

# EVALUATION OF SMEs PRODUCT'S PACKAGING AS AN EFFORT TO IMPROVE MARKETING ACCEPTANCE

Aris Budi Setyawan<sup>1</sup>, Sandy Prajaka<sup>2</sup>, Ichwan Suyudi<sup>3</sup>

<sup>1</sup>Faculty of Economics, Gunadarma University, Jakarta

<sup>2</sup>Faculty of Computer Science, Gunadarma University, Jakarta

<sup>3</sup>Faculty of Letters, Gunadarma University, Jakarta

## ABSTRACT

*One of the critical success elements of the product on the market is the 'packaging'. For large-scale companies, packaging is not a problem any longer, but for small and medium enterprises (SMEs), that is still a constraint. Small and medium enterprises not only have limited understanding and knowledge of the packaging, but also the difficulty in designing or making packaging for their products. Local government and universities, especially in training and mentoring, is believed to be able to solve this condition.*

*This study aimed to evaluate the packaging on the products are produced by SMEs, to further provide a solution for improving the quality of their product packaging. The study was conducted by a random survey of 170 SMEs in the area of Depok, Bekasi, and Tangerang West Java. Evaluation and analysis are conducted by descriptive and inferent.*

*Preliminary results showed that the majority of SMEs have been using packaging for their product, but most of their packaging (over than 50%) are not follow the rules of good packaging. There are many important items such as how to use, contain of product, easily recycled, etc., are not included in the packaging, so that their products are not easily accepted by the market. Well education of their management are not relate with these problems also. Training and mentoring are a must to improve packaging quality of SMEs'S products, so their market acceptance will increase.*

*Keywords: Packaging, Small and Medium Enterprises, Market acceptance*

## **Chapter 1 : Introduction (background, problems, and aims)**

The success of a certain product in the market is determined by many variables, such as price, quality, supply, model, and other attributes. The packaging is also a variable that influence the decision making to buy a certain product (Silayoi and Speece, 2004), (Wiguno, 2007), and (Athika dan Kanaidi, 2012).

The products that have good packaging will have a higher level of consumer acceptance. Good packaging means that the product is protected with good materials, a good cover, and complete information.

Packaging is the look out from a product that will make consumers are interested and have the attention to a product. The packaging can be trigger for consumers to buy it (Chistine, 2000).

Thus, each producers of a product should give attention to the packaging. For small and medium business managers, preparing a good packaging will be more difficult than with a big business. This is due to the limited funds owned by small businesses. They have limited efforts to design a good packaging for their products.

Therefore, it is still found that the products of small businesses still use simple

packaging for their products. This will make it less attractive for consumers. Meanwhile, some research suggests that the visual appearance of the packaging has a very important role for consumers to purchase the product (Silayoi and Speece, 2004) , (Syah, 2007).

This research aims to do a re-evaluation of the various packaging attributes used by SMEs to pack their products.

## Chapter 2 : Theories

There are many definitions of packaging that can be found in some theories. Packaging is frequently defined as an activity to design and produce packs, seals or covers to a certain product (Kotler, 2004; Keller, 1998). In practice, the packaging has a very important role in attracting the attention of consumers, because this is the first time seen by consumers especially in the description of that product.

Packaging has correlations with consumers behaviour, especially in creating attractive quality of a product, *purchase decision*, and *purchase intention*.

According to Brad Hanna (2011), There are a number of ways packaging can serve your product. Here are three ways product packaging can influence consumers:

- a. **Effective packaging can attract new consumers but keep current users away from competitors.** Brands must find the balance between brand recognition for current users and appeal to new users. For example, last year Tropicana had to withdraw new packaging from the market. The design was not recognizable to current users and consumers purchased competing brands.
- b. **Packaging communicates new brand positioning.** Use packaging to create the consumers perception of the brand. The perception created of a brand from packaging can set products a part from the competition and defines products.

- c. **Packaging can close the sale.** The consumer has the product in hand, the last thing to consider before making the purchase is the text on the packaging. Determine if packaging needs to educate users or captivate consumers with a simple claim. Then consider the message on the product's packaging and ask yourself if that is accomplished.

## Chapter 3 : Design, Model, and Implementation.

The objects of the research are 179 managers of small and medium-scale enterprises (SMEs) in Depok, Bekasi and Tangerang. The sample was obtained by simple random sampling. Further analysis was carried out to get an overview of the descriptions on the ways how they used packaging on their products.

## Chapter 4 : Result

After analyzing the data gained from the survey, the results can be described as the following:

In General, SMEs in these three areas of research have been managed by their Human Resources with a pretty good education that result in an average turnover of under \$ 1 million. Most of the turnover were obtained from the consumers with a lower middle income in the local market and only 1.1% already used overseas markets.

Table 1. Respondent Profiles

No.	Variables	Results
1	Education	82% Senior High Schools and Higher educations
2	SIUP	58% have SIUP
3	Target Market	59,2 Local market
4	Average turnover per day	50,8% less than 1 million rupiahs
5	Buyers	58,7% lower middle

		income
--	--	--------

The findings of the research are as the following:

1. 69,3% of SMES have used the packaging for their products, thus still pretty much SMEs have to use packaging.
2. 69,3% of SMES have used packaging materials that are safe, which means it is still pretty much the packaging made with less secure.
3. 43 % packaging used by SMEs have contained complete information about the products, and more than 50 % of the packaging contained incomplete information.
4. 34,1 % of SMEs have been using packaging materials that are easily recycled, which means some of materials used for packaging are not friendly to environment.
5. 50.8% of packaging used by SMES has been packed, and the rests have not been firmly packed yet.
6. 37,4% of SMEs have attached “halal” label in their packaging.
7. 65,4% of SMEs have used convenient packaging to make the products easy to carry with hand.
8. 14% of SMES have explained the ways how to use their products in the packaging. This means that the majority of SMEs have not done this yet.
9. 27,9% of SMES have listed the materials used in packaging . This means that some of the SMEs have not listed the materials yet in their packaging.
10. 45,8 % of SMEs have put a telephone number that can be contacted in their packaging. It means that more than 50 % of SMEs have not mentioned the phone number to be contacted.

In addition, the research also shows that most (42.5%) the packaging used by

SMES are still made from plastic, which means it is still quite a lot of packagings used will potentially cause pollution and environmental problems.

The next result shows one reason why the use of packaging by SMEs in three areas of the research have not been optimal. This is due to that 50.8% of SMES still faced difficulty in using or designing a good packaging.

Another interesting finding is that the number of SMEs managers apparently have no relation to the results of the research. This can be seen from the test results that have significant value of relationships above 5% and 10%.

From these results, it is necessary to be a concern to some parties to help SMEs in designing, selecting and creating packaging that is not only good for marketing, but also good for the environment and the community, especially in the long term run.

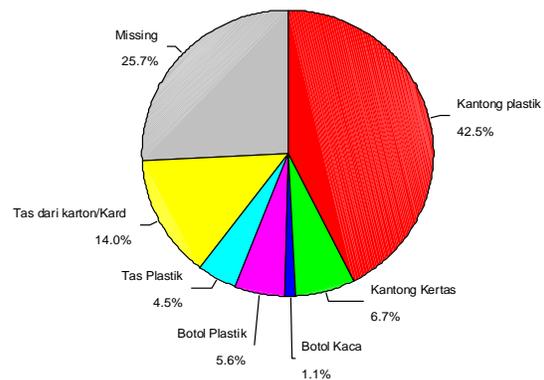


Figure 1.  
Percentage of Materials for Packaging by SMEs

This result also shows the reason why the use of packaging has not been optimized yet by UKM in these areas. This is because 50% of the SMEs have not used and

designed appropriate packaging for their products.

From these results, it is necessary to be a concern to some parties to help SMEs in designing, selecting and creating packaging that is not only good for marketing, but also good for the environment and the community, especially in the long term run.

## **Chapter 5 : Conclusion**

Based on the research done towards SMEs in Depok, Bekasi dan Tangerang and the previous analysis, it can be concluded that

1. In general, some SMEs have known well about the importance of packaging to their products. However, However, the usage, choice, and quality of the package is still poor. It has not reflected qualified products.
2. One of the problems faced by SMEs in designing the package for the product is they find difficulties to design and select an appropriate package for their products. The number of SMEs managers have no correlation with the quality of the products.

The findings of this research show that the business activities of SMEs still encountered problems. One of the problems is in the product packaging. It needs concrete efforts to overcome such constraints. The efforts that can be done such as training and assistance to the SMEs staffs.

## **References**

Anna Rochma Yulian Syah (2007), Pengaruh kemasan produk terhadap keputusan konsumen dalam membeli hand phone Nokia (studi pada mahasiswa Fakultas Ekonomi Universitas Negeri Malang)

Athika & Kanaidi (2012), Pengaruh Kemasan Terhadap Keputusan Pembelian Konsumen Produk Indomie di Bandung  
Benny Rigaux-Bricmont (1982) ,"Influences of Brand Name and Packaging on Perceived Quality", in NA - Advances in Consumer Research Volume 09, eds. Andrew Mitchell, Ann Abor, MI : Association for Consumer Research, Pages: 472-477

**Brad Hanna (2011), CPG Marketing Trends: Three Ways Product Packaging Can Influence Consumers**

Lena Nuryanti, Anisa Yunia Rahman (2008), Pengaruh Variasi Dan Kemasan Produk Terhadap Keputusan Pembelian Teh Kotak Ultrajaya (Survei Pada Mahasiswa Fpips Universitas Pendidikan Indonesia), Jurnal Pendidikan Manajemen, Volume 7, Nomor 14

Olga Ampuero, Natalia Vila, (2006) "Consumer perceptions of product packaging", Journal of Consumer Marketing, Vol. 23 Iss: 2, pp.100 – 112

Pinya Silayoi, Mark Speece, (2004) "Packaging and purchase decisions: An exploratory study on the impact of involvement level and time pressure", British Food Journal, Vol. 106 Iss: 8, pp.607 – 628

Panggabean, Shanti Vita Novindra (2011), Pengaruh Kemasan Terhadap Keputusan Pembelian Minuman Fruit Tea pada Siswa SMU ST. Thomas 2 Medan