

KULAK .ID: AN INNOVATIVE SITE TO INTRODUCE SMES TO ECONOMIC SUSTAINABILITY BASED ON VILLAGE POTENTIAL

Yuli Agustina^{1*}, Heri Pratikto², Madziatul Churiyah³, Andi Basuki⁴

¹⁻⁴ Universitas Negeri Malang, Indonesia
E-mail: ¹⁾ yuli.agustina.fe@um.ac.id

Abstract

Kulak.id is an innovative platform designed to empower Small and Medium Enterprises (SMEs) by promoting economic sustainability based on the unique potential of villages. This initiative leverages local resources and capabilities, enabling SMEs to thrive within their communities while contributing to the broader economic landscape. The platform serves as a bridge between traditional village industries and modern market demands, offering tools and support for businesses to enhance their operations and reach. By focusing on the inherent strengths of village economies, Kulak.id not only fosters sustainable business practices but also preserves and revitalizes local cultures and industries. The ultimate goal of Kulak.id is to create a resilient and self-sufficient economic environment for SMEs that can adapt and flourish in the face of global challenges.

Keywords: *Kulak.id, Innovative, SMEs, Sustainability*

INTRODUCTION

In the rapidly evolving digital landscape, the need for sustainable economic practices has become increasingly paramount, especially for Small and Medium Enterprises (SMEs) that form the backbone of many economies (Howkins, 2002). However, these enterprises often face significant challenges, such as limited access to markets, inadequate financial resources, and insufficient knowledge about sustainable business practices (Raustiala & Sprigman, 2006). Recognizing these challenges, *Kulak.id* emerges as a pioneering platform designed to bridge the gap between SMEs and economic sustainability, leveraging the untapped potential of villages across Indonesia (Bakhshi et al., 2013). *Kulak.id* is not merely an e-commerce platform; it is an innovative digital ecosystem that empowers SMEs by connecting them with the rich and diverse resources available in rural areas (Wong & Gao, 2008). The platform is rooted in the belief that villages, with their unique cultural and natural assets, hold immense potential for fostering sustainable economic growth (Yoshimoto, 2003). By integrating village potential with modern business strategies, *Kulak.id* aims to create a symbiotic relationship where both SMEs and rural communities thrive.

¹State University of Malang
Yuli Agustina
*E-mail: yuli.agustina.fe@um.ac.id

The platform offers a comprehensive suite of tools and resources tailored to the needs of SMEs, including market access, financial services, and training on sustainable practices (Bromley & Cernea, 1989; Zhang et al., 2011). By doing so, *Kulak.id* not only enhances the economic viability of SMEs but also promotes the preservation and utilization of local resources in a way that benefits the wider community. Through its innovative approach, *Kulak.id* aspires to be a catalyst for change, driving economic sustainability in a way that is inclusive, equitable, and rooted in the strengths of village potential. In this context, *Kulak.id* represents a significant step forward in addressing the economic challenges faced by SMEs while also contributing to the sustainable development of rural areas. The platform's focus on economic sustainability and village potential makes it a unique and essential tool for SMEs striving to achieve long-term success in today's competitive market (Khoo, 2010; Situmorang & Situmorang, 2008).

In today's globalized economy, the significance of Small and Medium Enterprises (SMEs) cannot be overstated (Yustika, 2006). SMEs are the backbone of many economies, contributing significantly to employment, innovation, and economic growth. However, despite their critical role, SMEs often struggle with various challenges, such as limited market access, inadequate financial resources, and insufficient knowledge of sustainable business practices. These challenges are particularly pronounced in developing countries, where SMEs are vital for poverty alleviation and economic development. In this context, the need for innovative solutions that support SMEs' growth and sustainability is more pressing than ever. *Kulak.id* emerges as a groundbreaking platform designed to address these challenges by introducing SMEs to economic sustainability through the untapped potential of village resources. The platform is built on the premise that rural areas, often overlooked in the development discourse, hold immense potential for sustainable economic growth. Villages, with their rich cultural heritage, natural resources, and traditional knowledge, offer unique opportunities for SMEs to thrive while promoting local development and environmental conservation.

At its core, *Kulak.id* is more than just an e-commerce platform; it is a comprehensive digital ecosystem that empowers SMEs by connecting them with the resources and opportunities available in rural areas. The platform's innovative approach integrates village potential with modern business strategies, creating a symbiotic relationship where both SMEs and rural communities' benefit. By leveraging the strengths of villages, *Kulak.id* aims to drive economic sustainability in a way that is inclusive, equitable, and environmentally

responsible. One of the key challenges that SMEs face is accessing new markets. Many SMEs, particularly those in developing countries, operate in isolation, with limited access to national and international markets. This lack of market access restricts their growth potential and limits their ability to compete in the global economy. *Kulak.id* addresses this issue by providing SMEs with a digital platform that connects them directly to consumers, both locally and globally. Through the platform, SMEs can showcase their products and services, reaching a wider audience and expanding their market reach. This increased visibility not only boosts sales but also helps SMEs establish their brand in the competitive marketplace.

In addition to market access, *Kulak.id* offers a range of financial services tailored to the needs of SMEs. Access to finance is a critical factor in the growth and sustainability of SMEs, yet many small businesses struggle to secure the necessary funding to scale their operations. Traditional financial institutions often view SMEs as high-risk borrowers, leading to limited access to credit and other financial services. *Kulak.id* addresses this gap by offering innovative financing solutions, including microloans, peer-to-peer lending, and crowdfunding options. These financial tools are designed to be accessible and flexible, allowing SMEs to secure the funding they need to grow their businesses without the stringent requirements typically associated with traditional loans.

Moreover, *Kulak.id* recognizes the importance of knowledge and skills in driving sustainable business practices. Many SMEs lack the expertise and resources to implement sustainable practices in their operations, which can hinder their long-term success. To address this, *Kulak.id* provides SMEs with access to training and educational resources focused on sustainable business practices. The platform offers workshops, webinars, and online courses covering a wide range of topics, from eco-friendly production methods to sustainable supply chain management. By equipping SMEs with the knowledge and skills they need to operate sustainably, *Kulak.id* helps them reduce their environmental impact, improve their operational efficiency, and enhance their competitive advantage.

The platform's emphasis on village potential is another critical aspect of its innovative approach. Villages in many parts of the world are rich in natural resources, cultural heritage, and traditional knowledge, yet these assets are often underutilized in the broader economic context. *Kulak.id* seeks to change this by promoting the sustainable use of village resources in ways that benefit both SMEs and local communities. For example, the platform encourages SMEs to source raw materials locally, which not only supports local economies but also reduces the environmental impact associated with transportation. Additionally,

Kulak.id promotes the preservation of traditional crafts and skills, helping to keep these practices alive while providing SMEs with unique products that stand out in the marketplace. Another innovative feature of *Kulak.id* is its focus on community development. The platform recognizes that economic sustainability is not just about individual business success but also about the well-being of the communities in which these businesses operate. To this end, *Kulak.id* encourages SMEs to engage with local communities and contribute to their development. This could take the form of hiring local workers, investing in community infrastructure, or supporting local education and healthcare initiatives. By fostering a sense of community and social responsibility, *Kulak.id* helps SMEs build stronger relationships with their stakeholders, which can lead to increased loyalty, trust, and long-term success.

Furthermore, *Kulak.id* is designed to be user-friendly and accessible, ensuring that even SMEs with limited technological expertise can benefit from its features. The platform offers a simple and intuitive interface, making it easy for businesses to create profiles, upload products, and manage transactions. Additionally, *Kulak.id* provides customer support and technical assistance to help SMEs navigate any challenges they may encounter. This accessibility is particularly important for rural SMEs, which may have limited access to digital infrastructure and resources. In conclusion, *Kulak.id* represents a significant innovation in the quest for economic sustainability, particularly for SMEs in developing countries. By leveraging the untapped potential of village resources, the platform offers SMEs a unique opportunity to grow their businesses while contributing to local development and environmental conservation. *Kulak.id*'s comprehensive approach—encompassing market access, financial services, education, and community development—ensures that SMEs have the tools and resources they need to succeed in today's competitive economy. As the platform continues to evolve and expand, it has the potential to become a model for sustainable business practices, not just in Indonesia, but around the world. Through its innovative use of village potential, *Kulak.id* is helping to create a more inclusive and sustainable future for SMEs and the communities they serve.

METHOD

The methodology behind *Kulak.id* revolves around creating a digital ecosystem that effectively connects SMEs with the untapped potential of villages, fostering economic sustainability. This methodology is a multi-faceted approach that integrates various strategies, tools, and processes to achieve its objectives. The following sections outline the key components of the methodology employed by *Kulak.id*.

Identification of Village Potential

The first step in the *Kulak.id* methodology involves the identification and mapping of village potential. This process is crucial as it forms the foundation for the platform's operations. Village potential encompasses various elements such as natural resources, cultural heritage, traditional crafts, agricultural products, and local skills. The identification process is carried out through a combination of field research, community engagement, and data analysis.

Field research involves visiting villages to gather firsthand information about the resources available. This includes conducting interviews with local leaders, artisans, farmers, and other stakeholders to understand the strengths and challenges of each village. Community engagement is also vital, as it ensures that the local population is involved in the process and that their needs and aspirations are taken into account.

Data analysis is used to compile and assess the information collected during the field research. Geographic Information Systems (GIS) and other data mapping tools are employed to visualize village resources and identify areas with the highest potential for sustainable economic activities. This analysis helps in prioritizing villages that have the most to offer in terms of economic opportunities and aligns with the goals of *Kulak.id*.

Development of the Digital Platform

The development of the *Kulak.id* digital platform is a critical component of the methodology. The platform is designed to be user-friendly, scalable, and accessible to SMEs of varying technological capabilities. The development process involves several stages, including platform design, coding, testing, and deployment.

The platform design phase focuses on creating an intuitive interface that allows SMEs to easily navigate the site, list their products, and access resources. The design also takes into account the needs of rural users, ensuring that the platform can be accessed on low-bandwidth connections and on various devices, including mobile phones.

The coding and development phase involves building the backend and frontend of the platform. This includes setting up secure payment gateways, inventory management systems, and customer relationship management (CRM) tools. The platform is built using modern web technologies that ensure speed, security, and scalability. Continuous integration and deployment (CI/CD) practices are implemented to ensure that the platform is regularly updated with new features and security patches.

Testing is a crucial phase in the development process. The platform undergoes rigorous testing to ensure that it is free from bugs and performs well under various conditions. This includes user acceptance testing (UAT), where SMEs are invited to test the platform and provide feedback on its usability and functionality. Based on this feedback, further refinements are made before the platform is officially launched.

Training and Capacity Building

One of the unique aspects of *Kulak.id* is its focus on training and capacity building for SMEs. The methodology recognizes that many SMEs, particularly those in rural areas, may lack the necessary skills and knowledge to fully leverage the opportunities provided by the platform. Therefore, a comprehensive training program is developed and implemented as part of the methodology.

The training program covers various aspects of business management, digital marketing, sustainable practices, and financial literacy. It is delivered through a combination of online courses, webinars, workshops, and in-person training sessions. The content is tailored to the specific needs of SMEs, with a focus on practical skills that can be directly applied to their businesses. In addition to business skills, the training program also includes modules on the sustainable use of village resources. SMEs are educated on how to source materials locally, reduce waste, and implement eco-friendly production methods. This not only helps SMEs operate more sustainably but also ensures that village resources are used in a way that benefits the local community and the environment. Mentorship is another key component of the capacity-building initiative. Experienced entrepreneurs and industry experts are paired with SMEs to provide guidance and support as they navigate the challenges of running a business. This mentorship helps SMEs gain valuable insights and develop strategies for growth and sustainability.

Market Access and Networking

Kulak.id is designed to bridge the gap between SMEs and the market by providing them with access to local, national, and international customers. The methodology includes several strategies to enhance market access and create networking opportunities for SMEs.

Firstly, the platform allows SMEs to create detailed profiles and list their products in a marketplace that is accessible to a broad audience. The marketplace is optimized for search engines and integrated with social media channels, ensuring that SMEs can reach potential customers beyond their immediate geographic area. Secondly, *Kulak.id* facilitates networking by connecting SMEs with buyers, suppliers, and other business partners. This is achieved

through online forums, networking events, and business matchmaking services provided by the platform. These connections help SMEs build relationships that can lead to new business opportunities and collaborations. Additionally, *Kulak.id* collaborates with various stakeholders, including government agencies, non-governmental organizations (NGOs), and international development organizations, to create further market opportunities for SMEs. These partnerships are crucial in helping SMEs access new markets and scale their operations.

Sustainable Business Practices

A core element of the *Kulak.id* methodology is the promotion of sustainable business practices among SMEs. The platform encourages SMEs to adopt environmentally and socially responsible practices that contribute to long-term economic sustainability.

The promotion of sustainable practices begins with awareness and education, as mentioned earlier in the training and capacity-building section. SMEs are informed about the benefits of sustainability, not only for the environment but also for their businesses. Sustainable practices can lead to cost savings, improved brand reputation, and access to new markets that prioritize ethical and eco-friendly products. The platform also provides tools and resources to help SMEs implement these practices. This includes access to sustainable supply chains, tools for monitoring and reducing carbon footprints, and resources for waste management and recycling. *Kulak.id* also collaborates with sustainability experts and organizations to provide SMEs with up-to-date information on best practices and emerging trends in sustainability. Furthermore, *Kulak.id* integrates sustainability metrics into the platform, allowing SMEs to track their progress and report on their sustainability initiatives. This transparency helps SMEs build trust with customers and investors who are increasingly concerned with environmental and social responsibility.

Monitoring and Evaluation

To ensure the success of the *Kulak.id* platform and its impact on SMEs and village communities, a robust monitoring and evaluation (M&E) system is implemented as part of the methodology. The M&E system is designed to track the platform's performance, assess its impact, and identify areas for improvement.

Key performance indicators (KPIs) are established to measure the success of various aspects of the platform, including the number of SMEs registered, the volume of transactions, the level of customer satisfaction, and the extent of village resource utilization. These KPIs are monitored regularly, and data is collected through the platform's analytics

tools, surveys, and feedback from users. Impact evaluation is conducted to assess the broader outcomes of the *Kulak.id* initiative. This includes evaluating the economic impact on SMEs, such as increased sales, business growth, and job creation. The social and environmental impacts, such as improved livelihoods in villages and the adoption of sustainable practices, are also assessed.

Based on the findings of the monitoring and evaluation process, *Kulak.id* continuously refines its methodology and platform features. This iterative approach ensures that the platform remains responsive to the needs of SMEs and village communities, and that it continues to drive economic sustainability in the long term.

RESULT AND DISCUSSION

The implementation of *Kulak.id* as an innovative platform designed to introduce SMEs to economic sustainability through village potential has yielded significant results. This section will discuss the key outcomes of the initiative, analyze the impact on SMEs and village communities, and explore the broader implications for economic sustainability and rural development.

Increased Market Access for SMEs

One of the most notable results of the *Kulak.id* platform is the increased market access it provides for SMEs. Before the launch of *Kulak.id*, many SMEs, particularly those in rural areas, struggled to reach broader markets due to limited resources, inadequate digital infrastructure, and lack of marketing expertise. *Kulak.id* has effectively bridged this gap by offering a user-friendly digital marketplace where SMEs can list their products and services.

The platform has enabled SMEs to reach a wider audience, both locally and internationally. SMEs that previously relied on local markets now have access to national and even global customers, leading to increased sales and business growth. The data collected from the platform's analytics tools shows a significant increase in the number of transactions and the diversity of customers purchasing from rural SMEs. This expanded market access has also allowed SMEs to diversify their product offerings and explore new business opportunities that were previously out of reach.

The success of *Kulak.id* in increasing market access highlights the importance of digital platforms in overcoming geographical barriers and connecting SMEs to the global economy. By providing a platform that is accessible and easy to use, *Kulak.id* has empowered SMEs to compete in a broader market, enhancing their visibility and potential for growth.

Empowerment of Village Economies

Kulak.id has had a profound impact on village economies by leveraging local resources and promoting sustainable practices. The platform's focus on utilizing village potential—such as natural resources, traditional crafts, and agricultural products—has led to the revitalization of rural economies that were previously underdeveloped or neglected.

Villages that have partnered with SMEs through *Kulak.id* have seen a boost in economic activity. For example, villages known for their traditional crafts have experienced a resurgence in demand for their products, which has led to the preservation and revitalization of these cultural practices. Similarly, agricultural products sourced from villages have gained recognition for their quality and authenticity, leading to higher prices and increased income for local farmers.

The platform's emphasis on sustainable practices has also contributed to the long-term viability of village economies. By encouraging SMEs to source materials locally and adopt eco-friendly production methods, *Kulak.id* has helped ensure that village resources are used in a sustainable manner. This not only benefits the environment but also supports the long-term economic health of the villages, as resources are managed in a way that ensures their availability for future generations.

Adoption of Sustainable Business Practices

One of the core objectives of *Kulak.id* is to promote economic sustainability among SMEs. The platform's training and capacity-building programs have been instrumental in helping SMEs adopt sustainable business practices. These practices include reducing waste, utilizing eco-friendly materials, optimizing resource use, and implementing sustainable supply chain management.

The data collected from SMEs on the platform indicates a significant shift towards sustainability. Many SMEs have reported a reduction in their environmental footprint, as they have adopted practices such as recycling, energy efficiency, and the use of renewable resources. Additionally, the platform's focus on local sourcing has reduced the carbon footprint associated with transportation, as SMEs rely more on locally available materials.

The adoption of sustainable practices has also had positive economic effects for SMEs. By reducing waste and optimizing resource use, SMEs have been able to lower their operational costs, leading to increased profitability. Moreover, the growing consumer demand for sustainable products has opened up new markets for SMEs that prioritize environmental and social responsibility. This shift towards sustainability is a key outcome of

Kulak.id, as it aligns with the global trend towards more responsible and ethical business practices.

Challenges and Lessons Learned

Despite the successes achieved by *Kulak.id*, the platform has also encountered several challenges. One of the primary challenges is the digital divide that exists in many rural areas. While *Kulak.id* has made efforts to ensure the platform is accessible on low-bandwidth connections and various devices, there are still areas with limited or no internet access. This has hindered the ability of some SMEs and villages to fully participate in the platform.

To address this challenge, *Kulak.id* has initiated several measures, including partnerships with local governments and NGOs to improve digital infrastructure in rural areas. Additionally, the platform has explored offline solutions, such as mobile kiosks and community centers, where SMEs can access the platform's resources and services. These efforts are ongoing and are critical to ensuring that *Kulak.id* is truly inclusive and accessible to all SMEs, regardless of their location.

Another challenge has been the initial resistance to change among some SMEs and village communities. The introduction of new technologies and business practices can be met with skepticism, particularly in areas where traditional methods have been in place for generations. To overcome this, *Kulak.id* has placed a strong emphasis on education and awareness-raising. By demonstrating the tangible benefits of the platform and providing ongoing support, *Kulak.id* has been able to gradually build trust and encourage the adoption of its innovative approach.

Implications for Rural Development and Economic Sustainability

The success of *Kulak.id* has broader implications for rural development and economic sustainability. By demonstrating that village resources can be leveraged for economic growth, *Kulak.id* has provided a model for other regions and countries seeking to develop their rural areas. The platform's approach aligns with global sustainable development goals (SDGs), particularly those related to poverty alleviation, economic growth, and environmental sustainability.

Furthermore, *Kulak.id* has shown that digital platforms can play a crucial role in empowering SMEs and promoting sustainability. The platform's success suggests that similar initiatives could be developed in other sectors and regions, potentially transforming how rural economies are integrated into the global market. The lessons learned from *Kulak.id*—such as the importance of accessibility, community engagement, and sustainability—can

inform the development of future projects aimed at fostering economic resilience in rural areas.

The platform's focus on sustainability also positions it as a leader in the movement towards responsible business practices. As consumers and investors increasingly prioritize environmental and social responsibility, platforms like *Kulak.id* that promote sustainable practices are likely to gain prominence. This shift towards sustainability is not just a trend but a necessary evolution in how businesses operate, and *Kulak.id* is at the forefront of this change.

Future Directions

Looking ahead, *Kulak.id* has several opportunities for growth and expansion. One potential direction is the further development of the platform's technological capabilities, such as the integration of artificial intelligence (AI) and machine learning to provide SMEs with personalized insights and recommendations. Additionally, *Kulak.id* could explore partnerships with larger e-commerce platforms to enhance market access for SMEs.

There is also potential for *Kulak.id* to expand its focus beyond village potential to include other underutilized resources, such as urban waste or renewable energy sources. By continuing to innovate and adapt to changing market conditions, *Kulak.id* can remain a leader in promoting economic sustainability for SMEs.

CONCLUSION

The results of the *Kulak.id* initiative demonstrate the power of digital platforms in promoting economic sustainability and empowering SMEs. By leveraging village potential and promoting sustainable business practices, *Kulak.id* has created a successful model for rural development that can be replicated and adapted in other regions. While challenges remain, the platform's achievements to date underscore its potential to drive positive change for SMEs and rural communities, contributing to a more inclusive and sustainable global economy.

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