

## The Importance of the Role of the Logo in Building Branding on MSMEs

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**Abstract.** *When launching an MSME, MSME branding is very important. MSMEs can increase sales and attract customers with their own brand. By creating websites for MSMEs, creating social media platforms, and providing meaningful logos, MSME branding allows MSMEs to be recognized by the general public. The goal is for sellers to have their own brand, and with the logo of the products being sold, they can also be recognized by the general public. As a result, the logo is extremely important in SMEs. In order for the Istana Gorengan MSME to maximize sales and introduce its products, it is required to produce content for MSMEs, create MSME social media, create MSME websites, and create a new logo for MSMEs.*

**Keywords:** *The Role of Logo, Branding, and MSMEs.*

### INTRODUCTION

MSMEs can increase sales and spread the word about their products with their trademarks. This MSME branding can increase market share and is supported by increasingly sophisticated technology. In addition to boosting sales and making products more widely known, branding also has other advantages. One of the sectors of the Indonesian economy that is growing rapidly due to the business world is MSMEs.

MSMEs have the power and ability to influence economic growth, poverty levels, and employment practices. MSMEs must continue to develop and innovate in order to be able to compete in the market. Logos, names, terms, designs, marks, or mixtures specified and intended for use in branding to create an identity.

According to (Arifudin et al., 2021), branding for micro, small, and medium enterprises (MSMEs) products is one of the most important visual components of a company's identity. Through product branding, MSME items can bring updates and adjustments to various product or MSME sectors.

According to (Destrina et al., 2022), having a brand is very important because it helps businesses be able to compete. Since a logo is the first step in developing a brand, a business must design it with care.

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Color is just as important in logo design as shape color. This is another form of nonverbal communication that can be used to convey more complex messages. Combining different color components can undoubtedly result in harmony, balance, and balance, all of which have an impact on sales.

Logo development for MSMEs will have an impact on the selling value of the product itself. These components assist buyers in visualizing, describing, and differentiating the goods offered. The strength of a logo is that customers will immediately associate it with the brand.

There are many types of logos that can be created when the company name is presented in a unique way. One of the most important aspects of a brand to consider is color. Businesses can thrive by using dynamic branding across a number of media, such as social media and packaging.

According to (Rezky et al., 2021), MSMEs play an important role in maintaining the country's economy and contribute to creating jobs for hundreds of thousands of people. According to (Oscario, 2013), a result of the few logo templates available online, many logos are sold at below-market prices, and many logos are created using standard templates. How could this happen? What is the real purpose of a logo? By reading this article, it is hoped that considerations will be formed regarding the importance of the logo in brand development, as well as considerations regarding the branding itself.

The majority of MSMEs start selling without having a brand. A brand is very useful because it helps a business stand out from the competition. In order for consumers to be interested in the products of these SMEs, we need to have the courage to try new things.

## **LITERATURE REVIEW**

### **Logo Concept**

A symbol or logo is a visual representation of a brand's identity in the form of an ideogram, symbol, emblem, icon, or sign. The main physical component of a brand is its logo. A good logo should be able to convey all the intangible qualities that make up the essence of the company (vision, mission, values, and culture).

According to (Saputra and Syafwandi, 2017), the company name, one or more words, or both can be represented in the logo as letters or symbols. A logo or visual mark is a representation of the identity of a business, institution, or other form of organization

in a different way. An ideal logo acts as an instrument of self-esteem and value creation that can convey an image of respectability and sincerity.

According to (Susanto et al., 2013), the corporate identity of organizations, such as companies and institutions, is ultimately reflected in logos and is expressed symbolically and physically. To enhance the way people perceive an organization, a logo acts as its face or representative. For this reason, choosing or developing a logo requires careful preparation.

According to (Wahdaniah et al., 2020), a logo is only a symbol if it cannot capture the spirit of the company it represents. Many large companies have slogans that promote the type of business, company culture, or reputation they want to build.

### **Branding**

According to (McKernan et al., 2009), defines branding as providing symbols, names, identities, designs, signs, or words used to find the goods or services provided. In addition, branding acts as a differentiator from other people's products or services.

The American Marketing Association (AMA) defines branding as, among other things, a name, design, symbol, or a combination of these that is used for the first time to differentiate the goods or services of the product or service owner from those of competitors.

In contrast, a brand, according to Interbrand, is a collection of tangible and intangible qualities represented by a particular trademark. If managed properly, brands can have a value-creating effect (Clifton-Brown & Lewandowski, 2000). There are also benefits of branding as a source of products; assignment of responsibilities to producers or distributors; signal quality; a tool to project one's self-image, and a way to reduce internal and external search costs (Fanaqi et al., 2020).

### **Micro, Small, and Medium Enterprises (MSMEs)**

According to (Yuli Rahmini Suci, 2008), MSME is an element of an independent business that is successfully operated by an independent business person or organization. As income, any money or goods obtained by someone in return for their work and marketing are very important for all business owners, regardless of the size of their organization.

According to (Warpuah, Dwi Harini, 2022), this can trigger an interest in starting your own business. The bigger the steps towards bigger and higher earnings, the stronger the urge to become an entrepreneur. There will be people who are interested in starting their own business because they can make more money than office workers. Unlocking people's business prospects can attract people without relying too much on high income or time.

## **RESEARCH METHOD(S)**

The researcher used the study method by attending workshops, looking at personal experiences, and making observations about the workplace. The author also conducts a literature study by finding various sources about the value of the logo through print and electronic media. A source of information was chosen, evaluated, and used as support in this paper.

### **Research sites**

The location of this MSME is on Jln. Pareman River, Sabe Village, North Belopa District, Luwu Regency, and South Sulawesi Province (Old Makassar-Palopo axis terminal).

### **The scope of research**

This branding activity is carried out at MSME with the approval of the owner of Istana Gorengan MSME:

#### **1. Stages of preparation**

To understand what we need to know for this, we first conducted a survey with MSME Istana Gorengan, and then we conducted research and surveys.

#### **2. Implementation Phase**

The SMEs at Istana Gorengan need help creating new logos, packaging, and social media profiles such as Instagram right now after completing the poll. We created this logo according to the request of the owner of the Istana Gorengan MSME, who called for the letters I and G to be included and added in 2003, because 2003 was the first year that the Istana Gorengan MSME was opened.

#### **3. Final Stage**

At this point, we present MSMEs with a ready-made logo and explain the guiding principles of the design. Teach MSMEs in Istana Gorengan how to use social media sites like Instagram. The Gorengan Palace MSME is considered profitable because the goods they produce have undergone renewal, and this renewal is able to attract customers who want to buy various types of fried foods.

## **FINDINGS AND DUSCUSSION**

### **Branding**

Branding is a process that strengthens brand placement in the market by building and conveying the brand. The branding of a product can be seen in the logo, color, and packaging, or it can be said that packaging is a distinguishing feature of a product. Packaging can be considered a symbol that will be ingrained in society. For example, an advertisement for Marjan syrup, that emphasizes the importance of spending time with family when breaking the fast, attracts the attention of viewers and makes them rush to the store to buy Marjan syrup.

### **Branding Benefits**

According to (Destrina et al., 2022), a brand can be used to provide legal protection for the quality and elements of a product. A brand can also offer additional benefits beyond branding, such as helping MSMEs grow and become known to the general public so that their businesses can expand.

### **Branding Type**

MSMEs that have the potential to develop can be found in Sabe Village, North Belopa District, and Belopa City. These MSMEs include Istana Gorengan, which sells various fried foods. We want to help the MSMEs Gorengan Palace create a logo so that their fried products can be recognized by the wider community. Making logos and packaging is also the initial stage of branding for MSMEs Istana Gorengan, namely:

#### **1. Product branding**

Customer preference for one product over another is influenced by product branding, a kind of marketing. identify one product from another, especially through packaging, colors, and slogans.

#### **2. Corporate branding**

Product branding, a form of branding, influences customer preference for one product over another. Packaging, colors, and slogans are the main ways to differentiate one product from another.

According to (Oscario, 2013), brand significance may vary depending on the situation. "Brand" can be used as a verb or a noun depending on the context. Sometimes it can be related to the reputation, background, and customer expectations of the entity. Meanwhile (Rustan, 2009), a brand can be summarized as a collection of associations and experiences with a particular organization.

Why is it important for a company to develop its brand? Often, people do not realize that it is also a business asset. Manufacturing will continue to change, but the brand's core values will endure. Developing a brand is an important part of building a company or MSME identity, including product identities such as logos, packaging, signage, company profiles, and others. There are several factors to consider when deciding whether or not something should be called a brand or a company.

According to (Destrina et al., 2022), a logo is a graphic representation of brand identity in the form of an ideogram, symbol, emblem, or icon. The main characteristic that can be observed physically is the logo. A good and accurate logo must also convey the non-physical characteristics that are important to the brand's operations.

The MSME Gorengan Palace was founded in 2013. At first, this MSME was a family business managed by family members. The desire to become a forum for young millennial generations who want to develop their talents as young entrepreneurs followed.

MSME This "fried palace" has its own meaning and philosophy; we believe the palace describes a place or residence that is magnificent, luxurious, and comfortable, as well as having everything that can be enjoyed; it also represents our desire in this business to be able to provide service to consumers with satisfaction and comfort, and by chance, we sell a variety of fried foods that are quite complete.

In the activity of making the logo for the MSME Gorengan Palace, I went to the business owner's house to discuss the MSME logo that the owner liked as part of the activity of making the MSMEs Gorengan logo. The MSME name itself means Fried Palace, and the logo was created with that in mind.

### **Fried Palace MSME Logo Design**



**Figure 1. The logo of the MSME Istana Gorengan**

The logo is a display of the brand so that consumers can easily recognize the products they subscribe to. (Hasibuan et al., 2020) says that a good logo is a logo that must be basic so that it is easy to recognize, easy to read, clearly visible, coherent, and easy to understand.

The letters I and G are written using the **Franklin Gothic Demi** font. Year 2003 is written in **Geometr706 BlkCn BT** and . This is in accordance with the owner's request from UMKM. The meaning of each element contained in the logo is:

**1. Star Crown.**

The crown is a symbol of power, where a place is a priority in developing a business, and the image of five stars is a symbol of light for customers.

**2. The letter "I".**

It stands for "Istana".

**3. Letter "G"**

It stands for "Gorengan".

**4. Circle**

It has the meaning of unity and a relationship that has no end.

**5. Year "2003".**

This is the year the UMKM was founded.

## CONCLUSION AND RECOMMENDATION

The most valuable intangible asset of an organization is its brand. The common practice of fast and cheap logo services should not be overlooked. Collaboration between brand owners and designers is necessary to increase the value of the logo. For the benefit of all, awareness about both parties must be cultivated.

In order for the Gorengan Palace MSME to maximize sales, it is required to produce content for MSME, create MSME social media, create a MSME website, and create a new logo for MSME. A brand can provide intellectual assets or ownership rights to brand owners as well as legal protection to consumers.

It is the general public that allows them to be sold, such as by influencing purchasing decisions and helping MSMEs grow. At the Gorengan Palace MSME, they do not yet have a logo and packaging because the author is interested in helping to make a logo.

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