

## **THE ROLE OF GREEN PACKAGING AS AN IMPLEMENTATION OF SUSTAINABILITY MARKETING STRATEGY IN ENHANCING THE ECONOMIC GROWTH OF MICRO, SMALL AND MEDIUM ENTERPRISE**

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### **ABSTRACT**

This Community Service Program (PKM) was carried out by a team from Universitas Mercu Buana (UMB) in collaboration with PERMAI (Pertubuhan Masyarakat Indonesia di Pulau Pinang, Malaysia), a self-organized Indonesian community in Penang, primarily composed of MSME entrepreneurs. MSMEs play a pivotal role in fostering sustainable economic growth aligned with the Sustainable Development Goals (SDGs). However, many MSMEs in Penang have yet to implement sustainability marketing strategies or adopt green packaging as a value-added component. This program aimed to raise awareness and provide education on sustainable marketing and the importance of eco-friendly packaging to improve product competitiveness. Expected outcomes include increased knowledge of SDG-oriented business practices and greater understanding of the added value of green packaging. External targets comprise publications in national journals or international conference proceedings, media articles, documentation videos, improved community skills and awareness, and potential copyright registration. Continuous evaluation and monitoring ensure the program's effectiveness and sustainability. This initiative is expected to significantly contribute to empowering Indonesian diaspora MSMEs in adopting environmentally and socially responsible business practices.

**Keywords:** Sustainability Development Goal, Strategic Sustainability Marketing, Green Packaging.

### **1. INTRODUCTION**

In 2015, the United Nations (UN) introduced the Sustainable Development Goals (SDGs), a global call to action to eradicate poverty, protect the environment, and ensure well-being and freedom for all by 2030 (Saini et al, 2023). This 2030 Agenda, adopted by all UN member states, provides a framework for achieving peace and prosperity for both people and the planet, both now and in the future. At the heart of this agenda are the 17 SDGs, which call for developed and developing countries to collaborate through global partnerships. The ultimate goal is to create a peaceful, secure, prosperous, and just world for all humanity by 2030 (Bhuiyan & Darda, 2021).

Figure 1.1 illustrates the 17 Sustainable Development Goals (SDGs), which are interconnected in the effort to create a better world by 2030, promoting well-being for all while protecting the environment.



**Figure 1. Sustainable Development Goals**

Source: [sdgs.un.org](https://sdgs.un.org), 2024

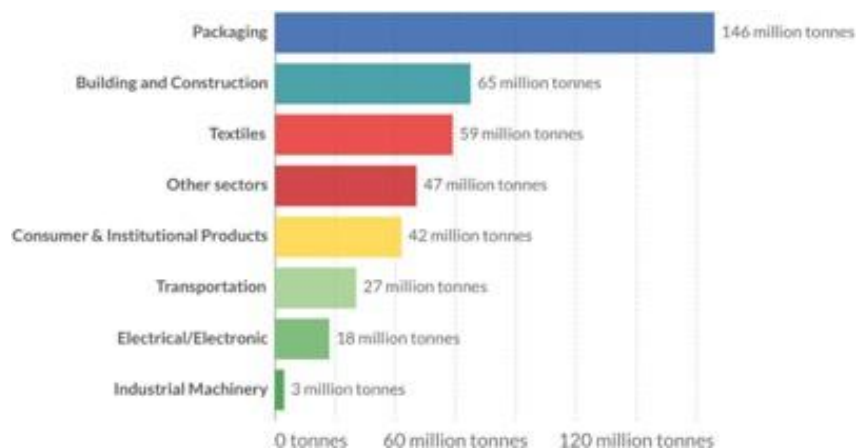
One of the SDGs' objectives is Responsible Consumption and Production (SDG 12), which promotes sustainable consumption patterns and the reduction of environmental impacts. Global environmental issues, such as climate change (SDG 13), also demand concrete actions to protect ecosystems and ensure resource sustainability. Additionally, SDG 14 (Life Below Water) focuses on safeguarding marine ecosystems from the threat of plastic pollution.

Currently, the world is experiencing a rise in global production and consumption, leading to negative environmental impacts such as climate change, pollution, and the exploitation of natural resources (Kisieliauskas & Jančaitis, 2022). Rapid economic growth and modern technology have resulted in unsustainable consumption patterns that threaten the well-being of the planet. Sustainable product marketing and packaging are key to protecting the environment from degradation and preserving resources for future generations (Nwadike et al, 2020). Sustainable packaging has now become a major focus in reducing waste and environmental pollution, as global awareness of this issue continues to rise (Wandosell et al, 2021). According to Global Data (2023), approximately 75% of consumers now prefer environmentally friendly packaging.

(Al-Abdallah & Al-Salim, 2021) The importance for producers of sustainable products and packaging to consider the entire product life cycle, from the use of recycled materials, energy efficiency, to its ecological impact. They also highlight the difference in plastic waste management between developed and developing countries, pointing out that the challenges and solutions required may differ across nations.

Furthermore, (Wang et al, 2019) note that companies are creating sustainable products to meet the growing demand from environmentally conscious consumers. Despite this, plastic remains a popular material worldwide due to its cost-effectiveness and versatility. It is widely used across various sectors such as food and beverage, electronics, and transportation (Idumah & Nwuzor, 2019).

Based on Indonesia Baik research (2023), Plastic takes hundreds of years to decompose, making it one of the most dominant types of waste in many countries, while other materials like paper decompose more quickly and are easier to recycle (Indonesia Baik, 2024). The United Nations Environment Programme (UNEP) even estimates that without effective measures, plastic waste in global waters will nearly triple by 2040, from around 9 million tons in 2016 to between 23 and 27 million tons (SIPSN, 2024). Each year, over 2 billion tons of solid waste are generated globally, with estimates reaching 2.2 billion tons by 2025 and 3.4 billion tons by 2050. Plastic accounts for approximately 7% to 12% of this total waste (Babaremu et al, 2022).



**Figure 2. Global Plastic Usage by Sector**

Source: Geyer, Jambeck, & Law, 2017 in Babaremu *et al.*, 2022

That plastic is used in various applications such as industrial machinery, construction, electronics, transportation, consumer goods, textiles, and packaging (Babaremu et al, 2022). Plastic's use as packaging material, by weight, remains the largest contributor among these sectors.

The global movement to reduce plastic waste, which has been implemented worldwide, including in Malaysia, requires industries, especially MSMEs, to evaluate their packaging. As key business players, MSMEs have a significant role in shaping business policies that help reduce plastic waste through their sustainability missions and visions.

As per the data obtained, the potential of Micro, Small, and Medium Enterprises (MSMEs) is statistically significant for countries with a growing Gross Domestic Product (GDP). Data released by the ASEAN Investment Report in 2022 mentioned that Indonesia and Malaysia are two Southeast Asian countries with a high number of MSMEs. In fact, MSMEs in Indonesia contributed 60% of the total GDP in that year.

Therefore, the participation of MSMEs in the sustainability economy movement through green packaging marketing strategies is highly relevant. This is crucial for supporting efforts to reduce plastic waste and create a better environment for the future. With the rise of green consumer behavior, which is increasingly critical of the products consumed, the step to repackage products in environmentally friendly packaging must be implemented immediately. Through green packaging, MSMEs can enhance their green brand image in the eyes of consumers and the broader public.

The majority of PERMAI Penang members are micro, small, and medium enterprise (MSME) entrepreneurs whose business growth remains relatively limited. These MSME entrepreneurs face various challenges in expanding their businesses, particularly in marketing and business sustainability. Therefore, through this community service program (PKM), they are expected to gain valuable insights and skills in sustainable marketing strategies, including the adoption of green packaging concepts, enabling them to enhance their competitiveness and drive economic growth. Target participants 20 people.

Based on these issues, the proposer intends to conduct a Community Service Program (PKM) involving the PERMAI NGO (Pertubuhan Masyarakat Indonesia) in Penang, Malaysia, as a PKM partner. MSME entrepreneurs who are members of the PERMAI community will be involved as participants in the program. The socialization of the importance of green packaging as part of a sustainability marketing strategy will be a solution to the challenges faced by the partners. It is hoped that this PKM activity will increase knowledge and awareness of the importance of running a sustainable business through green packaging.

## 2. METHOD

### Implementation Stage

- 1) Initial survey and signing of partner letter February 2025  
The output of this stage is the signing of a partner's letter of willingness
- 2) Preparation of the socialization module of the green packaging strategy in February 2025  
The output of this stage is the strategy module of marketing and green packaging as a solution to increase the economic growth of MSMEs.
- 3) Implementation of socialization of sustainability marketing and green packaging strategies April 2025
- 4) Preparation of PKM implementation report May 2025
- 5) Monitoring and implementation of green packaging May 2025

### Partner Participation in Program Implementation

Partners in this case are MSME actors who are members of the PERMAI organization in Penang, Malaysia. Partners will participate in supporting this community service activity. And follow all directions from the PKM TEAM. Partners will participate in the socialization of green packaging strategies to increase sustainable economic growth.

### Socialization of Improving the Ability of Partner Teams

| It | Socialization Materials                                                                                                            | Sum    | Purpose                                                                                                                                        |
|----|------------------------------------------------------------------------------------------------------------------------------------|--------|------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Introduction of the green packaging module as part of the marketing strategy in an effort to increase the economic growth of MSMEs | 1 hour | Participants will understand modules related to green packaging as part of sustainability marketing in increasing the economic growth of MSMEs |

|              |                                                                      |                          |                                                                                                        |
|--------------|----------------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------|
| 2            | Evaluating PKM activities through the distribution of questionnaires | 15 minutes               | Measuring the knowledge ability of participants related to the socialization of the material provided. |
| <b>Total</b> |                                                                      | <b>1 hour 15 minutes</b> |                                                                                                        |

### Evaluation and Stages of Program Achievement and Sustainability

Each learning process after it has been completed as a whole, an evaluation is carried out as a reference *for feedback* to ensure the sustainability of the partnership.

**Table 1. Evaluation and Stages of Program Achievement and Sustainability**

| Achievements                                                                                                |                                                                                         |                                                                                         |                                                                                                                          |                                                                                                                       |                                                                                                       |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Phase I                                                                                                     | Phase II                                                                                | Phase III                                                                               | Stage IV                                                                                                                 | Stage V                                                                                                               | Stage VI                                                                                              |
| Partners are able to understand modules related to sustainability marketing strategies and green packaging. | Partners are able to implement sustainability marketing strategies, and green packaging | Partners are able to implement sustainability marketing strategies, and green packaging | Analyzing the shortcomings/w eaknesses of the implementation of sustainability marketing strategies, and green packaging | Correcting shortcomings/we aknesses in the implementation of sustainability marketing strategies, and green packaging | Developing products produced by implementing sustainability marketing strategies, and green packaging |

### 3. RESULTS AND DISCUSSION

The community service activity entitled "*The Role of Green Packaging as an Implementation of Sustainability Marketing Strategy in Enhancing the Economic Growth of Micro, Small, and Medium Enterprises (MSME)*" was successfully held on April 27, 2025, in Penang Island, Malaysia. The event was attended by 33 participants from PERMAL.



**Figure 2. Activity Implementation**

During the activity, the PKM Team delivered training materials highlighting the significant role of Micro, Small, and Medium Enterprises (MSMEs) in supporting the achievement of the Sustainable Development Goals (SDGs), as well as the importance of adopting environmentally friendly packaging (*green packaging*) as part of a sustainable marketing strategy.

The presentation began with an explanation of sustainable marketing strategies that can help MSMEs enhance their competitiveness and business sustainability. The PKM Team also showcased examples of eco-friendly packaging suitable for MSME products and elaborated on how such packaging can increase product value. By utilizing environmentally friendly packaging, MSMEs are expected to add value to their products, enabling them to access export markets—especially in developed countries that require products to carry green labels as a condition for market entry.

The session continued with an interactive discussion and Q&A forum, which was engaging and well-received by participants. The attendees expressed that the program was highly beneficial, as the material was delivered in a clear, structured manner using language that was easy to understand.

#### 4. CONCLUSION

The Community Service Program (PKM) organized by Universitas Mercu Buana on April 27, 2025, in Penang Island, Malaysia, was successfully implemented and conducted smoothly. The event was attended by 33 participants and was delivered in an engaging and communicative manner. According to the participants, the program was highly beneficial as the materials provided enhanced their knowledge and were useful for business development. The content was presented using simple and accessible language, allowing participants to easily grasp the key concepts. The main focus of the presentation was on sustainable marketing strategies aimed at supporting Micro, Small, and Medium Enterprises (MSMEs) in enhancing their competitiveness and ensuring business sustainability. The PKM team also introduced examples of environmentally friendly packaging suitable for MSME products and explained how such packaging could increase product value. By utilizing eco-friendly packaging, MSMEs are expected to add value to their products, thereby increasing their potential to penetrate export markets. This is particularly crucial in meeting the requirements of developed countries, which often mandate green labeling as a condition for market entry.

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