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CHAPTER I

INTRODUCTION

1.1. Background

Branding in the context of product design is a strategic process aimed at shaping a brand's perception, identity, and differentiation in the minds of consumers. Wheeler (2021) explains that branding is not limited to visual elements such as logos or colors, but also encompasses the values, stories, and experiences built to create an emotional connection with the audience. In this regard, product design plays a crucial role as it serves as the visual medium that directly interacts with consumers. Strong and consistent design has been proven to enhance brand recall, expand brand awareness, and strengthen a brand's positioning amidst market competition. This aligns with the findings of Henderson and Cote (2020), who state that visual design elements such as shape, color, and visual consistency significantly influence consumers' ability to recognize and remember a brand. Successful creative products generally feature distinctive, consistent designs that clearly represent the brand's identity.

To achieve effective brand communication, visual identity must be supported by a targeted branding approach. Kotler and Keller (2020) define a branding strategy as a series of approaches designed to build brand image, position products, and create value through differentiation relevant to the target audience. This strategy encompasses market segmentation, key messages, communication styles, and user experience through the product. In the context of culture and identity, Kavaratzis and Hatch (2013) explain that local identity can be translated into visual forms relevant to modern audiences, while Holt (2004) emphasizes that younger generations tend to be influenced by symbolic, visual, and experiential values when choosing a product or brand.

The creative economy industry plays a crucial role in the development of local brands, particularly in the fashion and crafts subsectors, which are closely tied to product design. Data indicates that the creative economy sector makes a significant contribution to the national economy, with the culinary, fashion, and

crafts subsectors as the primary contributors (*The Indonesian Institute*, 2022). This situation opens opportunities for local brands to develop creative products that are not only functional but also possess a strong visual identity relevant to the market. Design innovation rooted in local identity is one approach that can strengthen a brand's character while enhancing product competitiveness amid the increasingly dynamic creative industry landscape.

As a metropolitan city, Surabaya possesses a rich and distinctive cultural identity, such as the egalitarian, open, straightforward, and bold character known through the term "*Arek Suroboyo*." This identity is reflected in various aspects of community life, ranging from communication styles, city symbols, to historical legacies. Research by Wulan et al. (2022) indicates that Surabaya's identity is often associated with egalitarian, urban, and multicultural values, while Goenawan et al. (2021) explain that *Arek Suroboyo* culture is a long-standing social phenomenon that has shaped the city's character. Visual elements such as heritage buildings, city icons, and the use of the Arekan dialect further reinforce Surabaya's collective memory and visual image (Putra & Adjie, 2021; Nugroho, 2020). This rich identity holds significant potential to serve as a source of visual inspiration for the development of creative product designs by local brands.

In the development of the modern creative industry, shifts in consumer behavior are heavily influenced by the dynamics of the younger generation. Generation Z, born between 1997 and 2012 (*Pew Research Center*, 2019), is a generation that has grown up alongside digital technology and social media. Generation Z's close connection to visual culture, digital trends, and online communities shapes consumption preferences that differ from those of previous generations. A report by the IDN Research Institute (2022) notes that Generation Z tends to choose products that represent their personal identity, possess authentic value, and offer an emotional experience. Nielsen (2021) and Bank of America (2020) also project that Generation Z's economic power will grow significantly over the next decade, making them a potential market segment for the creative industry, particularly merchandise products.

Several studies indicate that Generation Z has a strong interest in collectible, exclusive products with a story behind their design. The study “*Exploring the Factors Behind Generation Z’s Blind Box Purchase Intention in Jakarta*” (2025) found that emotional connection and collectible value are key factors in purchasing decisions. Generic merchandise products are deemed less capable of attracting this segment’s interest. Therefore, a design approach that is fresher, more relevant, and capable of building an emotional connection with young consumers is needed.

Results from a questionnaire distributed to 59 respondents on September 30, 2025, show that 81.1% of respondents are in the 18–24 age range. The majority of respondents exhibited an interest in collecting merchandise, with a relatively consistent purchasing frequency each year. The primary factors influencing purchasing decisions are visual design at 78%, followed by product quality at 52.5% and price at 50.8%. Additionally, the limited availability of products or a sense of exclusivity also serves as a unique draw. These findings confirm that visual design plays a dominant role in attracting Generation Z’s interest in merchandise products, accompanied by aesthetic value, quality, and exclusivity.

Ondomohen 1896 is a local brand from Surabaya specializing in city-themed merchandise, born from an initiative by residents of Ketabang Village. The brand is known for its historically themed products intended as signature Surabaya souvenirs, targeting primarily tourists and the general public. The historical identity it highlights serves as Ondomohen 1896’s primary strength in building its brand image while reviving the historical narrative of Surabaya through its products. Ondomohen 1896 produces various types of merchandise, such as t-shirts, tote bags, keychains, and other souvenir items. These products generally feature visual elements in the form of easily recognizable city icons and local symbols of Surabaya. The design approach used tends to be simple and communicative, making them accessible to a broad market at affordable price points.

However, as the creative industry evolves and consumption patterns shift, the visual character of Ondomohen 1896’s products, which are oriented toward the general market has not fully aligned with Generation Z’s preferences. This

generation tends to prefer products with a more expressive, contemporary visual approach, possessing collectible value, and conveying an exclusive feel as part of their personal identity. This situation indicates an opportunity to develop more segmented visual merchandise for Odomohen 1896 to build brand differentiation, particularly within the Generation Z segment.

Based on these conditions, there is a need to introduce a development of Odomohen 1896's visual merchandise specifically targeted at Generation Z. This development is not intended to replace the character of Odomohen 1896, but rather as a form of internal brand differentiation so that Odomohen 1896 can reach the younger market segment. Through a visual approach that is fresher, more contemporary, and adaptable to Generation Z trends, the design of Odomohen 1896's visual merchandise is expected to strengthen the brand's identity as a creative local brand relevant to modern market dynamics, while enhancing its competitiveness within Indonesia's local merchandise industry.

1.2. Problem Identification

- a. The current visual identity of Odomohen 1896 products does not fully reflect a strong brand identity differentiation, making them less competitive compared to other local merchandise brands that have adopted a more segmented and collectible visual approach.

1.3. Problem Statement

Based on the design background outlined above, the problem statement for this design project is as follows:

How can we design Odomohen 1896 merchandise visuals that effectively showcase a strong brand identity differentiation through a segmented and collectible visual approach?

1.4. Problem Scope

To clarify the design focus, the scope of this study is defined as follows:

- a. This design focuses on the development of collectible Odomohen 1896 visual merchandise targeted at Generation Z, without comprehensively addressing the full range of Odomohen 1896 products.

- b. The scope of the design is limited to the development of Odomohen 1896 merchandise product designs inspired by the cultural and visual context of Surabaya, without addressing visual identity design, city branding strategies, or tourism.
- c. The design focuses on visual design aspects and brand communication strategies through product media and social media, and does not cover mass production or financial analysis.

1.5. Objective

The objective of this design is to create visual merchandise for Odomohen 1896 that effectively conveys a strong brand identity differentiation through a segmented and collectible design approach, specifically targeting Generation Z

1.6. Benefits of the Design

1.6.1. For Generation Z

- a. Provides creative product alternatives that align with Generation Z's trends and lifestyle.
- b. Enhances pride in local products through relevant and aesthetically pleasing designs.

1.6.2. For Odomohen 1896

- a. Helping to strengthen Odomohen 1896's positioning as a local merchandise brand with a distinctive visual identity and clear differentiation.
- b. Serving as the foundation for developing collectible products that can expand Odomohen 1896's market segmentation without compromising the historical identity of the main brand.

1.6.3. For the University

- a. Serving as an academic reference and learning material in the field of VCD, particularly regarding product design and branding strategies based on local identity.
- b. Enhancing the university's contribution to the development of works and research based on local potential, while strengthening the relationship between the academic world and the creative industry in Surabaya.

1.7. Design Framework

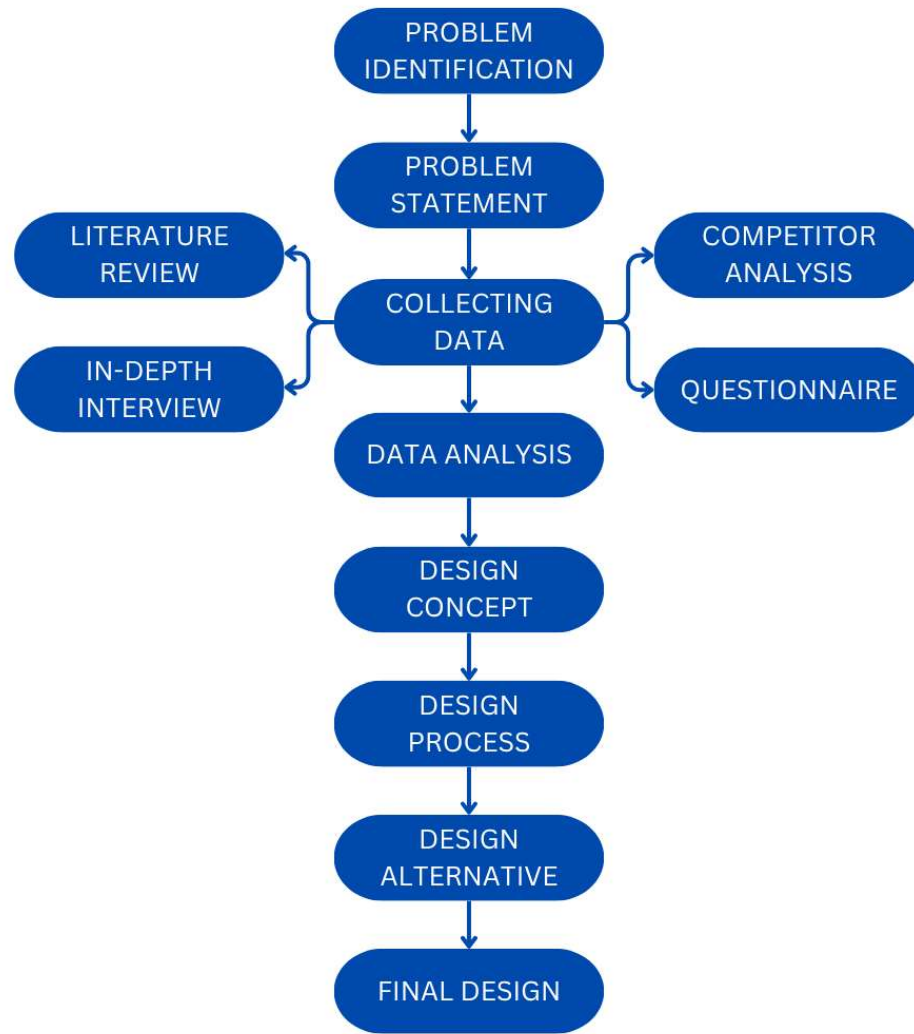


Figure 1. 1 Framework Diagram
(Source: Personal data)