

Boosting the Performance of Culinary MSMEs Through Marketing, Product Innovation, and Word of Mouth: Empirical Evidence in Jepara Regency

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Article History

Received: 05-07-2026

Revised: 11-07-2026

Published: 30-07-2026

Keywords: Packaging, Product Innovation, Word of Mouth, Business Performance, Culinary MSMEs

ABSTRACT

Amidst fierce business competition, MSME operators are required to offer added value and enhance their business competitiveness. This study aims to analyse the role of packaging, product innovation and word-of-mouth in improving the business performance of MSME operators in Jepara Regency. A quantitative approach was employed using an associative research design. Questionnaires were distributed to MSME operators using purposive sampling to collect data from 100 respondents. The data were then analysed using multiple linear regression to test the relationships between the variables. The results indicate that, both partially and simultaneously, the variables of packaging, product innovation and word-of-mouth have a positive and significant effect on the business performance of SMEs in Jepara Regency. Product innovation is the most dominant factor in driving the growth of the culinary sector in Jepara. The Adjusted R-squared coefficient was 0.619, indicating that these three variables account for 61,9% of the variation in SME business performance, whilst the remainder is influenced by factors outside the scope of this study. These findings suggest that strategies focusing on packaging development, product innovation, and strengthening word-of-mouth communication are crucial factors in enhancing the success of culinary SMEs in Jepara Regency amidst an ever-evolving market landscape.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) contribute significantly to national economic growth and are a key pillar of the Indonesian economy. This sector contributes approximately 61% to the national Gross Domestic Product (GDP) and absorbs nearly 97% of the Indonesian workforce, thus playing a strategic role in maintaining national economic stability and resilience. Furthermore, the number of MSMEs, which has reached more than 64 million business units, demonstrates the sector's significant contribution to promoting economic equality and job creation (Coordinating Ministry for Economic Affairs of the

Republic of Indonesia, 2025). Jepara, a regency in Central Java, has economic potential with a positive growth trend spread across various industries, including the culinary sector as a pillar of the creative economy (Central Statistics Agency of Jepara Regency, 2025). Due to digital transformation, people's consumption patterns have also shifted to digital platforms. This situation presents opportunities and challenges for MSMEs to increase competitiveness and business performance sustainably through marketing strategies and product development that adapt to consumer needs (Wati et al., 2024).

Culinary business performance is measured not only by increased sales but also by the business's ability to maintain customer loyalty, expand the market, and create a sustainable competitive advantage (Nafif et al., 2022). One important factor influencing culinary business performance is product packaging. Packaging is no longer viewed solely as a protective barrier for the product, but has evolved into a marketing communication medium capable of shaping consumer perceptions of product quality. The concept of "*packaging is a silent salesman*" demonstrates that packaging has the ability to visually attract consumers' attention while simultaneously conveying brand identity, product information, and product value to the market. Attractive, informative, ergonomic, and unique packaging can enhance product image and create a positive experience for consumers. Innovative and communicative packaging design can increase product appeal and differentiate MSME products from competitors in a competitive market (Kusumah & Darmawan, 2024). This research shows that changes in packaging design for MSME products can increase consumer purchasing interest because the packaging serves as a representation of the business's quality and professionalism. In addition, packaging innovation supported by a clear product identity and digital marketing can help MSMEs increase sales and strengthen brand awareness amidst digital market competition (Djaddang et al., 2024).

Besides packaging, another component that can improve culinary business performance is product innovation. From a modern marketing perspective, packaging is no longer viewed solely as a protective barrier for a product, but also as a communication tool capable of shaping perceptions of quality, enhancing product value, and strengthening brand identity. Recent studies have shown a positive correlation between product innovation and business performance, particularly in culinary MSMEs seeking to increase the economic value of their products and expand market opportunities (Rosmita et al., 2026). Therefore, product innovation is a crucial strategy for culinary MSMEs in Jepara to increase their products' economic value and expand market opportunities.

The performance of culinary businesses is also influenced by consumer recommendations to other buyers, also known as word of mouth (WOM). Word of mouth is a marketing strategy that occurs through communication between consumers regarding their experiences with a product or service. In today's digital era, WOM is growing not only through direct face-to-face conversations but also through social media, online reviews, and various other digital platforms. Information derived from consumer experiences is considered

more credible than direct promotions from companies because it is more objective and authentic. According to Kurniawan and Mashariono (Arifin et al., 2025), WOM is an effective marketing strategy because it can influence consumer purchasing decisions through positive recommendations from other customers. Other research also shows that *word of mouth* has a positive and significant influence on consumer purchasing decisions (Ningsi & Ekowati, 2021). In the context of culinary MSMEs in Jepara, WOM is very important because the majority of consumers tend to choose products based on recommendations from their social circles or previous customer experiences. Therefore, service quality, customer satisfaction, and consumption experience are crucial elements in building positive WOM.

Previous research on MSME performance has generally discussed the influence of packaging, product innovation, and word of mouth as factors that can increase business competitiveness. However, most studies have been conducted separately, thus not providing a comprehensive picture of the simultaneous relationship between these three variables on culinary business performance. Furthermore, previous research has focused more on MSMEs in general, specific industrial sectors, or only focused on consumer behavior and purchasing decisions, thus aspects of improving the performance of local culinary businesses have not been studied in depth. Previous studies have also tended to be conducted in large urban areas with different market characteristics than culinary MSMEs in Jepara Regency. However, the development of culinary business competition, changes in consumer preferences, and the influence of digital marketing demand a more integrated strategy. Therefore, research is needed that can empirically examine the influence of packaging, product innovation, and word of mouth simultaneously on the performance of culinary MSMEs in Jepara.

This research is important because the culinary sector of MSMEs in Jepara has significant economic potential, but still faces various challenges such as low product differentiation, limited marketing innovation, and increasingly fierce competition due to market digitalization. By understanding the influence of packaging, product innovation, and *word of mouth* on business performance, MSMEs can gain a more effective strategic overview in increasing business competitiveness. This study is also important as a form of strengthening the capacity of local MSMEs to be able to adapt to changes in modern consumer behavior that pays more attention to product visual aspects, consumption experiences, and social recommendations in making purchasing decisions. In addition, this research can be a consideration for local governments and MSME support institutions in designing training programs, packaging design assistance, product innovation development, and digital marketing strategies that are appropriate to the needs of culinary entrepreneurs in Jepara.

Theoretically, this research is expected to enrich the study of consumer behavior and marketing strategies of MSMEs, particularly those related to the relationship between packaging, product innovation, and word of mouth on culinary business performance. Practically, the results of this study can serve as evaluation material and recommendations for

MSMEs in developing more adaptive, creative, and market-oriented businesses. Going forward, the implications of this research also have the potential to support strengthening the local economy by improving the quality and competitiveness of culinary MSMEs in Jepara. With a business development strategy based on innovation and an understanding of consumer behavior, MSMEs are expected to be able to survive and thrive amidst the challenges of globalization and the dynamic digital transformation that continues to develop.

design can convey a professional image to a culinary business and directly impact sales performance (Maricar et al., 2023). From a modern marketing perspective, packaging is no longer understood merely as a protective barrier for a product, but has evolved into a visual communication tool capable of building brand identity, reinforcing quality perceptions, and creating emotional experiences for consumers. Packaging is part of a branding strategy that serves to attract consumer attention, provide product information, and create differentiation amidst intense market competition (Kotler & Keller, 2022, p. 389). Therefore, attractive packaging design can increase a product's added value and significantly influence consumer purchasing decisions.

Consumers often judge product quality based on their initial visual appearance before trying the product directly. For culinary MSMEs, professional packaging can increase consumer trust because it is considered to reflect the quality, hygiene, and seriousness of the business owner in managing their product. Furthermore, unique packaging design can also be a key differentiator between MSME products and competitors' products, especially in the highly competitive culinary market. Packaging design has a significant influence on consumer perception and purchasing interest because in addition to strengthening product branding, packaging functions as a visual communication medium that can increase product appeal and strengthen brand messages to consumers (Chyntia et al., 2025); (Ferdiansyah et al., 2024). The better the packaging design of a product, the greater the opportunity for the product to attract market attention and improve the performance of culinary MSME businesses. Packaging design indicators include: Visual appeal (color, graphic design, packaging shape); Clarity of information (label, composition, how to use); Functionality (easy to open, store, or carry). These three indicators show that packaging effectiveness is not only determined by aesthetics, but also by the packaging's ability to meet consumers' practical needs.

H1: Packaging design has a positive and significant influence on the performance of culinary businesses in Jepara MSMEs.

Product innovation is a strategic factor determining the sustainability and competitiveness of MSMEs amidst dynamic market changes. Innovation can be achieved through flavor development, new packaging, improved material quality, or even more creative marketing approaches. In the *Resource-Based View* (RBV) theory, innovation is seen as a source of competitive advantage that creates unique value for consumers and is difficult for competitors to imitate. Therefore, MSMEs with high innovation capabilities tend to be more adaptive to changing consumer trends and market technology developments. Innovation is a key entrepreneurial tool that enables business actors to create new economic opportunities through product and process development (Drucker, 2012, p. 42).

Product innovation significantly impacts business competitiveness and performance by attracting new consumers and maintaining customer loyalty (Ibrahim et al., 2024). Innovation enables businesses to create product differentiation, a key strength in facing

increasingly fierce competition in the culinary industry. Consequently, creativity and innovation are crucial factors for culinary MSMEs in increasing productivity, business efficiency, and expanding market share (Romadia et al., 2025). In addition to producing new products, innovation also creates a unique consumption experience, thereby enhancing customer satisfaction. Therefore, the higher the level of product innovation implemented by MSMEs, the greater the opportunity for sustainable business performance improvement.

H2: Product innovation has a significant influence on the performance of culinary businesses in Jepara MSMEs.

Word of Mouth is a form of interpersonal communication that is highly influential in shaping consumer perceptions of a product or brand. In the increasingly competitive business world, WOM has become a highly valuable marketing tool due to its unforced nature and its origins in real customer experiences. Unlike conventional advertising, WOM is considered more objective and trusted by consumers because it is considered free from manufacturer promotional content. WOM has high persuasive power because the information conveyed comes from parties who are considered to have direct experience with a particular product or service (Hasan, 2013, p. 215).

Word of Mouth plays a significant role in expanding product exposure through personal and digital recommendations. Word of Mouth conducted through social media can create a ripple effect that strengthens a business's positive image, especially when consumers voluntarily provide reviews (Marjukah et al., 2024). Furthermore, e-WOM significantly contributes to increasing purchase intention and customer loyalty towards local culinary products. The strength of e-WOM lies in its credibility, information quality, and the number of reviews available, enabling it to influence purchasing decisions more persuasively (Aini & Soepatini, 2024). Modern consumers tend to seek out digital reviews or recommendations before purchasing a product, particularly in the culinary sector, which relies heavily on previous consumer experiences. Therefore, managing word of mouth, both offline and online, is a crucial strategy that MSMEs can utilize to enhance their business reputation, expand their market share, and sustainably strengthen their business performance.

H3: *Word of Mouth* has a significant influence on the performance of culinary businesses in Jepara MSMEs.

Business performance is an indicator that reflects how well a business achieves its goals, both in terms of operational efficiency, sales growth, profits, and resilience in market competition. Business performance reflects the successful implementation of marketing strategies and innovations carried out by business actors. The performance of MSMEs can be seen from the business's ability to increase sales volume, maintain customer loyalty, expand market share, and maintain business continuity amidst changing consumer behavior and dynamic business competition (Gunarsa & Utama, 2026). Furthermore, business performance is influenced not only by the company's internal capabilities, but also by the effectiveness of marketing strategies, product innovation, and the ability to build relationships with consumers (Ferdinand, 2014, p. 67).

In their research, the performance of culinary MSMEs increases when they are able to adopt digital strategies, strengthen consumer interactions through social media, and consistently maintain product quality (Sapthiarsyah & Junita, 2024). These findings indicate that the success of culinary businesses in the digital era is greatly influenced by the ability of business actors to create positive consumer experiences and build effective marketing

communications. Furthermore, MSME business performance is significantly influenced by the ability to innovate, service quality, and adapt digital marketing continuously (Lestari & Sujana, 2025). Therefore, improving business performance is inseparable from ongoing efforts to develop products, utilize WOM, and create attractive and relevant packaging to market needs. The combination of these three factors can strengthen the competitiveness of culinary MSMEs while continuously increasing consumer trust and loyalty.

H4: Packaging design, product innovation and WOM have a positive and significant influence on improving the performance of culinary businesses in Jepara MSMEs.

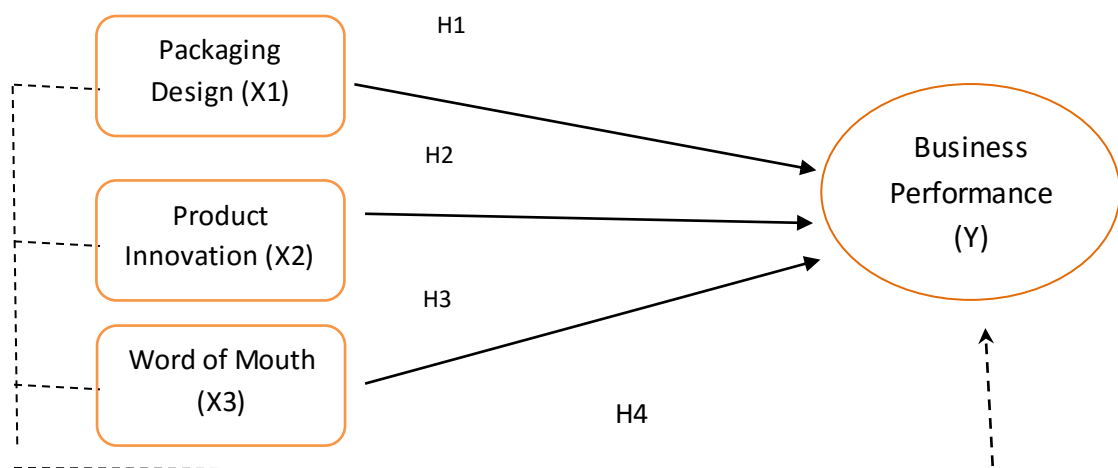


Figure 1. Framework of thinking

RESEARCH METHODS

This study uses an associative research method with a quantitative approach. The associative approach was used because this study aims to determine the relationship and influence between independent variables, namely packaging design, product innovation, and word of mouth, on the dependent variable, namely culinary business performance in MSMEs in Jepara Regency. Associative research aims to determine the relationship between two or more variables and to observe the magnitude of the influence between these variables (Sugiyono, 2021, p. 57). The quantitative approach was chosen because this study emphasizes numerical data measurement and statistical analysis to obtain objective, systematic, and empirically testable research results. Similarly, quantitative research is used to test hypotheses by collecting measurable data analyzed using statistical procedures (Arikunto, 2006, p. 27).

The data used in this study are primary data obtained directly from respondents through questionnaires distributed to culinary MSMEs in Jepara Regency. The questionnaire was used as the primary instrument because it is able to obtain data effectively and efficiently related to respondents' perceptions of the research variables. In addition to the questionnaire, this study also used a literature review as a supporting data collection technique through various scientific sources, such as books, journals, scientific articles, and previous research relevant to the research topic. Literature review is a data collection technique carried out by

studying various literature related to the research problem to strengthen the theoretical foundation and scientific argumentation (Nazir, 2014, p. 93).

The population in this study was all culinary MSMEs in Jepara Regency. A population is a generalization area consisting of objects or subjects with certain characteristics determined by the researcher to be studied and then conclusions drawn (Sugiyono, 2021, p. 80). Because the culinary MSME population in Jepara is quite large and spread across various regions, this study used a non-probability sampling technique with the purposive sampling method. Non-probability sampling is a sampling technique that does not provide an equal opportunity for each member of the population to be selected as a research sample (Sugiyono, 2021, p. 84). Meanwhile, purposive sampling is a sampling technique based on certain considerations or criteria tailored to the research objectives to obtain more representative and relevant data. The respondent criteria in this study were culinary MSMEs in Jepara Regency who had been in business for at least one year and actively marketed their products to consumers. The choice of the purposive sampling technique was deemed appropriate because it helped researchers obtain respondents who truly understood the culinary business conditions and were relevant to the variables studied. According to Hair, the number of research samples was rounded up to 100 respondents.

Following are the operational definitions for each variable:

Table 1 Operational Definitions and Indicators

Variable s	Indicator	Measurement ale
Packaging (X1)	- Visual design - Material suitability - Functionality	Likert 1–5
Product Innovation (X2)	- New products - Product development - Differentiation	Likert 1–5
Word of Mouth (X3)	- Consumer recommendations - Positive reviews - The influence of testimonials	Likert 1–5

Business Performance (Y)	- Increased turnover - Customer growth - Operational efficiency	Likert 1–5
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RESULTS AND DISCUSSION

Results

Respondent Data Description

The details of the questionnaire results in Table 2 show that there were 100 respondents with the characteristics of respondents dominated by female gender (70%) and the highest percentage aged 27-45 years.

Table 2. Respondent Characteristics.

No	Qualification		Number of Respondents	Presentation
1	Gender	Woman	70	70%
		Man	30	30%
2	Age	22-26	20	20%
		27-45	80	80%

Source: Data processing, 2026

Classical Assumption Test Results

Table 3. Normality Test Results.

Method	Significance Value	Information
<i>Kolmogorov-Smirnov</i>	0.112	The assumption of normality is met

Source: Data processing, 2026

Table 3 shows the results of the *Kolmogorov-Smirnov statistics* indicating a significance level (*Asymp Sig*) of 0.112 obtained from data analysis conducted using SPSS using the one-sample *Kolmogorov-Smirnov test* . The assumption of normality in the regression model is met, because the significance value exceeds 0.05, which indicates that the research data follows a normal distribution.

Multicollinearity Test

Table 4. Multicollinearity Test Results

Variables	Tolerance	VIF	Information
Packaging	0.665	1,504	There is no multicollinearity
Product Innovation	0.772	1,295	There is no multicollinearity
Word of Mouth	0.550	1,818	There is no multicollinearity

Source: Data processing, 2026

The regression model is free from multicollinearity problems, as seen from the results of the multicollinearity test in Table 4, which shows that each variable has a tolerance value above 0.10 or a VIF below 10.

Heteroscedasticity Test

Table 5. Heteroscedasticity Test Results

Variables	Significant t	Information
Packaging	1,000	There is no heteroscedasticity
Product Innovation	1,000	There is no heteroscedasticity
Word of Mouth	1,000	There is no heteroscedasticity

Source: Data processing, 2026

The results of the heteroscedasticity test are shown in Table 5, where each assessed variable has a significance value exceeding 0.05. This indicates that the research model does not show any indication of heteroscedasticity.

Multiple Linear Regression Test

Table 6. Multiple Linear Regression Test Results

Variables	Coefficient	T count	Significant
Constant	-5,577	-0.935	0.368
Packaging	0.233	1,900	0.028
Product Innovation	0.752	2,969	0.012
Word of Mouth	0.232	1,103	0.002

Source: Data processing, 2026

Table 6 presents the final results of multiple linear regression, so that the formulation of the equation model in this study can be stated as follows:

$$Y = -5.577 + 0.233 ($$

The following is an explanation of the equation:

- A constant of -5.575 means that if variables X1, X2, and X3 are assumed to have a value of 0, then the predicted value of Y is -5.575. A negative constant value is not a problem as long as the regression model meets the assumptions and the independent variables do not actually have a value of 0.
- The X1 coefficient of 0.233 means that for every 1 unit increase in X1, Y will increase by 0.233 units, assuming other variables remain constant.
- The X2 coefficient of 0.752 means that for every 1 unit increase in X2, Y will increase by 0.752 units. This variable has the greatest influence because its coefficient is the highest.
- The X3 coefficient of 0.232 means that for every 1 unit increase in X3, Y increases by 0.232 units.

t-test (Partial)

Table 7. t-Test Results

Variables	B	Std.Error	Beta	t	Sig.
(Constant)	-5,577	5,964		-.935	.368
Packaging	.223	.117	.371	1,900	.028
Product Innovation	.752	.253	.538	2,969	.012
Word of Mouth	.232	.210	.237	1.103	.002

Source: Data processing, 2026

The results of the SPSS T-test in table.7 of the Packaging variable on the Increase in Sales of Culinary Business Performance in Jepara MSMEs show data that the Sig value is $0.042 < 0.05$, which means that there is an influence of packaging on the Increase in Sales of Culinary Business Performance in Jepara MSMEs. Then for the Product Innovation variable on the Increase in Sales of Culinary Business Performance in Jepara MSMEs shows data that the Sig value is $0.007 < 0.05$, which means that there is an influence of product innovation on the Increase in Sales of Culinary Business Performance in Jepara MSMEs. The Word of Mouth variable according to the SPSS results shows data with a Sig value of $0.005 < 0.05$, which means that there is an influence of WOM on the Increase in Sales of Culinary Business Performance in Jepara MSMEs.

F TEST (*simultaneous*)

Table 8. F Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	15,951	3	5,317	9,133	.002b
Residual	6,986	12	.582		
Total	22,938	15			

Source: Data processing, 2026

Table 8, The next test is the F test by referring to the variables of packaging, product innovation, and word of mouth on the increase in sales performance of culinary businesses in Jepara MSMEs. The data shows that the sig value < 0.05 means that the variables of packaging, product innovation, and WOM simultaneously/together have an effect on the increase in sales performance of culinary businesses in MSMEs.

Determination Test (R^2)

Table 9. Results of Determination Test (R^2)

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.834 ^a	.695	.619	.763

Source: Data processing, 2026

Referring to the results of SPSS data processing in table 9, the results obtained are an R square value of 0.695 or 69.5%, which shows that there is a simultaneous influence between packaging, product innovation and WOM on MSME performance and the remaining 30.5% is influenced by other variables.

Discussion

Packaging Influences Increased Sales Performance of Culinary Businesses in Jepara MSMEs

The results of the research data processing indicate that packaging variables have a positive and significant influence on improving the performance of culinary businesses in MSMEs in Jepara Regency. This is evidenced by the results of the t-test which obtained a significance value of 0.028 or less than 0.05. These findings indicate that the better the quality and design of packaging used by MSMEs, the higher the opportunity for increased sales and development of culinary businesses. In the increasingly competitive culinary business, packaging not only functions as a product protector, but also as a visual communication

medium that can shape consumer perceptions of product quality. Attractive, hygienic, informative, and easy-to-use packaging can increase consumer trust while strengthening the brand identity of MSMEs in the market.

Creatively and professionally designed packaging can enhance the visual appeal of a product, making it more appealing to consumers to make a purchase (Natsir & Waani, 2024). Visual elements in marketing strategies play a crucial role in shaping consumer perceptions of the quality of culinary products. This research finding is further supported by research (Irawati, 2022) which shows that packaging design significantly influences consumer perceptions and purchasing decisions because packaging is the initial representation of the quality of MSME products. Therefore, the use of innovative, communicative, and market-driven packaging can be an effective strategy for culinary MSMEs in Jepara to increase sales, expand markets, and sustainably strengthen business competitiveness.

Product Innovation Influences Increased Sales Performance of Culinary Businesses in Jepara MSMEs

The results of the research data processing indicate that product innovation has a positive and significant influence on improving the performance of culinary businesses in MSMEs in Jepara Regency. This is evidenced by the results of the t-test which obtained a significance value of 0.012 or less than 0.05. In addition, the product innovation variable has the highest regression coefficient value of 0.752 compared to other variables, thus indicating that product innovation is a dominant factor in improving the performance of culinary businesses in Jepara MSMEs. These findings indicate that the ability of business actors to create product variations, update flavors, improve the quality of raw materials, and present a more attractive product appearance can increase consumer interest and strengthen business competitiveness amidst increasingly competitive culinary market competition.

Product innovation has a positive and significant impact on marketing performance because it can create added value that differentiates MSME products from competitors' products (Ananda & Nurhayati, 2025). Innovation not only functions to produce new products, but also serves as an adaptation strategy to changing trends and evolving consumer preferences. The findings of this study are also supported by (Ibrahim et al., 2024), who stated that product innovation has a significant impact on the competitiveness and performance of MSMEs because it can increase customer loyalty and expand business market share. In addition, product innovation is also one of the main keys to improving the performance and sustainability of MSME businesses in the era of digital competition (Aulia & Puspitowati, 2024). Creativity and innovation are important factors for culinary MSMEs in increasing productivity and business efficiency sustainably (Romadia et al., 2025). Thus, the higher the product innovation capability carried out by culinary MSMEs in Jepara, the greater the opportunity to increase turnover, customer loyalty, and business success in facing dynamic market competition.

Word of Mouth Influences Increased Sales Performance of Culinary Businesses in Jepara MSMEs

The results of the research data processing indicate that word of mouth has a positive and significant influence on improving the performance of culinary businesses in MSMEs in Jepara Regency. This is evidenced by the results of the t-test which obtained a significance value of 0.002 or less than 0.05. These findings indicate that the better the positive communication provided by consumers regarding MSME culinary products, the greater the opportunity for increased sales and business development. In the digital era and increasingly fierce market competition, word of mouth is one of the effective marketing strategies because information derived from consumer experiences is considered more objective and more reliable than direct promotions from business actors. Recommendations given by customers, both directly and through digital media, can shape positive perceptions and increase potential consumers' confidence in the quality of MSME culinary products.

Word of Mouth (WOM) communication, whether through direct conversations or written media, has a significant influence on building consumer trust in a product. Positive customer testimonials can create a recommendation effect that encourages other consumers to make a purchase (Prameswari & Sitorus, 2024). E-WOM plays a crucial role in digital consumer shopping behavior because modern consumers tend to seek product reviews before making a purchase (Kusawat & Teerakapibal, 2023). WOM-based promotional strategies strongly influence consumer purchasing decisions because they can shape perceptions of product quality and credibility more persuasively (Nabiilah et al., 2024). This research finding is also supported by (Fadhillah & Hariyanto, 2026), which explains that e-WOM significantly contributes to increasing customer loyalty and purchase intention for local culinary products. Furthermore, positive consumer reviews on social media can strengthen a business's image and significantly expand the marketing reach of MSMEs (Marjukah et al., 2024). Thus, the more positive *word of mouth* received by culinary MSMEs in Jepara, the greater the opportunity to increase turnover, consumer loyalty, and business success in maintaining competitiveness amidst the development of the digital market.

Packaging, Product Innovation, and Word of Mouth Influence the Increase in Sales Performance of Culinary Businesses in Jepara MSMEs

The results of the research data processing indicate that the variables of packaging, product innovation, and word of mouth simultaneously have a positive and significant effect on improving the performance of culinary businesses in MSMEs in Jepara Regency. This is proven by the results of the F test which obtained a significance value of 0.002 or less than 0.05. In addition, the results of the determination coefficient (R^2) test showed a value of 0.695 or 69.5%, which means that the variables of packaging, product innovation, and word of mouth are able to explain the influence on improving the performance of culinary businesses in Jepara MSMEs by 69.5%, while the rest is influenced by other factors outside the study.

These findings indicate that these three variables have a strong relationship in creating business competitiveness and increasing sales of MSME culinary products.

Attractive and informative packaging can build a professional impression and increase consumer confidence in product quality. Packaging not only serves as product protection but also as a marketing communication medium that can expand the market reach of culinary MSMEs (Natsir & Waani, 2024). Furthermore, product innovation is a crucial factor in creating product differentiation and maintaining consumer interest. Product innovation has a positive and significant impact on MSME performance because it can increase business competitiveness and strengthen business sustainability amidst increasingly dynamic market competition (Tingal & Situmorang, 2024).

Furthermore, word of mouth also plays a significant role in improving the performance of culinary businesses. Positive communication between consumers, both directly and through digital media, can increase consumer trust and purchasing decisions (Prameswari & Sitorus, 2024). Word of mouth can strengthen a business's image and expand the marketing exposure of MSME culinary products (Purba et al., 2025). Thus, the synergy between attractive packaging, continuous product innovation, and positive word of mouth has been proven to increase customer numbers, sales volume, consumer loyalty, and sustainably strengthen the performance of MSME culinary businesses in Jepara.

CONCLUSION AND SUGGESTIONS

The description above shows that packaging, product innovation, and word of mouth influence the performance of MSMEs in the Jepara culinary sector. Attractive and clear packaging can make a product more popular and establish a business identity. Meanwhile, product innovation has a dominant influence in helping MSMEs improve business performance. Innovating products according to market desires and tastes can strengthen MSMEs' competitive position. Meanwhile, word of mouth has proven to be an effective promotional method, given that customer recommendations can increase people's confidence and desire to buy. Therefore, the better the implementation of packaging, product innovation, and word of mouth promotion in culinary MSMEs in Jepara, the greater the opportunity for increased turnover and business growth.

Based on the research and analysis described above, recommendations for MSMEs in Jepara include continuously increasing product variety and innovation, keeping pace with changing market trends. Furthermore, MSMEs need to improve customer satisfaction, provide excellent service, and create a pleasant customer experience, encouraging customers to recommend the product to others. To enhance product appeal to consumers, MSMEs need to provide product information and instructions that are easy for consumers to understand, as well as use safe packaging materials. Future researchers should consider adding other variables that could potentially influence MSME business performance, such as digital literacy, entrepreneurial orientation, and others, and increasing the sample size to enhance generalizability.

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