

## OPTIMIZATION OF UMKM CRACKERS INTEGRATING LABELING AND PACKAGING

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### Abstract:

**General background:** UMKM (Micro, Small, and Medium Enterprises) play a crucial role in the economic development of local communities, with packaging and labeling being key elements that can significantly influence consumer behavior and market expansion. **Specific background:** Many small businesses, such as UMKM Kerupuk Ibu Badroh in Putat Village, lack proper packaging and labeling, which hinders their competitiveness in the market. **Knowledge gap:** Despite the importance of these factors, there is limited research on how improving packaging and labeling can enhance the market presence of rural MSMEs. **Aims:** This study aims to increase the purchasing and selling power of UMKM Kerupuk Ibu Badroh by improving labeling and packaging elements through a qualitative, descriptive approach. **Results:** The implementation of modern and informative labels and functional packaging resulted in a significant increase in consumer confidence, product appeal, and sales. **Novelty:** This study highlights the transformative impact of packaging and labeling on the competitiveness of rural MSMEs, demonstrating how such improvements can lead to market expansion and enhanced product quality. **Implications:** The findings suggest that a strategic integration of modern packaging and labeling can strengthen MSME positions in the market, contributing to business sustainability and professionalization.

**Keywords:** *Labeling, Packaging, UMKM*

## **INTRODUCTION**

MSMEs (Micro, Small, and Medium Enterprises) are economic sectors that have a vital role in Indonesia's economy, especially in creating jobs and reducing poverty. In Putat Village, one of the growing MSMEs is the cracker industry, which has become an integral part of the local economic identity. However, like other MSMEs in other regions, cracker business actors in Putat Village face various challenges, especially in terms of marketing and product competitiveness in the wider market.

One of the main challenges faced is the use of suboptimal labeling and packaging. In fact, these two aspects are important factors that can influence consumer purchasing decisions[1]. Clear, informative, and attractive labeling can increase consumer trust in products, while quality packaging can protect products and extend their shelf life. However, many business actors in this village still use traditional packaging methods that are less attractive and lack of information, so they have difficulty competing with similar products that use modern and professional packaging[2].

Labels are simple-looking elements on a product or image that are designed in detail, and are an integral part of the packaging. Labels can list specific brands or information. In addition to functioning as a means of conveying information, labels also serve as a means of advertising and branding for a product[3].

Packaging includes aspects such as shape, structure, material, color, image, lettering or text arrangement techniques, as well as additional information used to create a product that is suitable for marketing[4]. The purpose of packaging design is to achieve marketing goals by typically communicating to consumers about the character or function of the product and ultimately driving sales[5].

Labeling and packaging, which directly affect the appearance of the product, serve as the identity of the product. Therefore, the management of product appearance is an important aspect that must be considered by household industry players. Labels give a name to the product, making it easier for the public to recognize, while more modern and attractive packaging can increase sales of the product[6].

Through this Integrated Real Work Lecture (KKN-T) activity, we strive to optimize cracker MSMEs in Putat Village by integrating better labeling and packaging elements. We hope that with the improvement of packaging and labeling quality, cracker products from this village can not only compete in the local market but also penetrate a wider market, both at the regional and national levels. This program is expected to be the first step to increase the awareness of MSME actors about the importance of innovation in every aspect of business, including product packaging and labels.

## **RESEARCH METHODS**

This research was conducted in Putat Village, Tanggulangin, with a focus on Mrs. Badroh's cracker MSMEs. The main activities include designing



packaging updates in terms of labeling and packaging. The goal is to increase purchasing and sales power to the community and provide a clear identity to Mrs. Badroh's Cracker MSMEs.

The research lasted for 2 days, from August 10, 2024 to August 11, 2024. The data analysis carried out involved general information related to the fostered unit or Mrs. Badroh's Cracker MSMEs. In this study, the author uses a qualitative method with a descriptive approach.

## RESULTS AND DISCUSSION


### Result

Table 1. Labeling Analysis

PACKAGING	PACKAGING DESCRIPTION
	<p>The label is designed in a rectangular shape to facilitate the cutting process when printing stickers. The design uses more professional-looking elements with bright colors and fonts that are easily recognizable to consumers. The label also includes information about the owner or brand of the product, the type of crackers in it, the composition, expiration date, contact information for online ordering, and most importantly, the halal logo that has been registered.</p>
	<p>The label is designed in a rectangular shape to make it easier to cut when printing stickers. The design features more professional elements with bright colors and fonts that are easily recognizable to consumers. The label also includes information about the owner or brand of the product, the type of crackers it contains, the composition, the expiration date, contact information for online ordering, and most importantly, the halal logo that has been registered.</p>

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Table 2. Packaging Analysis

PACKAGING	PACKAGING DESCRIPTION
	<p>The packaging used is using PP Plastic Clips that fit up to 500 grams, have a thickness of up to 0.09 (90 microns), accompanied by clips/zip locks so that they can be practically opened and closed, making the packaging look more beautiful, clear, and durable</p>

## Discussion

From the results of the analysis carried out, there is a significant increase in various aspects of the business. First, the application of more professional labeling has increased consumer trust in products. Labels that include nutritional

information, halal certification, and MSME logos give the impression of better quality to cracker products, which were previously only packaged simply

Second, improvements in packaging also have a positive impact on sales. More modern and attractive packaging not only maintains product quality for longer, but also attracts new consumer interest from various market segments. The environmentally friendly packaging introduced also improves the image of the product in the eyes of consumers who care about environmental sustainability.

Overall, the integration between labeling and packaging has succeeded in optimizing the performance of cracker MSMEs, improving product image, and increasing competitiveness in an increasingly competitive market,

## CONCLUSIONS

**Fundamental finding:** This study demonstrates that the integration of modern and informative labeling, along with functional packaging, significantly enhances the consumer appeal, market reach, and overall competitiveness of UMKM Kerupuk Ibu Badroh. These improvements have led to an increase in sales and a stronger product identity. **Implication:** The results highlight the importance of packaging and labeling as strategic tools for MSME development, suggesting that similar approaches could be applied to other rural MSMEs to boost marketability and business sustainability. **Limitation:** This research is limited to a single MSME unit within a specific geographic area, which may affect the generalizability of the findings. **Further research:** Future studies could explore the impact of labeling and packaging improvements on a broader range of MSMEs across different regions, as well as investigate the long-term effects of these changes on customer loyalty and brand recognition.

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