

Evaluation of the Efficacy of the Marketing Strategy of the Red and White Cooperative and BUMDes in Village Economic Empowerment

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Abstract

This study aims to analyze the effectiveness of marketing strategies implemented collaboratively by the Merah Putih Cooperative and Village-Owned Enterprises (BUMDes) in increasing the competitiveness of local products and empowering the economy of village communities. The approach used is a mixed method, with a quantitative method in the form of distributing questionnaires to 120 business actors and cooperative members in five partner villages, and a qualitative method through in-depth interviews with the managers of the Merah Putih Cooperative and BUMDes administrators. Quantitative results show that promotion, distribution, and partnership variables have a significant influence on increasing the sales volume of village products. Meanwhile, qualitative analysis strengthens these findings by emphasizing the importance of institutional synergy and digital technology support. This study recommends the development of data-based marketing strategies and integrated training for village business actors to strengthen the sustainability of collaborative marketing programs

Keywords : Marketing, Red and White Cooperative, BUMDes, Mixed Method, Economic Empowerment, Collaborative Strategy.

Abstrak

Penelitian ini bertujuan untuk menganalisis efektivitas strategi pemasaran yang diterapkan secara kolaboratif oleh Koperasi Merah Putih dan Badan Usaha Milik Desa (BUMDes) dalam meningkatkan daya saing produk lokal dan memberdayakan ekonomi masyarakat desa. Pendekatan yang digunakan adalah metode campuran, dengan metode kuantitatif berupa penyebaran kuesioner kepada 120 pelaku usaha dan anggota koperasi di lima desa mitra, dan metode kualitatif melalui wawancara mendalam dengan para manajer pengurus Koperasi Merah Putih dan BUMDes. Hasil kuantitatif menunjukkan bahwa variabel promosi, distribusi, dan kemitraan memiliki pengaruh yang signifikan terhadap peningkatan volume penjualan produk desa. Sementara itu, analisis kualitatif memperkuat temuan ini dengan menekankan pentingnya sinergi kelembagaan dan dukungan teknologi digital. Penelitian ini merekomendasikan pengembangan strategi pemasaran berbasis data dan pelatihan terpadu bagi pelaku usaha desa untuk memperkuat keberlanjutan program pemasaran kolaboratif.

Kata kunci: Pemasaran, Koperasi Merah Putih, BUMDes, Metode Campuran, Pemberdayaan Ekonomi, Strategi Kolaboratif.

1. Introduction

The development of the rural economy is one of the main pillars of sustainable national development, particularly in countries with large agricultural and village-based populations such as Indonesia. In recent years, the government has encouraged the growth of rural enterprises through institutional support mechanisms, including

cooperatives and Village-Owned Enterprises (BUMDes), with the aim of creating inclusive, participatory, and sustainable local economies [1]. These institutions not only serve as drivers of economic transformation in rural areas, but also as platforms for community empowerment and local product commercialization.

Cooperatives and BUMDes play an instrumental role in facilitating the distribution and marketing of local products such as agricultural commodities, food processing goods, and crafts. They also enhance village financial independence through revenue-generating activities [2]. In this regard, the Red and White Cooperative, in collaboration with various BUMDes, has taken the initiative to develop marketing strategies designed to improve the competitiveness of local village products. This collaboration typically involves joint product branding, market access facilitation, and the adoption of digital marketing channels.

However, despite these promising initiatives, there are still challenges related to the effectiveness and sustainability of the marketing strategies being implemented. Various studies have noted that many rural marketing efforts are hampered by weak institutional coordination, lack of digital infrastructure, insufficient human capital, and poor market linkage [3,4]. Furthermore, differences in marketing capacity, promotional reach, and branding strategies among BUMDes often lead to unequal outcomes in terms of product sales and market expansion [5].

This study aims to analyze the effectiveness of collaborative marketing strategies carried out by the Red and White Cooperative and BUMDes, with a focus on identifying key variables that influence their success. Understanding these dynamics is essential in designing policies and interventions that can scale up successful practices, especially in the context of Indonesia's efforts to modernize its rural economy.

To guide this investigation, the following research questions are posed:

- How effective are the marketing strategies implemented by the Red and White Cooperative and BUMDes?
- What marketing variables significantly influence the increase in sales volume?
- What institutional factors support or hinder the implementation of collaborative marketing?

Addressing these questions is timely and important, given the global push toward inclusive economic models and the increasing role of digital transformation in shaping rural commerce. By focusing on cooperative-BUMDes collaboration, this study not only contributes to the academic understanding of rural marketing strategies but also offers practical implications for policymakers, local governments, and development agencies working to strengthen village economies.

2. Literature Review

2.1 Marketing Strategy

Marketing strategy is the foundation of an organization's effort to create value and capture target markets. According to Kotler and Keller, marketing strategy encompasses the planning and execution of product conception, pricing, promotion, and distribution to satisfy customer needs and organizational goals [6]. In the context of village economic empowerment, these strategies must be tailored to the unique socio-economic, cultural, and geographical realities of rural communities.

Village enterprises typically rely on local raw materials and labor, meaning that

marketing strategies must prioritize local identity and authenticity while expanding market reach through branding, packaging, and digital tools [7]. Research indicates that localized marketing—emphasizing product storytelling and regional pride—can significantly increase customer engagement and product differentiation [8]. Additionally, the adoption of digital platforms such as e-commerce, social media, and mobile-based marketing has enabled small-scale rural producers to bypass traditional barriers and directly engage consumers [9]. Yet, challenges remain in aligning these strategies with market demands. Often, village businesses suffer from a lack of market research, inadequate promotional funding, and insufficient branding capability. Therefore, collaborative efforts involving cooperatives, BUMDes, NGOs, and universities are critical in strengthening marketing strategy development at the grassroots level [10].

2.2 Village-Owned Enterprises (BUMDes)

Village-Owned Enterprises (Badan Usaha Milik Desa or BUMDes) were formalized under Indonesian Ministerial Regulation No. 4/2015 as institutional instruments for managing village-owned resources and services. The concept behind BUMDes is to promote economic sovereignty by enabling villages to establish businesses that are legal, transparent, and oriented toward collective prosperity [6]. The primary objective of BUMDes is to increase village income, create employment opportunities, and improve access to basic goods and services. They operate in diverse sectors, including retail, agriculture, tourism, and financial services, depending on local potential. Unlike conventional enterprises, BUMDes are governed by participatory principles, with village communities and local government playing significant roles in decision-making [11].

However, the performance of BUMDes is highly varied across regions. A study by Irawan et al. (2022) reveals that governance quality, leadership competency, and institutional synergy are critical to the success of BUMDes initiatives [12]. Furthermore, integration with cooperatives and the private sector enhances resource sharing and expands access to broader markets. Despite their potential, BUMDes face barriers such as limited capital, lack of professional management, and bureaucratic constraints. Capacity-building programs and inclusive public-private partnerships are essential to strengthen their role in rural transformation [13].

2.3 Cooperative Role in Village Economy

Cooperatives have long been recognized as pillars of economic development, especially in rural areas. Based on principles of democracy, equity, and mutual aid, cooperatives empower members by facilitating access to markets, credit, training, and production resources [14]. In the village context, cooperatives are often better positioned to understand local needs and conditions than external actors.

The role of cooperatives in marketing is particularly critical. By aggregating products from different producers, cooperatives can reduce transaction costs, negotiate better prices, and ensure consistent supply for buyers. Furthermore, cooperatives often play a key role in standardization, quality control, and branding of local goods [15]. For example, in Java, agricultural cooperatives have successfully linked village farmers to national and international buyers through coordinated logistics and certification systems [16].

Moreover, cooperatives provide platforms for knowledge exchange and

entrepreneurship. Training in financial literacy, packaging, product development, and digital marketing often begins at cooperative-level interventions [17]. In this way, cooperatives become not only economic actors but also centers of innovation and community empowerment. Nevertheless, the success of cooperatives depends on strong governance, member commitment, and adaptive leadership. Fragmentation, poor accounting, and internal conflicts can undermine their effectiveness. Thus, professionalization and regulatory support are needed to sustain their contribution to rural economic growth [18].

2.4 Economic Empowerment

Economic empowerment is defined as the process of enhancing the capacity of individuals or groups to make economic decisions and convert them into desired actions and outcomes [19]. In rural areas, this includes improving access to capital, technology, skills, and institutions that enable sustainable livelihoods. Narayan et al. emphasized that true empowerment occurs when people are equipped with the tools to influence their environment, increase their income, and reduce vulnerability to external shocks [21]. In the Indonesian context, economic empowerment is increasingly linked to the integration of traditional livelihoods with modern market systems. For instance, women's groups in West Nusa Tenggara who were empowered through micro-enterprise training and cooperative membership experienced a 35% increase in household income within two years [20].

Key pillars of economic empowerment in villages include: (1) financial inclusion through microfinance and revolving funds, (2) skill development in entrepreneurship and production, (3) market linkages via cooperatives and BUMDes, and (4) institutional collaboration with external partners such as universities, NGOs, and private firms [18]. These components enable communities to not only improve incomes but also participate more actively in development planning. However, empowerment must go beyond economic indicators. Social norms, gender roles, and political participation also influence how empowerment unfolds. Therefore, programs should adopt a holistic approach that includes social, educational, and cultural components to ensure long-term impact.

3. Research Method

3.1 Research Design

This research adopts a mixed-method approach, integrating both quantitative and qualitative methodologies to ensure a comprehensive understanding of the studied phenomena. The quantitative component aims to statistically examine the relationship between specific marketing strategy variables—such as promotion intensity, pricing models, and distribution channels—and their direct impact on sales volume. This phase involves data collection through structured surveys and statistical modeling to validate hypothesized relationships.

Conversely, the qualitative aspect enriches the analysis by capturing nuanced managerial insights, strategic rationale, and contextual factors that may not be fully represented in numerical data. Through in-depth interviews and thematic analysis, this component seeks to explore how decision-makers perceive market dynamics, consumer behavior, and internal operational challenges. By triangulating both data

types, the study enhances the validity and applicability of its findings, offering both empirical rigor and contextual depth [18].

3.2 Population and Sample

The population includes business actors, cooperative members, and BUMDes administrators in five villages that partner with the Red and White Cooperative. The sample size consists of 120 respondents, selected using purposive sampling.

3.3 Data Collection Techniques

To obtain comprehensive data, the study employed both quantitative and qualitative data collection techniques. For the quantitative phase, structured questionnaires were distributed to 120 business actors, selected through purposive sampling to ensure relevance to the marketing and operational context of rural enterprises. The questionnaire focused on variables related to marketing strategies, sales performance, and business sustainability.

In the qualitative phase, in-depth interviews were conducted with 10 key informants, comprising cooperative leaders and BUMDes (Village-Owned Enterprise) managers. These individuals were selected based on their strategic roles and deep understanding of local economic dynamics. The interviews aimed to capture insights on managerial perspectives, policy implementation, and challenges faced in operationalizing marketing strategies in village contexts [21].

3.4 Variables and Indicators

Here is a properly formatted and narratively integrated To assess the relationship between marketing strategies and business performance, this study employed four key variables.

Table 1. Variables and Indicators Used in the Study	
Variable	Indicator
Promotion	Advertising, digital media usage
Distribution	Market reach, supply chain
Partnership	Institutional collaboration
Sales Volume	Product sales increase (dependent)

To assess the relationship between marketing strategies and business performance, this study employed four key variables. Promotion was measured through indicators such as the use of advertising and digital media platforms. Distribution was assessed based on market reach and the efficiency of the supply chain. Partnership referred to institutional collaborations, including engagements with cooperatives, local governments, and other support entities. The dependent variable, sales volume, was measured through the increase in product sales as reported by business actors (1).

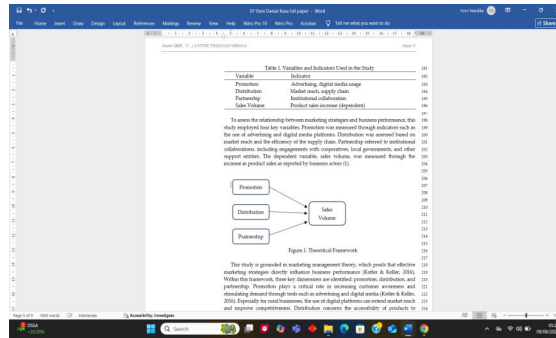


Figure 1. Theoretical Framework

This study is grounded in marketing management theory, which posits that effective marketing strategies directly influence business performance (Kotler & Keller, 2016). Within this framework, three key dimensions are identified: promotion, distribution, and partnership. Promotion plays a critical role in increasing customer awareness and stimulating demand through tools such as advertising and digital media (Kotler & Keller, 2016). Especially for rural businesses, the use of digital platforms can extend market reach and improve competitiveness. Distribution concerns the accessibility of products to consumers.

Efficient supply chains and broader market reach ensure that products are available when and where they are needed, which is essential for improving sales (Armstrong & Kotler, 2020). Partnership reflects collaboration with external institutions such as cooperatives, local governments, or NGOs. Institutional support can enhance capacity building, access to resources, and joint marketing efforts, thereby improving sales performance (Morgan & Hunt, 1994).

The dependent variable, sales volume, is conceptualized as the measurable outcome of successful marketing execution. It serves as an indicator of business growth and customer response to strategic inputs. This study integrates these variables into a causal framework, where promotion, distribution, and partnership are hypothesized to have a positive and significant effect on sales volume. The theoretical assumption aligns with the resource-based view (RBV) and relationship marketing theory, emphasizing the strategic use of internal and external resources to gain competitive advantage and performance improvements.

3.5 Data Analysis

This study employed a mixed-method data analysis approach, aligning with its objective to combine empirical measurement with contextual insight. In the quantitative phase, data collected from 120 business actors were processed and analyzed using multiple linear regression analysis with the aid of SPSS software. This statistical method was used to examine the influence of independent variables—promotion, distribution, and partnership—on the dependent variable, sales volume.

For the qualitative phase, data derived from in-depth interviews with 10 key informants were analyzed using thematic content analysis. This approach allowed the identification of recurring patterns, managerial perceptions, and contextual factors that enrich the interpretation of the quantitative findings. The integration of both techniques supports a robust interpretation of the study's research objectives [17].

4. Result and Discussion

4.1 Descriptive Statistics

Provide an overview of respondent characteristics, descriptive analysis was conducted on key demographic and participation variables. As shown in Table 4.1, the majority of respondents (60%) were small-scale food producers, indicating that the study sample largely represented micro and small businesses within the rural economy. In addition, 75% of respondents reported having participated in development or support programs organized by the Red and White Cooperative, highlighting the cooperative's significant outreach and role in supporting local enterprises.

This demographic profile suggests a strong relevance of cooperative-based interventions and their potential impact on marketing strategies and sales performance among small-scale producers.

Table 2. Descriptive Statistics of Respondents

Characteristic	Percentage (%)
Small-scale food producers	60%
Participation in Red and White Cooperative programs	75%

The descriptive statistics reveal that the majority of the respondents (60%) are engaged as small-scale food producers, reflecting the dominant type of business activity among participants in the study area. This indicates that the research primarily targets micro and small enterprises, which are often the backbone of rural economic development.

Furthermore, 75% of the respondents have participated in programs facilitated by the Red and White Cooperative, suggesting a high level of engagement and reliance on institutional support for business development. The strong involvement with the cooperative indicates its pivotal role in fostering capacity-building, access to markets, and the dissemination of marketing strategies among local entrepreneurs. These findings provide contextual grounding for the subsequent analysis of how marketing efforts and institutional partnerships influence sales performance.

4.2 Regression Analysis

To examine the influence of marketing strategy variables—promotion, distribution, and partnership—on sales volume, a multiple linear regression analysis was conducted. The results are presented in Tables 3 and 4.

Table 3. Model Summary

R Square	F Value	Sig.
0.68	46.21	0.000

The model summary (Table 4.2a) shows an R Square value of 0.68, indicating that 68% of the variance in sales volume can be explained by the three independent variables. The model's F-value of 46.21 with a significance level (Sig.) of 0.000 confirms that the regression model is statistically significant and suitable for prediction.

Table 4. Regression Coefficients

Variable	Beta (β)	Sig.
Promotion	0.34	0.001
Distribution	0.29	0.003
Partnership	0.38	0.000

All three independent variables (promotion, distribution, and partnership) significantly affect the sales volume of village products. The partnership variable has the strongest influence, highlighting the importance of institutional synergy.

Further examination of the regression coefficients (Table 4.2b) reveals that all three independent variables significantly contribute to predicting sales volume. The partnership variable has the highest standardized beta coefficient ($\beta = 0.38$, Sig. = 0.000), suggesting that collaborative institutional efforts have the strongest influence on improving sales. Promotion follows with a beta value of 0.34 (Sig. = 0.001), and distribution has a beta of 0.29 (Sig. = 0.003). All p-values are below 0.05, indicating statistical significance at the 95% confidence level. These findings highlight the critical role of institutional partnerships, promotional strategies, and distribution efficiency in driving business performance in rural enterprise contexts.

4.3 Qualitative Findings

The qualitative phase of this study involved in-depth interviews with 10 key informants, including leaders of the Red and White Cooperative and BUMDes managers. Thematic content analysis was applied to identify recurring patterns and strategic insights that contextualize the quantitative results. One of the most prominent themes to emerge was the synergistic relationship between the Red and White Cooperative and BUMDes, which was perceived as a major enabler of increased bargaining power in the market. Respondents emphasized that by collaborating in procurement, pricing, and collective marketing, these institutions could negotiate better terms with distributors and wholesalers. This synergy not only improves efficiency but also enhances the credibility and visibility of rural producers in broader markets.

Another key finding was the positive impact of digital platforms, including e-commerce channels and social media, in expanding market reach. Several informants noted that digital marketing allowed their products to access urban consumers and niche markets that were previously unreachable through traditional methods. These platforms facilitated direct-to-consumer sales, improved communication with buyers, and allowed real-time feedback on product demand. However, the benefits of digital tools were tempered by persistent challenges. A recurring concern among interviewees was limited digital literacy, particularly among older business actors. This constraint often led to underutilization of available platforms and difficulty in managing online transactions. Moreover, inconsistent supply quality emerged as another critical issue. Respondents cited fluctuations in production volume and quality control as barriers to

maintaining customer trust and fulfilling repeat orders, especially in formal or urban markets.

These qualitative findings complement the quantitative results by explaining why partnership ($\beta = 0.38$) and promotion through digital media ($\beta = 0.34$) emerged as significant predictors of sales volume. While partnerships offer structural support, the effectiveness of digital promotion hinges on the technical capacity and operational consistency of the producers. The findings suggest that to optimize marketing performance, capacity-building programs targeting digital skills and supply chain reliability are essential. The findings support the theory that collaborative strategies, when implemented with adequate support systems, can significantly enhance rural economic resilience. The quantitative data confirm that well-structured promotion, distribution, and institutional partnerships contribute directly to better market performance.

5. Conclusion

The marketing strategies implemented by the Red and White Cooperative and This study concludes that Village-Owned Enterprises (BUMDes), in collaboration with institutions like the Red and White Cooperative, are highly effective in increasing sales volume and advancing rural economic empowerment. The integration between these entities enhances collective capacity in marketing, distribution, and business development, particularly for small-scale producers.

The quantitative findings indicate that the partnership variable—particularly the collaboration between BUMDes and the Red and White Cooperative—has the most significant influence on sales performance. This synergy improves bargaining power, operational efficiency, and access to broader markets. Promotion, especially through digital platforms, follows as a key driver, while distribution also plays a meaningful role in facilitating product availability. The qualitative analysis supports these results, showing that the Red and White Cooperative provides institutional support, facilitates training, and enables digital transformation among rural entrepreneurs. However, limitations such as low digital literacy and inconsistent supply quality remain challenges.

Based on these insights, the following recommendations are proposed:

- **Data-Driven Strategy:**
The Red and White Cooperative, together with BUMDes, should develop marketing plans grounded in market analytics and consumer behavior data, enabling more strategic targeting and resource optimization.
- **Capacity Building:**
Expand training programs in digital marketing, financial literacy, and product quality control, led by the Red and White Cooperative in collaboration with local governments. This will equip small-scale producers with the skills needed to engage in modern commerce.
- **Strengthen Institutional Integration:**
Formalize collaboration mechanisms between the Red and White Cooperative and BUMDes, including Memorandums of Understanding (MoUs), joint ventures, and shared service agreements. Clear operational structures can increase transparency, accountability, and long-term impact.
- **Technology Utilization:**

Promote the use of digital platforms for marketing and transactions, such as e-commerce, social media promotion, and digital payment systems. The Red and White Cooperative can act as a facilitator and mentor in this digital transition, ensuring scalability and market responsiveness.

In summary, the partnership between BUMDes and the Red and White Cooperative serves as a model for rural development through strategic collaboration and can become holding corporate. By leveraging institutional strengths, building digital capacity, and adopting data-driven practices, these organizations can significantly enhance local economic resilience and ensure sustainable growth.

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