

## **The Influence of Product Quality, Packaging, and Brand Image on Purchase Decisions: The Mediating Role of Perceived Value in MSME Bakery Context**

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**Abstract:** Micro-small-medium enterprises (MSMEs) in the food sector often struggle to compete with established brands. This study examines how product quality, brand image, and packaging influence purchase decisions, with perceived value as a mediator, in the context of MSME bakery in Indonesia. Data from 100 consumers were analyzed using PLS-SEM in quantitative method. The results indicate that product quality, product packaging, and perceived value significantly and positively affect purchase decisions. Product quality and product packaging also exert significant effects on perceived value, whereas brand image does not. Mediation analysis reveals that perceived value mediates the relationship between product quality and purchase decision, as well as between product packaging and purchase decision, but not between brand image and purchase decision. These findings indicate that consumers prioritize tangible cues, such as product quality and packaging design over symbolic brand associations when evaluating bread MSME products. The study concludes that improving product quality and packaging is crucial for enhancing perceived value and driving purchasing behavior, while brand development remains a long-term strategic goal. Future research should involve multiple MSMEs and additional constructs such as customer satisfaction, brand trust, and price fairness to expand generalizability within Indonesia's food industry context.

**Keywords:** Brand Image, Perceived Value, Product Packaging, Product Quality, Purchase Decision

### **A. Introduction**

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in the national economy, with approximately 64.2 million business units contributing 61.07% to Indonesia's Gross Domestic Product (GDP), equivalent to IDR 8,573.89 trillion (Directorate General of Taxes, 2023). Regionally, East Java Province occupies an important position by contributing 25.07% to the economy of Java Island and achieving an economic growth rate of 4.81%, second only to DKI Jakarta, which

contributes 29.39% (Central Statistics Agency of East Java Province, 2024). According to Industry Research data, during the past decade Indonesia's food industry has demonstrated a positive growth trend despite certain fluctuations. This increase has been driven by rising consumer demand for practical processed food products, changing urban lifestyles, and the expansion of modern distribution channels that facilitate market access (Agustin et al., 2025). In East Java, the food industry sector accounted for 37.29% of the province's GRDP in 2021 (East Java Provincial Information and Communication Office, 2021). These conditions indicate that the food industry possesses strong attractiveness and promising prospects within society.

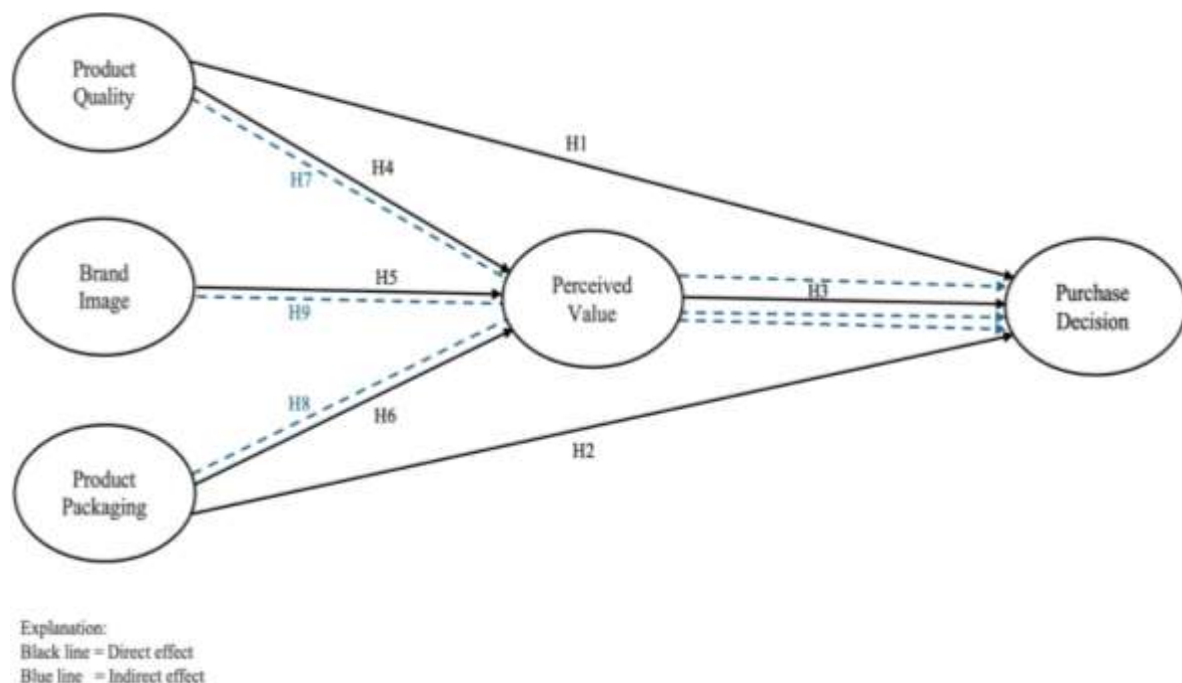
One of the key sub-sectors within the food industry is bakery production. Bread, in particular, exhibits strong market potential due to its practicality, balanced nutritional composition, and compatibility with the modern urban lifestyle. The number of MSMEs bakery has shown consistent growth in Indonesia (Pratama & Yulianti, 2020). In Candi District, Sidoarjo Regency, the emergence of enterprises such as Amanah Cake and Cookies reflects the positive trajectory of the local bakery industry, supported by expanding modern retail networks (Masita, 2022). Despite this promising development, bread MSMEs continue to encounter managerial and structural deficiencies, including the absence of standardized production procedures leading to inconsistency in taste, texture, and shelf stability. Furthermore, the limited managerial capability to establish consumer-perceived value defined as the overall consumer assessment of product worth relative to alternatives and remains a critical barrier to sustained competitiveness and purchase intention.

Extant literature has acknowledged that product quality, brand image, and packaging design exert significant influence on consumer purchase behavior (Kotler & Keller, 2022). However, the majority of such studies have concentrated on large-scale corporations with established brand equity and marketing infrastructure. While previous research has predominantly examined the direct effects of these variables in corporate or large-brand contexts, the interaction of product quality, packaging, and brand image through the mediating mechanism of perceived value remains insufficiently explored in local food MSMEs, where brand power is weak and tangible product cues often dominate consumer evaluation. Consequently, there exists a critical research gap in understanding how perceived value operates as a mediating variable that bridges tangible product attributes and consumer purchasing behavior within micro-enterprise environments.

According to Schiffman & Wisenblit (2020), purchasing decisions are shaped not only by economic and functional evaluations such as price, quality, and accessibility, but also by affective considerations, including trust, comfort, and familiarity. For MSMEs such as Amanah Cake and Cookies, the ability to cultivate strong perceived value is instrumental in reinforcing consumer preference, stimulating repeat purchases, and achieving competitive differentiation. Nevertheless, empirical inquiry into the mediating role of perceived value in MSME bakery contexts remains limited,

especially within Indonesia's emerging food industry. Although prior studies have examined product quality, brand image, and packaging as predictors of purchase decision, evidence remains mixed regarding (1) whether brand image consistently influences purchase decision in small-scale food Micro, Small, and Medium Enterprises (MSMEs), and (2) whether perceived value functions as the key psychological mechanism linking tangible product cues (quality and packaging) to purchase decision in local bakery contexts. Moreover, studies focusing on a single Micro, Small, and Medium Enterprises (MSMEs) bakery setting with repeat-purchase consumers remain limited. Therefore, this study tests an integrated model of product quality, brand image, and packaging on purchase decision through perceived value in a Micro, Small, and Medium Enterprises (MSMEs) bread product context. Accordingly, this study seeks to: (1) examine the influence of product quality, packaging, and brand image on purchase decisions among consumers of Amanah Cake and Cookies; (2) analyze the mediating role of perceived value in these relationships; and (3) provide strategic insights for strengthening consumer perceptions, enhancing competitiveness, and improving sales performance in local bakery MSMEs.

This study constructed a conceptual model that collects the proposed research hypotheses based on prior literature findings. This research employs the research design as follows



**Figure 1. Research Design**

H1: Product quality has a significant positive effect on purchase decision

H2: Product packaging has a significant positive effect on purchase decision

- H3: Perceived value has a significant positive effect on purchase decision
- H4: Product quality has a significant positive effect on perceived value
- H5: Brand image has a significant positive effect on perceived value
- H6: Product packaging has a significant positive effect on perceived value
- H7: Perceived value mediates the relationship between product quality and purchase decision
- H8: Perceived value mediates the relationship between brand image and purchase decision
- H9: Perceived value mediates the relationship between product packaging and purchase decision

## **B. Methods**

The study adopts a quantitative, empirical design to examine objective relationships among variables using an associative survey approach that tests correlations between two or more constructs (Punch, 1998; Sugiyono, 2022). This study is conducted from March-August 2025. The population comprises customers of Amanah Cake and Cookies located in Candi District, Sidoarjo Regency. Sampling was conducted purposively since it is targeted for selected respondents based on the selected criteria, yielding 100 respondents who met predefined inclusion criteria. This method is used to minimize the errors and focus on the object of this research. Primary data were gathered via an online questionnaire (Google Forms), and secondary data were drawn from relevant literature and supporting documents to strengthen the analysis (Sugiyono, 2022). Respondents were selected from consumers who had previously purchased Amanah Cake and Cookies, with eligibility limited to those who had bought the products at least twice in the preceding three months, were 17 years of age or older, and consented to participate voluntarily. The sample size followed Shiau et al. (2019), which recommends at least ten respondents per indicator for endogenous constructs. Given that perceived value and purchase decision each comprised five indicators, the minimum requirement was 100; accordingly, the study involved 100 respondents to enhance accuracy and reliability. Data were collected using a closed questionnaire with a 1-5 Likert Scale (STS=1 to SS=5).

This study employs several data-analysis techniques. Descriptive statistics are used to summarize respondents' characteristics. Cronbach's alpha is applied to assess the reliability of the measurement instruments. In addition, Structural Equation Modeling (SEM) is utilized to evaluate the validity and reliability of the measurement model and to test the hypothesized relationships among variables. Hypothesis testing is conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM). The proposed measurement model is reflective, meaning the indicators are expected to be correlated and largely interchangeable, with each indicator representing the same underlying construct. Accordingly, removing an indicator should not substantially alter the construct's meaning or the study's focal phenomenon. Construct validity is examined through convergent and discriminant validity. Convergent validity is

assessed using outer loadings (loading factors) and the Average Variance Extracted (AVE); outer loadings are expected to meet the 0.70 threshold, and AVE is deemed satisfactory when it exceeds 0.50. Discriminant validity is evaluated using the Heterotrait-Monotrait ratio (HTMT), with acceptable values below 0.90. Reliability is further confirmed by Cronbach's alpha, where coefficients above 0.70 indicate adequate reliability. The structural model is assessed using the R-square ( $R^2$ ) value to determine the predictive power for endogenous latent variables, categorized as weak (0.25), moderate (0.50), and substantial (0.75). Finally, the magnitude of each predictor's effect on the criterion construct is assessed using f-square ( $f^2$ ), interpreted as small (0.02), medium (0.15), and large (0.35).

## C. Results and Discussion

### Descriptive Analysis

The descriptive analysis of respondent characteristics indicates that among 100 consumers who have purchased Amanah Cake and Cookies (an MSME product in Candi Subdistrict), the majority are female (65%), with a dominant age range of 25-35 years (45%). As many as 38% of consumers have a monthly income of IDR 2.100.000 – 3.000.000. More than 50% of Amanah Cake and Cookies consumers have been familiar with the bakery products for 1-3 years, with a purchasing frequency of 1-3 times.

**Table 1. Characteristic Respondent**

| Characteristics                 | Frequency | Percentage |
|---------------------------------|-----------|------------|
| Gender                          |           |            |
| Male                            | 35        | 35%        |
| Female                          | 65        | 65%        |
| Age                             |           |            |
| <18 years                       | 10        | 10%        |
| 18-25 years                     | 25        | 25%        |
| 25-35 years                     | 45        | 45%        |
| >35 years                       | 20        | 20%        |
| Amount of Revenue               |           |            |
| Rp 100.000 – Rp 1.000.000       | 8         | 8%         |
| Rp 1.100.000 – Rp 2.000.000     | 28        | 28%        |
| Rp 2.100.000 – Rp 3.000.000     | 38        | 38%        |
| Rp > 3.000.000                  | 26        | 26%        |
| Bread Purchase Frequency        |           |            |
| 1 – 3                           | 56        | 56%        |
| 3 – 5                           | 35        | 35%        |
| > 5                             | 9         | 9%         |
| Getting to Know the Bread Brand |           |            |
| <1 years                        | 18        | 18%        |
| 1-3 years                       | 67        | 67%        |
| >3 years                        | 15        | 15%        |

**Table 2. Variable Measurement**

| Variable                | Indicator                  | Total Item | Scale            | References                    |
|-------------------------|----------------------------|------------|------------------|-------------------------------|
| Product Quality (PQ)    | Durability                 | 5 Items    | Likert scale 1-5 | (Dwidienawati et al., 2020)   |
|                         | Reliability                |            |                  |                               |
|                         | Functionality              |            |                  |                               |
|                         | Appearance                 |            |                  |                               |
| Brand Image (BI)        | Favorability               | 5 Items    | Likert scale 1-5 | (Dwidienawati et al., 2020)   |
|                         | Uniqueness                 |            |                  |                               |
|                         | Attention                  |            |                  |                               |
| Product Packaging (PP)  | Shape                      | 5 Items    | Likert scale 1-5 | (Hassan et al., 2012)         |
|                         | Packaging Material         |            |                  |                               |
|                         | Information on the Package |            |                  |                               |
| Perceived Value (PV)    | Quality                    | 5 Items    | Likert scale 1-5 | (Rybczewska, M., et al. 2020) |
|                         | Emotional                  |            |                  |                               |
|                         | Price<br>Social            |            |                  |                               |
| Purchase Decision (PDN) | Product introduction       | 5 Items    | Likert scale 1-5 | (Rybczewska, M., et al. 2020) |
|                         | Alternative evaluation     |            |                  |                               |
|                         | Purchase Decision          |            |                  |                               |
|                         | Post-Purchase Behavior     |            |                  |                               |

**Table 3. Descriptive Indicators of Research Variables**

| Indicator   | Category       | Average |
|---|----------------|---------|
| <b>Product Quality (PQ)</b>   |                |         |
| PQ1. I buy Amanah Cake and Cookies products because they are of good quality.   | Strongly Agree | 4.35    |
| PQ2. I buy Amanah Cake and Cookies products because they have good shelf life.  | Agree          | 4.15    |
| PQ3. I buy Amanah Cake and Cookies products because they have a soft texture.   | Agree          | 3.83    |
| PQ4. I buy Amanah Cake and Cookies products because they taste good.  | Agree          | 4.05    |
| PQ5. I buy Amanah Cake and Cookies products because they are clean and neat.  | Agree          | 4.17    |
| <b>Brand Image (BI)</b>   |                |         |
| BI1. I easily remember and recognize this bread brand when I see its packaging or display.                                      | Strongly Agree | 4.33    |
| BI2. I often get recommendations about this bread brand from people around me.  | Strongly Agree | 4.22    |
| BI3. I think this bread brand has distinctive characteristics that set it apart from other MSME bread brands in Candi District. | Agree          | 4.17    |
| BI4. I believe this bread brand consistently prioritizes quality.   | Strongly Agree | 4.37    |
| BI5. I feel that this bread brand suits my needs and preferences as a bread buyer.  | Agree          | 4.20    |
| <b>Product Packaging (PP)</b>   |                |         |
| PP1. I find the design of this bread packaging attractive and neat to look at.  | Agree          | 4.00    |
| PP2. I feel that this bread packaging protects the product well so that it is not easily damaged.                               | Agree          | 3.94    |

|  |                |      |
|--|----------------|------|
| PP3. I see that the information on the packaging (flavor/variety, expiration date, ingredients) is clearly listed and easy to read.      | Agree          | 4.05 |
| PP4. I find this bread packaging easy to open and convenient to carry.   | Agree          | 4.06 |
| PP5. I get the impression that this bread packaging is hygienic and professional.  | Agree          | 4.00 |
| <b>Perceived Value (PV)</b>  |                |      |
| PV1. I think this bread is worth the price I paid for it.  | Strongly Agree | 4.29 |
| PV2. I think the quality of this bread is comparable to or even exceeds its price.   | Strongly Agree | 4.35 |
| PV3. I feel satisfied and happy after buying this bread.   | Strongly Agree | 4.23 |
| PV4. I feel that I have chosen a good product.   | Strongly Agree | 4.49 |
| PV5. Overall, I think this bread offers more benefits than other alternatives at a similar price.  | Strongly Agree | 4.46 |
| <b>Purchase Decision (PDN)</b>   |                |      |
| PDN1. I bought Amanah Cake and Cookies products because I felt that they met my needs.   | Strongly Agree | 4.31 |
| PDN2. I preferred to buy Amanah Cake and Cookies products over other brands after considering the quality and value I felt they offered. | Strongly Agree | 4.28 |
| PDN3. I decided to buy Amanah Cake and Cookies products without much consideration because I was already convinced of their quality.     | Strongly Agree | 4.33 |
| PDN4. I intend to repurchase Amanah Cake and Cookies products in the future.   | Strongly Agree | 4.49 |
| PDN5. I recommend Amanah Cake and Cookies products to friends or family after making a purchase.   | Strongly Agree | 4.5  |

### Convergent Validity Test

The results of the loading factor analysis for each variable: Product Quality, Brand Image, Product Packaging, Perceived Value, and Purchase Decision, show values greater than 0.70, indicating that each item effectively reflects its respective construct. Furthermore, the Average Variance Extracted (AVE) values for all variables exceed 0.50, as shown in the table, demonstrating that all items possess good convergent validity.

**Table 4. Result of Loading factor and AVE**

| Variable               | AVE   | Indicator | Outer Loading | Details |
|------------------------|-------|-----------|---------------|---------|
| <i>Product Quality</i> | 0.727 | PQ1       | 0.806         | Valid   |
|                        |       | PQ2       | 0.884         | Valid   |
|                        |       | PQ3       | 0.878         | Valid   |
|                        |       | PQ4       | 0.887         | Valid   |
|                        |       | PQ5       | 0.805         | Valid   |
| Brand Image            | 0.608 | BI1       | 0.754         | Valid   |
|                        |       | BI2       | 0.739         | Valid   |
|                        |       | BI3       | 0.765         | Valid   |
|                        |       | BI4       | 0.841         | Valid   |
|                        |       | BI5       | 0.796         | Valid   |
|                        | 0.669 | PP1       | 0.787         | Valid   |

| Variable          | AVE   | Indicator | Outer Loading | Details |
|-------------------|-------|-----------|---------------|---------|
| Product Packaging |       | PP2       | 0.853         | Valid   |
|                   |       | PP3       | 0.865         | Valid   |
| Perceived Value   | 0.670 | PP4       | 0.864         | Valid   |
|                   |       | PP5       | 0.709         | Valid   |
|                   |       | PV1       | 0.834         | Valid   |
|                   |       | PV2       | 0.840         | Valid   |
|                   |       | PV3       | 0.837         | Valid   |
| Purchase Decision | 0.606 | PV4       | 0.791         | Valid   |
|                   |       | PV5       | 0.792         | Valid   |
|                   |       | PDN1      | 0.774         | Valid   |
|                   |       | PDN2      | 0.804         | Valid   |
|                   |       | PDN3      | 0.781         | Valid   |
|                   |       | PDN4      | 0.769         | Valid   |
|                   |       | PDN5      | 0.763         | Valid   |

### Discriminant Validity Test

The evaluation of discriminant validity was conducted using the **Fornell-Larcker criterion**, which asserts that each construct must be distinct from the others by comparing the square root of the Average Variance Extracted (AVE) with the correlations among constructs. As shown in Table 4, each variable or construct demonstrates high reliability, where the diagonal values (representing the square roots of AVE) are greater than the correlations with other constructs. This indicates that all constructs meet the requirements for discriminant validity.

**Table 5. Result of Fornell-Larcker Criterion**

|                   | Brand Image | Perceived Value | Product Packaging | Product Quality | Purchase Decision |
|-------------------|-------------|-----------------|-------------------|-----------------|-------------------|
| Brand Image       | 0.780       |                 |                   |                 |                   |
| Perceived Value   | 0.606       | 0.819           |                   |                 |                   |
| Product packaging | 0.524       | 0.632           | 0.818             |                 |                   |
| Product quality   | 0.704       | 0.687           | 0.624             | 0.853           |                   |
| Purchase Decision | 0.678       | 0.772           | 0.706             | 0.739           | 0.778             |

### Reliability Test

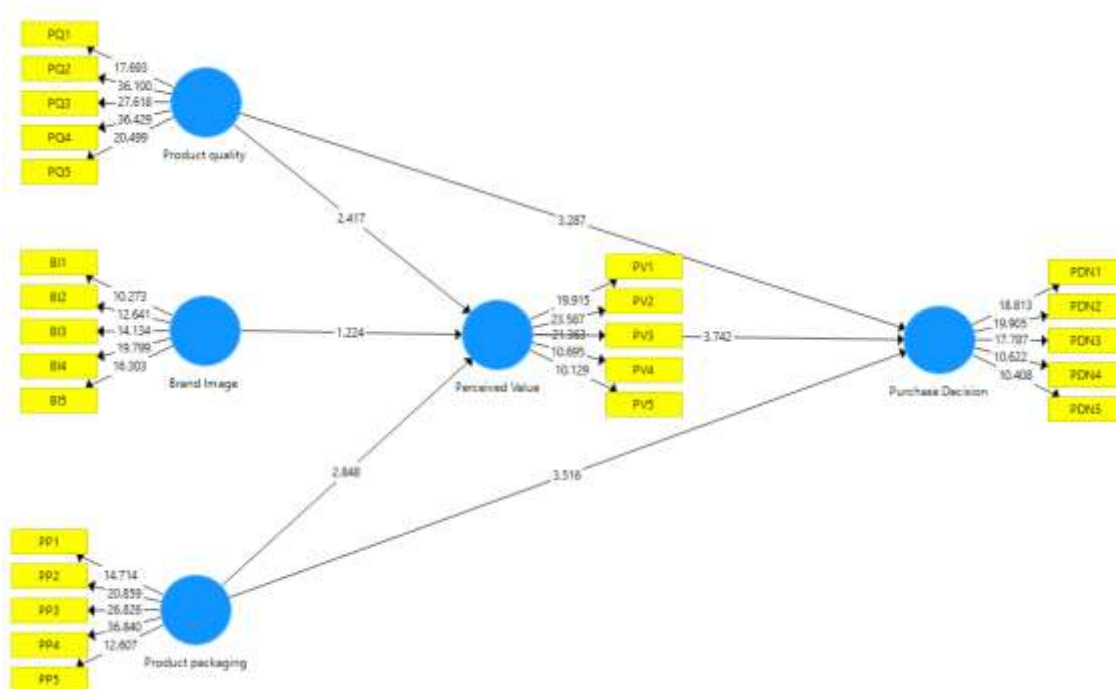
The results of the construct reliability test using Cronbach's Alpha and Composite Reliability for the variables Product Quality, Brand Image, Product Packaging, Perceived Value, and Purchase Decision all show values greater than 0.70. This indicates that all variables demonstrate strong internal consistency and meet the reliability criteria, confirming that the measurement instruments used in this study are reliable.

**Table 6. Result of Reliability Test**

|                   | Cronbach's Alpha | Composite Reliability |
|-------------------|------------------|-----------------------|
| Brand Image       | 0.839            | 0.886                 |
| Perceived Value   | 0.879            | 0.910                 |
| Product packaging | 0.875            | 0.910                 |
| Product quality   | 0.906            | 0.930                 |
| Purchase Decision | 0.838            | 0.885                 |

### Hypothesis Testing

Hypothesis testing was conducted to determine whether the proposed hypotheses were accepted or rejected. The analysis was performed using SmartPLS version 3.0. A hypothesis is considered accepted if the T-statistic value exceeds 1.96 and the significance level (p-value) is less than 0.05.



**Figure 2. Path Diagram Results (Inner Model)**

**Table 7. Direct and Indirect (Mediating) Effects**

|    |  | Original Sample (O) | Standard Deviation (STDEV) | T Statistics ( O/STDEV ) | P Values |
|----|--|---------------------|----------------------------|--------------------------|----------|
| H1 | Product quality -> Purchase Decision   | 0.299               | 0.091                      | 3.287                    | 0.001    |
| H2 | Product packaging -> Purchase Decision | 0.269               | 0.077                      | 3.516                    | 0.000    |
| H3 | Perceived Value -> Purchase Decision   | 0.397               | 0.106                      | 3.742                    | 0.000    |
| H4 | Product quality -> Perceived Value     | 0.360               | 0.149                      | 2.417                    | 0.016    |
| H5 | Brand Image -> Perceived Value         | 0.191               | 0.156                      | 1.224                    | 0.222    |

|    |   |       |       |       |       |
|----|---|-------|-------|-------|-------|
| H6 | Product packaging -> Perceived Value                      | 0.307 | 0.108 | 2.848 | 0.005 |
| H7 | Product quality -> Perceived value -> Purchase Decision   | 0.143 | 0.063 | 2.251 | 0.025 |
| H8 | Brand Image -> Perceived value -> Purchase Decision       | 0.076 | 0.079 | 0.954 | 0.340 |
| H9 | Product packaging -> Perceived value -> Purchase Decision | 0.122 | 0.050 | 2.445 | 0.015 |

Based on Table 4, the findings indicate that purchase decisions among *Amanah Cake & Cookies* consumers are significantly influenced by product quality ( $t = 3.287$ ), product packaging ( $t = 3.516$ ), and perceived value ( $t = 3.742$ ). The  $t$ -statistic values, all exceeding 1.96, confirm that these three variables play an essential role in driving purchasing decisions. Theoretically, these results affirm that consumer decisions are not determined solely by the functional quality of a product but also by its visual appeal and the perceived benefits it provides. Consumers tend to evaluate products based on a balance between quality, price, and the emotional experience gained from consumption. Furthermore, regarding the formation of perceived value, the results show that product quality ( $t = 2.417$ ) and product packaging ( $t = 2.848$ ) exert significant influences, whereas brand image ( $t = 1.224$ ) does not have a significant effect on perceived value. The mediation test results reveal that perceived value mediates the relationship between product quality and purchase decision ( $t = 2.251$ ), as well as between product packaging and purchase decision ( $t = 2.251$ ). However, perceived value does not mediate the relationship between brand image and purchase decision ( $t = 0.954$ ). These findings suggest that *Amanah Cake & Cookies* consumers are more influenced by tangible evidence such as product quality and packaging rather than brand reputation. This also reinforces that improvements in product quality and product packaging enhance purchase decisions, both directly and through the strengthening of perceived value.

### **Product Quality Has a Significant Positive Effect on Purchase Decision**

The analysis shows that product quality has a positive and significant effect on purchase decision ( $t = 3.287$ ). This result indicates that the higher the product quality perceived by consumers, the greater their tendency to make a purchase. The finding supports the Expectancy-Disconfirmation Theory (Oliver, 1980), which posits that purchase decisions are influenced by the level of satisfaction derived from product performance relative to prior expectations. When *Amanah Cake and Cookies* delivers bread with taste, texture, and shelf life that meet or exceed consumer expectations, customers evaluate the experience positively and are more likely to repurchase. Theoretically, Garvin (1987) identified eight dimensions of product quality such as particularly performance, reliability, and durability as key determinants of purchasing behavior. In the context of the micro-scale food industry, these three dimensions appear to be the most dominant: consistent taste (performance), product durability, and cleanliness (conformance). Consumers of *Amanah Cake and Cookies* seem to base their purchasing decisions primarily on these functional and sensory

dimensions. This finding is consistent with Kotler and Keller (2022), who emphasized that product quality serves as a primary signal for consumers in evaluating brand reliability and credibility. Thus, product quality becomes a source of perceived trust, which subsequently drives behavioral intention in the form of purchasing. This relationship also aligns with the Theory of Planned Behavior (Ajzen, 1991), suggesting that a positive attitude toward product quality increases consumers' behavioral intention to purchase.

### **Product Packaging Has a Significant Positive Effect on Purchase Decision**

The results indicate a positive and significant relationship between product packaging and purchase decision ( $t = 3.516$ ). This finding supports the Cue Utilization Theory (Olson & Jacoby, 1972), which explains that consumers rely on external cues, such as packaging appearance to assess product quality before making a purchase. In the context of bakery products, packaging serves as an extrinsic cue, offering consumers an initial impression of cleanliness, safety, and producer professionalism. Attractive, informative, and hygienic packaging acts as a form of nonverbal communication between producer and consumer (Silayoi & Speece, 2007). Visual elements such as color, logo, and packaging shape trigger specific emotional associations that enhance product appeal and stimulate purchase intentions. This aligns with the Dual Coding Theory (Paivio, 1991), which posits that visual information exerts stronger cognitive and affective effects than textual information alone. Thus, packaging is not merely an aesthetic component. It also functions to build perceived value and product credibility in consumers' minds. In the case of Amanah Cake & Cookies, modern, clean, and proportionally designed packaging communicates the professionalism of the MSME, enabling it to compete with larger commercial brands. Drawing from Signaling Theory (Spence, 1973), packaging acts as a marketing signal that conveys product quality to consumers and strengthens their trust in the brand. Therefore, product packaging can be considered a strategic element in influencing purchase decisions, combining protective, informative, and symbolic functions that reinforce the emotional connection between consumers and the product.

### **Perceived Value Has a Significant Positive Effect on Purchase Decision**

The findings reveal that perceived value has a positive and significant effect on purchase decision among Amanah Cake & Cookies consumers, with a t-statistic value of 3.742, exceeding the significance threshold of 1.96. This indicates that the higher the perceived value of a product, the stronger the consumer's intention to purchase. In consumer behavior theory, perceived value reflects the balance between what is gained and what is sacrificed, not only in economic terms but also emotionally. Consumers do not merely evaluate price; they also consider taste, freshness, and the overall experience associated with the product. This finding aligns with Customer Value Theory (Zeithaml, 1988), which asserts that perceived value arises when the functional, emotional, and social benefits of a product outweigh the sacrifices made to

obtain it. Moreover, the results reinforce the concepts of emotional value and functional value proposed by Sweeney & Soutar (2001), which explain that purchasing decisions are often driven by a blend of logic and emotion. In the context of Amanah Cake & Cookies, the pride of purchasing a high-quality local product and its appealing packaging generate emotional value that strengthens consumer attachment. Meanwhile, sensory attributes such as flavor, freshness, and durability contribute to functional value by fostering trust and satisfaction. When viewed through the lens of Means-End Chain Theory (Gutman, 1982), attributes like taste and packaging lead to practical consequences such as convenience and hygiene that ultimately fulfill personal values like satisfaction and pride. Consequently, the higher the perceived value formed through positive consumer experiences, the stronger the motivation to repurchase and recommend Amanah Cake & Cookies to others.

### **Product Quality Has a Significant Positive Effect on Perceived Value**

The analysis shows that product quality has a positive and significant effect on perceived value, with a t-statistic of 2.417 which exceeding the critical threshold of 1.96. This finding supports the Value-Perception Relationship Theory (Dodds, Monroe, & Grewal, 1991), which states that perceived quality is a key determinant in shaping perceived value. In the context of Amanah Cake & Cookies, MSME consumers tend to assess a product's value through intrinsic cues such as taste, texture, freshness, and consistency. When product quality improves, consumers' perceptions of functional benefits (e.g., enjoyable taste and product durability) as well as emotional benefits (e.g., satisfaction and pride in purchasing a high-quality local product) also increase, leading to a higher overall perceived value. This finding is consistent with the study by Tung & Hoang (2021), which demonstrated that food quality directly influences perceived value and customer loyalty. Psychologically, this relationship can be explained through Equity Theory (Adams, 1965), which posits that consumers evaluate fairness by comparing what they sacrifice (such as price and time) with what they receive (such as quality and consumption experience). When product quality is perceived as equal to or exceeding the cost and effort expended, consumers experience higher perceived value, which in turn fosters satisfaction and strengthens affective loyalty toward the product. Thus, this study confirms that improving product quality not only enhances the functional value of a product but also fosters a stronger emotional connection between consumers and the Amanah Cake & Cookies brand.

### **Brand Image Has a Positive Effect on Perceived Value**

The findings indicate that brand image has a positive but statistically insignificant effect on perceived value, with a t-statistic of 1.224, which falls below the significance threshold of 1.96. This suggests that the brand image of Amanah Cake & Cookies is not yet strong enough to meaningfully enhance consumers' perceived value. The result aligns with the Brand Knowledge Model (Keller, 1993), which posits that brand

image can influence consumer perceptions only when the brand has strong, favorable, and unique associations in consumers' minds. Since Amanah Cake & Cookies is still in the process of developing its brand identity, the brand associations formed among consumers are not yet distinctive or powerful enough to create substantial added value. In the context of local MSME consumers, purchasing decisions and perceived value tend to rely more on product-based evaluations such as taste, freshness, and quality rather than symbolic evaluations linked to brand meaning. This finding is consistent with the Hierarchy of Effects Theory (Lavidge & Steiner, 1961), which explains that emotional attachment to a brand typically emerges only after consumers have developed sufficient cognitive understanding and familiarity with it. In other words, because consumer awareness and knowledge of the Amanah Cake & Cookies brand remain limited, the influence of brand image on perceived value has not yet become significant. As a result, consumers are more likely to base their sense of value on tangible evidence such as product taste, quality, and consistency rather than on the symbolic attributes of the brand itself.

### **Product Packaging Has a Significant Effect on Perceived Value**

The results indicate that product packaging has a positive and significant effect on perceived value, with a t-statistic of 2.848 which is exceeding the significance threshold of 1.96. This finding underscores the important role of packaging in shaping consumers' perception of value toward Amanah Cake & Cookies. According to the Cue Consistency Theory (Erdem & Swait, 1998), when the external appearance of a product aligns with its actual quality, consumers develop greater trust and perceive the product as more valuable. In other words, packaging serves not only as a physical protector but also as a communication bridge between producer and consumer, conveying professionalism, cleanliness, and commitment to quality. Visual elements such as color, logo, and packaging shape evoke emotional responses that build trust and pride, while clear labeling enhances functional value by helping consumers understand the product's content and advantages. These findings are consistent with Herdian and Cokki (2022), who found that aesthetically appealing and informative packaging significantly increases consumers' perceived value in food products. In the case of Amanah Cake & Cookies, packaging acts as a symbol of the producer's dedication to delivering high-quality products. Neat, modern, and well-aligned packaging with product quality not only enhances aesthetic appeal but also builds consumer trust and strengthens the emotional connection between the brand and its customers.

### **The Mediating Role of Perceived Value Between Product Quality and Purchase Decision**

The results show that perceived value plays a significant mediating role in the relationship between product quality and purchase decision, with a t-statistic of 2.251, exceeding the significance threshold of 1.96. This indicates that the influence of

product quality on purchase decision operates not only directly but also indirectly through the enhancement of consumers' perceived value. This finding aligns with the Cognitive Appraisal Model (Bagozzi, 1982), which posits that perceived value is formed through a cognitive evaluation process of product quality prior to making a behavioral decision. In the context of Amanah Cake & Cookies, when consumers perceive the product as having good taste, consistent texture, and trustworthy quality, they first develop a belief that the product holds high value. This perceived value then acts as a psychological driver that leads to the actual purchase decision. The results further suggest a partial mediation, meaning that product quality continues to exert a direct influence on purchase decision in addition to its indirect effect through perceived value. This mediation pattern reflects a layered relationship between objective and subjective aspects in consumer decision-making. Product quality serves as the rational foundation that builds trust, while perceived value acts as the emotional bridge that translates perceived quality into concrete purchasing behavior. Thus, the higher consumers' assessment of the product quality of Amanah Cake & Cookies, the stronger their perceived value and ultimately increasing the likelihood of both purchasing and recommending the product to others.

### **The Mediating Role of Perceived Value Between Brand Image and Purchase Decision**

The findings reveal that perceived value does not play a significant mediating role in the relationship between brand image and purchase decision, with a t-statistic of 0.954 below the significance threshold of 1.96. This suggests that the current brand image of Amanah Cake & Cookies is not yet strong enough to generate a perceived value capable of influencing consumers' purchase decisions. According to Signaling Theory (Erdem & Swait, 1998), this occurs because the brand image has not yet functioned as a trusted signal for consumers in assessing product reliability and quality. At this early stage of brand development, such signals have not been consistently established, meaning the brand's presence has yet to contribute meaningfully to consumers' perception of value. This finding is also consistent with the Consumer Learning Theory (Howard & Sheth, 1969), which posits that brand image is not formed instantly but rather through a gradual process of learning and repeated experience. In the context of MSMEs such as Amanah Cake & Cookies, most consumers build their perceptions based on direct product experiences including taste, freshness, and appearance rather than on reputation or brand symbolism. This explains why perceived value has not effectively served as a bridge between brand image and purchase decision. In other words, consumers tend to trust tangible evidence more than symbolic brand messages when evaluating a product's worth. To strengthen this mediating relationship in the future, Amanah Cake & Cookies must focus on creating consistent and positive consumer experiences, so that the brand becomes not only recognizable but also trusted and associated with meaningful value in the minds of its customers.

## **The Mediating Role of Perceived Value Between Product Packaging and Purchase Decision**

The findings show that perceived value plays a significant mediating role in the relationship between product packaging and purchase decision, with a t-statistic of 2.445 exceeding the critical threshold of 1.96. This indicates that packaging influences purchasing decisions not only directly but also indirectly through the enhancement of consumers' perceived value. This result aligns with the Stimulus-Organism-Response (SOR) Theory (Mehrabian & Russell, 1974), which explains that product packaging serves as a stimulus capable of evoking perceived value within the organism (the consumer), ultimately leading to a response (purchase behavior). Attractive, hygienic, and informative packaging creates both sensory and cognitive experiences that elevate perceived value on functional and emotional levels. The functional value arises from a sense of safety, convenience, and usability, while the emotional value stems from aesthetic satisfaction and the impression of product professionalism. In the case of Amanah Cake & Cookies, modern packaging that emphasizes cleanliness, authenticity, and elegant design evokes hedonic satisfaction, a sense of joy and pride derived from purchasing a product that appears premium and well-crafted. Thus, improvements in product packaging have been proven to strengthen purchase decisions through the crucial role of perceived value, which serves as the psychological bridge between the product's external appearance and the consumer's buying behavior.

### **D. Conclusions**

Based on the findings of this study, it can be concluded that product quality and product packaging have a positive and significant effect on both perceived value and purchase decision for *Amanah Cake & Cookies* products. These two factors serve as the primary determinants influencing consumers' purchasing decisions. When *Amanah Cake & Cookies* offers high product quality and presents its products with attractive and well-designed packaging, purchase frequency tends to increase. On the other hand, brand image was found to have no significant effect on perceived value, indicating that consumers of *Amanah Cake & Cookies* do not yet rely on brand image as a key basis for evaluating product value. This may be attributed to the characteristics of consumers in Candi District, who tend to prioritize tangible aspects such as product quality and packaging over brand reputation. As an MSME, *Amanah Cake & Cookies* is likely still in the process of strengthening its brand identity, meaning that brand associations in consumers' minds are not yet strong enough to influence their perceived value. Consequently, consumers tend to assess the product based on direct experiences such as taste, quality, and appearance rather than on the symbolic attributes of the brand. This study, however, is not without limitations. Its scope was restricted to a single MSME "*Amanah Cake & Cookies*" located in Candi District, Sidoarjo Regency, which limits the generalizability of the findings to other MSMEs, particularly those operating in different food sectors or regions with varying

consumer characteristics. Although the sample size of 100 respondents meets the minimum requirement for PLS-SEM analysis, it may not fully represent broader consumer behavior, especially in more heterogeneous market segments. Variations in age, income, and consumption habits could lead to different outcomes if the sample size were expanded. In light of these limitations, future research is recommended to include multiple MSMEs from various regions and food subsectors to allow for broader generalization within Indonesia's micro food industry. Additionally, future studies could incorporate other variables such as customer satisfaction, brand trust, price fairness, or perceived risk, which may serve as potential mediators or moderators in the relationships among the main variables examined.

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