

Research Article

The Influence of Product Packaging, Product Innovation and Distribution Channels on Increasing Sales Among Food SMEs Through Digital Marketing

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Abstract: This research aims to analyze the impact of product packaging, innovation and distribution channels on MSME food sales in Bojong Gede through digital marketing. This research uses a quantitative approach with a survey method involving 139 food MSMEs in Bojong Gede. The method used is qualitative with Amos 22 software. The results obtained show that product packaging, innovation and distribution channels have a positive effect on sales through digital marketing. The results of this research show that digital marketing plays an important role in increasing MSME sales. It is hoped that future research will examine what digital marketing is used to enable MSMEs to increase their sales more optimally. Training will be held that can help MSMEs use digital marketing.

Keywords: increased sales, digital marketing, MSMEs

INTRODUCTION

MSMEs (Micro, Small and Medium Enterprises) are an important component in a country's economy. They make significant contributions to economic growth, job creation, and income distribution. According to the State Ministry of Cooperatives and Small and Medium Enterprises. Therefore, MSMEs must continue to be supported and developed (Indonesian Minister of Cooperatives and SMEs Teten Dasuki 2022).

Food Small and Medium Enterprise Cooperatives (UMKM) are one of the MSMEs that have the potential to develop the national economy. In Indonesia, MSMEs have become the backbone of the economy (Indah Kurnia, 2022) with more than 60 million business units spread throughout the country. However, the challenges faced by MSMEs cannot be taken lightly. Globalization, competition, technological changes and changes in consumer behavior are several factors that have a significant impact on the performance of MSMEs.

In this context, improving the MSME sector has great potential to have a positive impact on community welfare (Vinatra et al., 2023). Marketing performance is a crucial aspect in the success of MSMEs. Effective marketing can help MSMEs expand market share, increase sales and build strong brands. However, quite a few MSMEs still face difficulties in planning and implementing effective marketing strategies. This may hamper their business growth. Business competition, especially MSMEs, often fluctuates. MSMEs that are unable to survive will die by themselves, (Hastiningsih et al., 2021), because many MSME products are of high quality but are not yet strong in terms of branding, even though the potential of MSMEs in developing their business through

branding is very possible that (MSMEs) can turn into large, successful brands through a strong branding process.

LITERATURE REVIEW

Product Packaging

Product packaging is very important for product marketing, because it influences consumer perception and decision making. Kotler (2017) defines packaging as the process of designing and producing containers for products. Mardiana et al. (2024) further explained that packaging innovation, combined with strategic marketing efforts, significantly increases product sales.

Product Innovation

In increasing sales, product innovation has a significant impact. According to Abdul et al. (2018) Product innovation is one way to provide additional points, which is one of the key components of successful business operations, which can provide a competitive advantage for companies that require quality products. Meanwhile, according to (Harini et al., 2022) Product innovation affects the marketing performance of MSMEs.

Distribution Channels

Distribution channels through digital marketing are various methods and platforms that companies use to market their products or services online. There is a partial influence between distribution channels on sales (Novitasari et al., 2019).

Digital Marketing

According to Az-Zahra (2021) concluded from the results of his research that implementing digital marketing has an effect on improving the marketing of MSMEs, and its implementation provides benefits and obstacles that accompany it. Meanwhile, according to (Arlinda & Hendro, 2024) Research shows that social media is often used, WhatsApp, Facebook, Instagram as social media to promote products, that after using digital marketing, income increases from previous income.

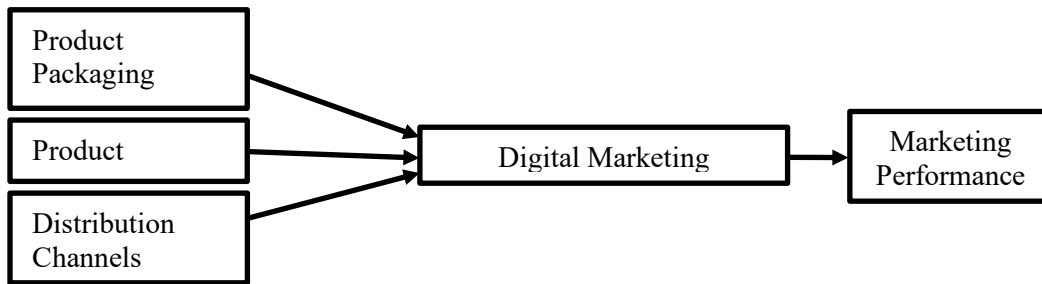
Increased Sales

According to Rahmawati (2021), the social media influence of an influencer can increase sales through e-commerce. The effectiveness of the use of social media in increasing sales can be said to have a fairly good contribution, although this is also influenced by the activeness of business actors in activating their social media (Maharani & Nazmah, 2023).

METHOD

This research uses quantitative methods using SEM (Structural Equation Modeling) with AMOS 22 software for data analysis. Data was collected through questionnaires distributed to 139 food SMEs in Bojong Gede, Bogor. A Likert scale was used to evaluate responses, and the model was analyzed based on regression weights to assess the impact of product packaging, innovation, and distribution channels on sales.

Figure 1
Research Model



RESULT

In this field study research, which was tested using SEM Amos 22, the research subjects were 139 respondents in the Bojong Gede Bogor MSMEs. From this research, it was found that the factors that influence product packaging, product innovation and distribution channels to increase MSME sales in Bojong Gede through digital marketing have the results in Table 1.

Table 1
Demographic Data

Variable	Measurements	n	%
Gender	Man	54	39%
	Woman	85	61%
Age	25-34 years old	97	70%
	35-44 years old	33	24%
	Over 45 years old	9	6%
Length of business	1-3 years	28	20 %
	3-5 years	52	38 %
	More than 5 years	59	42 %

Table 1 shows the demographic characteristics of the respondents in the sample. From the information above, of the 139 respondents, 39% were men and 61% women. Then with an age range of 25-34 years as much as 70%, 35-44 years as much as 24% and over 45 years as much as 6%. With a length of business of 1-3 years as much as 20% and 3-5 years as much as 38%, more than 5 years as much as 42%. Quantitative data analysis is a method carried out by researchers using data in the form of numbers, so in the analysis process they often use the help of mathematical and statistical calculations. The researcher's technique uses a data processing program as a tool in analyzing research data using SEM (Structural Equation Modeling) version 22. This analysis process briefly consists of the variables product packaging (X1), product innovation (X2), distribution channels (X3), digital marketing (Z) and Increased sales (Y).

Based on data processing with SEM Amos 22, results are obtained with diagrams (see Figure 1). Table 2 presents the demographic characteristics of respondents. SEM analysis using AMOS 22 shows that product packaging, innovation and distribution channels have a positive effect on sales through digital marketing. Specifically, product packaging shows an estimated value of 0.208 (CR = 1.578, p = 0.405), while distribution channels influence sales significantly with an estimate of 0.706 (CR = 2.294, p = 0.003).

Figure 2
Output Path Diagram

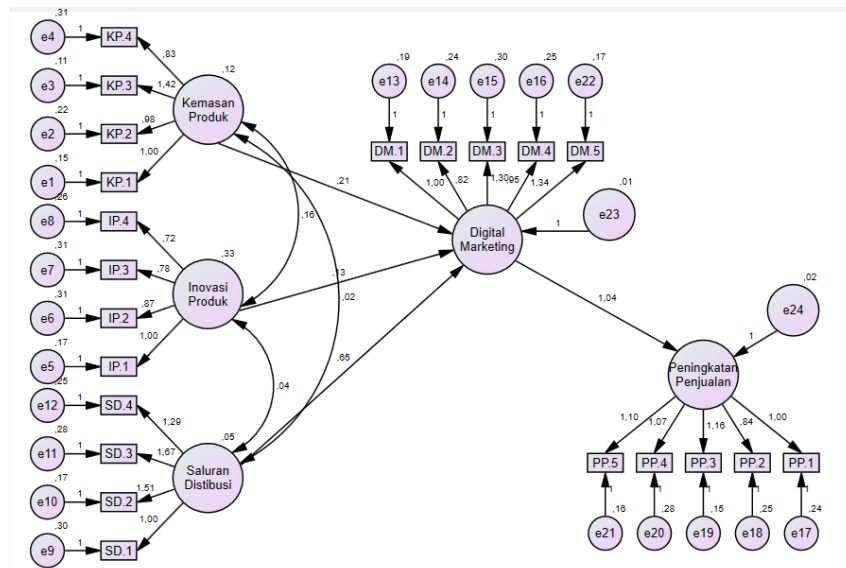


Table 2
Regression Weights

		Estimate	S.E	CR	P	Label
Digital_Marketing	<-- Product_Packaging	.208	.132	1.578	.115	par_18
Digital_Marketing	<-- Product_Innovation	.126	.082	1.548	.122	par_19
Digital_Marketing	<-- Distribution_Channel	.647	.221	2.924	.003	par_20
Sales_Increase	<-- Digital_Marketing	1.036	.254	4.078	***	par_21

Table 3
Goodness-of-Fit Indexes

No	Goodness-of-fit index	Cut off Value (Limit Value)	Results	Criteria
1	DF	>0	202	Over Identified
2	X ² - Chi-Square	Expected to be smaller; X ² - CINV (0.05; 202)	957,64	Good Fit
3	Significance Probability	≥0.05	0.000	Marginal of fit
4	GFI	≥0.90	0.629	Marginal of fit
5	AGFI	≥0.90	0.535	Marginal of fit
6	CFI	≥0.95	0.468	Marginal of fit
7	TLI	≥0.95	0.391	Marginal of fit
8	RMSEA	≥0.08	0.165	Good Fit
9	CMIN/DF	> 2	4.742	Good Fit

DISCUSSION

This research analyzes product packaging in line with research (Sufaidah et al., 2022). Product packaging and the use of digital marketing increase understanding and awareness of MSME business actors regarding the importance of product packaging and digital

marketing as a marketing strategy to increase sales. Product innovation influences increased sales with digital marketing (Putri & Arif, 2023). Distribution channels that also support increasing sales through digital marketing. By using digital marketing, MSME players can increase sales much better (Khusna et al., 2023).

CONCLUSION

This study concludes that although product packaging, innovation and distribution channels have a positive impact on sales through digital marketing, their implementation among Bojong Gede SMEs is still less than optimal. Further training and support on digital marketing strategies is recommended to maximize the benefits for these businesses.

Implications

Bojong Gede Bogor MSMEs are still under utilized digital marketing in increasing sales. Providing counseling or training for MSME actors in Bojong Gede Bogor.

Limitation and Future Direction

It is hoped that future research will examine what digital marketing is used to enable MSMEs to increase their sales more optimally. Training will be held that can help MSMEs use digital marketing.

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