information necessary for establishing product legitimacy. This delay in the licensing process creates hurdles for household industry players, as they cannot market their products confidently without formal authorization. Improving the speed and accessibility of business permit processing would significantly aid these producers, allowing them to enter the market more effectively and establish a legal foundation for their marketing efforts. Addressing these external factors, from network expansion to regulatory support

for licensing, could provide household industry businesses with the tools and opportunities needed to thrive in a competitive market.

### **Efforts to Overcome Inhibiting Factors of Regional Government Policy in Marketing Household Industry Products**

Based on interviews with related officials, namely the Head of the Cooperatives and SMEs Service, Head of the Micro Business Empowerment Division, Buay Bahuga Sub-district Head, and Bumiharjo Village Head who explained the government's efforts to help smooth the marketing of household industry/UMKM products. From the problems faced by Way Kanan Regency in the marketing policy of household industry products, there are efforts to overcome these obstacles. Efforts made by the government can be in the form of assistance, convenience, and regulatory planning in supporting the advancement of household industries, especially business actors in Bumiharjo Village, Buay Bahuga District. The efforts made by the Government through the Cooperatives and SMEs Service are as follows.

#### ***Internal Factors***

The Cooperatives and SMEs Service of Way Kanan Regency has implemented several strategies to address internal issues affecting the marketing policies for household industry products. One key initiative involves proposing policy revisions to the Way Kanan Regent, aiming to refine and optimize existing regulations. This revision is intended to enhance the effectiveness of the JMC as a tool to support the expansion of marketing networks for household industry products. By aligning policy updates with the operational functions of the JMC, the Cooperatives and SMEs Service seeks to strengthen the framework that governs marketing efforts, ensuring that household industries have access to more structured and widespread marketing channels.

In addition to policy adjustments, the Cooperatives and SMEs Service has also focused on providing essential support to household industry players to meet their operational needs. A major component of this support includes facilitating access to business capital, which remains a significant barrier for many home industry producers. To address this, the Service assists with packaging improvements, ensuring that products are market-ready and can meet broader distribution standards. Moreover, efforts are underway to streamline product distribution to the JMC, simplifying the pathway for household products to reach wider markets. By offering these practical resources, the Cooperatives and SMEs Service aims to enhance the market competitiveness of household industries in Way Kanan, helping local producers overcome logistical challenges and expand their reach effectively.

#### ***External Factors***

The Cooperatives and SMEs Service of Way Kanan Regency has implemented various strategies to address external challenges affecting the marketing policies for household industry products. One significant initiative involves the JMC, which serves as a hub for expanding marketing opportunities. The JMC supports home industry players by helping them build extensive product marketing networks. This is achieved not only through the physical infrastructure of the JMC but also via promotional activities, such as participation in regional exhibition events and endorsements on the social media platforms of prominent officials, including the Regent and Deputy Regent. By leveraging these channels, the JMC enhances product visibility, allowing household industry players to reach a wider audience and improve market access.

In addition to marketing support, the Cooperatives and SMEs Service is focused on facilitating access to business licensing through the Online Single Submission (OSS) system. The OSS is a comprehensive licensing platform introduced by the Central

Government in collaboration with regional governments, including Way Kanan Regency, as part of the implementation of Law Number 11 of 2020 on Job Creation. For household industry players, particularly those in remote areas, this system offers a practical solution to overcome geographic barriers in obtaining business licenses. By providing counseling and training on OSS usage, the Service empowers these players to independently register their businesses online. The OSS not only streamlines the licensing process but also opens doors for registered businesses to access capital loans, as registration in the OSS system serves as a formal acknowledgment of their operational legitimacy. This initiative thus addresses a critical barrier to entry for home industry players, supporting their ability to grow sustainably within the formal economy.

## **CONCLUSION**

Based on a month-long study and observations conducted at the Cooperatives and SMEs Service and Bumiharjo Village, located in Buay Bahuga District, Way Kanan Regency, Lampung Province, it is concluded that the current policy framework implemented by the Way Kanan Regency Government for marketing household industry products, particularly in Bumiharjo Village, remains inadequate. Existing marketing policies and regulations do not sufficiently support the promotion and expansion of household industry products, which significantly hampers the effectiveness of these products' marketing and distribution.

Several internal and external factors impede the successful implementation of marketing policies for household industry products. Internally, the JMC is underutilized in supporting the marketing initiatives for household industry products. Additionally, home industry operators, especially those in Bumiharjo Village, face limitations in business capital, restricting their capacity to scale and market their products. Externally, limited work partners and networking opportunities further restrict the growth of home industry enterprises. A considerable number of these industry players remain unfamiliar with the online licensing application system, resulting in many businesses operating without registered product permits, which restricts their access to broader markets and resources.

Efforts to address these internal and external challenges to regional policies include several targeted initiatives. Internally, revisions to existing policies should be proposed to the Way Kanan Regent, allowing collaboration with the JMC to assist in household industry product marketing efforts. Additionally, providing improved packaging facilities to home industry operators in Bumiharjo Village is essential to enhance product appeal and competitiveness. Externally, the establishment of a robust JMC can assist in expanding the marketing network for home industry products. Supporting promotional activities through regional exhibition events and endorsements on social media platforms by key local officials, such as the Regent and Deputy Regent, can further enhance visibility. Training sessions on utilizing the OSS licensing system should also be provided to enable home industry players to register their business permits online, thereby easing access to formal market channels and opportunities for expansion. These measures are crucial to strengthening the marketing ecosystem for household industry products in Way Kanan Regency.

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#### DECLARATION OF CONFLICTING INTERESTS

This research was conducted purely for the development of science in the field of local government without any intent and purpose that leads to a conflict of interest. The results of this study are expected to provide policy recommendations to related local government agencies.

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