

INTERNATIONAL BRAND IMAGE DEVELOPMENT FOR MSMEs: CASE OF LEGIT CRACKERS

Hetty Karunia Tunjungsari^{1,2*}, Mei Ie¹, Didi Widya Utama³, Viny Christanti Mawardi⁴,
Nafia Solikhah³, Chiara Rizka Yukianti¹, Salsabila Ayunda Martsa Buana¹

¹Faculty of Economics and Business, Universitas Tarumanagara, Jakarta – Indonesia

²Master of Management Program, Universitas Tarumanagara, Jakarta – Indonesia

³Faculty of Engineering, Universitas Tarumanagara, Jakarta – Indonesia

⁴Faculty of Information Technology, Universitas Tarumanagara, Jakarta – Indonesia

*Email: hetty@fe.untar.ac.id

Submitted: 28-07-2023, Revised: 21-09-2023, Accepted: 08-11-2023

ABSTRACT

The growth of MSMEs drives Indonesia's economic growth in significant contribution. Businesses that are quite popular with MSMEs are businesses in the culinary sector. Legit Crackers is an MSME that produces snacks in the form of high quality and low-calorie mackerel fish crackers. Fish crackers are a popular snack among Indonesian people, with various types and various flavors. However, like many other MSME's businesses, the fish cracker business also faces a number of problems that need to be overcome. One solution is to develop product formulas and brand images. This is important because good product quality can influence the awareness, trust and confidence of potential buyers. For Legit Crackers, a low-calorie snack business that was founded in 2017, building a brand image is a challenge. To increase marketing potential, good quality and unique product development, packaging and promotions are carried out. Development of a comprehensive strategic plan to overcome production efficiency problems, improve business image, and open access to international markets. This research aimed to innovate and develop market potential for low-calorie snack products. It is hoped that this will improve consumer brand image towards Legit Crackers, develop the low-calorie snack market potential and penetrate the global market.

Keywords: low-calorie, snack, brand image

1. INTRODUCTION

The current condition of Micro, Small and Medium Enterprises (MSMEs) in Indonesia reflects great diversity in terms of scale, sector and challenges faced. MSMEs play a very important role in the Indonesian economy, contributing to the majority of employment and economic growth. MSMEs are the backbone of the Indonesian economy. According to data from the Indonesian Ministry of Cooperatives and SMEs, in 2021 there were more than 64 million MSMEs operating throughout the country, providing employment for millions of people (Ministry of Finance, 2020). MSMEs also play a role in driving the local economy in various regions, encouraging more equal distribution of income, and supporting socio-economic inclusion. After Indonesia experienced an economic downturn in 2020 due to Covid-19, economic revival in 2023 can be seen from Indonesia's economic growth in the first quarter of 2023 which was recorded at 5.03% compared to the previous year. Meanwhile, in the same period Gross Domestic Product (GDP) based on current prices reached IDR 5,071.7 trillion (BPS, 2023).

This economic growth is supported by improved household consumption power, increased mobility, and a decrease in the inflation rate. Apart from that, with a number reaching 99% of all business units, MSMEs are also one of the improvements in the nation's economy with GDP reaching up to 60.5% in 2022. This increase has caused MSMEs to be called a critical engine for the economy by the Deputy for Economic Coordination. Digital, Employment and Micro,

Small and Medium Enterprises and receive government support (ekon, 2022). Micro, Small and Medium Enterprises (MSMEs) engaged in the production of fish crackers are one of the sectors that have great potential in Indonesia (Halim, 2020). The growth of MSMEs also drives Indonesia's economic growth so it can be said that MSMEs have a large contribution (Farisi, Fasa, & Suharto, 2022). Fish crackers are a popular snack in Indonesian society, with various types and interesting flavors (Ghozali, Fatmawati, & Cahyono, 2021). However, like many other MSME businesses, the fish cracker business also faces a number of problems that need to be overcome.

There are various initiatives, both from the government and the private sector, which aim to encourage the growth and development of MSMEs. The development of MSMEs in Indonesia is very positive. The number of MSMEs continues to grow, and they are increasingly diverse in sectors and types of business. This reflects the strong entrepreneurial spirit among Indonesian society. The lifestyle of the millennial and urban lifestyle generation is that many people like types of food or light snacks such as chips and crackers which people can consume in their free time, moreover, this type of food is easy to obtain so the demand for snack products will always be there every year (Chotimah & Parantika, 2022). Thus, this is an opportunity for MSMEs operating in the food and beverage sector, especially fish cracker snacks, supported by production and marketing strategies that will attract consumer attention.

Product quality and taste are one of the company's strategies, especially for MSMEs, to be able to win competition in the business world. In this strategy element, MSME players are expected to improve the marketing production process. MSME players are not yet fully aware of the supporting factors in increasing sales of their products. An attractive product idea will increase consumers' desire to buy the product. One of the problems and limitations of cracker producing MSMEs in developing brands is that the production process is still manual and takes a long time. This process requires a lot of labor and takes quite a long time. This manual process not only increases production costs, but also limits their production capacity, making it difficult to meet higher demand. This is especially true for MSMEs that sell fish crackers, which require a careful processing process so that the resulting product is of high quality.

Furthermore, MSMEs who produce light snacks, often experience problems in building a strong business image. They may not have knowledge or experience in marketing and branding. This can hinder their ability to attract new customers and retain old ones. Lack of understanding of the importance of brand image and modern marketing strategies can be a major obstacle. Several aspects that influence brand image and customer perception of products are: (1) Product design and packaging; (2) Marketing and promotion; (3) Brand image management; (4) Customer feedback; and (5) Lack of differentiation from competitors.

Not all MSME players are aware of the importance of product packaging in sales figures because they do not yet understand and have knowledge regarding the variety of attractive packaging forms that suit their function (Irma Christiana, 2021), such as packaging techniques and attractive packaging designs, instruments and information that need to be included. on packaging, and can be differentiated from other products (Mukhlis M, 2022). Most MSMEs only focus on product creation but pay little attention to the packaging used. Based on previous research (Agmeka, Wathoni, & Santoso, 2019), it is stated that a good brand image will influence people's decision intentions to buy a product (Jalilvand, Mohammad, & Samiei, 2012). Therefore, it is important for MSMEs to form a brand image and product awareness among consumers. Due to limitations in access to international markets, MSMEs may not have knowledge of import and export requirements, as well as lack connections with international

distributors (Muhsyi, Fauziyyah, Khusna, & Mirzania, 2021). This makes them lose opportunities to expand market share and increase income through exporting their products abroad (Mulyana, 2020). There are still many public perceptions that assume that the quality of imported products is better. This is supported by previous research (Ansari, Ansari, Ghori, & Kazi, 2019), which states that brand awareness has a significant positive influence in encouraging people to decide to buy a product.

Legit Crackers is a micro, small and medium enterprise that produces home-made cracker products that are fried and processed using fresh mackerel fish and various kinds of selected spices as the base seasoning. Legit Crackers has seven flavor variants that suit Indonesian tastes, namely original, salted egg, truffle, cheese, crispy skin, spicy hot, seaweed, sweet corn and is committed to providing a special taste experience in every bite. As a result of these problems, the growth and sustainability of the Legit Crackers MSME business has been hampered.

To address this issue, Legit Crackers need to consider investing in production automation, strengthening marketing and branding efforts, and seeking opportunities to enter international markets through partnerships or increasing knowledge about exports. To increase marketing potential, good and unique product development, packaging and promotions are carried out. Development of a comprehensive strategic plan to overcome production efficiency problems, improve business image, and open access to international markets. Investment in modern production technology, training in branding and marketing, as well as collaboration with institutions that have experience in international expansion are also important.

2. METHODS

From the team survei and interview with Legit Crackers owner, we decided to first analyzed the need for developing a new brand logo for the business. Creating an effective brand logo for Micro, Small, and Medium Enterprises (MSMEs) involves a comprehensive research methodology that considers various factors influencing brand perception. The process begins with a thorough understanding of the MSME's identity, values, and target audience. A combination of qualitative and quantitative research methods is employed to gather insights. Qualitative methods, such as interviews and focus groups, help in understanding the subjective aspects of the brand, while quantitative methods, like surveys, aid in collecting measurable data on preferences and perceptions. Analyzing competitors' logos and industry trends is crucial to ensure distinctiveness. Iterative design testing, using prototyping and feedback loops, helps refine the logo.

It is essential to consider the psychological aspects of color, shape, and symbolism, aligning them with the brand's personality. Moreover, literature on the impact of logos on brand image emphasizes that a well-designed logo can significantly contribute to brand recognition, recall, and loyalty. The logo serves as a visual representation of the brand's values, making it imperative to align it with the desired brand image. Studies show that consumers often form initial judgments about a brand based on its logo, influencing their perception of product quality and overall brand personality. Therefore, the research-driven development of a brand logo is crucial for MSMEs to establish a strong and positive brand image in the market.

To delve deeper into the significance of logos in shaping brand image, various academic studies provide valuable insights. Wheeler (2017) emphasizes Aaker suggests that logos play a crucial part in this process, serving as a visual cue that triggers brand associations. Furthermore, Keller

(1993) introduces the concept of brand knowledge and argues that logos contribute to the creation and reinforcement of brand associations, aiding in the development of a strong brand image. This underscores the importance of a well-researched and thoughtfully designed logo for MSMEs to effectively communicate their brand identity.

Research methods in developing brand logos for MSMEs often involve qualitative approaches to gain a deeper understanding of the brand's personality and its target audience. In-depth interviews with key stakeholders, including founders, employees, and customers, provide valuable qualitative data. Through these interviews, researchers can explore the core values, mission, and vision of the MSME, ensuring that the logo aligns with these elements. Additionally, focus group discussions can be conducted to gather diverse perspectives and preferences related to logo design. These qualitative insights help in crafting a logo that resonates with the brand's identity and appeals to the intended audience.

Quantitative research methods are equally essential in the logo development process. Surveys can be administered to a representative sample of the target audience to gather quantitative data on preferences, perceptions, and associations related to different design elements. Likert scales and closed-ended questions can be employed to quantify responses, allowing for statistical analysis. This data-driven approach ensures that the final logo design is not only aesthetically pleasing but also resonates with the majority of the target audience.

Competitive analysis is another crucial aspect of the research methodology for logo development. Examining competitors' logos within the industry helps identify design trends, ensuring that the MSME's logo stands out. It also prevents unintentional similarities with existing logos, avoiding confusion in the market. This analysis extends beyond direct competitors to include industry leaders and brands with similar target audiences. By understanding the visual landscape of the industry, MSMEs can strategically position their logos to capture attention and differentiate themselves.

Iterative design testing is a vital component of the research process, allowing for continuous refinement of the logo. Prototyping different logo variations enables the collection of feedback from stakeholders and potential customers. This feedback loop helps identify strengths and weaknesses in each design, guiding the development process towards a logo that effectively communicates the desired brand image. The iterative nature of this testing ensures that the final logo is not merely a subjective creation but a product of data-driven decisions.

The psychological aspects of logo design play a significant role in shaping brand perception. The choice of colors, shapes, and symbols in a logo can evoke specific emotions and associations. For instance, warm colors like red and orange may convey energy and passion, while cool colors like blue and green may evoke feelings of calm and trust. The shape of a logo, whether round, angular, or abstract, can also influence perceptions of the brand's personality. Symbols and icons within the logo should align with the brand's values and resonate with the target audience. By integrating these psychological considerations into the design process, MSMEs can create logos that have a profound impact on brand image.

The literature on brand image and logo effectiveness emphasizes the lasting impression that logos can leave on consumers. Logos serve as visual identifiers that facilitate brand recognition and recall. Keller and Swaminathan (2020) introduces the Brand Equity Model, highlighting brand awareness as a fundamental element in building brand equity. Logos play a central role in establishing and reinforcing brand awareness, becoming a visual representation of the brand

in the minds of consumers. This recognition is crucial for MSMEs aiming to carve a niche in the market and compete with larger competitors.

The concept of brand personality, as introduced by Aaker (1997), further emphasizes the role of logos in shaping brand image. Aaker identifies five dimensions of brand personality – sincerity, excitement, competence, sophistication, and ruggedness. The design elements of a logo, such as color, typography, and imagery, contribute to the perception of these dimensions. For MSMEs, aligning the logo with the desired brand personality is essential for creating a cohesive and compelling brand image.

Studies on consumer behavior and perception underscore the importance of logos in influencing purchasing decisions. Logos act as shortcuts in decision-making, allowing consumers to quickly assess the brand's credibility and authenticity. Denecli (2015) conducted research on the impact of brand logos on consumer behavior, finding that well-designed logos positively influence perceived brand quality. This correlation between logo design and perceived quality is crucial for MSMEs seeking to establish themselves as reliable and trustworthy brands in the market.

The impact of logos on brand loyalty is another area explored in the literature. Logos serve as visual cues that trigger positive associations and emotions tied to the brand. According to studies by Delgado-Ballester and Munuera-Aleman (2001), a positive emotional response to a brand logo can enhance brand loyalty. For MSMEs, cultivating brand loyalty is essential for sustaining long-term success and building a loyal customer base. A thoughtfully designed logo that resonates with consumers emotionally can contribute significantly to this loyalty.

In conclusion, the research methodology for developing brand logos for MSMEs is a multifaceted process that combines qualitative and quantitative approaches. Understanding the brand's identity, conducting thorough competitor analysis, and considering psychological aspects of design are integral to the process. The literature on brand image and logo effectiveness highlights the lasting impact that logos can have on consumer perception, brand recognition, and loyalty. By incorporating these research methods and insights into the logo development process, MSMEs can create logos that not only visually represent their brand but also contribute to a strong and positive brand image in the market.



Figure 1 Legit Crackers' Logo

Figure 1 represent the existing logo of Legit Crackers. The idea behind this logo is that the product made from fresh fish, has authentic traditional recipe and homemade product. The combination of yellow, white and brown colors represent the golden color of fish cracker and gold as valuable investment and a symbol of prosperity for the business. The owner of Legit

Crackers wish that the product can become a traditional recipe yet modern snack which can be consume anytime, anywhere in the world.

3. RESULTS AND DISCUSSIONS

It cannot be avoided that marketing is an important aspect in promoting products to consumers (Opan, 2020), and requires various developments that can help increase the selling value of processed fish cracker products and overcome the obstacles or challenges faced. MSME products are often less competitive with brands that are already well-known on the market. This is coupled with the large number of snack brands that have been around for a long time and are better known to the public, and the limited competence of partners in improving the business image is also a problem. Legit Crackers has been committed to improving its brand image with consumers by developing product formulas, and has faced a series of challenges that demanded innovative and collaborative solutions. The Tarumanagara University PKM team will provide assistance and understanding to partners regarding the development of the brand image and product formula for mackerel crackers which is expected to be able to provide solutions and motivation for Legit Crackers partners in their efforts to improve the brand image of Legit Crackers consumers.

We conducted surveys and FGDs to obtain consumer preferences and perceptions of the Legit Crackers brand image. As Legit Crackers want to expand its market internationally, we adjust several aspects in the design to fulfill international market standard requirements. From the surveys and FGD, we concluded the new design for Legit Crackers logo and packaging as shown in Figure 2. From the surveys and FGDs, the new logo and packaging design were perceived to have high credibility, high quality, high authenticity, as well as modern style. We believe that with the new logo and packaging design, Legit Crackers will successfully marketed in the international market.



Figure 2. New Logo and Packaging Design for Legit Crackers

4. CONCLUSIONS AND RECOMMENDATIONS

The aim of this research is to improve Legit Crackers' brand image through the design of new logo and packaging. The research results are in the form of a more modern logo and packaging design without abandoning the authentic value of Legit Crackers as traditional product. Results are proven to increase consumer preferences and create a product image that is higher quality, authentic, credible and modern, which will be more acceptable for international consumers. This research can become input for MSMEs who want to expand their markets internationally. It should be noted that the international market has different preferences from the local market, thus, there are several adjustments that must be made so that the product image can be accepted by international consumers. In the future, research needs to consider the types of products that are suitable for different markets. Thus, the opportunity to successfully market products in international markets will be higher.

ACKNOWLEDGEMENT

The team of researchers would like to thank the "Program Pembinaan Usaha Mikro Kecil dan Menengah Berbasis Kemitraan" funded by the General Directorate of Higher Education, Research, and Technology of the Indonesia Ministry of Education, Culture, Research, and Technology for the year 2023.

REFERENCES

- Agmeka, F., Wathoni, R. N., & Santoso, A. S. (2019). The Influence of Discount Framing towards Brand Reputation and Brand Image on Purchase Intention and Actual Behaviour in e-commerce. *Procedia Computer Science*, 161, 851-858.
- Ansari, S., Ansari, G., Ghori, M. U., & Kazi, A. G. (2019). Impact of Brand Awareness and Social Media Content Marketing on Consumer Purchase Decision. *Journal of Public Value and Administrative Insight*, 2(2), 5-10.
- BPS. (2023, Mei 5). *Ekonomi Indonesia Triwulan I-2023 Tumbuh 5,03 Persen (y-on-y)*. Retrieved from bps.go.id: <https://www.bps.go.id/pressrelease/2023/05/05/1998/ekonomi-indonesia-triwulan-i-2023-tumbuh-5-03-persen--y-on-y-.html>
- Chotimah, T. H., & Parantika, A. (2022). Analisis Perilaku Pelanggan Generasi Y dan Z dalam Memilih Coffee Shop Brand Lokal. *Jurnal Media Bina Ilmiah*, 5(17), 975-982.
- ekon. (2022, Oktober 1). *Perkembangan UMKM sebagai Critical Engine Perekonomian Nasional Terus Mendapatkan Dukungan Pemerintah*. Retrieved from ekon.go.id: <https://www.ekon.go.id/publikasi/detail/4593/perkembangan-umkm-sebagai-critical-engine-perekonomian-nasional-terus-mendapatkan-dukungan-pemerintah>
- Delgado-Ballester, E. and Luis Munuera-Alemán, J. (2001), "Brand trust in the context of consumer loyalty", *European Journal of Marketing*, Vol. 35 No. 11/12, pp. 1238-1258. <https://doi.org/10.1108/EUM00000000006475>
- Deneçli, S. (2015). The Effect of Consumers' Attitudes Towards Logos or Emblems on Brand Preference. *Öneri Dergisi*. 11. 310. 10.14783/Od.V11i44.5000080017.

- Farisi, S. A., Fasa, M. I., & Suharto. (2022). Peran UMKM (Usaha Mikro Kecil dan Menengah) dalam Meningkatkan Kesejahteraan Masyarakat. *Jurnal Dinamika Ekonomi Syariah*, 1(9), 73-84.
- Ghozali, M. I., Fatmawati, S., & Cahyono, C. (2021). Pengelolaan Usaha Kerupuk Ikan Berkah di Desa Kalipasung Kecamatan Gebang Kabupaten Cirebon. *COMSERVA: Jurnal Penelitian dan Pengabdian Masyarakat*, 1(3), 109-117.
- Halim, A. (2020). Pengaruh Pertumbuhan Usaha Mikro, Kecil dan Menengah terhadap Pertumbuhan Ekonomi Kabupaten Mamuju. *GROWTH: Jurnal Ilmiah Ekonomi Pembangunan*, 1(2), 157-172.
- Irma Christiana, L. P. (2021). PKM Meningkatkan Nilai Jual Gula Aren Melalui Kemasan Yang Menarik. *Jurnal Pengabdian Kepada Masyarakat*, 103-108.
- Jalilvand, R., Mohammad, & Samiei, N. (2012). The Effect of Electronic Word of Mouth on Brand Image and Purchase Intention: An Empirical Study in The Automobile Industry in Iran. *Marketing Intelligence & Planning*, 4(40), 460-476.
- Keller, K. L., & Swaminathan, V. (2020). Strategic Brand Management Building, Measuring, and Managing Brand Equity (Fifth Edition). Pearson Education.
- Kementerian Keuangan. (2020, Agustus 24). *UMKM Bangkit, Ekonomi Indonesia Terungkit*. Retrieved from [djkn.kemenkeu.go.id](https://www.djkn.kemenkeu.go.id): <https://www.djkn.kemenkeu.go.id/artikel/baca/13317/UMKM-Bangkit-Ekonomi-Indonesia-Terungkit.html>
- Muhsyi, A., Fauziyyah, S., Khusna, K., & Mirzania, A. (2021). Model Distribusi Kerajinan Kreatif Jember Menuju Pasar Internasional. *BISMA: Jurnal Bisnis dan Manajemen*, 15(1), 75-85.
- Mukhlis M, L. A. (2022). Pelatihan Pembuatan Kemasan Produk-Produk Rumah tangga bagi Masyarakat di Desa Toniku. *Jurnal Pengabdian Masyarakat*, 91-98.
- Mulyana, S. d. (2020). Pelatihan Pengembangan Merek dan Kemasan bagi UMKM Kota Bogor. *Jurnal Abdimas Dedikasi Kesatuan*, 87-94.
- Opan, A. (2020). PKM Pembuatan Kemasan dan Perluasan Pemasaran Minuman Sari Buah Nanas Khas Kabupatensubang Jawa Barat. *Jurnal Pengabdian Kepada Masyarakat*, 3(2), 20-28.
- Wheeler, A. (2017). Designing brand identity: An essential guide for the whole branding team. John Wiley & Sons.