

THE EFFECT OF BRANDING AND PACKAGING ON PURCHASE DECISIONS IN UMKM CAHAYA RASA, WRINGINSONGO VILLAGE, MALANG REGENCY

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Abstract

This study aims to analyze the influence of Branding and Packaging on consumer purchasing decisions. In an era of increasingly tight market competition, factors such as brand image and packaging design play an important role in attracting consumer attention and influencing purchasing decisions. This study uses a quantitative approach with a survey as a method of data collection. The population in this study were consumers of UMKM (Micro, Small, and Medium Enterprises) Cahaya Rasa, Wringinsoongo Village, Malang Regency. The number of samples in this study was 180 people using a purposive sampling technique. The data collected will be analyzed using multiple linear regression. The results of the study show that Branding and Packaging have a significant role in influencing consumer purchasing decisions at UMKM Cahaya Rasa. The stronger the brand image that is built and the more attractive and informative the product packaging offered, the higher the likelihood of consumers making purchases.

Keywords: *Branding, Packaging, Purchasing Decisions*

INTRODUCTION

In an era of increasingly complex business competition, UMKM have a strategic role in supporting economic growth, especially in developing countries like Indonesia. UMKM are not only drivers of the local economy but also provide jobs for the community. However, one of the main challenges faced by UMKM is how to increase the attractiveness of their products in a highly competitive market. In this context, branding and packaging are key elements that influence consumer purchasing decisions. Branding is an effort to create an identity and added value for a product or service. According to Kotler and Keller (2016), strong branding can build consumer trust and loyalty. Effective branding can differentiate UMKM products from their competitors and create an emotional connection with consumers. On the other hand, packaging functions not only as a product protector, but also as a visual communication tool that can influence consumer perceptions of product quality. A study by Silayoi and Speece (2017) confirmed that packaging with attractive visual elements, such as design and color, can increase purchasing interest by up to 30%.

Cahaya Rasa UMKM with NIB: 1310210024435, P-IRT: 131021002443500000002, which is engaged in the production of snacks, faces similar challenges. Although the products offered are of high quality, this UMKM has not been able to maximize the potential of branding and packaging to attract consumers' attention. Cahaya Rasa products still use simple packaging designs and do not reflect a strong brand identity. This makes their products less competitive in a market that is increasingly crowded with various choices. Consumer purchasing decisions are the result of the interaction of various factors, including their perceptions of the brand and packaging. According to a study by Kumar and Reinartz (2018), consumers tend to choose products with brands that have emotional value and attractive packaging designs. Strong branding can create consumer trust, while innovative packaging can increase the visual appeal of the product. Previous studies have shown that branding and packaging have a significant influence on

purchasing decisions. A study by Azad and Safaei (2017) revealed that visual elements on packaging, such as shape and material, can increase consumer preference. In addition, consistent branding can strengthen the positive image of the brand in the minds of consumers, as stated by Keller (2016). However, the application of this strategy in UMKM is often limited by resource constraints and a lack of understanding of the importance of branding and packaging.

In the context of Cahaya Rasa UMKM s, optimizing branding and packaging can be a key strategy to increase their competitiveness. By creating a clear brand identity, such as a logo and slogan that reflects the value of the product, this UMKM can build a stronger relationship with consumers. In addition, innovation in packaging design, such as the use of environmentally friendly materials or ergonomic design, can provide added value to Cahaya Rasa products. In Indonesia, research on the influence of branding and packaging on UMKM purchasing decisions is still relatively limited. This provides an opportunity to further explore how these strategies can be implemented effectively. According to a report by the Ministry of Cooperatives and SMEs (2022), around 60% of UMKM in Indonesia still do not have a structured branding strategy. This indicates the need for more in-depth research to help UMKM improve their competitiveness through branding and packaging.

Social and cultural aspects also influence consumer preferences in Indonesia. According to a study by Tan et al. (2016), Indonesian consumers tend to choose products that have local cultural elements. Therefore, Cahaya Rasa UMKM can consider integrating local cultural values in their branding and packaging as an effective marketing strategy. The use of digital media is also a great opportunity for UMKM to promote their products. A study by Statista (2021) shows that 78% of consumers in Indonesia use social media as a reference before purchasing a product. With creative digital marketing strategies, such as utilizing the Instagram and TikTok platforms, Cahaya Rasa can reach a wider audience and build stronger brand awareness. Quality packaging can also increase consumer confidence in the product. A study by Rundh (2016) shows that consumers often associate attractive packaging with better product quality. Therefore, Cahaya Rasa UMKM needs to invest in packaging design that is not only aesthetic but also functional. This study will examine how branding and packaging influence consumer purchasing decisions at Cahaya Rasa UMKM. By understanding consumer preferences and the elements that influence their decisions, this UMKM can develop more effective strategies to increase their competitiveness in local and national markets.

LITERATURE

Branding

According to Kotler and Keller (2016), branding can be defined as the process of creating a strong perception in the minds of consumers regarding the value of the product or service offered. Measuring the success of branding can be done with several indicators that reflect the extent to which branding is effective in achieving company goals. Here are some indicators used to measure branding:

1. Brand Awareness
2. Brand Image
3. Brand Loyalty
4. Brand Equity
5. Perceived Quality (Perceived Quality)
6. Market Share

Packaging

According to Tjiptono (2020:151) Packaging is a process related to the design and manufacture of containers or wrappers for a product. Measuring the effectiveness of packaging depends not only on the aesthetic aspect, but also on how well the packaging meets the functional and emotional needs of consumers. Here are some indicators used to measure packaging effectiveness:

1. Visual Appeal.

2. Convenience and Ease of Use.
3. Protection Functionality.
4. Product Information.
5. Durability and Sustainability.
6. Emotional Attachment.
7. Market Competitiveness.

Purchase Decision

Kotler and Keller (2016) suggests that consumer purchasing decisions are influenced by a number of psychological, social and situational factors. Several indicators used to measure purchasing decisions can help understand the factors that influence consumers in choosing a product. Here are some relevant indicators in measuring purchasing decisions:

1. Product Consideration.
2. Brand Preference.
3. Price (Price Sensitivity).
4. Post-Purchase Satisfaction.
5. Purchase Timing.

Hypothesis Development

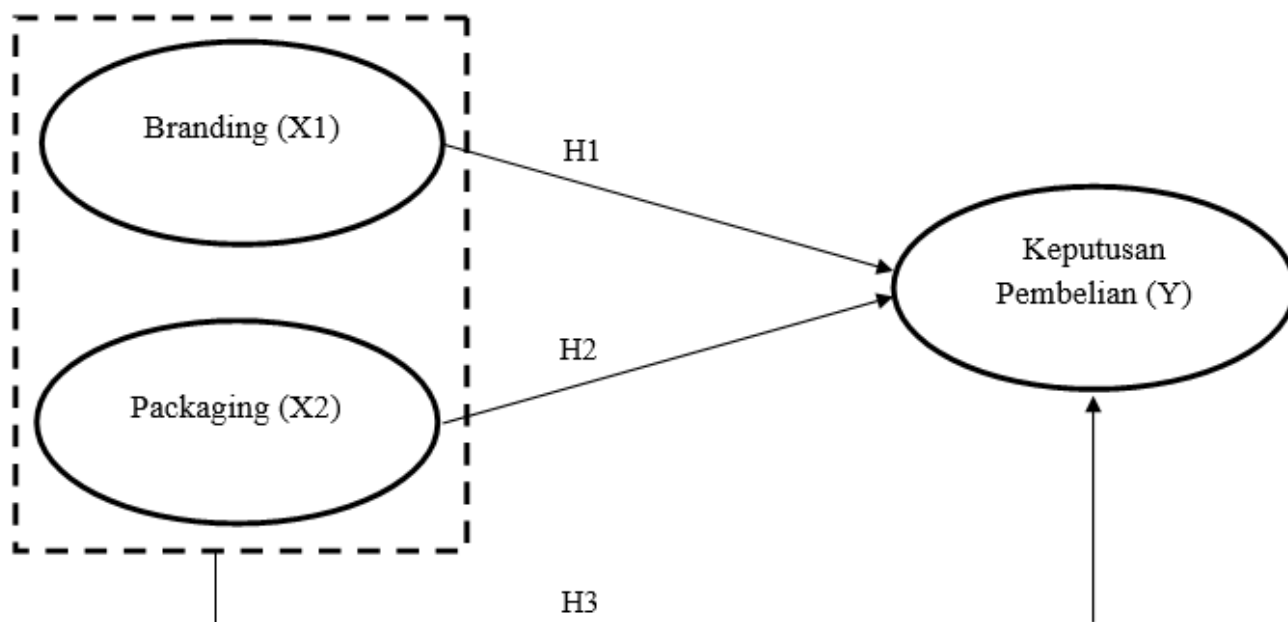


Figure 1. Conceptual Framework

The Partial Influence of Branding on Purchasing Decisions

In this context, the proposed hypothesis states that branding directly influences consumer purchasing decisions. Consumers do not only buy products based on functionality or price, but also based on their impressions and feelings towards the brand. The branding elements that have been described—such as brand image, packaging design, brand name, product quality, and emotional connection—together shape the consumer's final decision to choose a product. Thus, the stronger the branding of a product, the more likely consumers are to purchase the product. This opinion is in line with previous research conducted by Setiawan (2017) which showed that branding has a positive effect on purchasing decisions for fashion products in Indonesia. However, this study contradicts research conducted by Santosa (2019) which stated that branding was not found to have a significant influence on purchasing decisions for consumers of beauty

products, where factors such as recommendations from friends and influencers have a greater influence. Based on the results of this description, the hypothesis in this study is as follows:

H1 =branding partially influences purchasing decisions

The Partial Influence of Packaging on Purchasing Decisions

Packaging elements or product packaging can influence consumer purchasing decisions. Packaging, as an important part of branding, functions not only to protect the product but also to attract consumer attention, communicate quality, and create a positive emotional perception of the product. Effective packaging can influence how consumers view the product, both in a functional and emotional context. The hypothesis put forward by Pratama and Suryani (2018), in their research, states that packaging has a significant influence on consumer purchasing decisions. Packaging that is visually attractive, provides clear information, is practical, creates a positive brand image, and touches on the emotional aspects of consumers will influence how consumers choose products. Consumers who are interested and satisfied with the product packaging will be more likely to choose the product, even if there are other alternative products on the market. However, this opinion contradicts the results of research conducted by Santoso (2017) in his research, packaging was not found to have a significant influence on consumer purchasing decisions for electronic products, because consumers pay more attention to product specifications and prices than packaging. Based on the explanation above, the hypothesis in this study is: "

H2 =packaging partially influences purchasing decisions

METHOD

This research was conducted at UMKM Cahaya Rasa. This object was chosen because UMKM Light of Taste. The population of this study is all consumers of Cahaya Rasa UMKM. This researcher uses the assumptions put forward by Hair et al (2017) which assumes that sample size assuming $n \times 5$ observed variables (indicators) up to $n \times 10$ observed variables (indicators). In this study, the number of items is 18 question items used to measure 3 variables, so the number of respondents used is 10 statement items multiplied by 10 equals 180. So the number of samples in this study is 180 people. The sampling technique in this study uses purposive sampling. The data in this study were collected using a questionnaire. The results of data collection were processed using multiple regression analysis with the help of SPSS software

RESULTS AND DISCUSSION

Respondent Characteristics

The following are the characteristics of respondents based on frequency distribution.

Table 1. Respondent Characteristics

Characteristics		Amount	Percentage (%)
Gender	Man	72	40
	Woman	108	60
	Amount	180	100
Age	< 20 years	12	6.7%
	20 – 30 years	58	32.2%
	31 – 40 years	64	35.6%
	> 40 years	46	25.5%
	Amount	180	100
Work	Students	18	10%
	Private sector employee	64	35.6%
	Self-employed	58	32.2%
	Housewife	40	22.2%
	Amount	180	100

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Purchase Frequency	1 time a month	45	25%
	2-3 times a month	78	43.3%
	> 3 times a month	57	31.7%
	Amount	180	100

Source: Processed data (2025)

The table above shows the distribution of respondents by gender. The majority of respondents are female (60%). The age distribution shows that most respondents are in the age range of 31–40 years (35.6%), which is the productive age in making purchasing decisions. Most respondents work as private employees (35.6%) and self-employed (32.2%), indicating that respondents have the financial ability to make purchases regularly. The frequency of purchasing UMKM products shows that 43.3% of respondents make purchases 2-3 times a month, indicating consumer interest in these UMKM products.

Validity and Reliability Test

The results of the validity test in this study will be presented in the following table:

Table 2. Validity Test

Variables	Indicator	r-count	Information
Branding	B1	0.612	Valid
	B2	0.658	Valid
	B3	0.701	Valid
	B4	0.677	Valid
	B5	0.693	Valid
	B6	0.665	Valid
Packaging	P1	0.598	Valid
	P2	0.644	Valid
	P3	0.689	Valid
	P4	0.633	Valid
	P5	0.652	Valid
	P6	0.678	Valid
	P7	0.701	Valid
Buying decision	K1	0.662	Valid
	K2	0.694	Valid
	K3	0.709	Valid
	K4	0.671	Valid
	K5	0.688	Valid

Source: Processed data (2025)

Based on the table above, it can be seen that the Branding Variable has 6 indicators. All items show an r-count value above the r-table (0.147), so it can be concluded that all items in this variable are valid. Then the Packaging Variable has 7 indicators. All items show an r-count value > 0.147, which means that all indicators are valid and worthy of use in further analysis. In addition, the Purchase Decision Variable consists of 5 indicators. All indicators have an r-count value greater than 0.147, which means that they are valid and can be used to measure this variable.

The results of the reliability test in this study are as follows:

Table 2. Reliability Test Results

Variables	Cronbach's Alpha	Standard	Information
Branding	0.782	0.60	Reliable
Promotion	0.761	0.60	Reliable
Buying decision	0.801	0.60	Reliable

Source: Processed data (2025)

Overall, the instruments used in this study have a Cronbach's Alpha value greater than 0.60, which means that the instruments used can produce consistent and reliable data. This shows that the measurement results obtained are reliable and can be used for further analysis in this study.

Classical Assumption Test

The classical assumption test in this study consists of three tests, namely the normality test, multicollinearity and heteroscedasticity. The normality test aims to determine whether the residual data in the regression model is normally distributed. The results of the Normality Test using the Kolmogorov-Smirnov Test show the results of Sig. = 0.200 > 0.05 which indicates that the data is normally distributed.

Furthermore, the results of the multicollinearity test show the following:

Table 3. Multicollinearity Test

Variables	Tolerance	VIF	Information
Branding	0.752	1.33	There is no multicollinearity
Packaging	0.738	1,356	There is no multicollinearity

Source: Processed data (2025)

Multicollinearity test is conducted to determine whether there is a linear relationship between independent variables. The test is conducted by looking at the Tolerance and Variance Inflation Factor (VIF) values. Criteria: if the Tolerance value is > 0.10 and VIF < 10, then there is no multicollinearity. From the table above, it can be seen that all variables have a Tolerance value > 0.10 and VIF < 10. Thus, there are no symptoms of multicollinearity in this regression model. Furthermore, the heteroscedasticity test aims to determine whether there is inequality of variance from one residual to another. The test is carried out using a scatterplot graph between the predicted and residual values. The heteroscedasticity test in this study uses the Glejser test, the results show Sig. > 0.05 for all variables so that it can be said that there is no heteroscedasticity.

Simple Regression Analysis

The regression coefficient provides information about the contribution of each independent variable in the regression model.

$$Y = a + b_1X_1 + b_2X_2$$

$$Y = 3.287 + 0.425X_1 + 0.389X_2$$

Based on the results above, it shows The constant (Intercept) of 3.287 indicates the basic value of the Purchase Decision when there is no influence from Branding and Packaging. The Branding Coefficient (X₁) of 0.425 means that every one-unit increase in the Branding variable will increase the Purchase Decision by 0.425. The Packaging Coefficient (X₂) of 0.389 means that every one-unit increase in the Packaging variable will increase the Purchase Decision by 0.389.

Hypothesis Testing

Hypothesis testing in this study uses the t-test to determine whether each independent variable (Branding and Packaging) has a significant influence on the dependent variable (Purchase Decision). The t-test is used to determine whether the Branding (X₁) and Packaging (X₂) variables have a significant influence on the Purchase Decision (Y).

Table 4. Hypothesis Testing

Variables	Unstandardized	Std. Error	t	Sig
Branding	0.425	0.085	5,000	0.000
Packaging	0.389	0.079	4.924	0.000

Source: Processed data (2025)

Based on the table above, it can be seen that the t value of 5,000 with Sig. of 0.000 indicates that Branding has a significant influence on Purchasing Decisions, because the Sig. value < 0.05 . Furthermore, the t value of 4.924 with Sig. of 0.000 shows that Packaging also has a significant effect on Purchasing Decisions, because the Sig. value < 0.05 .

Discussion

The Influence of Branding on Purchasing Decisions

Branding is an important element in creating brand identity and perception in the eyes of consumers. In this study, the results of the t-test show that Branding has a significant influence on Purchasing Decisions, with a Sig. value of 0.000 (< 0.05). Keller (2020) in his book "Strategic Brand Management" explains that strong brand equity can increase consumer loyalty and influence their purchasing decisions. Kotler and Keller (2021) state that effective branding can create clear product differentiation in a competitive market. Álvarez-González et al. (2023) in their research found that innovation in packaging design can increase consumer trust in products, which in turn influences their purchasing decisions. Jing (2024) revealed that packaging elements such as color, design, and product information can influence consumer perceptions of brands and their purchasing decisions

The Influence of Packaging on Purchasing Decisions

Product packaging plays an important role in attracting consumer attention and conveying product information. In this study, the results of the t-test showed that packaging has a significant influence on purchasing decisions, with a Sig. value of 0.000 (< 0.05). Underwood and Klein (2022) in their research explained that creative packaging design can increase consumer motivation to buy a product. Kotler and Armstrong (2021) stated that attractive packaging can increase the visual appeal of a product and influence consumer purchasing decisions. Jing (2024) found that packaging elements such as design, labels, innovation, and brand image have a significant influence on consumer purchasing decisions in Nepal. Mazhar et al. (2023) revealed that packaging elements such as color, material, wrapper design, and innovation play an important role in consumer purchasing decisions. Based on the results of the t-test for Branding and Packaging, it can be concluded that both variables have a significant influence on consumer purchasing decisions at Cahaya Rasa UMKM. Therefore, the hypothesis proposed in this study is proven to be true, namely Branding and Packaging contribute significantly to consumer purchasing decisions.

CONCLUSION

Branding and Packaging have a significant role in influencing consumer purchasing decisions in Cahaya Rasa UMKM. The stronger the brand image that is built and the more attractive and informative the product packaging offered, the higher the likelihood of consumers making a purchase. This shows that an effective marketing strategy through strengthening branding and appropriate product packaging can be the key to increasing the competitiveness and sales of UMKM products amidst increasingly competitive market competition. MSMEs are advised to continue to strengthen their brand identity through attractive logos, memorable slogans, and consistent marketing communications, both offline and through social media. This is important to build a positive image and increase consumer loyalty. The government and related parties such as the Cooperatives and MSMEs Service are expected to provide training and assistance for MSMEs in building strong branding and packaging designs that are in line with market trends and tastes. Support like this is very important in encouraging the growth of highly competitive local MSMEs.

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