

CHAPTER I

INTRODUCTION

1.1 Background

Branding is the process of identifying and developing a company's identity, which includes understanding out what makes the brand unique and crafting a compelling narrative to set it apart from the competition. The objectives of this strategic project are to effectively communicate the value offer to the target audience and establish a distinctive brand message (Swasty & Utama, 2017).

Sagon is a delicious traditional Indonesian dessert that holds a special position in the country's culinary history. Although its origins are not well documented in history, Sagon has become a beloved culinary souvenir, especially in Yogyakarta and other towns around Java. Fascinatingly, several Sagon variants with distinctive features from the original Yogyakarta recipe can be found in other Indonesian towns (Sarifudin & Ekafitri, 2015).

UMKM, which stands for Usaha Mikro, Kecil, Menengah, translates to Micro, Small, and Medium Enterprises (MSME). These enterprises are typically small-scale businesses run by individuals, households, or small businesses, contributing significantly to economic growth and development in Indonesia. The criteria for UMKM classification often include factors such as the number of employees, annual turnover, and assets owned, with profits not exceeding a certain threshold, usually around 200 million based on annual calculations. These enterprises are vital in driving local economies, creating job opportunities, and fostering entrepreneurship within communities (Al Farisi et al., 2022).

MSMEs employ 97.30 per cent of the labour force and contribute 58.92 per cent of the Gross Domestic Product (GDP) to the Indonesian economy, according to BPS statistics from 2015. As of March 2021, the MSME sector was still having a major influence, accounting for around 61.07 per cent of the GDP, or IDR 8.57 trillion. As the backbone of the economy, these businesses employed 97 per cent of all workers and attracted 60.4 per cent of all capital (Sari & Kusumawati, 2022).

Romano is an MSME that has been in business in the traditional snack market for the past ten years. It specialises in little coconut Sagon delights. Producing Sagon all year round, Romano has become well-known for its shaped, delicately

textured cakes. Romano mostly caters to manufacturers, warehouses, big-box retailers, and independent resellers in addition to wholesale outlets.

In an interview, Romano's owner revealed that the business is currently experiencing somewhat a difficulty growing its customer base. The business faces low brand awareness, which means that a substantial section of potential consumers is still unaware of its offerings. Reaching new audiences who would otherwise be interested in Romano's particular offers is severely limited by this lack of visibility.

Additionally, the business has always depended on existing customers to keep up revenues, but this approach has drawbacks. While loyal customers are valuable, sales have slowed as a result of a lack of wider advertising. A significant factor contributing to this problem is the limited promotion efforts that Romano have done over the years. As shared by the owner, The brand has not engaged in consistent or specific advertising efforts, resulting in missed opportunities to introduce its products to new and diverse audiences. Additionally, Romano has not made enough investment in the creation and upgrading key branding visuals, such as packaging, advertising materials, and logos, which has left its entire brand presentation lacking in coherence and appeal.

MSMEs may revive their image by successfully rebranding their products to better appeal to consumers and better meet their evolving demands. Consequently, this enhances the visibility of the business, drawing in new clients and reinforcing relationships with current ones. MSMEs must aggressively adopt rebranding to stay competitive, attract attention, and generate more sales and profits due to the changing nature of the market and customer preferences (Sutrisno et al., 2023).

Given Romano's struggles, there is an urgent need for the business to increase brand awareness through focused branding efforts. Romano may purposefully promote its products to reach new customers by using branding as the main media. By effectively addressing these issues through its branding, Romano will be able to raise consumer awareness, and ensure its continued success in the traditional snack sector.

1.2 Problem Identification

From the research above, the problem can be identified below:

1. Romano struggles with limited recognition among potential new customers, affecting its ability to grow and attract a broader audience.
2. The business has not invested in consistent promotion or effective branding visuals. This has led to missed opportunities for reaching new customers.

1.3 Problem Formulation

Based on the existing problem identified, it can be concluded that the formulation of the problem is:

1. How to design the message of branding Romano's Sagon snack in Bandung?
2. How to design the visual media of branding Romano's Sagon snack in Bandung?

1.4 Problem Scope

The project intends to collect information and develop methods to strengthen Romano's market position through better branding, with a focus on an identified Bandung demographic.

1. What

The study focuses on addressing the challenges faced by Romano, an MSME in the traditional snack industry, specifically related to the lack of a unique branding.

2. Who

The intended target audience is:

- a. Age: 25-30 years
- b. Gender: All gender
- c. Demographics: Bandung
- d. Education: Some College
- e. Economy Class: Middle Class

3. Where

Data collection is conducted at "Klinik Kemasan," a specialized division under the Department of Trade and Commerce, situated in Soreang, Bandung Regency. Additionally, observations are made at the main branches of Katrika Sari and Kunafe Bandung, two prominent traditional snack stores in Bandung.

4. When

Data collection and literature studies are conducted from September 2023 to July 2024.

5. Why

The purpose of this study is design the message and the visual media of branding Romano to raise brand awareness among target audience.

6. How

The study employs qualitative and quantitative research methods, utilizing surveys, interviews, and design studies to gather data and formulate effective strategies for improving Romano's branding.

1.5 Research Purpose

The achieved objective of the research could be described as the following:

1. Designed the message of branding Romano's Sagon snack in Bandung.
2. Designed the visual media of branding Romano's Sagon snack in Bandung.

1.6 Research Benefits

1. For Campus:

- a. Enhances student learning with a real-world case study on MSME challenges.
- b. Enriches the academic curriculum with practical business insights.

2. For Author

- a. Strengthens the author's research skills and problem-solving expertise.
- b. Adds a valuable research project to the author's portfolio.

3. For Readers

- a. Provides entrepreneurs with insights into branding challenges.
- b. Offers practical recommendations for business improvement and strategic planning.

1.7 Data Collecting and Analysis

The research used a variety of methods to collect data about Romano's branding efforts to obtain insights and carry out an extensive analysis.

A. Data Collecting

We conducted a Literature Study to understand MSMEs' branding challenges and the snack sector's dynamics. An interview with Romano's owner provided insights into current strategies and goals. The observational analysis compared Romano with competitors, identifying strengths and areas for improvement.

1. Literature Study

The study initiated a comprehensive review of the literature, exploring academic publications concerning Branding. This thorough examination of the base of information lays the groundwork for placing Romano's product in the larger context of branding.

2. Interview

An interview was conducted with the founder of Romano to gather knowledge about the business's branding efforts. The discussion provided viewpoints on the current state of Romano's branding, as well as the challenges and objectives the business has set for itself. Additionally, it was helpful to interview the demographic being studied to understand customer attitudes and preferences, which highlighted the factors influencing purchasing decisions in the traditional snack market.

3. Observation

The branding of snack products at the main branches of Katrika Sari and Kunafe Bandung, two of Bandung's largest traditional snack stores, was the focus of the observation. The objective was to evaluate the availability of Sagon on the market, analyse the snack market, and examine the branding used by different snack products. The purpose of this observational technique

was to offer an in-depth understanding of the snack market dynamics and the branding strategies used by various products, together with an assessment of Sagon's presence and familiarity within the observed market context.

4. Questionnaire

Conducted questionnaires and gathered insights into the target audience's preferences for branding, focusing on factors such as design, colours, and information presentation. This survey aimed to supplement observational data with direct feedback from consumers, aiding in the assessment and enhancement of branding within the local snack industry.

B. Analysis Methods

Using the Activities, Interests, and Opinions (AIO) Model, we mapped customer journeys and preferences. SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis assessed Romano's market position, and a Comparison Matrix highlighted competitive advantages. These methods combined to offer actionable insights for Romano's branding enhancements.

1. Activities, Interest, and Opinions (AIO) Model

A thorough understanding of the customer journey was created by breaking down the AIO aspects, which aided in the development of focused branding initiatives. This required recognising preferences, laying out the several touchpoints where customers interact with traditional snacks, and comprehending the variables that affect their decision-making.

2. SWOT Analysis

A SWOT analysis was used to assess Romano's position in the market in comparison to rivals. The research used a SWOT analysis to determine Romano's strong points, areas for development, prospective markets to exploit, and external threats to counter.

3. Comparison Matrix Analysis

A comparison matrix analysis was used to assess Romano against its rivals. To evaluate important characteristics, including branding components, product positioning, and packaging, between Romano and its rivals, a methodical matrix had to be created. Romano was able to identify areas where

it might improve its market presence by using the matrix, which allowed for a visual depiction of strengths and shortcomings with rivals.

1.8 Research Framework

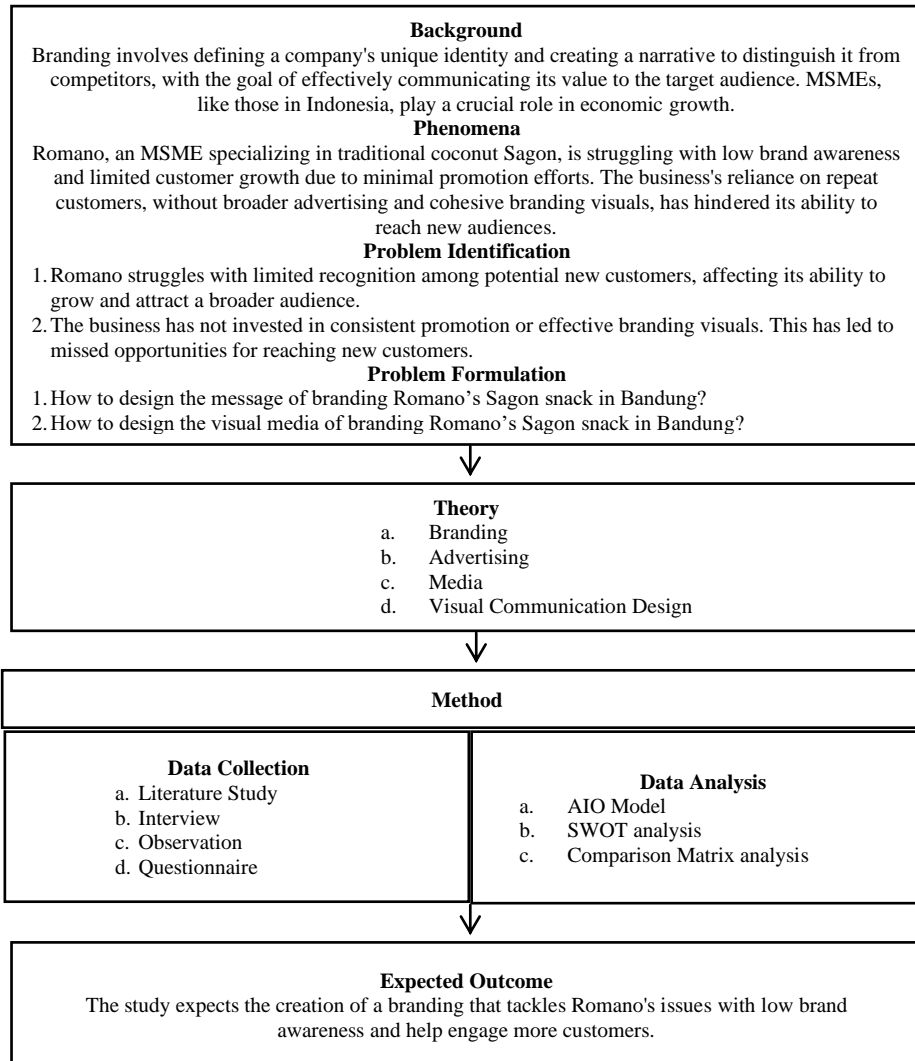


Figure 1. 1 Research Framework
(Source: Personal Documentation, 2024)

1.9 Chaptering

The following is the chaptering used in writing research reports:

CHAPTER I: INTRODUCTION

In this chapter, the background, identification of the problem, formulation of the problem, scope, research benefits, methods for data collection and analysis, as well as the framework for the Final Project are elucidated.

CHAPTER II: THEORETICAL FOUNDATION

This chapter presents the study's theoretical framework. A study of relevant theories, concepts, and literature that serve as the foundation for the research is also included.

CHAPTER III: DATA AND PROBLEM ANALYSIS

This chapter delves into the analysis of collected data and the identified problems. It discusses the research methodology, details the data collection process, and presents findings.

CHAPTER IV: DESIGN CONCEPT AND RESULTS

This section underlines the different design concepts, starting with ideation, and branding formulation. It contains suggested solutions and design methods.

CHAPTER V: CLOSING

The results of the research and design elements related to the Final Project are summarised in this chapter.