



# The Branding Strategies of Green Packaging in the Future

## An Investigation into the Role of Micro, Small and Medium Enterprises (MSME) in the Food Sector

N. Akmalia<sup>1</sup>(✉), H. D. Rahmayanti<sup>2</sup>, and S. Ardiani<sup>2</sup>

<sup>1</sup> Publishing Department, Politeknik Negeri Media Kreatif, Jakarta, Indonesia  
nakmalia@polimedia.ac.id

<sup>2</sup> Graphic Engineering Department, Politeknik Negeri Media Kreatif, Jakarta, Indonesia

**Abstract.** The purpose of this study is to contribute to the existing research in the field of packaging and brand strategies and shed more light on the psychology of green packaging in the future and their effect on packaging and brand strategies. The environment and food safety are major areas of concern influencing the development of green packaging for replacement of plastic. Our preliminary study provides a comprehensive overview of nata de coco based biodegradable packaging which can be the green packaging of the future. We have also tested our findings for product packaging of Micro, Small and Medium Enterprises (MSME) in the Food Sector. However, its increases production costs because the price of materials tends to be high compared to plastic packaging. The challenge is that the food packaging that has been used by MSME's is made of plastic with low production costs and easy to find. This requires a creative and innovative branding strategy so that a biodegradable packaging product can successfully enter the packaging production market.

**Keywords:** MSME · Branding · Green packaging · Communication · Promotion

## 1 Introduction

The food industry is an industry that continues to multiply, both in terms of type, packaging, consumption patterns, etc. One of the food industry areas that continues to grow and innovate is packaged food products. Packaged food is consumed by 70% of the world's population. According to the Ministry of Industry data, plastic consumption in Indonesia is expected to reach 1.9 million tonnes in the first half of 2013. This number has increased by about 22.58% compared to the same half of the year—last year of 1.55 million tons. Single-use plastic waste for food and beverage packaging products is also increasing rapidly. Based on previous research, it has been found that the essential ingredient in nata de coco as an alternative to food packaging is biodegradable, natural, and safe to use. The problem arises because it uses natural ingredients made from coconut nata and has not been produced on a large scale. Hence, the price tends to be higher than plastic-based packaging. So much so that this biodegradable food packaging is

struggling to enter the market. The environment and food safety are significant concerns influencing the development of green packaging to replace plastic.

**Branding Strategy** The current development of a product's marketing strategy does not focus solely on the needs of consumers for the function of a product. A product is anything that a producer offers to a consumer to satisfy a need or a desire. The constantly changing market requires an up-to-date marketing strategy tailored to consumer tastes. One of today's innovative marketing strategies is to collaborate between cross-functional products. In the new wave era, collaboration is the newest way to add value to a product. It can grab consumers' attention and get word-of-mouth recommendations [1].

In the current era of the new wave, people value a product more than just a function, primarily because of the emotional connection to a product. By exploiting the emotional side of a product. Emotional factors contribute to the consumer's decision-making about a product. This is quite different from old thinking, which saw the cognitive aspect as playing a more critical role than the emotional aspect in decision making. Decision making is not only about involving cognitive roles but is a combination of emotional and cognitive [2].

The market research also shows that very few consumers make decisions based solely on the function of a product. The marketing strategy that uses emotional Branding.

Involve the community according to Chandra [3], marketing strategy is the development of plans regarding the company's expectations regarding various marketing activities or programs on demand for products or product lines in specific target markets. The marketing program includes marketing actions that can affect the demand for products, particularly in terms of changing prices, modifying advertising campaigns, designing special promotions, determining the choice of distribution channels, etc.

In business marketing, there is a new marketing paradigm known as emotional Branding. Branding and Branding bring credibility and new personality to the brand by fostering strong relationships with the community on a personal and holistic basis. Emotional Branding increases sales based on the need to meet customer desires [4]. The emotional brand paradigm emphasizes the human relationship between the company and the customer. This should be the culture of the company and the fundamental belief that people are the real power in business. Emotional branding is a methodology for connecting products to consumers emotionally that focuses on the most crucial aspects of human character, namely the desire to obtain material satisfaction and experience emotional fulfillment. Thus, a brand must be in a unique position to arouse consumers' feelings and emotions. Strong emotional branding results from partnership and communication. Ten principles of emotional branding (The Ten Commandments of Emotional Branding) illustrate the difference between the traditional concept of brand awareness and the emotional dimension as a new marketing paradigm [4]: 1) From consumers to people: Consumers buy, people live, 2) From product to experience: Product meets the need; experience meets desire. 3) From honesty to trust: Honesty is expected. 4) From quality to preference: Quality at the right price is a thing these days. 5) From fame to aspiration: Being famous does not mean you are loved. 6) From identity to personality: Identity is recognition. 7) From function to feel: The functionality of a product is only about simple usability or quality. 8) Ubiquity (very general presence) can be seen from ubiquity to presence. 9) From communication to dialogue: Communication is telling. 10)

From service to a relationship: Service is selling. Relationships are rewards. Furthermore, Marc Gobe [4] describes the four pillars of emotional branding: 1) Relationship: It means cultivating a deep relationship and showing respect for consumers and providing the emotional experience they truly desire. Thus, companies must know who their customers are. 2) Sensory experience: Research shows that offering a brand experience related to the senses can be very effective brand branding. Providing a sensory experience of a brand is the key to achieving an emotional connection with the brand that will create good memories and will create brand preference and create loyalty. 3) Imagination: Imagination is needed in the emotional branding process. Imaginative approaches to the design of products, packaging, retail stores, advertising, and websites allow brands to push the boundaries of expectations and win the hearts of consumers. The challenge for brands is to surprise often and still delight consumers. 4) Vision: The brand must have a strong vision because the brand will evolve through a natural life cycle in the market. To maintain its presence in the market, the brand must always be in a state of balance so that the brand can renew itself.

Collaborative marketing strategy involving a community concerned about the environment, in the case of this research, is the UMKM Saung Talas, Bogor City. *Saung Talas* is a small and medium business community that produces snacks, frozen foods, and various other processed foods and beverages made from local food, namely taro. MSMEs have a very significant role in the Indonesian economy, both in terms of the number of business units, employment, and contribution to gross domestic product (GDP). In 2011, the number of MSMEs reached 55.2 million units, meaning that MSMEs dominated 99.9% of the economic sector. Saung Talas as an MSME. Based on the description of the background above, a problem arises, namely how The Branding Strategies of Green Packaging in the Future: An investigation into the role of Micro, Small, and Medium Enterprises (MSME) in the Food Sector.

## 2 Methods

In this study, the research method used in this research is descriptive qualitative research. This research method describes people's behavior, field events, and specific activities in detail and depth, as for what is meant by descriptive research, namely a study to describe the variables relating to the problem under study without questioning the relationship between variables. The research approach used in this study is a qualitative descriptive research method based on phenomenology. The phenomenology in question is the phenomena that occur or the realities in the research field. Observations and interviews with *Saung Talas* SMEs will later use this biodegradable packaging. In addition, in this study, data was collected through literature studies and reference studies.

## 3 Results and Discussion

Green packaging or Biodegradable food packaging products made from nata de coco as a potential substitute for plastic packaging in the future are technological innovations resulting from previous research and development of nata de coco. In the food packaging industry, plastic still dominates as the primary material for packaging food and beverages,

both large and small and medium scale industries. Food packaging made from Nata de coco certainly has a huge opportunity, but currently, the production is still on a small scale, so that the production cost is relatively high. The implication is that the packaging price made from Nata de coco will be more expensive than ordinary plastic.

This, of course, makes it difficult for cocoa-based packaging materials to enter the market. Through this research, the author tries to analyze the right branding strategies and can be applied so that the packaged food sector can replace plastic packaging with biodegradable packaging. This research was conducted with observations and observations in one of the SMEs in the city of Bogor, namely Saung Talas. The Saung Talas small and medium business group in Bogor is one of the communities under the guidance of the Ministry of Agriculture. In the production of its products, Saung Talas is concerned with the use of food made from natural ingredients in the packaging of its food and beverage products. The study results indicate that there are several communication strategies and branding strategies that can be applied to include this biodegradable packaging in the MSME market. The first is a collaborative marketing strategy. Namely, this biodegradable packaging made from nata de coco is used by local food products or brands that already have a previous market. This biodegradable packaging has begun to be tested in several Saung Talas products, namely wheat flour products. The trial of the use of packaging on one of the MSME products is expected to continue and have a positive impact so that it can be applied to other packaged foods. Collaborative marketing strategy focuses on incorporating a new brand or product with brands that previously had their history, track record, or market.

The following branding strategy is emotional branding. *Emotional branding* is a strategy that entrepreneurs use to connect brands with emotions. In addition to the uniqueness of the product and price, applied emotional branding can also differentiate your brand from competitors. This approach is considered more effective than the relatively low price, attracting consumers. Emotional branding usually touches the human side; in this strategy, trying to relate to social issues, plastic waste can damage the environment; furthermore, it can have a significant and detrimental impact. With the decreasing sense of community empathy, environmental damage, and other life problems, emerging as a caring brand is the right choice. As is known, companies that devote their existence to social issues generally get more attention from consumers. Consumers who have difficult access to help their fellow human beings are more likely to put it in consumption. People will buy goods or use services that connect them with people in need without any hassle. This approach is also a good one because consumers also care about their lives in the future. Consumers will highly appreciate your company's efforts not to harm the environment and sustainable development. This is what makes them come back to use your products and services.

With the issue of global warming and climate change, biodegradable packaging is an option to reduce plastic waste in the world. In The Ten Commandments of Emotional Branding, the results of this study show that consumers who use and buy food products with biodegradable packaging get a customer experience and are involved in the movement to reduce waste for a better earth.

## 4 Conclusion

Emotional branding as a new strategy in marketing is something that can be implemented in biodegradable packaging products. The concept of emotional branding put forward by Marc Gobe is one of the solid strategies for a brand to survive among increasingly fierce brand competition. This happens because chaotic market conditions encourage brands to carry out brand strategies that no longer only touch the rational side of consumers but can also touch the emotional side of consumers. Establishing personal relationships with consumers, evoking consumer feelings with psychological and emotional approaches, fostering imagination in consumers' minds is part of the basic concept of emotional branding. Furthermore, we hope that the results of this research, in the form of a biodegradable packaging branding strategy, can be used by MSME actors in the future to realize safe and environmentally friendly food.

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