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Branding strategy for Balinese handicraft products for Millennials and Gen Z in the digital marketplace: Marketing local handicrafts with a digital branding approach

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Abstract---This study aims to explore branding strategies for Balinese craft products targeting Millennial and Gen Z markets through digital marketplace platforms. Using a qualitative descriptive approach and case study method, data were collected through in-depth interviews, direct observation, and digital content documentation from Balinese craft MSMEs. The findings reveal that while brand identity among Balinese artisans remains strongly rooted in local cultural values, it is rarely structured professionally. Digital branding practices are emerging through social media and online marketplaces, yet many artisans face challenges in digital literacy and content creation. Meanwhile, Millennial and Gen Z consumers show a strong interest in crafts that offer cultural narratives, aesthetic visuals, and sustainability values. Managerial implications highlight the need for continuous digital branding training, capacity building for artisans, and cross-sector collaboration to establish an adaptive branding ecosystem for Balinese crafts in the digital era.

Keywords---Balinese craft, digital branding, Millennials, Gen Z, digital marketplace.



Introduction

The advancement of digital technology has revolutionized consumer behavior globally, including in Indonesia. The shift from physical retail to digital platforms has not only affected large industries but has also compelled micro, small, and medium-sized enterprises (MSMEs) to adapt swiftly. According to the We Are Social report (2024), Indonesia recorded over 176 million active internet users, with 88% of the productive-age population accessing digital marketplaces such as Tokopedia, Shopee, and TikTok Shop. Millennials (born 1981–1996) and Generation Z (born 1997–2012) dominate the digital buyer segment, showing a strong preference for products that embody authenticity, aesthetic appeal, and socially relevant narratives.

In the context of branding, Hasan & Raharjo (2022) found that digital branding strategies—emphasizing visual consistency, storytelling, and customer engagement—significantly enhance brand awareness and consumer loyalty. Similarly, Mulyani & Prasetya (2021) emphasized that local products with high cultural value are more appealing to the millennial market when packaged with adaptive branding strategies. Wibowo & Handayani (2023) further highlighted the strategic use of social media in shaping brand perception, especially for craft and artisanal products.

Craftsmanship (*kriya*), as one of the leading subsectors in Indonesia's creative economy, holds significant strategic value. It not only reflects aesthetic quality but also embodies living cultural heritage. Bali, as a national hub for crafts, offers a wide range of artisanal products—from woodwork and metalwork to weaving, basketry, and traditional paintings—each infused with cultural and spiritual significance. However, based on field observations and data from the Bali Provincial Department of Industry and Trade (2023), many local craft producers have yet to fully penetrate digital markets, particularly in terms of aligning their branding strategies with the preferences of Millennial and Gen Z consumers.

This phenomenon is reinforced by Putu et al. (2022), who noted that many Balinese craft producers lack digital branding literacy and still rely on conventional marketing approaches, often limited to uploading basic product images without compelling narratives. A study by the Bali Creative Economy Research Institute (2023) further revealed that although there is significant potential in digital marketplaces, only 34% of craft producers actively employ consumer persona-based branding strategies, cultural storytelling, and creative collaborations on social media.

Previous research by Rahman & Susanto (2020), Kartika & Alamsyah (2021), and Dewi & Yuliani (2023) has discussed MSME digitalization more broadly, but studies focusing specifically on branding Balinese craft products for the younger generation in digital platforms remain scarce. Meanwhile, Nuraini (2022) emphasized that Generation Z responds more strongly to emotional and visual branding approaches—making digital branding not merely an option but a necessity.

The urgency of this study lies in addressing the gap between the rich cultural potential of Balinese crafts and the modern branding strategies needed to succeed in today's competitive digital market. Without relevant and strategic branding interventions, Balinese craft products risk falling behind amidst an increasingly crowded market dominated by mass-produced and foreign goods. Therefore, it is crucial to formulate branding strategies that bridge local cultural values with the visual, narrative, and digital communication needs of Millennial and Gen Z consumers.

This research aims to explore effective branding approaches for Balinese craft products to remain competitive and grow in digital marketplaces, with a focus on the behavior and preferences of Millennial and Gen Z consumers. The study is expected to contribute theoretically to the literature on local craft branding and practically to the empowerment of Balinese MSME craft producers in expanding their market reach and enhancing business sustainability in the digital era.

Literature Review

Branding Concept

Branding is a strategic process of shaping identity, value, and consumer perception of a product or service. Kotler & Keller (2016) define branding as an effort to create and manage positive perceptions in the minds of consumers through names, symbols, designs, or a combination of these elements. In the context of craft products, branding functions not only as a product differentiator but also as a representation of local cultural values. According to Aaker (1996), the main components of branding strategy include:

- Brand Identity
- Brand Positioning
- Brand Personality
- Brand Equity

A strong brand can enhance brand recall, build trust, and increase consumer loyalty.

Digital Branding

Digital branding refers to strategic approaches for building and managing brands through digital platforms. According to Rowles (2014), digital branding integrates digital technology with real-time emotional interactions between brands and consumers via websites, social media, marketplaces, and visual content.

Key elements of digital branding relevant to this study include:

- Visual identity (logos, color schemes, digital packaging)
- Digital storytelling (cultural and product narratives)
- Social media engagement (interactive communication)
- Online reputation & user-generated content (UGC)

Market Segmentation: Millennials and Gen Z

Millennials and Gen Z are considered digital natives. Their purchasing behavior is driven by:

- Authenticity
- Aesthetic visuals

- Sustainability and social values (value-driven branding)
- Interactivity and digital experience

Fromm & Read (2018) emphasize that Gen Z not only evaluates a product by its function but also seeks brands with a “voice” and “values” aligned with their identity.

Digital Marketplace

Digital marketplaces such as Shopee, Tokopedia, and Etsy have become competitive arenas for craft products. Prasetyo & Wulandari (2022) state that the performance of local products in digital marketplaces is significantly influenced by:

- Product visuals
- Customer reviews
- Ratings
- Personalized content

Digital marketplaces serve as critical digital touchpoints for craft producers to maintain consistent branding and connect with tech-savvy consumers.

Methods

Research Design

This study uses a qualitative descriptive approach with a case study strategy. It aims to explore branding strategies of Balinese craft products in depth, from the perspectives of producers, young consumers, and digital platform practices.

Research Location and Participants

The research was conducted in several craft centers in Bali, including Gianyar, Karangasem, and Denpasar, where producers actively market their products through digital marketplaces. Research participants include:

- Balinese MSME craft entrepreneurs
- Millennial and Gen Z consumers
- Branding and digital marketing experts

Data Collection Techniques

- In-depth interviews: Conducted with 8–10 craft producers and Millennial/Gen Z consumers
- Direct observation: Examined digital branding practices through social media and marketplace accounts
- Document analysis: Promotional content, marketplace reviews, product designs

Data Analysis Technique

Data were analyzed using thematic analysis, following these steps:

1. Data reduction: Filtering essential information from interviews and observations
2. Categorization: Grouping emerging branding strategies (visuals, narratives, engagement)
3. Conclusion drawing: Synthesizing effective branding strategies that match target market behavior

Research Instruments

The study employed:

- A semi-structured interview guide
- Observation sheets focused on digital branding content used by craft producer.

Data Validity Criteria

To ensure data validity, the researcher applied triangulation:

- Source triangulation: Producers and consumer participants
- Technique triangulation: Interviews, observations, and document analysis
- Concept validation: Expert judgment through discussions with branding specialists

Table 1. Coding Sheets

No	Interview Excerpt	Category	Initial Theme	Main Theme
1	"I highlight Balinese motifs because they make my products stand out."	Cultural Value	Local cultural differentiation	Brand Identity Strategy
2	"I use Instagram for promotions, sometimes sharing the product-making process."	Social Media	Storytelling and audience engagement	Digital Branding Practice
3	"Young people prefer simple and aesthetic designs."	Consumer Preference	Visual appeal and design trends	Millennial-Gen Z Market Characteristics
4	"My biggest challenge is creating content—I'm not very tech-savvy."	Branding Barrier	Lack of digital content skills	Digital Branding Constraints
5	"I bought this product because the story said it was made from ceremonial waste."	Consumer Perception	Emotional connection and sustainability	Cultural Value Proposition
6	"On Shopee, I really focus on product images and reviews."	Marketplace Use	Visual presentation and customer feedback	Digital Sales Strategy
7	"We want our crafts to be known by younger generations, but we need branding training."	Entrepreneurial Need	Capacity-building expectations	Recommendations for Branding Development

Primary data, 2025

Brand Identity Strategies in Balinese Craft Products

Interview findings reveal that most craft producers in Bali continue to emphasize local cultural elements in their brand identity—such as traditional motifs, cultural narratives, and locally sourced materials. One woodcraft artisan from Gianyar stated:

“I still use classical Balinese motifs like patra punggel and patra sari, because that’s what makes my product different from others.”

This illustrates that **cultural differentiation remains the core branding strategy** among Balinese artisans. This finding is consistent with Mulyani & Prasetya (2021), who argued that cultural values and symbolic heritage serve as powerful branding strengths, especially for heritage-based products like crafts. However, most of these brand identities have not been professionally formulated through brand books or visual guidelines. Many producers still rely on visual intuition and experience, resulting in inconsistent designs across platforms. This highlights the need for a more **structured approach to brand identity development**.

Digital Branding Practices on Marketplaces and Social media

In terms of digital branding, most producers use social media—particularly Instagram and WhatsApp Business—as well as marketplaces like Shopee and Tokopedia to expand their reach. One artisan shared:

“I use Instagram mostly to showcase designs and stories behind the products, but most of the sales come from Shopee.”

Storytelling practices are beginning to emerge, especially among those who have participated in MSME training or incubation programs. These producers share content about production processes, raw materials, and customer testimonials to reinforce their brand narrative. This supports Hasan & Raharjo (2022), who found that digital storytelling increases brand trust and consumer engagement.

Nevertheless, there are still many craft producers who only upload basic product photos, without supporting narratives or strong visual presentation. A lack of content production skills remains a major challenge, as reflected in this quote:

“I often struggle to come up with a good caption, let alone make videos. I just take photos with my phone and upload them.”

This aligns with the findings of Putu et al. (2022), who noted that **limited digital literacy remains a key barrier** to effective branding among Balinese MSMEs in the craft sector.

Millennial and Gen Z Consumer Preferences Toward Craft Products

Interviews with young consumers indicate that Millennials and Gen Z are attracted to craft products with compelling stories, appealing visuals, and a focus on environmental awareness. One Gen Z respondent said:

“I bought a wooden pencil case because the design was unique and made from ceremonial wood waste. It felt like the product had a story and didn’t waste materials.”

Young consumers also appreciate **aesthetic simplicity**, eco-friendly packaging, and the ease of purchasing through digital marketplaces. However, they also

expressed dissatisfaction with the lack of engaging product information in online stores:

“Sometimes on the marketplace, the product info only shows the size and price—there’s no story behind it.”

This highlights the importance of strengthening **content marketing and cultural storytelling** to engage this market segment. Fromm & Read (2018) emphasize that Gen Z values authentic brands that convey clear social messages and identity alignment.

Challenges in Digital Branding and the Need for Capacity Building

Key challenges faced by craft producers in building digital branding strategies include:

- A lack of understanding of holistic branding strategy
- Limited graphic design and visual content skills
- Absence of post-training support or mentorship

One artisan explained:

“I once attended branding training, but after that I was confused again. Even using Canva, I often mess up the image sizes.”

Therefore, beyond basic digital literacy, there is a clear need for **ongoing training and long-term mentorship**, including hands-on support for visual content production and marketplace account management.

The Implications of Branding for Business Sustainability

Effective branding strategies have proven to not only increase product competitiveness but also strengthen the **sustainability of craft businesses**. Products that feature local narratives, strong visual appeal, and social value communication are more likely to attract and retain attention from younger consumers. Branding that emphasizes **sustainability, cultural uniqueness, and community involvement** can foster a robust Balinese craft branding ecosystem in the digital age, as suggested by Wibowo & Handayani (2023).

Conclusion

This study concludes that Balinese craft entrepreneurs continue to uphold local cultural identity in their branding through motifs, materials, and traditional narratives. However, the implementation of digital branding strategies remains inconsistent and limited in scope. While there is increasing awareness of the need to reach younger digital consumers, many producers lack the digital literacy and strategic skills required to build strong, consistent brand identities across digital platforms.

Millennial and Gen Z consumers exhibit a strong preference for products with authentic cultural narratives, aesthetic visual design, and values related to sustainability. These findings affirm that the alignment of product identity with visual storytelling, social media engagement, and digital marketplace optimization is key to building consumer trust and loyalty among younger demographics.

The gap between the cultural richness of Balinese crafts and modern digital branding practice presents a clear opportunity for strategic intervention. Without targeted efforts to integrate visual identity, storytelling, and platform literacy, Balinese craft products may struggle to remain competitive in the increasingly saturated digital marketplace.

Research Limitations

This study has several limitations that should be acknowledged:

1. **Geographic Scope:** The research focuses primarily on select regions in Bali (e.g., Gianyar, Denpasar, Karangasem), which may not fully represent the diversity of craft branding practices across the island or in other regions of Indonesia.
2. **Participant Scale:** The number of craft producers and consumers interviewed was limited, which may restrict the generalizability of the findings. A broader sample would allow for more nuanced segmentation and comparison.
3. **Rapidly Evolving Digital Trends:** Given the dynamic nature of digital platforms and consumer behavior, the relevance of branding strategies may shift over time. The study captures a snapshot rather than a longitudinal perspective.
4. **Focus on Perception over Performance Metrics:** The study emphasizes qualitative insights into branding strategies and consumer preferences but does not quantitatively measure branding effectiveness or sales performance.

Future research should consider larger-scale quantitative studies, cross-regional comparisons, and deeper analysis of branding performance indicators such as conversion rates, brand equity, or digital engagement analytics.

Managerial Implications

The findings of this study offer several actionable insights for craft entrepreneurs, digital marketing agencies, government institutions, and creative economy stakeholders:

- 1) **Digital Branding Training and Support**
Local governments and educational institutions should provide structured and continuous digital branding training programs for MSMEs in the craft sector. This should include visual identity development, cultural storytelling techniques, and hands-on training in using platforms like Instagram, Shopee, and TikTok Shop.
- 2) **Brand Development Tools for Artisans**
Entrepreneurs need accessible tools and templates (e.g., brand guideline kits, Canva templates) to help formalize their visual identity and storytelling. Collaborations with young designers and content creators can enhance this process.
- 3) **Targeted Marketing for Millennials and Gen Z**
Branding strategies should integrate contemporary digital trends (e.g., reels, unboxing videos, influencer marketing) while maintaining cultural authenticity. Highlighting sustainability, craftsmanship, and origin stories will appeal to value-driven young consumers.

- 4) Marketplace Optimization Strategies
Craft businesses should invest in improving their marketplace presence through high-quality product photography, keyword-optimized listings, and customer review management. Technical assistance can help bridge the digital skill gap.
- 5) Fostering Collaborative Ecosystem
Stakeholders should build collaborative branding ecosystems that bring together artisans, marketing professionals, cultural experts, and technology providers. This approach encourages mutual learning, innovation, and collective branding power.
- 6) Monitoring and Evaluation Systems
MSMEs should be supported in tracking branding performance through basic KPIs such as engagement rate, follower growth, product views, and sales conversion. This helps refine strategies over time and justifies future investment.

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