Branding Strategy in Indonesia

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Table of Contents

| | List of Figures | iv |
|-----------|--------------------------------------|----|
| | List of Tables | V |
| | Glossary | vi |
| Chapter 1 | Introduction | 1 |
| Chapter 2 | IP Systems for Branding in Indonesia | 3 |
| Chapter 3 | Branding in Indonesia | 41 |
| Chapter 4 | Analysis of Branding in Indonesia | 88 |
| | References | 92 |

List of Figures

| Figure 2.1 | Pala Nusantara Logo | ./ |
|-------------|---|----|
| Figure 2.2 | Djalin Logo | 7 |
| Figure 2.3 | Bodypack Logo | 7 |
| Figure 2.4 | Brodo Logo | 8 |
| Figure 2.5 | Akseleran Logo | 8 |
| Figure 2.6 | Flow of Mark Registration Application | 12 |
| Figure 2.7 | Flow of Geographical Indication Applications | 29 |
| Figure 2.8 | Champagne Logo | 33 |
| Figure 2.9 | Tequila Logo | 33 |
| Figure 2.10 | Scotch Whisky Logo | 33 |
| Figure 2.11 | Indonesian Geographical Indication Logo | 35 |
| Figure 2.12 | Use of the Indonesian Geographical Indication Logo | 36 |
| Figure 3.1 | Development of Agricultural Cultivation Originating in PMDN and PMA in Indonesia, 2014–2023 | 47 |
| Figure 3.2 | Development of Agricultural Product Processing Industry Originating in PMDN and PMA in Indonesia, 2014–2023 | 47 |
| Figure 3.3 | Development of PMDN and PMA Investment by Subsector in Indonesia, 2014–2022 | 48 |
| Figure 3.4 | Number of Trademark Applications in Indonesia by Sector, 2015–2022 | 49 |
| Figure 3.5 | Export Value of Batik and Batik Products | 56 |
| Figure 3.6 | 3Second Registered Logo | 59 |
| Figure 3.7 | 3Second Collab Product with Basquiat | 60 |
| Figure 3.8 | Bodypack Brand Logo | 61 |
| Figure 3.9 | Bodypack Flagship Store | 62 |
| Figure 3.10 | Angklung – Indonesian Musical Instrument | 63 |
| Figure 3.11 | Saung Angklung Udjo Registered Logo and New Logo | 64 |

| Figure 3.12 | Pala Nusantara Brand Logo, Product, and Product Logo | 66 |
|-------------|--|----|
| Figure 3.14 | Brodo Brand Logo | 68 |
| Figure 3.15 | Brodo Products | 69 |
| Figure 3.16 | Akseleran Logo | 69 |
| Figure 3.17 | PICNIC Special Quality Logo | 73 |
| Figure 3.18 | Djalin Brand Logo and Product | 75 |
| Figure 3.19 | Prepp Studio Trademark | 77 |
| Figure 3.20 | UNKL347 Logo and Brand Name | 81 |
| Figure 3.21 | Rahsa Nusantara Main Trademark | 82 |
| Figure 3.22 | Rahsa Nusantara Product Trademark | 83 |
| Figure 3.23 | Bang Sate Bang Brand Logo | 86 |
| Figure 3.24 | Bang Sate Bang Menu | 86 |
| Figure 3.25 | Bang Sate Bang Outlet | 87 |

List of Tables

| Table 2.1 | Number of Trademark Applications | 3 |
|-----------|---|----|
| Table 2.2 | Top Three Designated Countries of Mark Applications from Indonesia Based on the Madrid Protocol | 3 |
| Table 2.3 | Top Three Origin Countries of Mark Applications to Indonesia Based on the Madrid Protocol | Z |
| Table 2.4 | Number of Mark Applications Approved (Registered), Rejected, Withdrawn, Considered as Withdrawn, and Pending, 2018–2023 | Ę |
| Table 2.5 | Mark Registration Fee | 11 |
| Table 2.6 | Number of Geographical Indication Applications | 25 |
| Table 2.7 | Number of Geographical Indication Applications Approved (Registered) and Pending, 2018–2023 | 25 |
| Table 2.8 | Geographical Indication Application Fee | 28 |
| Table 3.1 | Achievements of the 1000 Startup Digital Program | 54 |
| Table 3.2 | Akseleran Statistics | 71 |

Glossary

| DGIP | Directorate General of Intellectual Property, Ministry of Law and Human Rights |
|-----------------|---|
| GR 22/2018 | Government Regulation No. 22 of 2018 on International Registration of Marks Based on the Protocol Related to the Madrid Agreement concerning International Registration of Marks. |
| GR 36/2018 | Government Regulation No. 36 of 2018 on the Recordals of Intellectual Property Licence Agreements |
| GR 28/2019 | Government Regulation No. 28 of 2019 on Types and Tariffs of Non-Tax State Revenue Applicable at the Ministry of Law and Human Rights |
| GR 90/2019 | Government Regulation No. 90 of 2019 on the Procedures of Application, Examination, and Completion of Appeal at the Mark Appeal Commission |
| Madrid Protocol | The Madrid Agreement concerning the International Registration of Marks, 1989 |
| Mark Appeal | Special independent body within the environment of the MOL |
| Commission | |
| MGI Law | Law No. 20 of 2016 on Marks and Geographical Indications, as amended by Law No. 6 of 2023 on Jobs Creation |
| MOL | Minister of Law and Human Rights |
| MOL 67/2016 | MOL Regulation No. 67 of 2016 on Marks Registration as amended by MOL Regulation No. 12 of 2021 |
| MOL 12/2019 | MOL Regulation No. 12 of 2019 on Geographical Indication as amended by MOL Regulation No. 10 of 2022 |
| MOL 7/2015 | MOL Regulation No. 7 of 2015 on Strategic Plan of the Ministry of Law and Human Rights for the years 2015–2019. |
| WIPO | World Intellectual Property Organization |

Chapter 1

Introduction

Background and Objective

Due to the revitalisation of global distribution and the diversification of consumer tastes, goods and services are flooding the market. Consumers are also leaning towards more modern lifestyles. With a significant youth population and high smartphone penetration, Indonesia has significant potential and an existing consumer market to enable a substantial digital economy of technology-enabled products and services. This situation in Indonesia clearly necessitates a branding strategy that utilises intellectual property (IP) such as trademarks and designs to distinguish excellent products and services from others and appropriately connect them to investment and industrial development.

Due to high smartphone penetration (Statista, 2024a) and a high percentage of internet and social network service users (Statista, 2024b), Indonesia has strong potential to become a large market for tech businesses, including e-commerce and customer-to-customer (C2C) businesses. In addition, the coronavirus disease (COVID-19) pandemic and social distancing policies drastically accelerated the development of tech businesses (Chan, Trihermanto, and Sebastian, 2020). In this context, the number of cases requiring branding using IP in all sectors will increase, and understanding the branding strategy status and issues in companies and disseminating successful examples of branding will greatly contribute to future economic growth in anticipation of digital transformation.

As mentioned in Chapter 3, brands function as a tool to convey the value of the goods and services an enterprise provides to a consumer for a consumer to select such products and services, while branding refers to the activities pursued to fulfil this function.

Based on this concept of brand or branding and its economic contribution, this branding research project was undertaken to (i) raise awareness of branding in Indonesia and promote the revitalisation of local industries through the utilisation of IP such as branding in anticipation of digital transformation in the post-pandemic era, and (ii) contribute to the promotion of branding for the Association of Southeast Asian Nations (ASEAN) by disseminating the knowledge gained to other ASEAN Member States (AMS). It aims to provide an overview of how branding contributes to economic development by investigating what kind of branding activities are being carried out in Indonesia, which is the largest market in Southeast Asia. This project will also

describe the state of digital transformation in Indonesia and how it contributes to economic development through branding.

2. Outline of the Survey

To achieve these objectives, this project first examines the IP system for branding in Indonesia through a survey of Indonesian laws and regulations on marks and geographical indication (GI), current registration trends, statistical data, and other published materials. ¹ Where sufficient information is not available from these documents, it is obtained from the Directorate General of Intellectual Property, Ministry of Law and Human Rights (DGIP).

Second, this project covers branding in Indonesia by introducing the concept, significance, benefits, and methods of branding from various academic literature and institutional reports. After a general overview of branding, this project describes the current state of agriculture, digital transformation, traditional crafts, and other areas considered to have successful branding or branding potential. To achieve these objectives, the project collects data, documents, and information through internet research and reliable sources of information, including published reports, journal articles, and official websites. Further, several interviews on the utilisation of branding in specific enterprises were conducted as case studies to provide a comprehensive understanding of branding strategies.

Given the wide cross-section of products and services that fall under branding research, the timeline for this work, and the fast changes amongst targeted industries, the scope of the project does not account for all branding activities or consumer aspects.

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¹ In this report, we use the term 'mark' instead of trademark because Law No. 20 of 2016 on Marks and Geographical Indications, as amended by Law No. 6 of 2023 on Jobs Creation (MGI Law), differentiates trademark from service mark (explained below).

Chapter 2

IP Systems for Branding in Indonesia

1. Marks

1.1. Statistics of Applications

1.1.1. Number of Mark Applications

Based on data regarding mark applications that the author received from the DGIP on 28 May 2024, Table 2.1 presents the number of mark applications in Indonesia during 2018–2023.

Table 2.1. Number of Trademark Applications

| Source of | | | Yo | ear | | |
|----------------------|--------|--------|---------|---------|---------|---------|
| Application | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Domestic | 56,696 | 69,175 | 76,739 | 85,910 | 102,642 | 113,061 |
| Foreign | 19,532 | 20,828 | 19,002 | 20,261 | 19,625 | 22,240 |
| Madrid Protocol (in) | 6,834 | 8,713 | 8,720 | 9,686 | 9,151 | 8,868 |
| Madrid Protocol | 34 | 50 | 98 | 116 | 101 | 102 |
| (out) | | | | | | |
| Total | 83,096 | 98,766 | 104,559 | 115,973 | 131,519 | 144,271 |

Source: Directorate General of Intellectual Property, Ministry of Law and Human Rights.

In relation to mark applications based on the Madrid Protocol, data from the DGIP provide information regarding the top three designated and origin countries during 2018–2023 (Tables 2.2 and 2.3).

Table 2.2. Top Three Designated Countries of Mark Applications from Indonesia
Based on the Madrid Protocol

| Year | Top Three Designated Countries | No. of Mark Applications |
|------|--------------------------------|--------------------------|
| 2018 | - | - |
| 2019 | - | - |
| 2020 | Singapore | 48 |
| | Viet Nam | 38 |
| | Philippines | 37 |
| 2021 | Singapore | 73 |

| Year | Top Three Designated Countries | No. of Mark Applications | | |
|------|--------------------------------|--------------------------|--|--|
| | Malaysia | 73 | | |
| | Philippines | 69 | | |
| 2022 | Singapore | 49 | | |
| | Malaysia | 41 | | |
| | Philippines | 28 | | |
| 2023 | China | 62 | | |
| | Malaysia | 62 | | |
| | Philippines | 52 | | |

Source: Directorate General of Intellectual Property, Ministry of Law and Human Rights.

Table 2.3. Top Three Origin Countries of Mark Applications to Indonesia
Based on the Madrid Protocol

| Year | Top Three Origin Countries | No. of Mark Applications |
|------|----------------------------|--------------------------|
| 2018 | US | 1,046 |
| | Japan | 785 |
| | Republic of Korea | 437 |
| 2019 | China | 2,656 |
| | US | 1,612 |
| | Japan | 1,507 |
| 2020 | China | 2,599 |
| | US | 1,393 |
| | Japan | 1,270 |
| 2021 | China | 2,316 |
| | US | 1,518 |
| | Japan | 1,297 |
| 2022 | China | 1,959 |
| | US | 1,378 |
| | Japan | 1,258 |
| 2023 | China | 2,019 |
| | US | 1,039 |
| | Japan | 910 |

US = United States.

Source: Directorate General of Intellectual Property, Ministry of Law and Human Rights.

The data from the DGIP also show the number of mark applications that were approved (registered), rejected, withdrawn, considered as withdrawn, and pending during 2018–2023 (Table 2.4).

Table 2.4. Number of Mark Applications Approved (Registered), Rejected, Withdrawn, Considered as Withdrawn, and Pending, 2018–2023

| | Status | | | | | | | | | |
|------|---|-----------------------------------|---|-----------------------------------|---|-----------------------------------|---|-----------------------------------|---|-----------------------------------|
| V | Registe | ered | Reject | ted | Withdr | awn | Consider Withdr | | Pendi | ng |
| Year | Domestic and Foreign Applications | Based on Madrid Protocol |
| 2018 | 57,577 | - | 12,896 | - | 231 | - | 36 | - | 4,607 | - |
| 2019 | 68,891 | 1,286 | 16,212 | 263 | 295 | - | 135 | - | 3,712 | 5,285 |
| 2020 | 68,906 | 7,300 | 18,195 | 692 | 329 | - | 1,060 | - | 3,420 | 721 |
| 2021 | 77,864 | 7,641 | 17,425 | 719 | 387 | - | 2,517 | - | 3,156 | 360 |
| 2022 | 93,007 | 8,485 | 17,032 | 795 | 498 | - | 2,547 | - | 3,903 | 406 |
| 2023 | 44,027 | 7,382 | 6,213 | 510 | 482 | ı | 1,354 | ı | 77,917 | 1,259 |

Source: Directorate General of Intellectual Property, Ministry of Law and Human Rights.

1.1.2. Examination Pendency

One of the strategic plans of the DGIP for 2015–2019, as set out in MOL Regulation No. 7 of 2015 on Strategic Plan of the Ministry of Law and Human Rights for the years 2015–2019. (MOL 7/2015), was to complete mark applications in accordance with the timeline stipulated in the prevailing regulation.

In line with this, the DGIP performance reports for 2018–2022 (DGIP, 2018–2022) showed achievements in the completion of mark applications, including a reduction in the application backlog. In 2023, however, the target set by the DGIP on the completion of mark applications was not achieved. This was mainly because the number of DGIP staff examining the applications was limited, while the number of mark applications increased. The 2023 performance report of the DGIP specified that there were 88 examiners, which roughly means that each examiner processed around 1,488 applications.

1.2. Mark System in Indonesia

1.2.1. Definition

As stated in footnote 1, we use the term 'mark' instead of trademark because the MGI Law differentiates trademark from service mark, as explained below.

The definition of mark based on the MGI Law is as follows:

a sign that may be displayed graphically in the forms of image, logo, name, word, letter, number, combination of colors, in 2 (two) dimensions and/or 3 (three) dimensions, sound, hologram, or a combination of 2 (two) or more of those elements in order to distinguish goods and/or services produced by individuals or legal entities in goods and/or services trading activities (MGI Law, Article 1, point (1)).

Based on this definition, four types of non-traditional marks are recognised under the MGI Law: combination of colours, three dimensions, sound, and holograms.

The MGI Law divides marks into two types:

(i) **Trademark:** a mark that is used for goods traded by a person or jointly by persons or legal entities to distinguish the goods from other similar goods (MGI Law, Article 1, point (2)).

Samples of registered trademarks in Indonesia include:

a. Pala Nusantara

Figure 2.1. Pala Nusantara Logo



Source: DGIP Intellectual Property Database.

b. Djalin

Figure 2.2. Djalin Logo



Source: DGIP Intellectual Property Database.

c. Bodypack

Figure 2.3. Bodypack Logo



Source: DGIP Intellectual Property Database.

d. Brodo

Figure 2.4. Brodo Logo



Source: DGIP Intellectual Property Database

Further information on these registered trademarks can be found in Chapter 3 of this report.

(ii) **Service mark:** a mark that is used for services traded by a person or jointly by persons or legal entities to distinguish the services from other similar services (MGI Law, Article 1, point (3)).

Sample of registered service marks in Indonesia include:

a. Akseleran

Figure 2.5. Akseleran Logo



Source: DGIP Intellectual Property Database.

Further information on these registered service mark can also be found in Chapter 3 of this report.

The MGI Law also recognises the 'collective mark', which refers to a mark (whether trademark or service mark) used for goods/services with the same characteristics in terms of nature, general features, quality, and supervision, which are traded jointly by persons or legal entities to distinguish the goods/services from other similar goods/services (MGI Law, Article 1, point (4)).

Samples of registered collective marks in Indonesia include:

a. jogja mark. This collective mark was created by and registered under the name of the local government of the Special Region of Yogyakarta to empower local entrepreneurs in the region (Heriani, 2023). Based on the DGIP database, the Jogja Mark has been registered for 15 class codes with eight different registration numbers, including registration no. IDM000563387, covering a wide range of products and services such as apparel, hotels, and various types of food. b. unBALIvable. This collective mark was created based on the results of the Intellectual Property Branding Project initiated by the Ministry of Tourism and Creative Economy, MOL, the Government of Bali Province, and the World Intellectual Property Organization (WIPO) (Hendriyani, 2024). It is the property of Bali Tourism Board under registration no. IDM001192162 for NICE classification 18 and 44, offering spa services and leather accessories (DGIP, n.d.-e).

Under the MGI Law, 'right on mark' is an exclusive right granted by the state to the owner of a registered mark for a definite period to use the mark or authorise others to do so (MGI Law, Article 1, point (5)).

1.2.2. Protection of Marks

'Right on mark' is obtained after the mark is registered with the DGIP. The term 'registered' means that the mark registration application has completed the processes of formality examination, announcement, and substantive examination, and has obtained approval from the MOL for the issuance of a mark certificate (Elucidation of Article 3 of the MGI Law).

A registered mark obtains protection for 10 years from the 'filing date' – the date of acceptance by the DGIP of an application for mark registration that satisfies the minimum requirements (complete application form, mark label, and payment of the registration fee) (MGI Law, Article 35, para. (1) and Article 13).

The protection period can be extended for the same term perpetually based on applications from the owner of the registered mark. The extension application must be filed with the DGIP within 6 months prior to the expiration of the protection period. It is possible to file the extension application within 6 months after the expiration of the protection period, but this extension application is subject to a fine (MGI Law, Article 35, paras. (1), (2), and (3)).

1.2.3. Mark Registration Procedure

The mark registration procedure is stipulated in the MGI Law and MOL Regulation No. 67 of 2016 on Marks Registration as amended by MOL Regulation No. 12 of 2021 (MOL 67/2016).

To register a mark, a registration application made in the Indonesian language must be filed with the DGIP by the mark owner or its proxy. The application can be filed online or offline (MOL 67/2016, Articles 3 and 6–8).

The online filing is conducted via the DGIP's brand website (DGIP, n.d.-d). Supporting documents for the application must be submitted in a specific format determined by the DGIP, which can be downloaded from the DGIP website (DGIP, n.d.-c). Based on

information from the DGIP, it is not currently possible to submit non-electronic mark registration applications. This restriction has been in place since the beginning of the COVID-19 pandemic, when social distancing measures were implemented.

If the applicant uses a proxy to file an application, the proxy must be an IP consultant residing/domiciled in Indonesia. IP consultant refers to a person with expertise in IP who is registered as an IP consultant and provides services in IP applications and registration (MOL 67/20216, Article 3, para. (1) and Article 1, point (6)).

If the applicant is residing/domiciled outside Indonesia, the registration application must be filed by a proxy as mentioned above. This requirement also applies to registration applications filed using the 'priority right' (explained below). The applicant must select the address of the proxy as the applicant's legal domicile in Indonesia (MGI Law, Article 7).

In the registration application, the applicant/its proxy must set out/provide the following (MOL 67/2016, Article 3):

- a. date, month, and year of the application;
- b. full name, nationality, and address of the applicant;
- c. full name and address of the proxy if the registration application is filed by a proxy;
- d. colour if the mark whose registration is applied uses the element of colour;
- e. name of the country and date of the basic mark application if the application is filed using the priority right;
- f. class of goods and/or services as well as a description of the type of goods and/or services;
- g. mark label:
 - (i) If the mark that is the subject of the registration application has a threedimensional form, the mark label will be in the characteristic form of the mark (visual form and description of the protection claim).
 - (ii) If the mark to be registered is in the form of sound, the mark label will be in the form of the notation and a recording of the sound. If the sound cannot be rendered by notation, the mark label will be in the form of a sonogram.
 - (iii) If the mark to be registered is in the form of a hologram, the mark label will be in the form of a visual display from various sides.
- h. a statement letter of the applicant regarding mark ownership.
- i. evidence of payment of the registration fee. Based on Government Regulation No. 28 of 2019 on Types and Tariffs of Non-Tax State Revenue Applicable at the Ministry of Law and Human Rights (GR 28/2019) and Minister of Finance Regulation No. 67/PMK.02/2021, the registration fee is as follows:

Table 2.5. Mark Registration Fee

| No. | Applicant | Application Method | Registration Fee/Class |
|-----|------------------------------|-----------------------|---------------------------|
| 1 | Micro and/or small business | Online | Rp500,000 |
| | | Offline | Rp600,000 |
| 2 | General | Online | Rp1,800,000 |
| | | Offline | Rp2,000,000 |
| 3 | Based on the Madrid Protocol | - | SwF125 |

Source: GR 28/2019 and Minister of Finance Regulation No. 67/PMK.02/2021.

Priority right

The MGI Law recognises 'priority right' – the right of an applicant from a contracting party to the Paris Convention for the Protection of Industrial Property or the Convention for the Establishment of the World Trade Organization to obtain acknowledgement that the filing date in the origin country is the priority date in the destination country if that country is also a contracting party to either convention (MGI Law, Article 1, point (17)).

A mark registration application using the priority right must be filed no later than 6 months from the filing date of the first application in the other country. The application must be accompanied by evidence of the filing date of the first application. The evidence must be translated into the Indonesian language by a sworn translator (MGI Law, Articles 9 and 10).

Collective mark

For a collective mark, the registration application must be accompanied by a copy of the terms of use of the collective mark. The terms of use of the collective mark must at least contain provisions on the following (MGI Law, Article 46, para. (3)):

- a. characteristics, common traits, or quality of the goods and/or services to be produced and traded;
- b. supervision of the use of the collective mark; and
- c. sanctions for violation of the terms of use of the collective mark.

Flow of Mark Registration Application

The flow of the mark registration application process is shown in Figure 2.6.

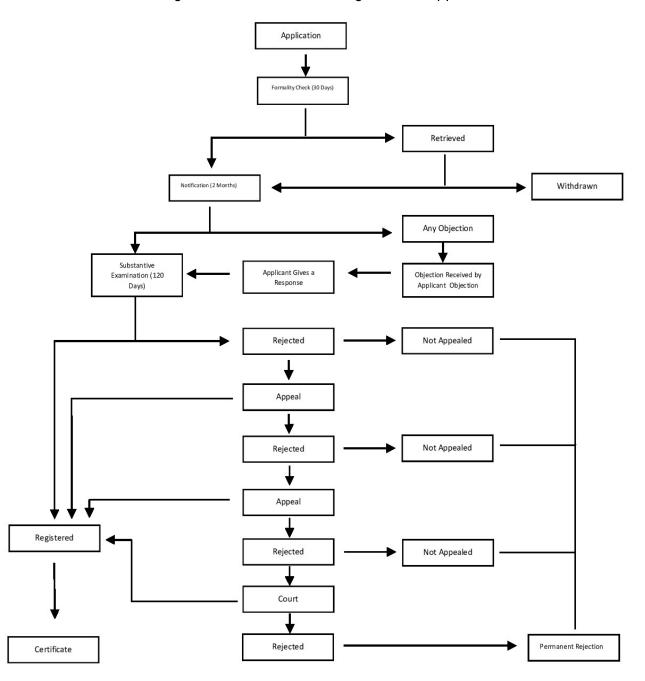


Figure 2.6. Flow of Mark Registration Application

Source: Directorate General of Intellectual Property, Ministry of Law and Human Rights (n.d.), Merek [Brand]. https://www.dgip.go.id/menu-utama/merek/proses-pendaftaran-merek

1.2.4. Examination of Mark Registration Application

The examination of a mark registration application is divided into two processes: administrative/formality examination and substantive examination.

Formality examination

In the formality examination, the DGIP reviews the fulfilment of the application requirements described above, such as the completion of the application form and the provision of the mark label. The formality examination may take up to 30 working days (MGI Law, Article 11, para. (2)).

If the DGIP considers the registration application to be incomplete, the DGIP notifies the applicant to complete the registration application no later than 2 months (or 3 months if the registration application is filed using the priority right) from the delivery date of the notification. If the registration application remains incomplete after the lapse of this period, the registration application is considered as withdrawn (MGI Law, Article 12).

After passing the formality examination, the applicant is given a filing date and the MOL publishes the mark registration application in the *Mark Gazette* no later than 15 working days from the filing date. The publication of application of the mark in the *Mark Gazette* by the DGIP lasts for 2 months (Article 14 (1) and (2) of MIG Law). If there is no objection within the publication period, the DGIP conducts a substantive examination of the registration application (Article 23 (2) of MIG Law).

Within the period of the publication in the *Mark Gazette*, any third party may file an objection against the mark registration application. The objection must be filed with the MOL in writing and supported by adequate reasons and evidence. Within 14 working days from the filing date of the objection, the applicant or its proxy will be provided with a copy of the objection letter (MGI Law, Article 16).

The applicant may submit a response to the objection no later than 2 months from the delivery date of the objection letter to the applicant/its proxy. Both the objection and response will be considered by the DGIP in the substantive examination process (MGI Law, Article 17 and Article 23 para. (2)).

Substantive examination

During the substantive examination, the DGIP evaluates whether the mark is eligible for registration based on the legal requirements stipulated in Articles 20 and 21 of the MGI Law (as mentioned below). The substantive examination may take up to 30 working days if there is no objection on the registration application or 90 working days if there is an objection on the registration application. Based on the substantive examination, the DGIP decides if the mark in the registration application can be registered (MGI Law, Articles 23 and Article 24, para. (1)).

There are two grounds of refusal against the mark registration application: 'absolute grounds for refusal' and 'relative grounds for refusal'.

The absolute grounds for refusal are stipulated in Article 20 of the MGI Law, as follows:

A Mark cannot be registered if it:

- a. contradicts to the State's ideology, laws and regulations, morality, religion, decency, or public order;
- b. is similar to, related to, or merely mentioning the goods and/or services being applied for registration;
- c. contains any element which may mislead the public in respect to the origin, quality, type, size, kind, intended use of the goods and/or services being applied for the Mark registration or constitutes the name of a protected plant variety for similar goods and/or services;
- d. contains description that does not correspond to quality, benefit or efficacy of the goods and/or services produced;
- e. does not have any distinctive character;
- f. constitutes a common name and/or public sign; and/or
- a. contains a functional form.

The relative grounds for refusal deal with subjective reasons or depend on the knowledge/opinion of the DGIP examiner. The relative grounds for refusal are stipulated in Article 21 of the MGI Law, as follows:

An application is refused if the Mark substantively similar to or identical to:

- a prior registered Mark of other parties or priorMark whose registration has been applied in advance by other party in respect of similar goods and/or services;
- b. a well-known Mark of other parties for similar goods and/or services;
- c. a well-known Mark of other parties fordifferent of goods and/or services that fulfil certain requirements;
- d. or a registered Geographical Indication.

An application will be refused if the Mark:

- a. constitutes or resembles the name or name abbreviation of a well-known individual, photograph, or the name of a legal entity owned by other person, unless there is a written consent from the entitled party;
- b. constitutes an imitation or resembles the name or name abbreviation, flag, sign or symbol or emblem of a country, or a national or an

- international organization, unless there is a written consent from the authorized party; or
- c. constitutes an imitation or resembles an official sign or stamp or seal used by a country or a government agency, unless there is a written consent from the authorized party."

An application will be refused if it is filed by an applicant in bad faith.

An applicant will be considered as filing the mark registration application in bad faith if, in the DGIP's opinion, there are reasonable grounds to believe that the applicant has the intention to imitate, plagiarise, or duplicate a mark of another party for the interest of its business, causing unfair business competition or deception, or to mislead consumers (Elucidation of Article 21 para. (3) of the MGI Law).

Well-known mark

The criteria of a well-known mark is determined by taking into account the public's general knowledge regarding the mark in the relevant business field by considering the following (MOL 67/2016, Article 18, para. (3)):

- a. the level of public knowledge or recognition of the mark in the relevant business field as a well-known mark;
- b. the volume of sales of goods and/or services and profits obtained from the use of the mark by the owner;
- c. the market share controlled by the mark in relation to the circulation of the goods and/or services in society;
- d. the coverage area of the mark's use;
- e. the period of use of the mark;
- f. the mark's intensity and promotion, including the investment value used for such promotion;
- g. the mark's registration or registration application in other countries;
- h. the level of success of law enforcement in the field of marks, particularly regarding the recognition of the mark as a well-known mark by the competent authority; or
- i. the value attached to the mark that is obtained because of the reputation and guarantee of the quality of the goods and/or services protected by the mark.

In relation to 'a well-known mark of other party under a different type of goods and/or services that fulfil certain requirements', Article 19 para. (3) of MOL 67/2016 provides that the refusal of registration may be conducted if there is a written objection from the owner of the well-known mark and the well-known mark has been registered.

Additional references regarding the criteria for determining a well-known trademark can be found in the following Supreme Court of the Republic of Indonesia jurisprudences:

a. Supreme Court of the Republic of Indonesia Jurisprudence No. 1486/K/Pdt/1991 dated 28 November 1995:

'A trademark falls under the definition of a Well-Known Mark essentially interpreted as a trademark that has circulated beyond regional boundaries to transnational limits. Therefore, if it is proven that a trademark is registered in many countries worldwide, it qualifies as a well-known mark because it has circulated beyond the boundaries of its country of origin'; and

b. Supreme Court of the Republic of Indonesia Jurisprudence No. 426/PK/Pdt/1994 dated 3 November 1995:

The criteria for determining whether a trademark is well-known is a legal issue subject to cassation² review, and it has become a permanent jurisprudence of the Supreme Court based on whether a trademark has penetrated national and regional boundaries, thus demonstrating global recognition and can be considered as a trademark that knows no world boundaries.

1.2.5. Approval of Mark Registration Application

Upon completion of the substantive examination, the DGIP decides whether the registration application is approved or refused. If the DGIP decides that the mark can be registered, the MOL will (MGI Law, Article 24, para. (1)):

a. register the mark;

b. notify the applicant or their proxy regarding the registration of the mark;

c. issue a mark certificate; and

d. publish the mark registration in the *Mark Gazette*, electronically and non-electronically.

² According to the Indonesian dictionary (KBBI), cassation is the annulment by the Supreme Court of decisions made by judges of lower courts that contradict the law. It allows for a review of legal applications based on *judex juris*. Under Law No. 5 of 2004 on the Supreme Court, cassation in civil law is limited to three grounds: (i) lack of authority, where the court lacked jurisdiction; (ii) an error in the application of the law, where the court misapplied or violated the relevant law; and (iii) procedural violations, where the court failed to follow

mandatory legal procedures, rendering the decision invalid.

The information regarding the completion of examinations is communicated via the registrant's DGIP account or accessed through the Indonesian Intellectual Property Database (Pangkalan Data Kekayaan Intelektual) for the public.

Mark certificate

A mark certificate states the following (MGI Law, Article 25, para. (2)):

- a. the full name and address of the mark owner;
- b. the full name and address of the proxy, for an application filed by a proxy;
- c. the filing date;
- d. the name of the country and the filing date of the first application (if the registration is completed using the priority right);
- e. the mark label, including its description;
- f. the serial number and date of the registration;
- g. the class and types of goods and/or services of the mark; and
- h. the validity period of the mark registration.

Upon approval of the trademark registration by the DGIP, a digital certificate is issued. The registrant can obtain this certificate electronically via the registrant's DGIP account.

An official excerpt of a registered mark certificate may be obtained by any party via the online submission of an application and payment of the required fee (MGI Law, Article 26). The DGIP has transitioned from issuing physical certificates or official excerpts to publishing them in digital format.

1.2.6. Refusal of Mark Registration Application

If the DGIP decides to refuse the mark registration application, the MOL notifies the applicant in writing, stipulating the reasons. The applicant may submit a written response to the refusal within 30 working days from the delivery date of the notification. If the applicant's response to the refusal is accepted by the DGIP, the MOL grants an approval of the mark registration and issues a mark certificate. But if the response is not accepted by the DGIP, the MOL issues a registration refusal letter to the applicant, stipulating the articles of the MGI Law on which the refusal was based (MGI Law, Article 24, paras. (2), (3), (4), (5), (6), and (7)).

<u>Appeal</u>

The applicant may file an appeal against the refusal of the mark registration application based on the grounds referred to in Article 20 and/or Article 21 of the MGI Law. The appeal must be filed with the Mark Appeal Commission with a copy to the MOL within 90 working days from the delivery date of the registration refusal letter

from the MOL. The appeal filing is subject to an administrative fee of Rp3,000,000 per application (DGIP, n.d.-b).

Based on Government Regulation No. 90 of 2019 on the Procedures of Application, Examination, and Completion of Appeal at the Mark Appeal Commission (GR 90/2019), the appeal will consist of two sequential processes:

- an administrative examination that will deal with examination of all required appeal documents by the secretary of the Mark Appeal Commission. The administrative examination may take 1 month from the filing date of the appeal. After passing the administrative examination, the appeal will be given a filing date (GR 90/2019, Article 18, para. (1)); and
- a substantive examination that will be conducted by the Mark Appeal b. Commission through hearings that are open to the public, to examine the appeal application that has passed the administrative examination. Based on the substantive examination, the Mark Appeal Commission will decide whether to grant or reject the appeal. The decision of the Mark Appeal Commission must be given within 3 months from the filing date of the appeal. If the Mark Appeal Commission decides to reject the appeal, the applicant may file a claim with the Commercial Court against the decision within 3 months from the date of receipt of the decision of the Mark Appeal Commission. Subsequently, the applicant may file a cassation with the Supreme Court against the decision made by the Commercial Court within 14 days after the pronouncement date of the Commercial Court decision. Lastly, the applicant may file a case review with the Supreme Court against the cassation decision (GR 90/2019, Article 20; MGI Law, Article 30, paras. (1), (2), (3), and (4); MGI Law, Article 88, paras. (1) and (12); and MGI Law. Article 89).

1.2.7. International Registration of Marks

Indonesia has ratified the Madrid Protocol based on President Regulation No. 92 of 2017, and this allows international registration of marks based on applications from Indonesia or applications designated to Indonesia.

Application from Indonesia (international application)

An international application may only be filed by the following (MGI Law, Article 52, para. (2)):

- a. an applicant having Indonesian nationality;
- b. an applicant having domicile in Indonesia; or
- c. an applicant having real industry or commercial business activities in Indonesia.

Further, the applicant must have filed a mark registration application or have mark registration in Indonesia (**basic application/registration**) to serve as the basis for the international application (MGI Law, Article 52, para. (3)).

Based on Article 3, paras. (1), (2), and (3) of GR 22/2018, an international application must be filed with WIPO through the MOL. The filing may be conducted electronically or non-electronically, by completing an application form in English. The filing is subject to a fee that must be paid directly to WIPO and an administrative fee that must be paid to the MOL. The amount of the administrative fee pursuant to GR 28/2019 is Rp500,000 per application.

After the international application is filed, the MOL examines the completeness and accuracy of the application, conformity with the basic application/registration, and evidence of the administrative fee payment. The examination is conducted based on the Common Regulations Under the Madrid Protocol, within 5 working days upon receipt of the international application by the MOL. If the international application satisfies the requirements, the MOL conveys the international application to WIPO. But if the international application does not satisfy the requirements, the MOL notifies this to the applicant within 10 working days from the date the international application is received by the MOL. The applicant must complete the requirements within 15 working days upon receipt of the notification from the MOL. Otherwise, the international application is considered as withdrawn (GR 22/2018, Articles 6, 7, and 8).

Application for registration in Indonesia (international registration)

Based on Articles 10 and 11 of GR 22/2018, the MOL publishes an announcement on the international registration in accordance with the prevailing regulations in Indonesia after the MOL receives the international registration from WIPO. During the announcement period, any interested parties may file an objection against the international registration.

The MOL conducts a substantive examination of the international registration in accordance with the prevailing laws. The result of the substantive examination is conveyed by the MOL to WIPO within 18 months from the notification date of the international registration to the MOL (GR 22/2018, Articles 12 and 13).

If the MOL approves the international registration, the MOL conveys a statement of protection of the mark to WIPO, issues a mark certificate, and publishes an announcement in the *Mark Gazette*. Protection of marks based on international registration is valid for 10 years from the international registration date – the date

when the mark is registered in the international register³ (GR 22/2018, Articles 14 and 17).

If the MOL rejects the international registration, the MOL conveys the rejection to WIPO with its reasons. In this case, the mark owner may submit its response to the MOL within 30 working days from the delivery date of the rejection letter by WIPO to the mark owner. The response must be submitted to the MOL through a proxy – an IP consultant residing/domiciled in Indonesia as explained above. The MOL conveys its final decision on the response to WIPO (GR 22/2018, Article 15).

If the international registration is filed for a collective mark, a copy of the terms of use of the collective mark and its translation in the Indonesian language must be submitted to the MOL within 3 months from the notification date of the international registration to the MOL. The rules on substantive examination mentioned above also apply to the international registration of collective marks (GR 22/2018, Article 16).

1.2.8. Management of Registered Mark

Management of a registered mark may include the following activities:

- a. **Extension of mark registration**. As explained above, the protection for a mark applies after the mark is registered with the DGIP. The protection period of a registered mark is 10 years from the filing date, and it can be extended for the same period perpetually based on applications from the registered mark owner.
 - Based on Article 38, para. (1) of the MGI Law, an extension application is granted if the applicant provides a letter stating that the mark is still used for the goods/services referred to in the mark certificate, and the goods/services are still produced/traded. This requirement, however, does not apply to an extension application of a registered mark in the form of a logo or symbol of a company.
 - In relation to international registration, the protection period can be extended pursuant to the Common Regulations Under the Madrid Protocol (GR 22/2018, Article 18).
- b. **Transfer of right.** Based on Article 41, para. (1) of the MGI Law, the 'right on mark' may be transferred based on the following: inheritance, testament, waqf,⁴ grant,

³ Based on the Madrid Protocol, 'international register' refers to the official collection of data concerning international registrations maintained by WIPO – data the protocol or the regulation require or permit to be recorded – irrespective of the medium in which such data is stored (WIPO, 2009).

⁴ The definition of waqf based on Law No. 41 of 2004, Article 1, Point 1 regarding waqf is a 'waqif's legal action to separate and/or give part of his property to be utilized forever or for a certain period of time in accordance with his interests for the purposes of religious worship and/or public welfare according to sharia'.

agreement, or other reasons permitted by the law (e.g. due to mergers or acquisitions).

MGI Law, Article 41 para. (2) provisioned that "The transfer of Right on registered Mark by Mark Owner retaining more than one registered Marks which are substantially similar or identical for similar goods and/or services may only be carried out if all those registered Marks are transferred to the same party".

The transfer of rights for a registered mark must be recorded with the DGIP. Failure to record the transfer of rights does not have legal consequences for third parties. The recording of the transfer is subject to a fee of Rp700,000 per registration number that must be paid to the MOL (MGI Law, Article 41, paras. (3)–(7); and GR 28/2019).

In relation to marks based on international registration, Article 20 of GR 22/2018 provides that a transfer of right may be conducted pursuant to the Common Regulations Under the Madrid Protocol.

c. Licensing. The owner of a registered mark may give a licence to another party to use the registered mark by entering into a licence agreement. The licence agreement applies in the Republic of Indonesia, except otherwise agreed by the parties to the licence agreement (meaning that the scope of the territory may be extended to outside Indonesia or limited to certain areas in Indonesia) (MGI Law, Article 42, paras. (1) and (2) and elucidations on Article 42 paras. (1) and (2)).

The licence agreement must be recorded with the DGIP. If this is not done, the licence agreement will not have any legal effect on the third parties. The recording is subject to a fee of Rp1,000,000,00 per registration number that must be paid to the MOL (MGI Law, Article 42, paras. (3) and (5); and GR 28/2019).

Based on Article 24 of GR 22/2018, licensing can be recorded for trademarks based on international registration. The application to record the license must be made in writing to the MOL and will incur a fee. The recording procedures must be conducted in accordance with prevailing laws and regulations.

A licence agreement must not contain any provisions that may, directly or indirectly, cause loss to Indonesia's economy or restrict/hinder the ability of Indonesian people to control and develop technologies; create unfair business competition; or contradict provisions of laws and regulations, religious values, decency, or public order (MGI Law, Article 42, para. (6); and GR 36/2018, Article 6).

The licence agreement will at least contain the following (GR 36/2018, Article 7, para. (2)):

- a. the date, month, year, and location of signing of the licence agreement;
- b. the name and address of the licensor and licensee:

- c. the object of the licence agreement;
- d. provisions regarding an exclusive or non-exclusive licence, including a sub-license;
- e. the term of the licence agreement;
- f. the area where the licence agreement applies, and
- g. the party that undertakes payment of annual costs for patents.

Essentially, license agreements are treated similarly to other agreements, as outlined in Article 1338 of the Indonesian Civil Code.

1.2.9. Revocation and Invalidation of a Registered Mark

Revocation

A registered mark may be revoked based on the following:

- a. Request from the mark owner. The owner of a registered mark or its proxy may file a request with the MOL for the revocation. In the case that the registered mark is bound by a licence agreement, the revocation may only be conducted based on consent from the licensee except if the licensee has clearly waived the consent requirement in the licence agreement (MGI Law, Article 72, paras. (1), (2), (3), and (4)).
- b. Initiative of the MOL. The revocation may be initiated by the MOL if the registered mark has similarities (whether substantially or entirely) to a GI; contradicts the state's ideology, prevailing laws, morality, religion, decency, or public order; or has similarities to traditional cultural expression, intangible cultural heritage, or names or logos that have been passed down from generation to generation (MGI Law, Article 72, paras. (6) and (7)).
 - Against the revocation, the registered mark owner may file an objection with the State Administrative Court. Subsequently, against a decision by the State Administrative Court, the registered mark owner may file a cassation with the Supreme Court (MGI Law, Article 73).
- c. Claim from a third party. Any interested third parties may file a claim with the Commercial Court for revocation of a registered mark if the registered mark is not used in the trade activities of the goods/services for three consecutive years from the registration date or the date of last use of the registered mark (MGI Law, Article 74, para. (1)). This provision does not apply in the case of an import prohibition, prohibition associated with permits for the utilisation of the relevant mark in product distribution, or a temporary ruling issued by the competent authority; or other prohibitions as stipulated in the government regulation (MGI Law, Article 74, para. (2)).

<u>Invalidation</u>

A claim for invalidation of a registered mark may be filed with the Commercial Court by any interested parties (e.g. the owner of a registered mark, the prosecutors, foundation/institutions in the field of consumers, or a religious council/organisation) based on reasons referred to in Article 20 and/or Article 21 of the MGI Law. The invalidation claim may also be filed with the Commercial Court by the owner of an unregistered mark after it files an application to register the unregistered mark with the DGIP (MGI Law, Article 76 and elucidation of Article 76).

The invalidation claim may only be filed within 5 years from the registration date of the mark. This time limitation, however, does not apply to invalidation claims stating that the registered mark owner is acting in bad faith or that the registered mark contradicts the state's ideology, prevailing laws, morality, religion, decency, or public order (MGI Law, Article 77).

Against the decision of the Commercial Court, the claimant/respondent (as relevant) may file a cassation with the Supreme Court. Subsequently, against the cassation decision, the claimant/respondent may file a case review with the Supreme Court (MGI Law, Article 78; Article 88, para. (12); and Article 89).

1.2.10. Dispute Settlement

The owner of a registered mark or its licensee or the owner of a well-known mark may file a claim with the Commercial Court against any parties that unlawfully use a mark having similarities (whether substantially or entirely) to the registered mark/well-known mark for similar kinds of goods/services. The claim may be filed to request compensation and/or cessation of all activities related to the use of the mark (MGI Law, Article 83, paras. (1), (2), and (3)).

During the examination of the claim by the Commercial Court, the claimant may request the Commercial Court to order suspension of production activity by the defendant that uses the mark disputed and postponement of any deliveries of the goods/services using the disputed mark until there is a final and binding court decision (MGI Law, Article 84, paras. (1) and (2)).

Based on Article 93 of the MGI Law, it is also possible for the disputing parties to settle the dispute through arbitration. However, as stipulated in Indonesian arbitration law, the disputing parties must first enter into an agreement setting out their consensus to settle the dispute through the arbitration.

Interlocutory Injunction

Based on Article 94 of the MGI Law, it is possible for the owner of a registered mark to request the Commercial Court to issue a temporary stipulation (injunction) on the

prevention of distribution of goods/services that are alleged as resulting from a mark infringement, retention of evidence related to the infringement, safeguarding and prevention of the loss of evidence by the infringer, and/or cessation of the infringement to prevent a greater loss (MGI Law, Article 94).

The petition for the interlocutary stipulation (injunction) must be filed with the Commercial Court in writing by enclosing/providing the following (MGI Law, Article 95):

- a. the mark certificate;
- b. evidence showing a strong initial indication regarding the mark infringement;
- c. a clear description of the goods and/or documents requested, sought, collected, and secured for use as evidence; and
- d. submission of bail via cash and/or bank guarantee equal to the value of the goods charged on the interlocutory injunction.

Within 5 days upon the receipt of a petition that satisfies the above requirements, the Commercial Court must issue its decision on whether to grant or reject the petition. If the petition is granted, the temporary stipulation is notified to the affected party within 24 hours. If the petition is rejected, the Commercial Court notifies the petitioner, specifying the reasons for the rejection (MGI Law, Article 96).

If the petition is granted, the Commercial Court summons the party affected by the temporary stipulation (injunction) within 7 days from the issuance date of the temporary stipulation (injunction) to be heard in the Commercial Court. The party affected by the temporary stipulation (injunction) may convey its statement/response and evidence within 7 days from the date it receives the summons from the Commercial Court. The final decision of the Commercial Court (whether to confirm or cancel the temporary stipulation (injunction)) must be issued within 30 days from the issuance date of the temporary stipulation (injunction) (MGI Law, Article 97, paras. 1–3).

If the Commercial Court decides to confirm the temporary stipulation, the guarantee for the petition must be returned to the petitioner, and the petitioner may file a compensation claim and/or police report against the infringer (MGI Law, Article 97, para. (4)).

1.2.11. Criminal Sanctions

The MGI Law stipulates criminal sanctions on mark infringement, as follows:

a. Article 100, para. (1):

Any person who unlawfully uses a Mark that is entirely the same as a registered Mark of other party for similar goods and/or services that are produced and/or traded shall be sentenced to imprisonment of up to five years and/or fines up to of Rp2,000,000,000.

b. Article 100, para. (2):

Any person who unlawfully uses a Mark that is substantially similar to a registered Mark owned by other party for similar goods and/or services that are produced and/or traded shall be punished by imprisonment for four years at the maximum and/or fines up to Rp2,000,000,000.

2. Geographical Indications

2.1. Applications

2.1.1. Number of Applications

Based on GI data received from the DGIP on 30 May 2024, the number of GI applications in Indonesia during 2018–2023 is presented in Table 2.6.

Table 2.6. Number of Geographical Indication Applications

| Source of application | | | Ye | ar | | |
|-----------------------|------|------|------|------|------|------|
| Source of application | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Domestic | 36 | 35 | 20 | 24 | 26 | 22 |
| Foreign | 1 | - | 2 | 4 | - | - |
| Total | 37 | 35 | 22 | 28 | 26 | 22 |

Source: Directorate General of Intellectual Property, Ministry of Law and Human Rights.

The data from the DGIP also show the number of GI applications that were approved (registered) and pending in 2018–2023 (Table 2.7).

Table 2.7. Number of Geographical Indication Applications Approved (Registered) and Pending, 2018–2023

| Year | Status | |
|------|------------|---------|
| | Registered | Pending |
| 2018 | 31 | 6 |
| 2019 | 26 | 9 |
| 2020 | 12 | 10 |
| 2021 | 15 | 13 |
| 2022 | 8 | 18 |
| 2023 | 3 | 19 |

Source: Directorate General of Intellectual Property, Ministry of Law and Human Rights.

2.1.2. Examination Pendency

Based on the data presented in Table 2.2.2, we can see that the percentage of pending GI registration applications increased every year during 2018–2023. There is no specific information regarding the reason for the increase based on information that is publicly available. However, based on various DGIP performance reports (DGIP, 2018–2023), we understand that one of the challenges faced by the DGIP in relation to the handling of GI is the need to develop an online registration system, known as e-GI.

2.1.3. Definition

Based on Article 1, point (6) of the MGI Law, **geographical indication** means an indication that identifies the area of origin of goods and/or products which, due to geographical environmental factors including natural factors, human factors, or a combination of those two factors, gives a certain reputation, quality, and/or characteristics to the produced goods and/or products.

Further, Article 1, point (7) of the MGI Law defines 'right on geographical indication' as an exclusive right that is granted by the state to the holder of a registered GI right insofar as the reputation, quality, and characteristics that serve as the basis for the protection of the GI still exist.

Examples of registered Indonesian GIs include the following:

- a. **Kopi Arabika Gayo.** This is a protected GI from the Gayo highlands, situated within the Bukit Barisan mountain range in the province of Aceh, on the northernmost island of Sumatra. This distinctive coffee is esteemed in the global market for its unique flavour profile, rich aroma, and robust viscosity. On 6 September 2018, Gayo Arabica Coffee was officially recognised and granted protection as a GI under the ID G 0000000006 (DGIP, n.d.-e).
- b. Tenun Ikat Alor. This traditional craft of weaving of the Alor community is a registered GI originating in the Alor Regency of East Nusa Tenggara Province. Its historical recognition stems from the distinctive motifs and patterns that differentiate it from products of other regions. Each motif embodies a specific philosophy, rendering Tenun Ikat Alor an emblematic representation of the region, frequently featured at local, national, and international events. Notably, on 26 November 2018, Tenun Ikat Alor attained protection as a GI, designated with the GI ID G 00000007 (DGIP, n.d.-e).
- c. **Beras Adan Krayan.** This is a registered GI originating from the Krayan and South Krayan subdistricts, Nunukan Regency, North Kalimantan Province. This type of rice is distinguished by its diminutive grains, smooth composition, and exceptional taste. The use of organic ingredients and specialised production techniques gives Beras Adan Krayan a unique flavour profile. Officially

acknowledged as a GI on 6 September 2018, this variety bears the GI ID G 000000013 (DGIP, n.d.-e).

2.1.4. GI Protection

A GI obtains protection after it is registered with the DGIP. The protection is valid as long as the reputation, quality, and characteristics that serve as the basis for the protection of the GI still exist (MGI Law, Article 53, para. (1) and Article 61, para. (1)).

2.1.5. GI Registration Procedures

A GI may be registered with the DGIP based on an application from any of the following parties (MOL Regulation No. 12 of 2019 on Geographical Indication as amended by MOL Regulation No. 10 of 2022 (MOL 12/2019), Article 3, para. 1a):

- an institution that represents a community in a certain geographical area that operates goods and/or products in the form of natural resources, handicraft items, or industrial outputs (i.e. the products of human processing of raw goods into finished goods); and
- b. the provincial or regency/city government.

To register a GI, a registration application made in the Indonesian language must be filed with the DGIP by the applicant or its proxy. The application can be filed online or offline (MOL 12/2019, Article 3).

The online filing is conducted via the DGIP website designated for GI applications (DGIP, n.d.-a). The offline filing is conducted by submitting an application to the DGIP office, using the application form attached to MOL 12/2019.

If the applicant uses a proxy to file the application, the proxy must be an IP consultant residing/domiciled in Indonesia. IP consultant refers to a person with expertise in IP who is registered as an IP consultant and provides services in IP applications and registration (MOL 12/2019, Article 1, point 5).

In the registration application, the applicant/its proxy must set out/provide the following (MOL 12/2019, Article 3, paras. 4 and 5):

- a. the date, month, and year of the application;
- b. the full name and address of the applicant;
- c. the full name and address of the proxy and power of attorney if the registration application is filed by a proxy;
- d. the name of the GI:
- e. the name of the goods;
- f. the translation, transliteration (phonetic translation), and label of the GI;
- g. evidence of payment of the registration application fee;

- h. two GI labels (minimum 2 x 2 centimetres, maximum 9 x 9 centimetres);
- i. Gl description document and its abstract/summary;
- j. a copy of the certificate or valid documentary evidence of recognition and/or registration in the country of origin, if the registration application is for a GI that originates abroad.

Registration application fee

Based on GR 28/2019, the registration application fee is set out in Table 2.8.

Table 2.8. Geographical Indication Application Fee

| Application method | Registration fee/class |
|--------------------|------------------------|
| Online | Rp450,000 |
| Offline | Rp500,000 |

Source: GR 28/2019.

Geographical indication description document

Based on Article 3 para. (6) of MOL 12/2019, the GI description document must consist of:

- a. data regarding the applicant of the GI;
- b. the name of the GI;
- c. the name of the product protected by the GI;
- d. a description of the characteristics and qualities that distinguish the product from other products in the same category;
- e. a description of the geographical environment and natural and human factors that are integral to the quality or characteristics of the product;
- f. a description of the area boundaries and/or location map covered by the GI;
- g. a description that explains the production process, processing, and manufacturing methods used, which enables each producer in the area to produce, process, or create the related good;
- h. a description of the production, processing, and making processes used that allow producers in the area to produce, process, or make the product;
- i. a description of the method used to test the quality of the product; and
- j. the label used on the product showing the Gl.

The format of the GI description document is provided in the attachment to MOL 12/2019.

Flow of GI Registration Application

The flow of the GI application process is shown in Figure 2.7.

Application Administrative Check (30 Days) Retrieved Notification (2 Months) Withdrawn Any Objection Applicant Gives a Response Objection Received by Applicant Objection Substantive Examination Not Appealed Rejected Appeal Not Appealed Rejected Appeal Registered Rejected Not Appealed Court Certificate Rejected Permanent Rejection

Figure 2.7. Flow of Geographical Indication Applications

Source: Directorate General of Intellectual Property, Ministry of Law and Human Rights (n.d.), Indikasi Geografis [Geographical Indication]. https://www.dgip.go.id/menu-utama/indikasi-geografis/syarat-prosedur

2.1.6. Examination of GI Registration Application

Examination of the GI registration application is divided into two processes: an administrative/formality examination and a substantive examination.

Formality examination

In the formality examination, the DGIP reviews the completeness and correctness of the registration application form and its supporting documents. The formality examination may take up to 30 working days from the date of filing of the registration application (MOL 12/2019, Article 7).

If the DGIP considers the registration application to be incomplete, the DGIP notifies the applicant to complete the registration application within 3 months from the delivery date of the notification. If the registration application remains incomplete after the lapse of this period, the registration application is considered as withdrawn (MOL 12/2019, Article 8).

After passing the formality examination, the applicant is given a filing date and the MOL publishes the GI registration application in the *Geographical Indication Gazette* no later than 15 working days from the filing date. The publication in the *Geographical Indication Gazette* lasts 2 months. If there is no objection within the publication period, the DGIP conducts a substantive examination of the registration application.

Within the period of publication in the *Geographical Indication Gazette*, any third party may file an objection against the registration application. The objection must be filed with the MOL in writing, supported by adequate reasons and evidence. The MOL notifies the applicant/its proxy on the objection within 14 working days from the date the MOL receives the objection. Against the objection, the applicant/its proxy may submit a response to the MOL within 2 months from the delivery date of the objection by the MOL (MOL 12/2019, Article 10).

Substantive examination

Within 10 working days from the expiration of the publication in the *Geographical Indication Gazette*, the MOL notifies the applicant/its proxy to file an application for substantive examination with the MOL within 60 working days from the delivery date of the MOL's notification. The application for the substantive examination must be made in accordance with the format provided in the attachment to MOL 12/2019. If the applicant/its proxy fails to file the application for substantive examination, the registration application is considered as withdrawn (MOL 12/2019, Article 11–13).

The application for substantive examination is subject to a fee of Rp1,000,000 per registration number (MOL 12/2019, Article 14, para. (2); and GR 28/2019).

The substantive examination is conducted by the Geographical Indication Experts Team appointed by the MOL. The substantive examination may take up to 150 working days from the filing date (MOL 12/2019, Article 14).

In conducting the substantive examination, the Geographical Indication Expert Team reviews the GI description document. For GI registration applications from inside Indonesia, the Geographical Indication Expert Team visits the location where the GI goods are produced to assess the conformity between the GI description document and the actual conditions in the location (MOL 12/2019, Article 15, paras. (1) and (2)).

There are two grounds of refusal against a GI registration application: 'absolute grounds for refusal' and 'relative grounds for refusal'.

The absolute grounds for refusal are set out in Article 56, para. (1) of the MGI Law: if the registration application:

- a. contradicts the state's ideology, prevailing laws, morality, religion, decency, and public order;
- b. misleads or deceives the public regarding the reputation, quality, characteristics, origin, manufacturing process, and/or use of the goods; and
- c. is regarding a name that has been used as a plant variety and is used for similar plant varieties, unless there is additional wording that indicates a similar GI factor.

The relative grounds for refusal are stipulated in Article 56, para. (2) of the MGI Law, as follows:

- a. the document describing the GI is not verified; and/or
- b. it has substantial similarity with a registered GI.

If the GI registration application satisfies the requirements of the substantive examination, the Geographical Indication Expert Team issues a recommendation to the MOL to approve the GI registration application and announce it in the *Geographical Indication Gazette* (MOL 12/2019, Article 15, paras. (3) and (4)).

If the GI registration application does not satisfy the requirements of the substantive examination, the Geographical Indication Expert Team issues a recommendation to the MOL to reject the GI registration application. In this case, the MOL notifies the applicant/its proxy regarding the recommendation for rejection within 30 working days from the date the MOL receives the recommendation from the Geographical Indication Expert Team (MOL 12/2019, Article 17, para. (1)).

Against the recommendation for rejection, the applicant/its proxy may file an objection with the MOL. The objection must be filed within 3 months from the delivery date of the notification letter from the MOL. If the applicant/its proxy fails to file the

objection, the MOL issues a stipulation regarding the rejection on the registration application (MOL 12/2019, Article 17, paras. (2) and (3)).

If the objection is rejected by the MOL, the applicant/its proxy may file an appeal with the Mark Appeal Commission (MOL 12/2019, Article 17, para. (8)).

<u>Appeal</u>

The appeal consists of two sequential processes:

- a. an administrative examination of all the required appeal documents by the secretary of the Mark Appeal Commission. The administrative examination may take 1 month from the filing date of the appeal. After passing the administrative examination, the appeal is given a filing date (GR 90/2019, Article 18, para. (1)); and
- b. a substantive examination that is conducted by the Mark Appeal Commission through hearings that are open to the public, to examine the appeal application that has passed the administrative examination. Based on the substantive examination, the Mark Appeal Commission decides whether to grant or reject the appeal. The decision of the Mark Appeal Commission must be given within 3 months from the filing date of the appeal. If the Mark Appeal Commission decides to reject the appeal, the applicant may file a claim with the Commercial Court against the decision within 3 months from the date of receipt of the decision of the Mark Appeal Commission. Subsequently, the applicant may file a cassation with the Supreme Court against the decision made by the Commercial Court within 14 days after the pronouncement date of the Commercial Court Decision. Lastly, the applicant may file a case review with the Supreme Court against the cassation decision (GR 90/2019, Article 20; MGI Law, Article 30, paras. (1), (2), (3), and (4); MGI Law, Article 88, paras. (1) and (12); MGI Law, Article 89).

2.1.7. Registration of GI from Another Country

Based on Article 18 of MOL 12/2019, GI from another country ('foreign GI') may be registered in Indonesia based on an application from an applicant residing/domiciled outside Indonesia ('foreign GI registration application') or an international agreement.

Examples of foreign GI registered in Indonesia include the following:

a. Champagne

Figure 2.8. Champagne Logo

CHAMPAGNE

Source: DGIP (n.d.-e).

Further information on Champagne as a foreign GI registered in Indonesia can be found in the DGIP's Intellectual Property Database (DGIP, n.d.-e).

b. Tequila

Figure 2.9. Tequila Logo



Further information on Tequila as a foreign GI registered in Indonesia can be found in the DGIP's Intellectual Property Database (DGIP, n.d.-e).

c. Scotch Whisky

Figure 2.10. Scotch Whisky Logo



Source: DGIP (n.d.-e).

Further information on Scotch Whisky as a foreign GI registered in Indonesia can be found in the DGIP's Intellectual Property Database (DGIP, n.d.-e).

Foreign GI registration application

Any foreign GI registration application must be filed through a proxy (an IP consultant as explained above). The registration may only be conducted if the foreign GI has obtained recognition and/or registered in accordance with the prevailing laws of the origin country (MOL 12/2019, Article 1, point (5) and Article 19, para. (2)).

The requirements and procedures of the GI registration application (as explained above) apply to foreign GI registration applications. Foreign GIs registered in Indonesia obtain protection as long as the foreign GI is still protected in the origin country.

International agreement

Foreign GIs may be registered in Indonesia based on bilateral or multilateral international agreements between Indonesia and other countries. Based on Article 23, para. (3) of MOL 12/2019, the registration is conducted by taking into account the following aspects:

- a. the validity of the international agreement based on the prevailing laws in Indonesia; and
- b. an exchange proposal on the list of GIs that have been registered/recognised in the country of origin.

The Geographical Indication Expert Team conducts an examination of the exchange proposal in accordance with Articles 56 and 58 of the MGI Law, which stipulate the refusal grounds and substantive examination. The examination is conducted on the technical specifications of the GI product and copies of valid certificates or evidence regarding the recognition and/or registration of the foreign GI in the country of origin. The results of the examination are conveyed to the MOL to be announced in the *Geographical Indication Gazette*. The announcement in the gazette lasts 2 months (MOL 12/2019, Article 24, paras. (5) and (6)).

Within the announcement period, as mentioned above, interested parties may file an objection with the MOL if the foreign GI (MOL 12/2019, Article 25, paras. (1) and (2)):

- a. contradicts the ideology of Indonesia, prevailing laws, morality, religion, decency, and public order;
- b. is the same as the generic name, name of a plant variety, or name of an animal, so that it could mislead the consumers regarding the origin of the product; or
- c. in its entirety or partially constitutes a homonym of a GI that is already protected in Indonesia.

The objection is reviewed by the Geographical Indication Expert Team, and the results of the review are conveyed to the MOL to be forwarded to the negotiation team of the international agreement. If the list of GIs has been agreed under an international agreement, the MOL approves the registration of the foreign GI and announces it in the *Geographical Indication Gazette* when the international agreement becomes effective (MOL 12/2019, Article 25, paras. (3)–(5)).

Protection of foreign GIs registered based on international agreements end if the protection period of the foreign GI in the country of origin expires or the international agreement terminates (unless otherwise agreed in the international agreement) (MOL 12/2019, Article 26, para. (1)).

2.1.8. GI Logo

All GI products must show the Indonesian GI logo on the left corner of the product packaging and on any type of promotional media (MOL 12/2019, Article 37A).

Article 37B of MOL 12/2019 stipulates that the Indonesian GI logo must contain:

- a. an image of a lotus flower;
- b. the wording 'Indikasi Geographies' and 'Geographical Indication' in a circle;
- c. the word 'Indonesia' below the lotus flower, which shows the identity of the Indonesian nation; and
- d. a colour system that consists of:
 - (i) red colour on the image of the Lotus logo and the word Indonesia; and
 - (ii) white colour on the wording 'Indikasi Geografis' and 'Geographical Indication' and the base of the lotus logo image.

Figure 2.11. Indonesian Geographical Indication Logo



Source: MOL 12/2019.

Figure 2.12 shows samples of the Indonesian GI logo on a product (Daw, 2024):



Figure 2.12. Use of the Indonesian Geographical Indication Logo

Source: DGIP (n.d.-e).

Further, all GI product packaging must state the GI certificate number. For Indonesian GI products, the packaging and any promotional material must also state the Indonesian GI product code of origin, which contains information on the producer, farmer, processor, and marketer of the GI product; and the date, month, and year of harvest or production (MOL 12/2019, Articles 37D and 37E).

2.1.9. Use of GI

Any parties intending to use a registered GI may file an application for the recording of the use of the GI with the MOL. The application must be filed by using a form as specified in the attachment to MOL 12/2019 with the following (MOL 12/2019, Article 16, paras. (1) and (2)):

- a. evidence of payment of the application fee (pursuant to GR 28/2019, the application fee is Rp750,000 per registration number);
- b. a recommendation from the holder of the 'right on geographical indication';
- c. power of attorney, if the application is filed by a proxy;
- d. copy of the registered GI certificate; and
- e. a statement letter regarding the authenticity of the applicant's documents.

Within 20 working days upon the receipt of a complete application, the MOL issues a filing date to the applicant and announces the application in the *Geographical Indication Gazette*. The application is then reviewed by the Geographical Indication Expert Team. Based on the review, the Geographical Indication Expert Team issues a recommendation to the MOL on whether to approve or reject the application (MOL 12/2019, Article 16, para. (4) and Article 17, para. (1)).

If the Geographical Indication Expert Team recommends that the application be rejected, the MOL notifies the applicant in writing. In this case, the applicant may convey an objection within 3 months from the delivery date of the notification from the MOL (MOL 12/2019, Article 17, para. (2)).

The Geographical Indication Expert Team conducts a review of the objection and provides a recommendation to the MOL on whether to approve or reject the objection. If the objection is rejected based on this recommendation, the applicant may file an appeal with the Mark Appeal Commission (MOL 12/2019, Article 17, paras. (6)–(8)).

2.1.10. Management of Geographical Indication

Based on Articles 33 and 34 of MOL 12/2019, the central and local governments conduct supervision of GIs to ensure that the reputation, quality, and characteristics of the GIs that serve as the basis of their protection still exist; and to prevent unlawful use of GIs. The supervision can also be conducted by the public by submitting reports to the MOL.

The MOL conveys the results of the supervision to the holder of the 'right on geographical indication' in the form of a recommendation. The recommendation can be in the form of inputs to and/or improvements on the reputation, quality, and characteristics on the GI; a description document that is not related to the reputation, quality, and characteristics of the GI; and/or information on whether or not there is unlawful use of the GI (MOL 12/2019, Article 35, paras. (5) and (6); Article 36, para. (6); and Article 37, para. (5)).

It is important for the holder of the 'right on geographical indication' to follow up on the recommendation. Otherwise, the MOL may consider removal of the GI from the registration (MOL 12/2019, Article 35, para. (7); Article 36, para. (7); and Article 37, para. (6)).

2.1.11. Revocation of a Registered GI

Based on Article 61, para. (2) of the MGI Law, a registered GI may be revoked by the MOL if it does not satisfy the requirements that serve as the basis for its protection and/or meets any of the absolute grounds for refusal.

The MOL's decision to revoke a registered GI is issued based on an examination conducted by the Geographical Indication Expert Team. The examination can be triggered either based on the Geographical Indication Expert Team's initiative or a report from the public (MGI Law, Article 62, para. (1)).

The MOL notifies its decision to revoke a registered GI to the registered GI holder and GI users within 14 working days from the date of the decision. Further, the MOL announces the revocation decision in the *Geographical Indication Gazette* within 30

working days from the date of the decision. An objection may be filed against the revocation decision within 3 months from the date of receipt of the revocation decision (MGI Law, Article 62, paras. (5), (6), and (7)).

2.1.12. Dispute Settlement

Under Article 66 of the MGI Law, the following are considered as GI infringements:

- a. the use of a GI, whether directly or indirectly, on goods and/or products that is not in line with the GI description document;
- b. the use of a GI sign, whether directly or indirectly, on protected or unprotected goods and/or products with the intention to:
 - (i) indicate that the goods and/or products are comparable in quality with the goods and/or products that are protected by a GI;
 - (ii) generate profit from the use; or
 - (iii) generate profit from the reputation of the GI.
- c. the use of a GI that may mislead the public in relation to the geographical origin of the goods;
- d. the use of a GI by non-registered GI users;
- e. imitation or abuse that may be misleading in relation to the place of origin of the goods and/or products or the quality of the goods and/or products that are contained in:
 - (i) the wrapping or packaging;
 - (ii) the description in an advertisement;
 - (iii) the information in a document regarding the goods and/or products; or
 - (iv) information that may be misleading regarding the origin in the packaging.
- f. any other actions that may mislead the public regarding the truth of the origin of the goods and/or products.

Further, Article 67, para. (2) of the MGI Law stipulates that any of the following parties may file a claim against the party conducting the infringement:

- a. any producer that has the right to use the GI; and/or
- b. any institution that represents the community of a certain geographical area and is authorised to file the claim.

In addition, the MGI Law provides that the holder of the 'right on geographical indication' may file a claim against any parties that use the GI unlawfully to request

compensation and the cessation of the GI use as well as the destruction of the GI label that is used unlawfully (MGI Law, Article 69, para. (1)).

To avoid a greater loss on the side of the infringed party, the MGI Law stipulates that the court (based on a request from the claimant) may order the infringer to stop the production activity and destroy the GI label that is used unlawfully.

Temporary stipulation/injunction

Based on Article 98 in conjunction with Article 94 of the MGI Law, it is possible for the holder of the 'right on geographical indication' to request the Commercial Court to issue a temporary stipulation (injunction) regarding the prevention of the distribution of goods/services that are alleged to result from GI infringement, retention of evidence related to the infringement, safeguarding and prevention of the loss of evidence by the infringer, and/or cessation of the infringement to prevent a greater loss.

The petition for the temporary stipulation (injunction) must be filed with the Commercial Court in writing by enclosing/providing the following (MGI Law, Article 95):

- a. the GI certificate:
- b. evidence showing a strong initial indication regarding the GI infringement;
- c. Clear information on the goods and/or documents that must be collected and secured as evidence; and
- d. a guarantee in the form of cash and/or a bank guarantee equal to the value of the goods that will be subjected to the temporary stipulation/injunction.

Within 5 days upon the receipt of a petition that satisfies the above requirements, the Commercial Court must issue its decision on whether to grant or reject the petition. If the petition is granted, the temporary stipulation is notified to the party imposed by the temporary stipulation within 24 hours. If the petition is rejected, the Commercial Court notifies the petitioner, specifying the reasons for the rejection (MGI Law, Article 96).

If the petition is granted, the Commercial Court summons the party subject to the interlocutory injunction within 7 days from the issuance date of the temporary stipulation (injunction) to be heard in the Commercial Court. The party affected by the temporary stipulation (injunction) may convey its statement/response and evidence within 7 days from the date it receives the summons from the Commercial Court. The final decision of the Commercial Court (whether to confirm or cancel the temporary stipulation (injunction)) must be issued within 30 days from the issuance date of the temporary stipulation (injunction) (MGI Law, Article 97, paras. 1–3).

If the Commercial Court decides to confirm the temporary stipulation, the guarantee for the petition must be returned to the petitioner, and the petitioner may file a compensation claim and/or police report against the infringer (MGI Law, Article 97, para. (4)).

2.1.13. Criminal Sanctions

Based on Article 101, para. (1) of the MGI Law, any person who unlawfully uses a mark/sign that has overall similarities to a GI owned by another party for the same or similar goods and/or products as the registered goods and/or products will be subject to imprisonment up to 4 years and/or a fine of up to Rp2,000,000,000.

Further, based on Article 102 of the MGI Law, people who trade goods, services, or products that are known or alleged to involve criminal acts as referred to in Articles 100 and 101 of the MGI Law will be sentenced with imprisonment up to 1 year or fines of up to Rp200,000,000.000.

Chapter 3

Branding in Indonesia

1. Significance of Branding

1.1. Concept of Branding

The term 'brand' is said to have derived from the word *brand* in the ancient Frisian language, *brant* in Althochdeutch, or *brandr* in the ancient Scandinavian language, which had the meaning of a mark that was used to distinguish the livestock owned by different parties (METI, 2002: 8).

The modern use of the term brand does not seem to have any established concept, but the definition used in the Brand Equity Evaluation Study Group Report by Japan's Ministry of Economy, Trade and Industry is: 'A brand is an emblem such as a name, logo, mark, symbol, package design and etc., for an enterprise to identify or differentiate its products and etc., against its competitor's products and etc.' (METI, 2002: 8). The definition from the frequently referenced American Marketing Association mentions brand as 'a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers' (American Marketing Association, n.d.). The definition by the American Marketing Association seems to be somewhat broader, making room for concepts other than those included in the definition used in the Brand Equity Evaluation Study Group Report, by including the wording of 'any other feature that identifies one seller's goods or service as distinct from those of other sellers'. This approach basically views the brand as similar to the concept of 'mark' (Section 2.1.2).

When scoping the definition of the term brand, we believe that it is essential to understand the modern economic function of the brand itself. For enterprises, a brand functions as a tool to convey the value of the goods and/or services that the enterprise provides to the consumer to encourage the consumer to select such products and services. For the consumer, a brand not only serves as a landmark, but also provides a sense of security as to the value provided by the products and services and becomes the basis of the selection of such products and services. For the brand to fulfil such function and work as a tool to convey the value of certain products and services, various elements of brands have been used recently. In addition to typical elements such as name, logo, marks, character, advertising slogan, package design, and jingles (short music or tune used before or after commercials or at the beginning of TV or radio programmes), brand elements can include colour or a combination of colours, and scent, which may come under the classification of a new mark.

Based on the above concept of a brand, 'branding' is defined as activities pursued to fulfil the function of a brand, which is to work as a tool to convey the value of certain products and services.

Further, the scope of branding seems to be expanding in modern society. In certain cases, not only the seller of the goods or services conducts branding activity, but also the area, region, or country where the goods are produced or the service is delivered conducts branding activities to differentiate itself as a tourist and investment destination. In addition, the characteristics attached to a product play an important role in a product marketing strategy to increase the reputation and trust of a company and create customer loyalty (WIPO, 2008: 4).

1.2. How to Utilise Branding

Along with changes in the economic environment, such as the softening of the economy, globalisation, the development of information technology (IT), and the progress of regulatory reforms, companies are conducting a huge paradigm shift from tangible management strategies based on tangible management resources such as massive amounts of financial assets, equipment assets, and land (henceforth, tangibles) to an intangible management strategy centred on intangible management resources such as IP, research and development (R&D) expenses, and know-how (henceforth, intangibles). A significant point in the intangible management strategy is the increase in value of the intangibles and their valuation to increase the value of the brand, which is the fifth most important management resource after people, goods, money, and information (Tanahashi, 2013: 34).

Having a brand with a good reputation and characteristics makes a company more competitive – consumers are willing to pay more for products from brands that they recognise as having a reputation, characteristics, and a series of other qualities that can fulfil their expectations. This makes a brand a precious business asset for companies such as Coca-Cola and IBM, each worth more than US\$50 billion (WIPO, 2008: 4).

1.2.1. Benefits of Branding

As mentioned above, the fact that a brand becomes a 'tool that conveys value' means that consumers not only see the physical and functional aspects of the product, but also rely on the branding when purchasing products and thus obtaining a competitive advantage based on the brand. Three common aspects that are highlighted as the benefits of branding are as follows:

First, branded products can be sold at higher prices than non-branded products, even if the functions are the same (securing a price advantage). Second, consumers are loyal to branded products and will purchase such products repeatedly (securing of

strong customer loyalty). By securing regular customers in such way, sales will be stable in the long term, and the reliance on short-term discounts will be reduced, resulting in higher profit rates. In addition, since attractive brands have designated buyers, companies (manufacturers) can optimise distribution agreements. Third, for strong brands, companies can leverage their brand images to create opportunities to expand into related product areas, new businesses, or overseas (brand expansion in relation to geographic development, similar businesses, and similar business development) (Tanahashi, 2013: 4).

As well as the direct revenue benefits, other merits of branding can lead to strengthening of a company's business and internal organisation. First, focusing on branding clarifies the direction of a company, leading to strong business development. Second, clarifying the business direction leads to the cultivation of a company culture that is admired by employees, strengthening the organisation.

In addition, based on the references available in Indonesia, other functions (Firmansyah, 2001: 33–34) of a brand include:

- a. **Maintaining healthy business competition.** Encouraging a fair balance between business interests and public welfare involves nurturing a conducive business environment. This entails promoting healthy competition amongst businesses, ensuring equal opportunities, and preventing detrimental practices that may hinder effectiveness and efficiency in business operations.
- b. **Protecting consumers.** According to the MGI Law, one objective is to safeguard consumers, enhance service standards, and establish legal clarity for business entities. Brands play a vital role in consumer protection by assuring product quality. When consumers recognise a brand for its quality, they can trust that the purchased goods meet their expectations without extensive investigation.
- c. Introducing a company's identity. Brands often reflect the identity of the company behind the product. For instance, the Djarum trademark is associated with the cigarette company Djarum. Brands serve as assets for producers, encapsulating a product's identity, quality, and distinctive characteristics.

1.2.2. Methods of Branding

Numerous methods of branding are conducted in modern society, and there is no official categorisation regarding such methods. However, the methods commonly referred to can be loosely classified as follows:

a. **Product branding strategy.** Product branding is the most basic and popular method of branding, focusing on making a single product distinct and recognisable from others. Symbols or designs are usually an essential part of product branding to help consumers identify the product in question. Product branding activities include advertisements in the media, such as magazines, TV, newspapers, signage, and social media. The focus of product branding is not only

on the specifics of products, but also on the specific group of consumers since the ultimate goal of product branding is to connect the appropriate consumers to the product.

- Corporate branding strategy. Corporate branding is a method of branding in which the company promotes its core values, mission, personality, and other fundamentals to curate a distinctive identity in the market, as opposed to promoting a specific product or service that it provides. Once the corporate branding objectives are fulfilled, the public connects the company's name with a promise from the company – especially regarding the positive performance it can provide. Successful corporate branding has long-term effects, as customers tend to automatically trust any new product associated with the recognised brand. A distinct example of corporate branding can be seen with the brand Apple. The Apple brand is extremely strong, and people across the world form long queues to buy new products upon their release, just because they are Apple products. Corporate branding can not only be beneficial to consumers but also to the people who work for such companies. For example, Google is famous for providing multiple employee perks such as free meals, medical care, and generous paid leave. The idea of working for Google is like a brand, which is highly beneficial in creating a strong organisational culture within the company.
- c. Personal branding strategy. Personal branding refers to the branding of an individual, as opposed to the branding of a business or product. Personal branding is often employed by movie stars, celebrities, politicians, and professional athletes, and is strongly linked to online branding via platforms such as Facebook, X (formerly Twitter), and Instagram. Elon Musk for Tesla, or maybe more with X recently, and Ryan Reynolds for Aviation Gin are good examples. Personalisation can be seen on the consumer side as well. One example of a successful personal branding campaign attempt was the Coca-Cola bottle customisation project, also known as the 'Share a Coke' campaign, where personal names appeared on the can or bottle around the world.
- d. Geographical branding strategy. Geographical branding is a method of branding that aims to attract consumers to purchase a product or service because of its geographic association. If the quality of a product differs depending on the geographical location, geographical branding can be quite effective. The concept of appellation in the wine industry can be seen as traditional geographical branding adopted hundreds of years ago.

Geographical branding can also be applied to certain regions and countries. The Eiffel Tower is the national icon of France, and many businesses use its image in their brands to show their association with Paris or France. A watch brand might exploit its association with Switzerland by incorporating the Alps in their design, which is also a good example of geographical branding.

- e. **Online branding strategy.** One of the most accessible and effective methods of branding is online branding, which refers to how a product or service is positioned online via websites, social media, blogs, etc.
- f. Offline branding strategy. Offline branding refers to any branding activity that is performed without using the internet. Even in this modern world, traditional offline branding is still active through billboards, printed advertisements, car wraps, trade shows, etc. Retail branding can be an important part of offline branding activity. Creating good store experiences through décor, lighting, music, display pictures, customer service, and food samples can keep consumers coming back, which is particularly important as online shopping is becoming increasingly dominant.
- g. **Co-branding strategy.** Co-branding is a branding method where more than one brand is involved with a specific product or service with the objective of creating a high-quality, high-performance product or service. The collaboration of more than two brands helps each brand impact each other in a positive way and may result in business growth and spreading of brand awareness. For example, fashion retailer Uniqlo has collaborated on high-quality, co-branded products with various brands such as LEGO, Hello Kitty, Disney, and Marvel.
- h. **Service branding strategy.** Service branding is where branding activity is conducted for services. Service branding sometimes comes in the form of providing additional value to the service delivered. Hotels offering free welcome drinks during check-in, banks providing free snacks for clients, and restaurants providing playgrounds for children are examples. By providing such additional services, the enterprise aims to associate the brand with a good user experience so that customers are motivated to use such services repeatedly.
- i. Activist branding strategy. Activist branding integrates social or environmental values in a brand's identity, resonating with socially conscious consumers. Nike's impactful anti-racism campaign underscores the potential of activist branding to drive meaningful engagement and support.
- j. **Ingredient branding strategy.** Ingredient branding emphasises the distinctive qualities of a product to differentiate it from competitors, often creating standalone brands based on specific components. DuPont's Teflon brand exemplifies how a single ingredient can become synonymous with quality across various industries.

2. Potential Areas of Branding

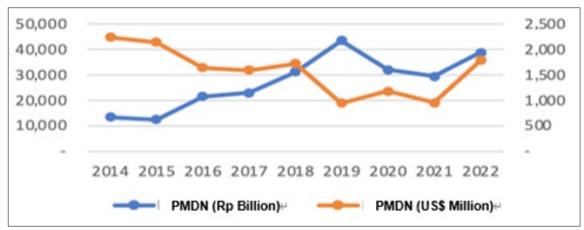
McKinsey & Company estimated that Indonesia will become the seventh largest economy in the world by 2030 (Oberman et al., 2012). In the last 2 decades, Indonesia's economic growth has been relatively stable, at over 5% per year. Based on the Ministry of Investment and Downstream Industry, Indonesia is the 16th largest economy in the world with gross domestic product (GDP) of over US\$1 trillion (Ministry of Investment and Downstream Industry, n.d.).

Recovering from the COVID-19 pandemic, investment growth in Indonesia in the first quarter (Q1) of 2023 increased by 16.5% year on year (4.5% quarter on quarter), with total investment reaching Rp328.9 trillion, which is 23.5% of the total investment target for 2023. In addition, employment increased by 384,892 people (15.24% quarter on quarter) (PwC Indonesia, 2023: 8).

2.1. Current State of Agriculture and Mining Industry

Investment in the agricultural sector is divided into two segments: the agricultural cultivation business and the processing industry. Investment in agricultural businesses in the cultivation sector from 2014 to 2022 showed remarkable growth, with an average of 18.29% per year for domestic investment (PMDN) and 3.27% per year for foreign investment (PMA) (Figure 3.1). This growth reflects the increasing interest of investors in the agricultural sector and the potential profitability of the cultivation sector. Similarly, the investment pattern in the agricultural product processing industry during the same period showed an upward trend, with average growth in PMDN investment of 26.10% per year, while PMA is 2.35% per year (Figure 3.2). This growth indicates the increasing demand for processed agricultural products and the potential profitability of the processing industry. Overall, these investment trends demonstrate the potential for continued growth and development in the agricultural sector. However, investment in the agricultural sector is still dominated by the plantation subsector (Figure 3.3), especially palm oil. Palm oil commodities control around 90% of investment, both PMDN and PMA.

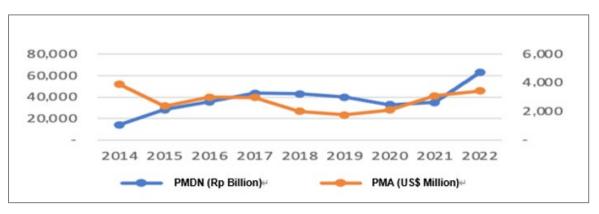
Figure 3.1. Development of Agricultural Cultivation Originating in PMDN and PMA in Indonesia, 2014–2023



PMA = Penanaman Modal Asing (foreign investment), PMDN = Penanaman Modal Dalam Negeri (domestic investment).

Source: Ministry of Investment and Downstream Industry.

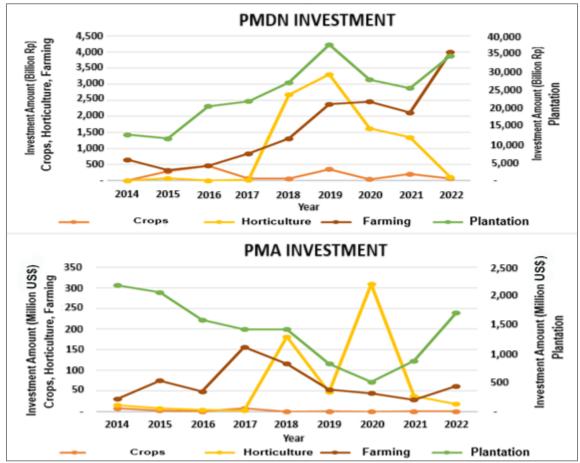
Figure 3.2. Development of Agricultural Product Processing Industry Originating in PMDN and PMA in Indonesia, 2014–2023



PMA = Penanaman Modal Asing (foreign investment), PMDN = Penanaman Modal Dalam Negeri (domestic investment).

Source: Ministry of Investment and Downstream Industry.

Figure 3.3. Development of PMDN and PMA Investment by Subsector in Indonesia, 2014–2022



PMA = Penanaman Modal Asing (foreign investment), PMDN = Penanaman Modal Dalam Negeri (domestic investment).

Source: Ministry of Investment and Downstream Industry.

14.400 · Coffee, tea, cocoa, sugar, rice, tapioca, sago, powder 13,400 ★ Advertising 12.400 Cleaning preparations, soaps, 11.400 perfumery, essential oils, cosmetics etc 10.400 Clothing, footwear, headgear 9,400 Scientific, nautical, surveying, photographic, cinematographic 8.400 Pharmaceutical and veterinary 7.400 preparations etc 6.400 Services for providing food and 5.400 Meat, fish, poultry and game 4.400 Education 3.400 2,400 1 400 2015 2019 2020 2021 2022

Figure 3.4. Number of Trademark Applications in Indonesia by Sector, 2015–2022

Source: DGIP.

Increased investment in the agricultural sector was followed by an increase in brand registration from the agricultural sector, especially in the coffee, tea, cocoa, sugar, rice, tapioca, sago, and powder classes. Brand registrations in this class increased by 9.39% in 2020, 6.16% in 2021, and 20.14% in 2022 (Figure 3.2.4). This is quite encouraging from the perspective of entrepreneurs, who can see the importance of brand protection for their business products to improve the sales value and competitive edge of their products.

According to data from the Ministry of Investment and Downstream Industry for Q1 2023, the mining sector received the highest amount of domestic direct investment, followed by housing, industrial estates, and office buildings in second place, and transportation, warehouses, and telecommunications in third place. In terms of foreign investment, the metal industry made the largest contribution, followed by transportation, warehouses, and telecommunications, and the chemical and pharmaceutical industry (PwC Indonesia, 2023: 8).

Tin industry

Indonesia plays a vital role in meeting global demand for tin, as the world's second largest producer after China. According to a 2021 report by the United States (US) Geological Survey, China accounts for 30% of global tin mining production, with

Indonesia following closely at 25%. Myanmar, Peru, and the Republic of Congo contribute 12%, 7%, and 6% respectively, rounding out the top producers (Supriyanto et al., 2021: 214).

One of the main downstream industries for tin metal is the tin solder manufacturing industry. Trademarks of tin solder products produced by PT Timah Tbk include Bankaesa Sn Pb 6337, Bankaesa SnCu 3, Bankaesa SnCu 0.7, and Bankaesa SnAg 3 Cu 0.5. Another downstream industry from tin commodities is the tin-based chemical industry. Tin-based chemical production figures continue to increase, from around 2,000 tons in 2016 to around 8,000 tons of tin chemical in 2020. Trademarks of tin chemical products produced by PT Timah Tbk l include Bankastab MT-620, Bankastab MT-520, Tinchem 181 FS, Tinchem 191 F, Tinchem191, Tinchem 192 F, Tinchem 186 FD, Tinchem 185 FD, Tinchem 185 VN, and Bankastannic (Supriyanto et al., 2021: 214).

Various GI products

The MOL declared 2024 the Year of Geographical Indication. This is an effort by the DGIP to promote superior regional products. At the Closing of the 2023 Brand Thematic Year and the Launch of the 2024 Geographical Indication Thematic Year on 25 October 2023, former Minister of Law and Human Rights, Yasonna Laoly, stated that:

This declaration is also an effort to protect these superior products from misuse or counterfeiting, as well as to promote regional superior products which are part of cultural and natural identity. This declaration is also a tribute to the diversity of community creativity to cultivate, develop the uniqueness and characteristics of the region which are worthy of being appreciated and promoted (Ministry of Law and Human Rights, 2023).

Prof. Yasonna highlighted that GIs are expected to enhance the marketing of products from the region. He expressed his belief that having a GI label will instil confidence in consumers regarding the specific qualities and characteristics of products. Additionally, such products can serve as tourist attractions, potentially leading to an increase in tourist visits to the region (Ministry of Law and Human Rights, 2023).

According to the latest data from the DGIP, 147 products have obtained GI product certification. Notable examples of these certified products include Toraja Coffee, Gayo Coffee, Pondoh Salak, Cilembu Sweet Potatoes, and Bali Kubu Cashew. Of these certified products, the highest count belongs to coffee, with 49 coffee products having received GI certification.

Palm oil

As mentioned above, investment in the agricultural sector is still dominated by the plantation subsector, especially palm oil. Indonesia is the world's leading producer and exporter of palm oil, as well as one of the world's largest consumers of palm oil. Wilmar International and Golden Agri-Resources are some of the largest players in the industry of palm oil production (Siahaan, 2024).

The palm oil industry has often been accused of deforestation and human rights abuses. For example, palm oil from Indonesia was substantially banned from entering the European Union due to the European Union Deforestation Regulation announced in December 2022 (Syukra, 2023). Palm oil has a bad brand image, so some companies have even used a 'Palm Oil-Free' label on their products to avoid association with the palm oil industry (Indonesian Palm Oil Association, 2024).

To combat this bad brand image, sustainable palm oil industry activities conducted by the Roundtable on Sustainable Palm Oil (2024) and the shift of Indonesian companies to obtain certification from and membership of the Roundtable on Sustainable Palm Oil (Antara News, 2023b) are clear signs of pushback against the negative palm oil brand, together with activities of the Indonesian Palm Oil Association in issuing various English language articles to discuss the harm caused by palm oil (Indonesian Palm Oil Association, 2024). Furthermore, the Government of Indonesia and state-owned companies such as Pertamina and Garuda are trying to associate palm oil with the green energy transition (Asia Pacific Foundation of Canada, 2023). Additionally, the chair of the Indonesian Food & Beverage Producers Association and the Ministry of Trade's director of trade compliance implied the necessity of restraint in using the labelling given the negative effects on the palm oil industry, reflecting concerns regarding the negative image attached to the country's major industry (Indonesian Palm Oil Association, 2024).

<u>Cocoa</u>

As mentioned above, an increase can be seen in investment and brand registration in the agricultural sector, especially in the coffee, tea, cocoa, sugar, rice, tapioca, sago, and powder classes.

Indonesia's high potential in cocoa processing, chocolate, and the artisan chocolate industry has been attributed to the following reasons (Antara News, 2023a):

- a. Indonesia is the world's third largest processed cocoa producer, and as of 2022, there are 11 cocoa processing companies in Indonesia, collectively generating an export value of US\$1.12 billion.
- b. As of 2022, the chocolate industry, which produces mass-market products, comprises 900 companies with a total production capacity exceeding 462,000 tons per year with exports reaching a value of US\$76.89 million, and 31

- companies in the artisan chocolate industry with a collective production capacity of 1,242 tons annually.
- c. Indonesia has over 600 chocolate variants or flavours originating from diverse regions.

This may be a result of the government's change of policy in 2010 to decrease cocoa bean exports and increase cocoa processing, which is part of a wider government effort to shift Indonesia from the export of raw materials to the export of value-added products (Zikria, Takahashi, and Maeda, 2019).

In addition to processed cocoa products, various premium chocolate brands have developed in Indonesia in recent years that have reached the international market, such as Krakakoa (Rustandi, 2020) and Pipilitin Cocoa (Utrecht University, 2017), with a focus on brand building based on high-quality cocoa beans and sustainability.

2.2. Current State of Digital Transformation

The government acknowledges the importance of facilitating technological development through appropriate regulations and legal protection. To this end, several regulations have been implemented to promote technological advancements in the digital age. One of them is Law No. 11 of 2008 on Information and Electronic Transaction, which addresses matters related to IP, finance, and information and electronic transactions. Former President Joko Widodo expressed his commitment to accelerating digital transformation across all government sectors. He stated in his speech at the XXV Congress of the Indonesian Journalists Association (PWI) in September 2023 (Presidential Secretariat, 2023) that:

This big regulatory umbrella regarding digital transformation must be made more holistically and this is what the government is working on so that technological developments can be achieved – what we hope and hope for by the people – technological developments must be able to create new economic potential, not kill the existing economy, not erode the existing economy.

Indonesia took a significant step towards accelerating its digital transformation by ratifying Presidential Regulation No. 82 of 2023 on 18 December 2023. This landmark regulation aims to streamline and integrate national digital services and create a trusted and high-quality public service. The implementation of the regulation will establish a government system based on electronics and promote a comprehensive and integrated Indonesian data ecosystem. Moreover, the regulation seeks to improve the performance of bureaucracy and public services, prevent corruption, and enhance cyber and information security. The integration of national digital services will be developed through the Electronic-Based Government System (SPBE)

application, which prioritises integration and interoperability. This application will support government services, as follows:⁵

- a. integrated education services;
- b. integrated health services;
- c. integrated social assistance services;
- d. population administration services that are integrated with digital population identity services;
- e. state financial transaction services as integrated payment services that are integrated with all financial service providers;
- f. government administration services in the field of state apparatus that are integrated with core government services;
- g. public service portal services, national single sign-on services, integrated digital identity services, and integrated SPBE infrastructure services including national data centres, intra-governmental networks, government service liaison systems, and cloud computing;
- h. the One Data Indonesia service; and
- i. integrated police services, including the issuance of driving permits and crowd permits.

2.3. Current State of Tech Start-ups

As the largest market in Southeast Asia, Indonesia is attractive for digital companies looking to reach valuations of more than US\$1 billion, known as 'unicorns'. Since 2013, 21 start-up companies have achieved unicorn status in Indonesia, including:

- a. **Gojek.** This is a transportation application that is rapidly developing in Indonesia. It is similar to Uber, a mobile app that facilitates on-demand connections between drivers and riders (Uber, n.d.), but it started with motorbike transportation. Gojek is not limited to transportation; it also includes food and goods delivery in collaboration with local vendors. Founded in 2010 by Nadiem Makariem, the ride-hailing company became the first unicorn in Indonesia.
- b. **Bukalapak.** This start-up is a marketplace that has attracted 100 million users. In 2018, Bukalapak achieved unicorn status with investment support from large investor groups such as 500 Startups and Emtek Group. Bukalapak was listed on the Indonesia Stock Exchange in July 2021.

⁵ President Regulation No. 82 of 2023 on the Acceleration of Digital Transformation and Integration of National Digital Services, Article 2, para. (3).

- c. **Traveloka.** This is an app that allows users to book hotels and travel services easily and conveniently, focusing on hotel and travel bookings. In 2017, Traveloka achieved unicorn status after receiving a significant investment from the well-known travel giant Expedia. This investment has helped Traveloka to expand its services and reach a wider customer base.
- d. **Kopi Kenangan.** The culinary company Kopi Kenangan achieved unicorn status on 27 December 2021, and claims to be the first new retail food and beverage company to achieve unicorn status in Indonesia and Southeast Asia after receiving Series C funding worth Rp1.3 trillion in 2021.

During the strategic plan, 2015–2019, the Ministry of Communication and Information Technology initiated the 1000 Startup Digital Program (Ministry of Communication and Information Technology, 2019). This programme was designed to nurture and promote the growth of digital start-ups, playing a pivotal role in advancing digital transformation in the economic and business sectors. Notably, the government achieved its objective of launching 1,040 digital start-ups in 2019, as indicated in Table 3.1 (Ministry of Communication and Information Technology, 2021: 6).

Table 3.1. Achievements of the 1000 Startup Digital Program

| Year | Digital start-ups achieved (cumulative) |
|------|---|
| 2016 | 65 |
| 2017 | 131 |
| 2018 | 584 |
| 2019 | 1,040 |

Source: Ministry of Communication and Information Technology (2021), Rencana Strategis Kementerian Komunikasi dan Informatika 2020–2024 [Strategic Plan of Ministry of Communication and Information Technology, 2020–2024], p.24. https://eppid.kominfo.go.id/storage/uploads/2 19 Dokumen Renstra Kemenkominfo Tahun 2020-2024.pdf

2.4. Current State of Fintech

The progression of fintech in Indonesia has precipitated the emergence of a variety of fintech products designed to facilitate financial operations and enhance quality of life for individuals. The following categories of fintech are undergoing rapid development (Bakrie University, n.d.):

a. Peer-to-peer (P2P) lending services. This provides borrowing funds for business capital or meeting needs. Fintech is typically used to help entrepreneurs obtain capital quickly. As of October 2023, 101 P2P lending services such as Akseleran had registered with the Indonesian Financial Services Authority (OJK, 2024).

- b. **Crowdfunding.** This type of fintech brings together parties that need funds and donors with guaranteed safe and easy transactions. Crowdfunding is not only used to collect donations but can also be used to find investors and business partners, e.g. KitaBisa.
- c. **e-Wallets.** This is the type of fintech that we most often encounter today digital wallets whose role is to provide a place to store money electronically for its users. The aim is to make it easier for users to disburse funds for transactions in marketplaces and merchant apps, e.g. Dana, OVO, and GoPay.
- d. **Payment gateways.** Payment gateways are a fintech system that authorises payments through online transactions, e.g. PayPal.
- e. **Investment.** This type of fintech is also popular in the market today. Many investment instruments have migrated to online applications so that investors can easily invest their capital due to the rapid changes in technology, e.g. Bibit and Ajaib.
- f. **Digital banks.** These are banks where all transactions are carried out digitally, from account registration to asset management. Digital banks are different from mobile banking, since mobile banking transactions are still related to offline banks, while digital banks have 100% electronic transactions, e.g. Allobank.

To respond to the rapid technological advancements in the financial sector, OJK Regulation No. 3 of 2024 came into effect on 19 February 2024.6 This regulation grants the OJK an expanded role in regulating and supervising technological innovation in the financial sector, while maintaining the prudential principle of upholding financial system stability, market integrity, and consumer protection. In addition, the OJK has been given a new mandate to supervise digital financial assets, including crypto assets, as regulated under Article 6 of Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector (P2SK Law). Strengthening the role of the OJK in the regulation and supervision of technological innovation in the financial sector is an effort to realise a fintech ecosystem that is integrated with an activity-based approach. This is a response to the increasingly rapid development of technological innovation in the financial sector in Indonesia as well as business models and activities that are increasingly complex. Technological innovation in the financial sector can be utilised to support economic and financial activities both conventionally and based on the sharia principle.⁷

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⁶ OJK Regulation No. 3 of 2024 on the Implementation of Technological Innovation in the Financial Sector.

⁷ Based on Article 1, Point 13 of Law No. 7 of 1992 concerning banking and its amendments, this is the principle of Islamic law based on a fatwa and/or statement of sharia conformity issued by an institution that has the authority to determine fatwa in the sharia field.

2.5. Current Status of Traditional Crafts

Indonesia has many traditional handicrafts that are widely recognised in the international market, including batik, wayang, weaving, and carving. The export value of Indonesian handicraft products reached US\$916 million in 2021, an increase of 10.49% from US\$829 million in 2020 (Bisnis.com, 2022). Data show a decline in batik exports from year to year. In 2015, batik exports reached US\$185.04 million, but decreased to US\$156.03 million in 2016, US\$73.79 million in 2017, and US\$52.33 million in 2018 before rebounding slightly to US\$54.36 million in 2019 (Figure 3.5).

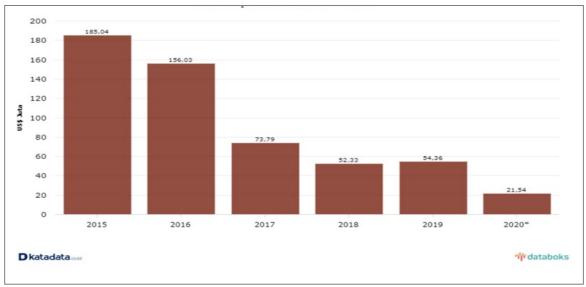


Figure 3.5. Export Value of Batik and Batik Products

Source: Bisnis.com (2022).

Indonesia is famous for its unique and high-quality wood carving crafts. Based on data from Statistics Indonesia (BPS), the US is the main destination for exports of wood carving crafts from Indonesia. From January to November 2021, the export volume of Indonesian wood carving crafts reached 27.38 million kilograms, an increase of 5.67% compared with 25.91 million kilograms during the same period the previous year. This increase shows the growing demand for Indonesian woodcarving products in the international market, especially in the US (Rizaty, 2022).

The Jakarta International Handicraft Trade Fair (INACRAFT) is one of the largest handicraft product exhibitions in Southeast Asia. The INACRAFT exhibition was initiated by the Association of Exporters and Producers of Indonesian Handicraft (ASEPHI), and the then Ministry of Education and Culture granted INACRAFT the Cultural Heritage Award for best community activity in 2018. ASEPHI was selected as the world's best non-governmental organisation at the International Craft Awards

in New Delhi in 2020 (*Tribun Bisnis*, 2021). INACRAFT has become a prime case study of the methods of industry and brand building for Indonesian handicrafts.

2.6. Status of Other Potential Branding

According to WIPO's IP Statistical Country Profile for Indonesia in 2022, the primary trademark applications, following the NICE classification, were the coffee, tea, and food category, alongside non-medicated cosmetics (WIPO, 2023). Notable brands in the coffee industry include Kopi Kenangan, Janji Jiwa, and Fore, while established cosmetic brands renowned for their branding strategies include Somethinc and MS Glow.

The entertainment, lifestyle, and hospitality business is also growing in Indonesia, including two main brands: Ismaya Group and HW Group. Ismaya Group was established in 2003 under the concept of lifestyle and hospitality. The business lines that this brand is engaged in are restaurants, bars, or clubs as well as music events. The Ismaya brand has 29 business brands, including SKYE and Social House in the restaurant business line and We The Fest and the Djakarta Warehouse Project in the event organiser business line.

HW Group is a business group that oversees several brands in the restaurant bar business and entertainment venues (e.g. beach clubs), which are developing in tourism areas, especially Bali. One of the brands under this group is Atlas Super Club, which claims to be the largest beach club in Asia.

3. Case Studies

This section explores the diverse and flourishing business landscape of Indonesia, focusing on the successful strategies employed by companies to introduce their brands. It explores how these businesses have effectively communicated their brand identity through their products and services, while earning and maintaining customer trust and meeting expectations over the years. The research encompasses a wide spectrum of business perspectives, including apparel start-ups, fintech, agriculture, traditional craft, and the utilisation of digital transformation.

From section 3.11 onward, we select several brands that are local start-ups but are expanding at a rapid rate to become (or that have already become) nationally recognised brands.

Under the legal framework, trademark registration is essential as it provides businesses with crucial protection, serving as a foundation for their future growth and success. This protection assures investors that the strong brand associated with the business's products and services will be shielded from infringement and continue to expand. Trademark protection not only safeguards the business's IP but

also instils confidence in potential investors, ultimately facilitating the growth and prosperity of the business.

As part of our research process, we utilise a variety of methods to gather data and information. This includes conducting thorough internet research and interviews with select businesses to obtain personal insights into branding and business details, thus enriching our research with first-hand perspectives.

3.1. 3Second

3.1.1. History of Brand Establishment

In 2002, 3Second was established amidst the burgeoning clothing brand trend in Bandung, known as Distro Trend (Distributor Outlet). It has since become a major popular fashion brand in Indonesia, specialising in fashionable clothing and accessories, aimed at showcasing creativity and providing high-quality products. The brand attended Paris Fashion Week in 2022 (Kompas.com, 2022). The brand's name, 3Second, symbolises the philosophy that people are captivated by their products within a mere three seconds.

3Second is managed by PT Biensi Fesyenindo in Indonesia. 'Biensi' indicates brainpower, intellectuality, enthusiasm, norm compliance, spirituality, and integrity, which are values the company focuses on maintaining and promoting. 3Second is the company's first and primary brand, and since its development, the company has expanded its business by creating eight other brands with different concepts and target markets (Biensi Fesyenindo Untuk Indonesia, 2024: 3Second, 2024.

3.1.2. Branding Concept⁸

The company is engaging in comprehensive marketing and branding initiatives for this brand. This includes executing promotional campaigns aimed at raising brand awareness, as well as establishing distribution channels across multiple regions in Indonesia. The brand's core attributes revolve around the design and quality of its products, which embody a casual, stylish, and contemporary theme. One of the key distinguishing factors of the 3Second brand is its commitment to adhering to international trends and upholding high-quality standards in its products. The brand portrays itself as youthful, affordable, accessible, and trendsetting, while maintaining quality and durability.

 $^{^{\}rm 8}$ Based on an interview with Hendri Sofe, Sales Manager, 22 May 2024.

3.1.3. Method of Branding and Marketing Aims9

3Second markets its products through offline and online stores, as well as an online-to-offline (O2O) strategy. Presently, the 3Second brand is being promoted through 140 offline shops located in almost all cities across Indonesia. These include 3Second brick-and-mortars, showrooms in malls, and counters in department stores. Additionally, 3Second products are available for purchase via online stores such as the official 3Second website, as well as various marketplaces including Shopee, Tokopedia, Lazada, TikTok, blibli.com, and Zalora. Furthermore, 3Second is exploring 020 marketing strategies, which involves attracting potential buyers from online channels to make purchases in physical shops. In simpler terms, this business model aims to bring people from social media or digital advertising to shop at existing physical shops. The brand's primary target demographic comprises both male and female consumers aged 18–35.

The 3Second brand is dedicated to showcasing creativity through strategic brand collaborations with both local and international artists. These collaborations are designed to imbue the brand with a unique artistic touch that reflects the individual design aesthetic of the artists involved, and to resonate with specific communities whose identities are closely intertwined with the featured artists. Notable local Indonesian artists who have participated in collaborations with 3Second include Muklay and Karafuru, while the brand has also partnered with the estate of internationally acclaimed artist Jean-Michel Basquiat (Figure 3.6). To grow its business, the brand is making efforts to tap into international markets by showcasing its products at the prestigious Paris Fashion Week in 2022 as mentioned above. The current 3Second logo is illustrated in Figure 3.7.

Figure 3.6. 3Second Registered Logo



Source: DGIP (n.d.-e).

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⁹ Ibid.

Figure 3.7. 3Second Collab Product with Basquiat



Source: 3Second. https://3second.co.id/

3.1.4. Effectiveness of the Branding¹⁰

The 3Second brand has experienced consistent growth in sales and has seen a significant increase in the number of shops across Indonesia. This growth is testament to the brand's rapid expansion and its strong foothold in the Indonesian fashion market. As the brand continues to thrive, it is pursuing opportunities to develop its business and expand into international markets. With a clear vision of becoming a prominent Indonesian brand on the global stage, 3Second aims to not only gain recognition in international markets but also establish itself as a proud Indonesian brand that can compete with and stand alongside international products.

3.2. Bodypack

3.2.1. History of Brand Establishment¹¹

Bodypack is one of the major bag brands in Indonesia, especially famous for its backpacks. It has shops in the shopping malls of central Jakarta. The brand was established in 1996 as part of a company that manufactures bags and outdoor gear under the Exsport and Eiger brands. Unlike its predecessors, Bodypack was created with the specific intention of appealing to the streetwear market. Drawing on the company's extensive experience in bag manufacturing, the Bodypack brand offers high-quality products and boldly provides a lifetime guarantee for its bag line. Over time, the focus of the branding and Bodypack products has evolved. While initially concentrating on streetwear, it has now shifted towards producing bags and similar items that cater to the needs of urban society, such as laptop bags and backpacks with dedicated laptop compartments. Although the brand was founded in 1996, it was

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¹⁰ Ibid.

¹¹ Based on an interview with Febby Rusdiansyah, Head of Marketing, 17 May 2024.

not registered until 2007. Over time, the brand's logo has undergone several changes (Figure 3.8). Fourteen Bodypack trademarks with two different logos have been registered in Indonesia. Currently, Bodypack has 10 products categorised under the NICE classification.

3.2.2. Branding Concept and Marketing Aims¹²

The branding concept of Bodypack revolves around establishing a strong product brand that is synonymous with functionality and durability. The brand primarily targets young professionals with a high degree of mobility. Despite offering unisex products, the brand's main customer base comprises men, accounting for 90% of the clientele. The company continues to prioritise and invest in its traditional brick-and-mortar shop experience (Figure 3.9), despite leveraging online channels such as a website and various marketplaces to promote and sell products. The decision to maintain this offline presence is backed by extensive customer research, which indicates that the clientele highly values the tactile and sensory experience of physically interacting with the products. Customers express a strong preference for being able to touch and feel the materials, as well as assess the quality of the items in person at the physical shops. As a result of these findings, the company has taken proactive steps to enhance and elevate its shop environments, ensuring that it caters effectively to the specific needs and preferences of its valued customer base. The current ratio of online sales to offline sales is 40:60.

Figure 3.8. Bodypack Brand Logo







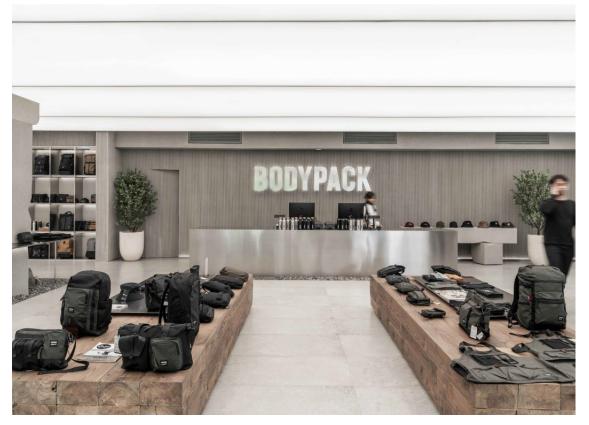


Source: DGIP (n.d.-e).

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¹² Ibid.

Figure 3.9. Bodypack Flagship Store



Source: STUDIO ASA. https://www.studioasa.id/projects/bodypack-2

3.2.3. Method of Branding and Marketing Aims¹³

Bodypack joined the co-branding event launched by the Ministry of Tourism and Creative Economy to promote the government's 'Wonderful Indonesia Co-Branding School Break 2024' programme. This programme is for promoting green tourism in Indonesia during the school break, targeting domestic teenagers as well as foreign tourists.

Many Indonesian local brands have decided to join this co-branding event, including Jakarta AQuarium Safari, Saung Angklung Udjo, HeHa Stone Valley, Beachwalk Shopping Center, AICE, Paxel, Dagadu Djokdja, Dama Kara, Pipiltin Cocoa, Finna Food, Lokalate, BEJO Jahe Merah (BEJO Red Ginger), éL Hotel Group, AVO Group, Rumah Atsiri Indonesia, homLiv, Gofress, Grab, Pala Nusantara, and Bank Sampah Bersinar. Saung Angklung Udjo and Pala Nusantara are described further in the following paragraphs.

¹³ See Antara News (2024).

3.3. Saung Angklung Udjo¹⁴

3.3.1. History of Brand Establishment

Saung Angklung Udjo was founded in 1966 by Udjo Ngalagena and his wife Uum Sumiati, and through the years has become a renowned establishment in Indonesia. It started as a family business where the Udjo family performed using a traditional Sundanese musical instrument, the 'Angklung', on Braga Street in Bandung. The Udjo family routinely distributed business cards crafted from bamboo, extending invitations to both local and foreign tourists to come to the Saung Angklung Udjo studio on Jalan Padasuka in Bandung. In 2007, the family business transitioned to professional status by establishing a limited liability company. Subsequently, the brand, Saung Angklung Udjo, obtained its official registration in 2012.

3.3.2. Branding Concept

The Angklung is an Indonesian musical instrument consisting of two to four bamboo tubes suspended in a bamboo frame, bound with rattan cords (Figure 3.10). It is a traditional Sundanese musical instrument that has been on the Representative List of Intangible Culture of Human Heritage of the United Nations Educational, Scientific and Cultural Organization since 2010 (UNESCO, n.d.).



Figure 3.10. Angklung – Indonesian Musical Instrument

Source: Center of World Music

Saung Angklung Udjo was founded with the aim of preserving and maintaining traditional Sundanese art and culture, as well as introducing Sundanese culture and

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¹⁴ Based on an interview with Rahmasari, Head of Marketing of Saung Angklung Udjo, 22 May 2024.

artistic tools to the wider and international community. It is located in Bandung, West Java.

3.3.3. Method of Branding

Saung Angklung Udjo literally translates to 'a place for Angklung owned by Udjo' (Figure 3.11). This represents the personal and product branding of the Angklung, a traditional artistic instrument typical of the Sundanese tribe in Indonesia, and Udjo Ngalagena, a professional Angklung player and the co-founder of this brand. Additionally, the name 'Udjo' holds elements of this brand, which is an abbreviation of 'Ulet, Disiplin, Jujur, Optimis' (tenacious, disciplined, honest, and optimistic).

Apart from selling traditional Angklung musical instruments and hosting Angklung performances, Saung Angklung Udjo fosters a community that showcases traditional art performances. This venue has become a gathering place for enthusiasts and aficionados of traditional Sundanese art, offering various experiences and support facilities.

Figure 3.11. Saung Angklung Udjo Registered Logo and New Logo



Registered Logo

Source: DGIP (n.d.-e).



New Logo

3.3.4. Marketing Aims

Saung Angklung Udjo's target customers are students, as the concept showcases Sundanese traditional art, representing one of the tribes in Indonesia. Saung Angklung Udjo has become a popular choice for schools seeking to provide their students with an immersive educational experience in Indonesian traditional arts. Interestingly, most of the visitors are from schools located outside West Java. Initially, most of the visitors were foreign tourists, but now 80% of the visitors are local tourists, especially students.

Saung Angklung Udjo has established strong partnerships with various tour travel agents in Bandung, making it a prominent tourist destination in the city. In addition to collaborating with traditional offline tour travel agents, Saung Angklung Udjo has

expanded its reach by teaming up with online travel agents like tiket.com and Traveloka, providing visitors with convenient access to ticket purchasing. Saung Angklung Udjo continues to innovate its performances by blending traditional Sundanese Angklung art and contemporary popular songs, creating a vibrant and engaging experience that resonates with the audience.

3.3.5. Effectiveness of the Branding

Saung Angklung Udjo stands as a pioneer and the sole venue with a traditional Sundanese arts performance theme, making it a unique and appealing destination. In addition to engaging a bigger market, the business frequently collaborates with local and central government organisations to participate in government initiatives promoting traditional arts performances. Before the COVID-19 pandemic in 2020, Saung Angklung Udjo had plans to expand by opening branches in other areas of the West Java region. This plan had to be postponed due to the pandemic, which forced Saung Angklung Udjo to undergo a prolonged hiatus. Saung Angklung Udjo is now registering a new logo that carries the 'Udjo reborn' theme. The philosophy behind this new multi-coloured logo is diversity in harmony (Figure 3.11. The font used is taken from the signature of the founder of Saung Angklung Udjo, which aims to convey the meaning of preparing oneself for the transformation of various changes in increasing the role of culture today and in the future.

Saung Angklung Udjo is an educational and entertaining cultural tourism laboratory. It has developed into Indonesia's largest Angklung ecosystem, expanding into a creative ecosystem. It includes a performance arena, a craft centre, and workshops for bamboo musical instruments, all creatively packaged to provide a memorable experience for its audience. The presence of Saung Angklung Udjo is significant because of its dedication to preserving and promoting Sundanese culture, especially the Angklung, to the wider community.

3.4. Pala Nusantara¹⁵

3.4.1. History of Brand Establishment

Pala Nusantara, established in 2016, draws its name from two Indonesian words, Pala and Nusantara, reflecting its deep connection to Indonesian culture and heritage. The company's primary focus is the creation of exquisite watches with wooden frames. However, beyond merely being a manufacturer of timepieces, Pala Nusantara aims to craft accessories that not only showcase the beauty of the archipelago's wealth but also serve as a means to acquaint its wearers with the richness and diversity of the Indonesian islands. Each product is thoughtfully

¹⁵ Based on an interview with Ilham Pinastiko, Director of PT Kreasi Pala Nusantara, 25 April 2024.

designed to convey a deeper meaning, encouraging those who encounter them to explore and appreciate the cultural significance they embody. Pala Nusantara was honoured at the Indonesia Good Design Selection 2017, 100 Top Finalists of The Big Start Indonesia, ASEPHI Emerging Award 2019, and Good Design Indonesia 2019; and was invited to the Superdesign Show at Milan Design Week – Tortona 2019 (*TI Ekonomi* (2023). It was also presented as a souvenir at the 2022 Group of Twenty (G20) Summit (Bandung City, 2024).

The name of the brand comes from two Indonesian words, Pala and Nusantara. Pala, a valuable spice from the Banda Islands, Indonesia, is at the heart of the brand, while Nusantara represents the rich and diverse Indonesian archipelago. This unique combination illustrates the brand's commitment to offering contemporary, accessible products that showcase the cultural and natural wealth of Indonesia.

Although the brand and business have been established since 2016, the trademark's logo was only registered in 2023 (Figure 3.12). This delay was due to the brand owner not recognising the benefits and urgency of brand registration at that time. In the early years of the business, the company focused solely on establishing the brand image and implementing marketing strategies to introduce products, as well as meeting product sales targets.

Aligned with the Pala Nusantara brand's concept of developing products that showcase the richness of the Indonesian archipelago, some of the watch products were given an identity. This distinct identity of the watch product artfully narrates the story behind the design of the product. Recognising the intrinsic value of safeguarding this unique identity, the brand owner has taken the crucial step of registering the copyright of the logo design of each product with the DGIP, ensuring their protection and authenticity.

Figure 3.12. Pala Nusantara Brand Logo, Product, and Product Logo







Product and Product Logo

Source: Pala Nusantara. https://www.palanusantara.com

3.4.2. Branding Concept

Since its establishment in 2016, Pala Nusantara has introduced its product line to the online market. The brand places strong emphasis on incorporating elements of Indonesian identity and narratives into each of its offerings, setting it apart from competitors that prioritise technological advancements, particularly in the watch industry. Pala Nusantara's dedication lies in creating products that reflect the cultural richness of Indonesia. This is achieved by assigning a unique name and symbol inspired by Indonesia's distinctive characteristics to every product, such as a series of watches, ensuring that each item embodies the essence of Indonesia.

Pala Nusantara has registered the brands of several product series, such as the Pala Cemani series of watch products. Cemani is a species of chicken native to the archipelago, found in Kedu, Central Java. This chicken is a symbol of the strength and glory of the archipelago's fauna, as described in the legendary texts of the archipelago empire. The Pala Cemani product logo has been officially registered and copyrighted through the DGIP, ensuring its protection and exclusivity.

3.4.3. Marketing Aims

Pala Nusantara targets women as the main market for their products, and they make up 70% of the company's customer base. To attract consumer attention, the brand focuses on creating products with appealing designs to pique interest. The watches comes in various shapes and colours, with the aim of having customers purchase more than one of their products.

3.4.4. Method of Branding

Pala Nusantara embarked on its brand introduction journey by leveraging the digital platform as the primary channel. The official website serves as the cornerstone for engaging with customers and showcasing the diverse range of products offered. While Pala Nusantara has established two physical shops to exhibit its products, most of its sales are driven through online channels. Furthermore, the brand has strategically expanded its reach by making its products available on Indonesia's largest e-commerce platforms, including Shopee, Tokopedia, and Lazada, tapping into a broader customer base and enhancing its market presence. With women as its primary target market, Pala Nusantara strategically focuses on promoting its brand through engaging and targeted content on Instagram by leveraging the platform's visual appeal and strong female user base.

Aside from its strong online branding strategy, Pala Nusantara participates in well-known exhibitions. These exhibitions bring different markets to Pala Nusantara, such as the demand for large quantity orders to serve as event souvenirs. Selling handcrafted products with strong Indonesian elements, Pala Nusantara has been

successful in selling its products at government events as authentic Indonesian souvenirs.

3.5. Brodo 16

3.5.1. History of Brand Establishment

Brodo was established in October 2010, and PT Brodo Ganesha Indonesia was incorporated as a legal entity in 2013. It has become one of the most successful shoe brands in Indonesia, and its success earned an award from *SWA* magazine's Indonesia Most Creative Companies in 2015 (Kamarupa, 2017).

The brand's inception stemmed from the founder's aspiration to venture into the footwear market. The coincidental registration of the brand name 'Brodo' was a prerequisite for participating in an event at the Bandung Institute of Technology.

The word 'brodo' is Italian, meaning 'chicken stock'. Interestingly, it has no direct association with shoes. However, the founder was drawn to this name due to the masculine vibe it exudes, primarily because of the inclusion of the term 'bro'. Additionally, its simplicity and ease of pronunciation make it appealing. When spoken, the name 'Brodo' is clear and distinct. Therefore, using the name 'Brodo' for a line of men's shoes would contribute effectively to establishing the desired brand identity (Figures 3.14 and 3.15).

At the beginning of the brand creation process, Brodo's primary objective was to develop and sell products that are intricately linked to lifestyle, marketing, and branding. This includes establishing a strong identity to differentiate the products and services being marketed. Therefore, having a distinct and compelling brand name becomes a fundamental requirement when it comes to selling shoes.

Figure 3.14. Brodo Brand Logo



Source: DGIP (n.d.-e).

68

¹⁶ Based on an interview with Yukka Harlanda, Co-Founder & CEO of Brodo, 17 May 2024.

Figure 3.15. Brodo Products





Source: Brodo. https://bro.do/

3.6. Akseleran

PT Akseleran Financial Inklusif Indonesia (Akseleran) is an Indonesian legal entity providing conventional IT-based joint funding services (Akseleran, n.d.-a). Akeseleran has been viewed as one of the top 10 P2P lending platforms in Indonesia since 2018 (KPMG, 2018). Licensed and supervised by the OJK, Akseleran connects funders and fund recipients for conventional funding through an electronic system via the internet. Akseleran operates under OJK Regulation No. 10/POJK.05/2022 and other relevant laws and regulations related to IT-based joint funding services. One of the main roles of Akseleran is a P2P lending platform that connects start-up businesses and micro, small, and medium-sized enterprises (UMKM) in need of funding with potential funders (Akseleran, n.d.). Akseleran does not provide funding recommendations or manage funds for registered funders, but focuses on organising the lending platform and ensuring the orderly administration of successful funding.¹⁷

Figure 3.16. Akseleran Logo



3.6.1. History of Brand Establishment¹⁸

The brand 'Akseleran' has been registered with the DGIP since 2017 and is categorised as a financial service under the NICE classification. The primary goal in

¹⁷ See Akseleran (n.d.-b).

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¹⁸ Based on an interview with Ivan Nikolas Tambunan, Commissioner & Co-Founder of Akseleran, 16 May 2024.

creating the brand was to connect the business to the public as a tool to accelerate the development of business, mainly UMKM. Akseleran offers access to capital for businesses at competitive interest rates and flexible funding options, including tenors, payment models, and collateral inclusion.

3.6.2. Branding Concept

The primary concept behind Akseleran's brand development is to continue to collaborate with various stakeholders to enhance the brand's reputation, ultimately solidifying its position as a reputable and influential brand within its industry. This will be accomplished by upholding the quality of services offered, thus increasing brand recognition and value. Akseleran aims to be recognised as a brand synonymous with high standards of excellence, kindness, and integrity, as encapsulated in its tag line 'progress faster'.

3.6.3. Marketing Aims¹⁹

Akseleran offers loan distribution methods. The first type, production loans, uses the borrower's cash flow, rather than assets, as collateral for the loan. The main target customers are UMKM. The loans are based on cash flow from pre-orders, inventory, etc. Akseleran's support spans diverse business fields, primarily emphasising businesses with robust cash flow that can sustain loan repayments. The top 3 consumers are construction/infrastructure, commodities (e.g. mining, energy, and electricity), and retail. The second type is consumer loans, where the borrower's salary is directly deducted to make payments. The tenor for these loans is quite short, at 3 months on average. The ratio of target and non-target customers is small, about 90:10, as the target customers are medium-sized enterprises which are the source of income for Akseleran.

3.6.4. Method of Branding²⁰

The company grows relationships between brands and consumers through two channels: (i) direct sales with a relationship manager whose job is to approach potential borrowers from networks; and (ii) collaboration with partners, either supply chain or conventional financing (e.g. vendors or state-owned enterprise (BUMN) suppliers) and digital ecosystems (e.g. Tokopedia) to provide loans to merchants and other ecosystems. Akseleran also has an online presence, but in terms of business loan relationships, the process still requires a human touch – it cannot be fully automated or use digital marketing to reach them.

¹⁹ Ibid.

²⁰ Ibid.

3.6.5. Effectiveness of the Branding²¹

The trust Akseleran has built with both lenders and borrowers has been the most effective factor in developing the brand. Akseleran convinces lenders that borrowers will not default so that lenders can provide more money and borrowers can borrow according to their needs and cash flow conditions. What sets Akseleran apart from similar brands is its substantial number of lenders and the amount of funds that can be provided. Borrowers can obtain the required loan amount by demonstrating the quality of their cash flow, which is assessed in line with the loan amount applied for. Akseleran provides lenders peace of mind by conducting thorough assessments of prospective borrowers to minimise defaults. Additionally, Akseleran guarantees credit insurance in case of a payment default, covering 99% of the arrears. In terms of funding, Akseleran is facilitated by two funding sources: retail lenders (200,000 on the platform) and institutional lenders partnered with financial institutions (e.g. BCA, Bank Mandiri, OCBC, and J Trust). To attract borrowers, Akseleran has partnerships related to supply chain financing, digital ecosystems, and players in its ecosystem.

Akseleran has used digital marketing services since its inception, but digital marketing only works for retail or consumer loans. A marketing strategy that has a big impact on the brand is maximising direct sales carried out by relationship managers with a digital marketing team to reach customers and make the Akseleran brand increasingly well known, both by lenders and borrowers. The strategy used to retain customers is to provide optimal service with lending service products that satisfy borrowers and convince lenders to provide funds. Table 3.2 shows the statistics for Akseleran's total funding distributed and outstanding in 2024 as of June 2024, including the number of funders and fund recipients.

Table 3.2. Akseleran Statistics

| Total funding distributed | Total funding distributed in 2024 | Total outstanding |
|------------------------------|-----------------------------------|---|
| Rp10,410,960,230,898 | Rp1,049,663,690,946 | Rp589,289,288,739 |
| No. of funders | No. of funders | No. of funders |
| 223,932 | 46,509 | 5,961 |
| No. of fund recipients | No. of active fund recipients | No. of active fund recipients in current year |
| 9,621 | 5,665 | 2,079 |

Source: Akseleran. https://www.akseleran.co.id/

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²¹ Ibid.

3.7. PICNIC Special Quality²²

3.7.1. History of Brand Establishment

The PICNIC brand made its debut on the market in late 1957, offering dodol or Dodol Garut, a traditional snack from Garut in West Java. Due to PICNIC, Dodol Garut has become well known throughout the nation.

Dodol is made from sticky rice flour, coconut milk, and brown sugar, often combined with fruits like durian or soursop and wrapped in leaves or paper (Language Development and Development Agency, n.d.). Initially, the product was introduced under the brand 'Halimah, Purnama, and Herlinah' before being rebranded as PICNIC. Despite being registered as PICNIC Special Quality, it is widely recognised as Dodol Garut PICNIC.

The term 'picnic' was derived from a modern retail food store in Bandung (Pasir Koja). By leveraging the shop's brand name, Dodol Garut products gained acceptance and were sold on the premises. Products under the PICNIC brand were well received by the market and eventually became the company's trademark. The primary objective of creating a brand was to gain acceptance from distributors and partner shops and to elevate the product's image from a rural food to a sophisticated city delicacy. The main reason for naming Dodol Garut as PICNIC is that it sets it apart from the numerous Dodol Garut products available on the market, which generally lack distinctive characteristics. At that time, Dodol Garut products often used women's names with Arabic influences, such as Halimah, Tursinah, Hadijah, Fatimah, and Fatonah. In addition, the term PICNIC (which invokes travel and tourism) is highly relevant to the function of Dodol Garut products, which are typically known as souvenir food products specific to the city of Garut.

²² Based on an interview with Ayek Cahya Priatna, Marketing Division, PICNIC, 27 May 2024.

Dodol Garut PICNIC Second Dodol Garut PICNIC

Figure 3.17. PICNIC Special Quality Logo

Source: DGIP (n.d.-e).

3.7.2. Branding Concept and Method

The PICNIC brand was introduced to the public around 1957. The company has made great efforts to sustain it by (i) using the right typeface, colour, and appropriate logo for each application, and consistently applying it for various purposes (e.g. packaging labels and product promotional media); (ii) ensuring that the product image is maintained as the company's most important asset; and (iii) registering the trademark with the DGIP to ensure its protection and authenticity. The key elements of the PICNIC brand are as follows:

- a. **Brand identity.** This involves displaying a consistent logo, colour scheme, and font type that are easily recognisable to consumers.
- b. **Brand image.** The brand aims to be perceived by consumers as offering high-quality, authentic Dodol Garut that is delicious.
- c. **Brand positioning.** The goal is to convince consumers that PICNIC dodol is the top choice for Dodol Garut products. The brand's campaign slogan, 'Ingat Garut, Ingat Dodol, Ingat Dodol, Ingat PICNIC' translates as 'Remember Garut, Remember Dodol, Remember Dodol, Remember PICNIC'.
- d. **Brand value**. The company strives to maintain the Dodol Garut business as a product of cultural heritage and local wisdom, ensuring its sustainability.

3.7.3. Marketing Aims

The primary target customers for Dodol Garut PICNIC are groups of people who enjoy buying souvenirs and regional specialties. The main target demographic for PICNIC dodol products is the middle to upper economic class, as the brand's product price is slightly higher than that of other brands. The company aims to attract loyal customers who are not quick to switch to other products or brands, despite the higher price of dodol PICNIC. The brand promotes its products through a variety of constructive approaches. These include a strong focus on ensuring product quality, consistently developing new flavours based on consumer preferences, promptly addressing customer complaints, and engaging with customers through initiatives such as factory visits, particularly aimed at educating and inspiring schoolchildren and students.

3.7.4. Effectiveness of the Branding

Since its establishment, the Dodol Garut PICNIC brand has consistently proven itself to be a strong competitor in the dodol market. The brand's ability to maintain product quality has been the key to its enduring success. Dodol Garut PICNIC products are not sold in their own stores but are distributed to traditional food and snack shops. The company has built strong, mutually beneficial relationships with these shops, ensuring the continued availability of their products. The high quality and popularity of Dodol Garut PICNIC amongst consumers has contributed to its ongoing success.

3.8. Dialin²³

3.8.1. History of Brand Establishment

The Djalin brand was established in 2016, and immediately registered its trademark in the same year. Djalin derives from 'penjalin' or weaver, representing the finest of traditional craft, artisan communities, and modern design. This representation of Djalin and its product quality is reflected in its tag line: 'weaving stories that stand the test of time'. Djalin is dedicated to promoting and showcasing original Indonesian designs on a global scale. The main aim in establishing the brand was to introduce Indonesian design using environmentally friendly and renewable materials, in line with sustainable design principles. Djalin is a furniture brand that is based on local, renewable materials and is known for its contemporary design, excellent quality, and durability.

Djalin was established as part of its company's strategic vision, aligning with the core business of producing high-quality rattan and synthetic furniture. The founding of Djalin coincided with the emergence of the original design manufacturer and original

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²³ Based on an interview with Sita Fitriana, Co-CEO & Design Director, Djalin, 16 May 2024.

equipment manufacturer (OEM) concepts. The founder of Djalin comes from a manufacturing background in the furniture industry, where the focus was primarily on OEM practices, often leading to a reliance on international economic conditions. Recognising this vulnerability, Djalin made the decision to create its own brand, aiming to establish a unique identity and bring greater value to the community of craftspeople who had been long-term collaborators with the company.

Figure 3.18. Djalin Brand Logo and Product

Brand Logo





Source: Djalin. https://www.djalin.com

3.8.2. Branding Concept

The company produces Djalin furniture exclusively (Figure 3.18). It launched its first collection at the Indonesian International Furniture Expo in 2016, focusing its market on exports. Djalin carries out marketing promotions with strategic branding, creates website pages, utilises social media, and sends direct emails to clients for marketing updates. The brand promotes its products through the annual launch of new collections and occasional mid-year releases. It has also participated in various local and international exhibitions, as well as curating events organised by the Indonesian government. The key elements of the brand include design, creativity, locally made products, and a commitment to sustainability.

3.8.3. Marketing Aims

Djalin's primary target customers belong to the mid-high and high market segments. The customer ratio breakdown is as follows: 20% mid-low, 30% mid, 30% mid-high, and 20% high. These customers appreciate design and seek furniture that holds deeper meaning beyond aesthetics. They are interested in understanding the intricate process and compelling narrative behind each piece. Djalin hopes that its customers resonate with the company's mission to uphold Indonesian traditions and promote environmental sustainability. This is exemplified through the use of materials that are legally certified and recyclable.

3.8.4. Method of Branding

Djalin is dedicated to fostering strong connections between the brand and consumers by offering exemplary customer service and prioritising building trust by consistently providing the best service possible. The furniture products are backed by a 1-year guarantee, showcasing a commitment to quality and reliability. In addition, Djalin engages with interior designers, architects, and contractors through direct introductions, allowing for meaningful collaborations and partnerships. Furthermore, Djalin maintains a tradition of unveiling new products annually, ensuring a fresh and innovative range for their customers to explore.

To capture the attention of potential customers, Djalin leverages promotional activities on Instagram and participates in exhibitions. These initiatives provide direct access to the target market, allowing Djalin to showcase its products and engage with its audience on a personal level. In the future, Djalin aims to establish itself as a global furniture brand and compete with other global brands.

3.8.5. Effectiveness of the Branding

The Djalin brand is highly esteemed for its unique and contemporary Indonesian designs, renowned for their exceptional quality and long-lasting durability. It has made significant strides in international markets, with its products being exclusively available through select retailers in Türkiye, the United Arab Emirates, Taiwan, and Thailand. However, the brand is yet to establish retail partnerships in its home country of Indonesia. To address this, one of the innovative marketing strategies being implemented is the opening of a captivating showroom at Indonesia Design District Pantai Indah Kapuk (IDD PIK), aimed at elevating the overall customer experience and bolstering the brand's presence in the Indonesian market.

3.9. Prepp Studio²⁴

3.9.1. History of Brand Establishment

Prepp Studio was established in Jakarta in January 2020 and is under the management of PT Pesona Ragam Esensi Performa Prima. The company encompasses several brands targeting different market segments under Worldwhite Enterprise group, including HEYMALE, HEYLOCAL, Prepp Studio Jr, Zoma Basic, Boonaboo, Mooles (healthcare brand), and Ceraliving (home and lifestyle brand). The aims are to cater to a special segment that prioritises quality and offers products with higher prices compared with the previous brands.

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²⁴ Based on an interview with Satria Adiyasa, Chief Innovation Officer, Prepp Studio, 24 May 2024.

The name 'Prepp Studio' was selected with great care and significance. 'Prepp' is derived from 'preppy'. The preppy style is characterised by a well-groomed, clean-cut appearance, incorporating elements such as polo shirts, blazers, chinos, loafers, and accessories like pearls and scarves. Over time, this preppy fashion has become a symbol of high-end luxury, exerting a significant influence on popular culture. Additionally, 'Prepp' is a contraction of 'Preparation', symbolising a commitment to always being prepared to perform at the highest level. This name reflects the company's dedication to helping individuals feel confident and prepared for every occasion through their appearance.

The products fall into the apparel category and include items such as polos, jackets, shirts, and trousers. These products are in high demand as they are part of everyday lifestyles and are frequently used for various occasions. Currently, Prepp Studio is well known for its signature polo shirt. Despite the basic polo having no logo, it is generally recognised when someone is wearing Prepp Studio's polo.

Prepp Studio Source: DGIP (n.d.-e).

Figure 3.19. Prepp Studio Trademark

3.9.2. Branding Concept and Method of Branding

The key components that shape the identity and image of the Prepp Studio brand include the name 'Prepp Studio', which is associated with preppy style. This name not only identifies the brand but also communicates the aesthetic and philosophy it promotes. The Prepp Studio logo is another important element and was carefully designed to reflect the brand identity (Figure 3.19). The modern and elegant logo design reflects the high quality and attention to detail that characterises the products. The logo became an easily recognised symbol and helped solidify the brand in consumers' minds, creating a strong association between Prepp Studio and classy preppy style.

In the branding concept, Prepp Studio focuses on the following items to build and strengthen its identity. First, the company strives to maintain consistency in product quality, content, and customer experience. It ensures that every customer interaction with Prepp Studio, both on social media and when the consumer receives and uses their products, meets the highest standards. This consistency is key to building customer trust and loyalty. Second, it has designed Prepp Studio to be an iconic IP. From the logo and model to the narrative that it has built, everything is carefully designed to create a strong and easily recognisable identity. Prepp Studio wants to be known not only as a fashion brand but also as a symbol of classy style and creativity. Third, Prepp Studio runs interesting campaigns and can attract public attention. Through viral campaigns, Prepp Studio has succeeded in becoming known as a brand that is hip and relevant to the latest trends. The campaigns are designed to create buzz and increase brand visibility amongst the target audience, strengthening Prepp Studio's position as an innovative and trendy brand.

The company implements several strategies to ensure the success and growth of Prepp Studio. It utilises a company ecosystem that has been proven through the success of other brands in the company group, such as HEYMALE and HEYLOCAL. By associating Prepp Studio with the solid reputation of the other company brands, consumer confidence is built in the new brand. The company also aims to attract loyalty from consumers of its other group brands. It applies a proven formula for success in marketing via social media, having developed effective social media marketing strategies for other brands in the company. This includes creative and engaging content, collaborations with influencers, and active interaction with the audience. With this approach, Prepp Studio can increase its visibility and engagement on various social media platforms, strengthening the brand's position in the market.

3.9.3. Marketing Aims

Prepp Studio's primary demographic comprises young individuals, particularly urban men from the middle to upper economic class (city boys). With a keen eye for fashion, they prioritise a polished appearance in various scenarios and seek high-quality, detail-oriented attire. Prepp Studio is tailored to complement their sophisticated and dynamic lifestyle. The brand seeks clientele characterised by loyalty, high aspirations, and the ability to inspire and potentially advocate for the brand. Such patrons aid in the organic expansion of the brand's influence through personal endorsements and positive testimonials, both in physical interactions and across social media platforms.

After identifying the target customers, it was found that the ratio between target customers and non-target customers was still quite unbalanced. Generally, Prepp Studio's customers are aged 20–35 and mostly reside in urban areas. However, the ratio of targeted customer profiles is too broad and does not fully align with the ideal customer persona for Prepp Studio. This is because their smart casual products are

popular amongst a wide range of people due to their basic nature, and the affordable pricing makes them attractive to a broad customer base. Viral campaigns have also contributed to expanding market segmentation, attracting not only targeted customer profiles but also interest from broader and less specific market segments. Efforts are ongoing to refine the marketing strategy to focus more on reaching the ideal customer profiles while maintaining a broad appeal.

The company aims to build a strong and enduring relationship between Prepp Studio and consumers by staying relevant in various aspects. This includes engaging in relevant conversations and interactions on social media. The brand participates in trending and pertinent discussions on social media platforms, interacting directly with its followers, listening to their feedback, and ensuring that they are always part of important dialogues within the brand community. Additionally, the brand strives to present products that follow the latest trends and appeal to the tastes of young people. These products are designed to be aspirational, meeting the desires and needs of the targeted customers. Moreover, the brand collaborates with influencers who have a significant impact on the target customers. The influencers are also active in the community, both online and offline, to strengthen relationships and build a supportive and loyal community for the Prepp Studio brand. With this strategy, the brand aims to stay relevant and connected to consumers, ensuring that they feel heard, valued, and inspired by the brand.

3.9.4. Effectiveness of the Branding

The key to attracting customers for Prepp Studio involves several crucial factors that complement each other. First, it is essential to ensure accuracy in the product—market fit. This means offering products that align with the needs and desires of the target market. The right product is more likely to be embraced by the intended customers, increasing the likelihood of building a loyal customer base. Second, it is important to craft a compelling and relevant campaign narrative. An effective campaign should resonate with the target audience, reflecting their values and lifestyle and creating an emotional connection to the brand. Last, setting the right price is crucial. The price should align with the value offered by the product, making it attractive and affordable to the target customers without compromising perceived quality.

In rhetoric, intelligence plays a crucial role in incorporating emotion, logic, and credibility. Employing the right rhetoric can significantly enhance customer relationships. Emotion involves connecting with customers through inspiring and relevant stories or experiences, fostering a stronger bond with the brand. Logic entails presenting facts and product benefits clearly and convincingly, enabling customers to grasp the value they receive. Credibility is established through testimonials, positive reviews, and collaborations with influencers or respected

public figures, ultimately bolstering a brand's reputation. In today's landscape, the number of followers has emerged as a metric that contributes to a brand's reputation. By combining precision in the product—market fit, a compelling campaign narrative, appropriate pricing, and adept rhetoric, companies can effectively attract customers and cultivate enduring relationships with them.

Prepp Studio's brand direction is to establish itself as iconic IP. Prepp Studio aims to expand its business beyond the fashion industry by focusing on building a strong and easily recognisable brand identity. Through strong IP, the brand hopes to develop Prepp Studio into a lifestyle business that encompasses various aspects of modern living. This involves offering products and services not only related to fashion, but also relevant to other elements of the modern lifestyle that appeal to the target customers. The goal is to create a comprehensive and aspirational brand ecosystem, where Prepp Studio is known not only for providing high-quality fashion, but also as a symbol of a smart and sophisticated lifestyle. With this strategy, it is confident that Prepp Studio can continue to grow and strengthen its position as an iconic and influential brand in the lifestyle industry.

In the future, the company has several strategic plans for branding Prepp Studio. The focus will remain on the current core business and branding, ensuring the continued strengthening of the Prepp Studio IP to become an iconic brand. Additionally, the brand plans to innovate products and services through collaborations with various parties, including partnerships with designers, influencers, and other brands. These partnerships aim to enrich the collections and services and expand the market reach. The combination of a viral campaign, a large number of followers, and presence in a strong fashion group ecosystem makes Prepp Studio an attractive choice for consumers. The reputation built on this basis provides value to Prepp Studio, differentiating it from competitors and making the brand a trusted and desired option in the market.

3.10. UNKL347²⁵

3.10.1. History of Brand Establishment

The brand name UNKL347 has an interesting origin story. It came from house number 347, which was a hub for indie bands and graphic design enthusiasts. The founder, inspired by the vibrant creative energy of this house, decided to name the brand after this significant number. UNKL347 was founded by a group of individuals including Dendy Darman, Arifin Windarman, Anli Rizandi, and Lucky Widiantara. They initially started by selling their uniquely designed T-shirts in small quantities to niche communities such as skateboarding, surfing, and other street culture groups. The positive reception of their designs propelled their business to new heights. By 1999,

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²⁵ Based on an interview with Lucky Widiantara, Founder, UNKL347, 17 May 2024.

they were able to open their own shop in Bandung, marking a significant milestone in their entrepreneurial journey.

The brand has undergone several name changes (Figure 3.20) but has always retained the 347 aspect. It all began with a brand called 347boardride.co. However, in 2003, the 347.boardrider.co label was rebranded as 347/eat, incorporating the concept of advertisement into its design. Subsequently, in late 2006, 'eat' was removed and replaced with UNKL347. UNKL347 symbolises a milestone, marking the brand's 10-year journey. The tag line 'After 10 years, friends call us uncle' embodies the essence of this label. Despite the name changes, the number 347 remains inseparable from this clothing line.

Figure 3.20. UNKL347 Logo and Brand Name

347.boardrider.co Logo

Brand Name

UNKL347 logo

347 boardrider.

UNKL347 logo

Source: DGIP (n.d.-e).

3.10.2. Marketing Aims and Effectiveness of the Branding

UNKL347 presents a diverse collection of casual wear that is deeply rooted in and tailored for the music, BMX, skateboarding, and surfing communities. The brand's strong ties to these communities have not only provided support for them but have also played a significant role in revitalising the creative industry that nurtures street culture in Bandung. The brand and its founder are deeply rooted in the local community, with the community being the cornerstone of the customer base. The brand consistently shows support for the community and participates in their events. Despite facing a growing number of competitors in the industry, the brand has managed to cultivate a loyal customer base over the past 25 years, showcasing its strength and resilience.

The brand has successfully expanded its business into diverse industries. In addition to offering a range of contemporary furniture products, it has made a strategic move into the food and beverage sector by opening its own stylish and inviting coffee shop. This expansion highlights the brand's versatility and commitment to meeting the evolving needs of its customers.

3.11. Rahsa Nusantara²⁶

3.11.1. History of Brand Establishment

Rahsa Nusantara, a brand rooted in the rich tapestry of Indonesian heritage, was established in 2016 with a vision to harness the natural goodness of herbs and spices for the betterment of current and future generations. Embracing an ethos of ethical and responsible practices, the brand places strong emphasis on sourcing local, natural ingredients and promoting environmental consciousness and community empowerment. Beginning its journey in 2016 with the distribution of ready-to-drink products in specialised stores and supermarkets in Bandung and Jabodetabek, Rahsa Nusantara has since evolved to offer a range of ingredients aimed at enhancing the well-being of Indonesian families. The years 2018–2019 marked a significant milestone as the brand expanded its reach through the development of online sales and presence.

The brand's name is derived from two Indonesian words: 'Rahsa' comes from 'rasa', which translates to flavour, while 'Nusantara' refers to the Indonesian archipelago. The meaning of 'Rahsa' goes beyond flavour to encompass all five senses, including the mind and heart. The vision is for every product to embody 'Rahsa', created from a blend of herbs and spices sourced from the archipelago and designed for the people of the archipelago. Initially, the primary objective in establishing the brand was to present a delightful and nutritious array of Indonesian ingredients for the local community. The brand Rahsa Nusantara registered its trademark with the DGIP in 2018 (Figure 3.21). When promoting its products, the brand carefully crafts a unique narrative for each item in its series, giving them their own distinct identity. Recognising the importance of protecting the brand's IP, the owner has taken the significant step of securing trademark registrations for each product with the DGIP, ensuring their legal protection and authenticity (Figure 3.22).

Figure 3.21. Rahsa Nusantara Main Trademark

Source: DGIP (n.d.-e).

82

²⁶ Based on an interview with Fransiska Damarratri, Branding Leader, Rahsa Nusantara, 23 May 2024.

Figure 3.22. Rahsa Nusantara Product Trademark





Source: DGIP (n.d.-e).

3.11.2. Branding Concept and Method of Branding

The company has adopted cultural branding as its branding approach, which involves combining and communicating the values embedded in the product manufacturing process to the audience. Since its establishment, Rahsa Nusantara has promoted values such as diversity; women's empowerment; and healthy, sustainable, and conscious living. These values have formed the foundation of the brand story and brand sense from 2016 to 2024. The company's branding efforts include developing a brand guideline in collaboration with brand studio partners, encompassing the architecture and content pillar, and integrating the guideline into business processes and brand communications. What sets Rahsa Nusantara apart is its commitment to values that support the sustainable healthy life of its customers through a range of certified products and services, particularly herbal and spice concoctions that offer solutions to modern health problems. The brand engages with the audience through various touchpoints, values, stories, and knowledge related to sustainable healthy living and Rahsa Nusantara ingredients that support this lifestyle.

3.11.3. Marketing Aims

Rahsa Nusantara's primary target is women aged 27–42, who are mothers with at least one child, living in urban areas, and are concerned about health and choose supplements for a healthier or more sustainable family. The secondary target is women aged 43–58 and 59–77 years who are educated and care about health and the environment. These target customers are committed to embarking on a journey towards a healthier and more sustainable lifestyle through gradual, manageable

changes in their daily routines. The company strives to enhance the bond between the brand and consumers by establishing connections through a variety of touchpoints. These touchpoints include fostering digital communities, engaging with customers on social media platforms, participating in both offline and online events, interacting with retail outlets, and forming partnerships with entities that serve their target consumers and align with the brand values.

3.11.4. Effectiveness of Branding

To create a stronger connection between the brand and consumers, the focus is on integrating Rahsa Nusantara ingredients into everyday health challenges that directly impact people's lives, particularly those related to children's health. This strategy aims to make the brand more relatable and provide practical solutions for daily wellness. The brand marketing prioritises in-person educational outreach that engages users on an emotional level, including mothers, children, and other family members. Since Rahsa Nusantara products require a level of understanding, the opportunity for potential customers to experience the products first-hand before making a purchase generates greater interest. The products are designed to address a wide range of modern health concerns, including enhancing children's appetites and immune systems, alleviating symptoms of coughs and colds due to poor air quality, managing cholesterol levels, aiding in menstrual regularity and preventing polycystic ovary syndrome symptoms, alleviating gastroesophageal reflux disease, and promoting collagen production. The brand's most popular products include the Sapujagad Alit Series, known for its rejuvenating properties; the Sukhaloka Collagen Booster, which promotes skin elasticity; and the Sapujagad Series, offering a range of skincare solutions.

The company aims to build trust with consumers by maintaining Rahsa Nusantara brand values and creating a connection with the target audience. Although the age and demographics of the target audience remain unchanged, the psychographics characteristics of the generations within the target audience bracket will continue to evolve. The company will also maintain its focus on social and environmental impact. While there are no immediate plans to change the brand's direction, the company is learning about and understanding other potential directions to be prepared for future transformation if necessary. The company does not plan to change its marketing strategy, but rather to adapt to the changing generations that are entering their target market category. The promotional strategies that influence the brand in the market are as follows:

- a. Organic social media marketing
- b. Lifestyle and educational content

- c. Events and brand activations
- d. Partnership with fellow brands and communities
- e. Digital marketing

3.12. Bang Sate Bang²⁷

3.12.1. History of Brand Establishment

Bang Sate Bang was founded in September 2022 under the management of PT Sukses Multi Amarta (Figure 3.23). The business concept for Bang Sate Bang is a restaurant with a buffet concept that serves a well-established food product: satay. The unique aspect of the restaurant is that it offers a variety of satay options in one place, allowing customers to choose the type. The central concept of the business is to establish a comprehensive satay haven that offers a wide array of satay types originating from different regions of Indonesia. Unlike conventional satay establishments that typically specialise in a singular variety, Bang Sate Bang aims is to set itself apart by providing an extensive selection of satay that showcases the culinary diversity of Indonesia. Additionally, the menu goes beyond satay to include a variety of complementary dishes, ensuring that customers have a broad range of dining options to choose from (Figure 3.24). Bang Sate Bang not only provides delicious satay but also offers a full-service restaurant experience for customers (Figure 3.25). In contrast to the typical street food stall experience, as satay is normally served, Bang Sate Bang invites customers to savour satay in a more leisurely and enjoyable manner.

The brand owner recognised the significance of protecting the IP rights for the business, particularly for the brand Bang Sate Bang. They commenced the trademark registration process in December 2022, using the DGIP portal. Remarkably, the registration process was swift, taking only about 1 hour to complete. Subsequently, after about 12 months, the trademark for the brand was announced, with the registration being finalised in September 2023.

3.12.2. Method of Branding

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Bang Sate Bang has relied heavily on its online branding strategy, particularly Instagram. The brand has consistently produced content on Instagram to attract customers and collaborated with influencers to visit the restaurant and recommend it to their large audiences. Furthermore, Bang Sate Bang has partnered with several food delivery marketplaces such as Grab Food, Go Food, and Shopee Food.²⁸ These platforms provide food delivery services with a variety of restaurant options.

²⁷ Based on an interview with Tarindra Raditya, Brand Owner, Bang Sate Bang, 27 April 2024.

²⁸ Grab Food, Go Food, and Shopee Food are platforms that provide food and beverage delivery services.

Customers can easily select a restaurant, place their order through the app, and have their food delivered to their doorstep. This relieves the restaurant from the burden of providing delivery services as the apps handle the delivery. Additionally, these platforms offer fintech services, providing various payment options for customers. For instance, with GoPay,²⁹ customers can load credit into their account and make payments for their orders.

Figure 3.23. Bang Sate Bang Brand Logo



Source: DGIP (n.d.-e).

Figure 3.24. Bang Sate Bang Menu



Source: Brand Owner of Bang Sate Bang.

²⁹ GoPay is a platform that provides electronic wallet services that have electronic money storage and electronic payment features.

86

Figure 3.25. Bang Sate Bang Outlet

Source: Brand Owner of Bang Sate Bang.

3.12.3. Effectiveness of the Branding

Bang Sate Bang is an authentic Indonesian restaurant that caters to the family market segment. The brand has established a relaxed and humorous brand voice and profile to create a strong emotional connection with consumers. This concept is implemented through both online and offline marketing efforts, including social media, a Google presence, interior and exterior visuals at their outlets, as well as posters and flyers for branding communication. These branding strategies have successfully attracted the targeted customers, making the restaurant the go-to place for enjoying satay in a comfortable setting. As previously mentioned, Bang Sate Bang has utilised digital platforms to market its products and services to online customers. Despite the original intention of providing a comfortable dining experience for customers to savour their satay, sales from digital platforms now contribute to 50% of the brand's monthly revenue.

Chapter 4

Analysis of Branding in Indonesia

The Indonesian government's firm commitment to safeguarding IP, particularly marks and GIs, is evident in the enactment of the MGI Law in 2016. The legislation aims to foster fair competition; ensure consumer protection; and support micro, small, and medium-sized enterprises as well as domestic industry. It also seeks to enhance services and provide legal certainty for industries, trade, and investment in response to local, national, regional, and international economic and technological advancements. The previous regulation governing marks (Law No. 15 of 2001 concerning Mark) had numerous deficiencies, failing to meet the evolving community needs regarding marks and GIs and lacking in safeguarding local and national economic potential. Efforts to bolster the development of global marks for Indonesian products and to cultivate small and medium-sized enterprises capable of competing in the global market are also exemplified by the adoption of the Madrid Protocol. This adoption serves to facilitate an effective and efficient international mark registration system.

The DGIP, a government agency tasked with formulating and implementing policies related to IP, engages in raising public awareness about the significance of protecting IP. Annually, the DGIP designates a thematic focus within various IP regimes. In 2023, the designated theme was 'trademark'. The DGIP endeavours to promote the potential of collective trademarks in the region by facilitating IP protection through the 'One Village One Brand' and 'Mobile IP Clinic' programmes. Digital transformation has also been implemented by the DGIP to simplify the trademark registration process. Trademark registration, previously a cumbersome offline and online procedure, can now be swiftly completed online. Moreover, brand owners can conveniently download the trademark certificate directly. Consequently, there has been a substantial surge in domestic IP applications, with 297,435 applications submitted in 2023, reflecting a 14.7% increase compared with the 259,379 applications recorded during the same period in 2022 (DGIP, 2023). In line with the above, the performance reports of the DGIP for 2018–2022 show positive achievements in the completion of mark applications, including a reduction in the application backlog. In 2023, however, the target set by the DGIP on the completion of mark applications was not achieved. The main reason was that, while the number of mark applications increased, the amount of labour in the DGIP examining the applications was limited. The 2023 performance report of the DGIP specified that there were 88 examiners, so the assumption is that one examiner examined around 1,488 applications. This issue requires prompt attention to prevent a further backlog.

In addition, the DGIP charges a fee of Rp500,000 per product class for micro and small enterprises, which is less than a third of the standard trademark application fee of Rp1,800,000. This approach is intended by the government to support and motivate micro and small enterprises to protect their brands legally and use them for sustaining their business, without imposing significant costs (DGIP, 2024).

The total number of GIs in force in Indonesia is still considered small. To promote the registration of GI products, the MOL has declared 2024 the Year of Geographical Indications. One of the challenges faced by the DGIP in relation to the handling of GIs is the need for the development application of the DGIP to do online GI registrations called e-GIs.

The expansion of Indonesian start-ups presents an intriguing spectacle. A noteworthy aspect lies in the diversity of sectors represented amongst the unicorn-status startups, encompassing industries ranging from transportation and agriculture to coffee shop retail and online marketplaces. Notably, all the start-ups highlighted in Chapter 2 exhibit a uniform approach to digital transformation. For instance, Bukalapak, an online marketplace, has reshaped the shopping experience by consolidating numerous brands within a single application accessible via smartphones. Previously, consumers spent time and effort visiting disparate physical shop locations, whereas now they can peruse a wide array of products from various brands on a centralised virtual platform. Similarly, GoFood, a subsidiary of Gojek, streamlines access to food products, delivering them directly to consumers. This enhanced convenience is equally beneficial for entrepreneurs, particularly those operating micro, small, and medium-sized enterprises with limited capital. They are no longer tethered to traditional brick-and-mortar establishments, instead leveraging applications to market their products and services. This paradigm shift expands their horizons, offering broadened prospects without necessitating substantial initial investment.

Based on the interviews with various brands, it has become apparent that these companies and/or entrepreneurs recognise the pivotal role of a brand in marketing their products or services, serving as an identity for their offerings. Moreover, nearly all the brands we engaged with have taken the initiative to register their brands with the DGIP. This approach underscores their understanding of the importance of safeguarding their brand, particularly for long-established and evolved brands, recognising their brand as a valuable asset. By registering their brand, these entities aim to protect themselves from infringers who seek to imitate, counterfeit, or exploit their brand for personal gain. Notably, some brands have extended their trademark registrations beyond their primary product or service, encompassing derivative products or services. For example, Rahsa Nusantara has registered its additional brands (Sapujagad and Sukhaloka) under its corporate umbrella. Similarly, Pala Nusantara has pursued brand registration for its main designs, as mentioned earlier.

Aligned with the Pala Nusantara brand's concept, some of the watch products were given an identity. Recognising the intrinsic value of safeguarding this unique identity, the brand owner has taken the crucial step of registering the copyright of the logo design of each product with the DGIP, ensuring their protection and authenticity.

In the era of digital transformation, some businesses are still using offline branding methods as their core marketing strategy. Akseleran is one of these examples. Although it also has a website that facilitates online funds applications, Akseleran's main strategy is a direct approach to consumers through two channels: direct sales via relationship managers and collaboration with various partners. An interesting observation emerged regarding the convergence of online and offline marketing strategies. An illustrative case is 3Second's adoption of the 020 approach to promote its products. The brand leverages social media platforms, such as Instagram and TikTok, to entice consumers to patronise its numerous physical retail outlets across Indonesia. This sophisticated integration of online and offline channels underscores 3Second's marketing prowess and adaptability in engaging consumers through multiple touchpoints.

During our research, we have observed tangible instances of business entities applying branding methodologies. The advent of digital transformation has exerted a profound influence on business entities' determinations of branding methods and marketing strategies to be employed in the promotion of their products or services. The impact of this digital transformation is manifest in the widespread adoption of online branding methodologies across nearly all brands, tailored to accommodate the nature of the respective products and industries. Furthermore, digital transformation has significantly contributed to the escalation in the number of brand registrations, with the online brand registration process streamlining the registration procedures for applicants.

To support businesses in relation to branding, the government could adopt policies to transition its role from a regulator of the MGI Law to a facilitator of business. For example, in terms of GI, if the government could create directories to provide detailed information on GI products to the public, and establish platforms for consumers to access the GI products directly, the government would facilitate the GI entrepreneurs. Further, since GI is a concept related to certain geographical areas of the country, the promotion of GI products in collaboration with the tourism sector could be highly effective.

A proactive approach from the government in terms of branding activities by the companies should also be considered. In the past, branding activities have been dominated by major advertising agencies since typical offline branding activities such as billboard advertisements or TV commercials were prohibitively expensive. Due to limited financial resources, small and medium-sized enterprises had a tendency to focus their funds on product quality rather than advertising, as branding

activities through advertisement have typically been carried out by large companies with abundant financial resources. In comparison with typical branding activities, recent methods of branding (e.g. online branding) can be done at a minimal cost. However, online branding, like other methods of branding, requires expertise to be effective – simply using platforms such as Facebook, Instagram, or X will not make a big impact on product branding. Advertising agencies and marketing companies have the knowledge to conduct online marketing effectively, and government subsidies for using such services could have a huge impact on promoting the branding of products. The involvement of such professional agencies could also help companies use more complicated branding activities such as corporate branding, personal branding, or co-branding.

By implementing these recommendations, entrepreneurs in Indonesia could develop stronger, more resilient brands and products that appeal to both local and international markets, while government support could create a conducive environment for these brands to thrive.

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