

Conference Paper

Branding SMEs as Competitiveness in the Era of ASEAN Economic Community

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Abstract

ASEAN Economic Community that was applied at the beginning of the year 2016 has provided opportunities for Indonesia in becoming a good investment and business destination for other countries. The way to be a business part of them are through Small and Medium Enterprises. To bring forward the Small and Medium Enterprises, they are needed to be reviewed externally by the government-made policies that will reinforce the Small and Medium Enterprises and internally to strengthen the potential of the existing ones through branding. This research of branding can be used as reference for the Small and Medium Enterprises in developing the concept of branding on their business to be more competitive in the era of ASEAN Economic Community. The research uses a case-study approach to several Small and Medium Enterprises as the Partners of KSPS Sharia Tadbiirul Ummah by applying the theory of branding. The result shows that they do not have uniqueness in their brands even though its product has superiority. Branding of the Small and Medium Enterprises have not yet been maximal. Therefore, we do the branding for several Small and Medium Enterprises as the Partners of KSPS Sharia Tadbiirul Ummah as the recommendations of this research.

Keywords: branding, the small and medium enterprises, the AEC

1. Introduction

Micro, Small and Medium Enterprises experiencing rapid growth. The number of entrepreneurial training to encourage public interest to try entrepreneurship, especially after the layoffs carried out by mid-sized companies and large. The number of SMEs do not understand that their enterprises were able to survive in the competition. With the increasing development of SMEs and in order to survive in the midst of a flood of foreign products into the country and potentially destabilize the SMEs in the country as a result of the implementation of the single market AEC 2015. ASEAN Economic Community (AEC) is a single market in the region, aims to increase foreign investment in Southeast Asia, including Indonesia, which also will open up the flow of Easily goods and services to countries in Southeast Asia [1]. As well as on the

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partners Financing Credit Unions (KSPP) Sharia Tadbiirul Ummah Dramaga located in Bogor, many members of this cooperative running the business, but the partners do not have an understanding of branding. SMEs are defined by a variety of different ways depending on the state and other aspects. Therefore, there should be a special review of the definitions in order to obtain an appropriate understanding of the SMEs, which adheres to a quantitative measure in accordance with economic progress [1]. In Indonesia, there are many different definitions of SMEs based on the interests of institutions that give definition.

- Central Bureau of Statistics/BPS: SMEs is a company or industry with between 5–19 employees.
- Bank Of Indonesia (BI): SME is a company or industry and characterized by: (a) capital of less than Rp. 20 million; (b) for one round from his business only needs Rp 5 million; (c) have assets of up to Rp 600 million, excluding land and buildings; and (d) \leq annual turnover of USD 1 billion.
- Department (now Ministry of Country) Cooperatives and Small and Medium Enterprises (UU No. 9 Tahun 1995): SMEs are the economic activities of small-scale folk and traditional, with a net worth Rp 50 million – Rp. 200 million (excluding land and buildings) and \leq annual turnover of \$ 1 billion; SMEs in Law/2008, with a net worth of USD 50 million – USD 500 million and annual net sales of USD 300 million – USD 2.5 billion [1].

Branding is a series of processes that were created to leave a trace in the minds of consumers and makes consumers loyal to a product or service. Branding is a disciplined process used to build awareness and extend customer loyalty. It requires a mandate from the top and readiness to invest in the future [2]. Brand is built on the product itself, the marketing activity, and use of the product by the customer. Brand reflect the complete experience that your customers of a product. Brand is associated with financial assets of an enterprise [3]. Many SMEs are successful but some may fail. This is caused by one of them is the factor of consumer loyalty to products offered. The purpose of this study was to create a branding for SMEs assisted partner KSPP Sharia Tadbiirul Ummah. In this study, three limited partners of SMEs that will be created the visual identity. The brand identity is a unique set of brand associations that states the promise to the customer, and includes core and extension [4].

2. Method

In this research, the design of the visual identity for SMEs be trained partners KSPK Sharia Tadbiirul Ummah, by first observing a partner locations and conduct interviews with business owners.

3. Discussion

SMEs will be designed visual identity is Lapis Durian Ajiieb, risoles Mayo Umaris and Rumah Makan Raos. Location SME located in IPB Dramaga. Potential market there are students and workers around the campus. Especially for durian ply not opened outlets around campus, but offer it through social media and deposited at the outlet souvenirs.

3.1. Profile

3.1.1. Lapis Ajiieb

Lapis typical souvenirs Bogor provides a sponge layer with its leading products are durian cake layer. The owner of this business is Ria Agustin. The products are made layer has an advantage in that bolunya using durian fruit native and also in cream than competitor products using the essence. Lapis Ajiieb still relatively followers as the market leader for sponge lapies still dominated by competitors. Lapis Ajiieb want the product known as the premium, and not seem to follow the market leader who has gotten there first. SMEs already have a visual identity, but based on interviews there is a desire to be a change in its visual identity in this case because the existing visual identity is less precise.

From Figure 2, lapis ajiieb decided to do a re-branding of the visual identity.

3.1.2. Umaris Risoles

The owner of this business is Ina Yustikawati. The uniqueness of Umaris rissoles Mayo is the quality of the ingredients do not use preservatives, from the sense of pristine rissoles with mayonnaise unlike other existing rissoles additional material and other spices.

Logo used for business mayo rissoles is still very common with Arial font selection. While the purpose of this umaris mayo rissoles want to be known for Bogor and



Figure 1: Visual identity Lapis Ajiieb.



Figure 2: Implementation on social media.

surrounding area. With a case of this logo is less likely to be recognized by consumers, given a logo to this article does not have characteristics or uniqueness. For that they invented a new visual identity to be easily recognizable and unique.



Figure 3: Lapis Ajiieb new visual identity.



Figure 4: Visual identity umaris.



Figure 5: Umaris new visual identity.

3.1.3. Rumah Makan Raos

Business owners are H. Kariman. Benefits of products are of natural taste and presentation and have a unique sauce. Raos food stalls own logo named "Raos Da Lada Da Seuhah". There is a desire to have a logo that is more attractive than the existing logo. Rumah Makan Raos has own visual identity yet rated not communicating the visual identity of the restaurant. To the owner of the restaurant business have to change its visual identity, in order for the visual identity is shown to give a characteristic and unique so it is easy to be recognized by consumers



Figure 6: Visual identity R.M Raos.



Figure 7: R.M Raos new visual identity.

Understanding of SMEs on branding partners is still minimal. Most do not know about branding and even yet know the benefits of the product itself.

4. Conclusion

The business owners have an understanding of the importance of branding for the sustainability of their enterprises. Branding is not just a visual identity only, but all the

activities involved in the business. to survive and compete in the MEA then the perpetrators of SMEs must be able to prepare themselves with a unique and characteristic of the products they produce. Besides, in order to maintain consumer confidence in terms of presentation, quality and quality of materials and maintain consistency in the application of the visual identity and branding in order to promote its products.

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