Logo on MSME Product Packaging as a Means of Advertising to Increase Sales Results

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Abstract. Logo is one of the important elements in a brand's visual identity, especially in the context of MSME product packaging. This study aims to analyse the role of logos on product packaging as a means of visual advertising that has an effect on increasing sales results. The method used is a descriptive quantitative approach with data collection through questionnaires to 100 consumers and interviews with 15 MSME players in the food and beverage sector in the Lampung region. The results showed that 76% of consumers stated that logos influence purchasing decisions, and 82% stated that logos increase trust in products. Most MSMEs that have redesigned their packaging with a professional logo experienced a 20-35% increase in sales. This finding shows that logos on packaging not only serve as an identity, but also as an effective direct promotional medium in strengthening brand awareness and driving sales conversions. This research suggests that MSMEs should prioritise logo design in their marketing strategy as a long-term visual investment that impacts business performance.

Keywords: logo, packaging, MSME, brand awareness, visual advertising, product design

1 Introduction

In the era of globalization and accelerated digital technology, the dynamics of the business world are changing drastically. The rapid flow of information, data-driven marketing trends, and the development of e-commerce ecosystems have created an increasingly competitive business landscape. In this context, businesses are required to not only offer quality products but also build a strong brand image to survive and compete in an increasingly crowded market. One of the sectors most affected by this digital transformation is Micro, Small, and Medium Enterprises (MSMEs). MSMEs play a vital role in the Indonesian economy. Based on data from the Ministry of Cooperatives and SMEs [1], MSMEs contribute more than 61% to the Gross Domestic Product (GDP) and absorb up to 97% of the national workforce. However, behind this huge contribution, MSMEs also face serious challenges, one of which is the weak aspect of branding or brand identity.

> However, many MSMEs struggle to build strong and sustainable branding, especially in the context of intensifying visual competition on digital platforms. One of the conceptual gaps identified in previous literature is the low emphasis on visual identity, specifically logo design, as a key driver of brand recognition and consumer trust, especially in MSMEs operating in under-explored local contexts such as Aceh.

> However, in the face of market competition, many MSMEs face great challenges in building a strong and sustainable brand identity (branding). Weak branding is one of the causes of the low competitiveness of MSME products compared to large industrial products that already have a strong brand image.

> One important element in the branding strategy that is often overlooked by MSME players is the product logo, especially those applied to packaging. Product packaging is no longer just considered as a wrapper or protector of goods but has developed into an important visual communication medium. In the context of modern marketing, packaging, especially those equipped with professional design elements such as logos, colors, and typography, plays an important role in attracting consumer attention, conveying brand information, and building value perceptions of products [2].

As the trend of visual marketing increases, consumers are increasingly exposed to various forms of visual content from various products on digital and physical platforms. Under these conditions, logos become a key element that serves as a differentiator between products, as well as creating strong brand associations in the minds of consumers [3]. A well-designed logo is not only a visual representation, but also reflects the value, quality, and credibility of the product. The success of a brand in building emotional connections with consumers is greatly influenced by the first impression generated by visual elements, including logos [4]; [5]; [6]

Research shows that consumers tend to remember and trust brands that have logos that are unique, professional, and relevant to the character of the product. Conversely, a logo that is designed carelessly or does not match the product identity can reduce the perception of quality and make the product appear incompetent [7]. In the digital era characterized by the widespread use of social media such as Instagram, TikTok, and Facebook, visual power is becoming increasingly important. Products with attractive logos and packaging tend to be more easily shared and recognized, thus contributing to an organic increase in brand awareness [8].



Fig. 1. Examples of Logos on Product Packaging

A study by [9] confirms that attractive product packaging, including the use of the right logo design, can increase the perception of product value in the eyes of consumers. The colours, shapes, and typography in a logo provide certain psychological impacts that influence purchasing decisions, both rationally and impulsively. This means that logo design is not just aesthetic but serves as a visual persuasion tool that can increase sales.

In Indonesia, especially in Aceh, the obstacle that MSMEs often face is the lack of understanding of the importance of visual identity in marketing strategies. Many MSME players assume that logos have no significant impact on the success of their business. In fact, various studies show that strong brand awareness is directly proportional to the level of customer loyalty and repeat purchase decisions. The logo becomes a consistent brand representation that helps consumers recognize, remember and trust [10]; [11]; [12].

Investing in a professional logo has proven to have a real impact. Food and beverage MSMEs that redesigned their packaging with a professional logo experienced a 30% increase in sales within one year. This shows that packaging with a logo is not only a visual instrument, but also a direct promotional medium that can increase sales conversions [13].

In addition to increasing sales, a logo also serves to build a credible and trusted brand image. Many consumers start their interest in a product based on the first visual appearance they see, including the logo and packaging. Therefore, the choice of logo shape, color, and style must be tailored to the character and value of the products carried by MSMEs in order to create an authentic and convincing impression.

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> Despite its importance, not all MSME players are able to develop an effective logo. Some of the obstacles that are often faced include limited funds, limited access to professional designers, and lack of visual literacy and understanding of graphic design principles [14]. As a result, many MSMEs use generic logos or free downloads that do not reflect the uniqueness of their products and business identity. This makes branding less optimal and difficult to compete in an increasingly competitive market.

> To overcome these problems, several institutions and agencies have provided support to MSMEs in the form of training and branding assistance. Local governments, co-operative offices, and non-profit organizations often conduct packaging and logo design workshops for small businesses. Some initiatives even involve collaboration with professional graphic designers and design students to help MSMEs create stronger visual identities [15].

> Besides external support, technological developments also open up opportunities for MSMEs to create logos at low costs. Artificial intelligence (AI)-based design applications, online design services, and freelance service marketplaces provide alternatives for MSME players who want to have a professional logo without having to hire expensive design agencies. Platforms such as Canva, Looka, and Figma also provide design templates that can be easily customized by businesses [16]. This technology, if utilized appropriately, can help MSMEs develop a more efficient and affordable visual branding strategy.

> Awareness of the importance of logos as part of a visual communication strategy is increasing among businesses. However, more needs to be done to ensure that every MSME can access and understand the importance of this element. Continuous education on basic graphic design, visual psychology, and branding strategies must be provided so that MSMEs can develop sustainably and be able to compete not only in the local market, but also in the national and global arena.

This research aims to investigate how logo design when integrated with packaging serves as a visual advertising tool to increase brand awareness and positively impact sales performance among MSMEs. As such, this study contributes to bridging the gap between visual design theory and MSME marketing practice, offering empirical insights into the intersection of design, consumer behavior and regional identity in visual branding.

2 Methods

This research uses a descriptive quantitative approach to analyse the effect of logo design on MSME product packaging on brand awareness and sales performance. This approach aims to describe the relationship between variables systematically, measurably, and objectively based on numerical data collected from respondents [17].

2.1 Research Location and Population

The research was conducted in Aceh Province, focusing on MSMEs in the food and beverage sector that use logo designs on their product packaging. The research population consisted of two main groups: Consumers of MSME products - 100 respondents, selected through purposive sampling technique with the criteria of having purchased MSME products with logo packaging at least twice in the last three months. MSME actors - 15 business owners, selected with the criteria of using logos on product packaging for at least one year, and willing to be interviewed.

2.2 Data Collection Techniques

Data were collected through two main methods: A Likert Scale-based questionnaire (scale 1–5) was administered to consumers to measure perceptions of aspects of the logo, such as visual appeal, product suitability, and memorability. The questionnaire also asked about purchasing preferences and the influence of packaging on purchasing decisions. Semi-structured interviews were conducted with MSME owners to explore their perceptions of the impact of logo use in packaging on sales and branding.

2.3 Data Analysis Techniques

The data obtained was analyzed using: Descriptive statistics (mean, percentage, frequency) to describe trends and patterns in consumer perceptions of logo design. Pearson correlation analysis (Pearson Product-Moment Correlation) was used to test the relationship between the independent variables (logo quality and appeal) and the dependent variables (brand awareness and sales increase). This technique is considered appropriate because it is used to test the strength and direction of the relationship between two quantitative variables [18]. Instrument validity and reliability tests were also conducted using the Corrected Item-Total Correlation and Cronbach's Alpha values.

The selection of this quantitative-descriptive mixed method provides a holistic picture, both in terms of consumer perceptions and the experiences of business actors, so that it can answer the research objectives thoroughly and can be academically accounted for.

3 Results and Discussion

This study aims to analyze how logos on MSME product packaging can function as a means of visual advertising that has an impact on increasing sales results. Data was obtained through two main methods: a questionnaire distributed to 100 consumer respondents, and in-depth interviews with 15 MSME players who have redesigned their product packaging in the last two years.



Fig. 2. Examples of Logos on Product Packaging

Of the 100 respondents, 76 per cent claimed that logos influence their purchasing decisions for MSME products. 82% stated that the logo on the packaging increases confidence in the quality of the product. Only 24 per cent thought that logos had little effect on purchasing decisions.

This finding shows that visual elements such as logos have a strong appeal and psychological function in influencing consumer perceptions. An attractive and professional logo not only enhances the attractiveness of the packaging, but also forms a positive perception of the product as a whole.

from the Interview Results of 15 MSMEs showed that 10 businesses stated an increase in sales of 20%-35% after redesigning the logo and packaging. 3 businesses experienced an increase in digital engagement (more shares on social media). The rest admitted that although there was no significant increase in sales, their brand image in the eyes of customers became more professional. The majority of MSME players realized that logoed packaging not only makes it easier for products to be recognized in the market, but also serves as a representation of the quality and identity of the business.

3.1 The Role of Logo in Visual Communication

A logo is a visual representation that reflects the values, mission, and image of a brand. In the context of MSMEs, logos are a strategic element in filling the void of visual identity that is often ignored by small businesses. As stated by [19], a good logo must be able to convey the uniqueness of the brand in a concise, memorable, and consistent manner. In this study, the role of logos on packaging was shown to strengthen brand associations, differentiate products from competitors, and add value to consumers' perceptions of products. A visually strong design can create a higher recall effect, which in turn affects repeat purchases and loyalty.

3.2 Logos as a Means of Direct Advertising

Logoed packaging serves as direct advertising that is always attached to the product. When the product is displayed in a storefront or shared on social media, the logo acts as a focal point of attention. In these situations, the logo works without the need for additional media-it is present wherever the product is.

This finding is in line with a study by [13], which states that packaging elements such as logos and colors can increase purchase intent by up to 30%. This is also reinforced by [20], who showed that logo and packaging redesigns have a direct impact on increasing the turnover of food and beverage MSMEs.

3.3 Logo Impact on Consumer Trust

Consumer trust in a product is strongly influenced by a visual appearance that reflects professionalism. A logo with a mature design gives the impression that the product is seriously managed. Respondents in this study felt more trust in MSME products that display logos because they are considered more ready to compete and standardized. Visual elements such as logos, colors, and packaging structure are able to form a first impression that has an impact on consumer attitudes towards the product. This trust is an important asset in creating consumer loyalty in a competitive market.

3.4 Logos and Viral Effects on Social Media

Besides its physical function, logos also play an important role in the digital marketing ecosystem. Products with logoed packaging tend to be more attractive to be photographed and shared on social media. In several interviews, MSME players mentioned that after they revamped their logo and packaging design, consumers started sharing photos of their products on Instagram and WhatsApp, which then created an electronic word of mouth effect. Strong product visualization has high virality potential on social media, which is the most effective promotional distribution channel today. The logo becomes a recognizable symbol associated with the product, thus strengthening brand recall when consumers see it again.

In design principles, the logo serves as the main marker in the visual structure of the packaging. The logo is usually placed in a strategic position in the middle or top of the packaging to maximize eye attention (visual hierarchy). The combination of logo, color, and packaging shape creates a visual harmony that attracts consumers quickly in a short period of time when choosing a product. An effective logo design is not only aesthetically pleasing, but must be functional in conveying the message and identity. In this case, an MSME logo design should be able to communicate the product type, market segment, and brand values simply through shape and color.



Fig. 3. Old Packaging Design of one of the UMKM Products



Fig. 4. New packaging design that already has a logo from one of the UMKM products

The results of this study indicate that the logo on the packaging of MSME products has a real influence on marketing strategies and sales results. The logo functions simultaneously as a brand identity, visual promotional media (advertising element), a product value communication tool, and a trigger for digital consumer interaction. For MSME actors, investment in logo design is not a cost, but a long-term visual asset that can improve brand image, competitiveness, and sales conversion. These findings provide practical implications that visual branding training, especially logo and packaging design, needs to be part of the MSME mentoring program.

4 Conclusion

This research shows that the use of logos on MSME product packaging has a significant role in supporting visual marketing strategies and increasing sales results. The logo not only functions as a brand identity, but also as a visual communication tool that is able to attract attention, build trust, and increase the perceived value of the product. From the results of a survey of consumers, the majority of respondents stated that the presence of a logo on packaging affects purchasing decisions and increases trust in product quality. Interviews with MSME players also show that packaging redesign, especially with the addition of a professional logo, has a positive impact on increasing sales and consumer engagement, both offline and through social media. Logos on packaging are proven to be an effective direct advertising medium, which works continuously as long as the product is displayed, shared or consumed. Therefore, MSME players need to prioritize the development of product visual identity through logo design that is strong, functional, and fits the product's character in order to compete in an increasingly competitive market.

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