

THE IMPORTANCE OF BRAND POWER TO BUILD MSME SUSTAINABILITY

Alia Azzahra^{1*}, Risa Putri Pamungkas², Zahra Fauziah Ramadhani³, and Muh. Abdul Aziz⁴

^{1,2,3,4} Retail Management, Economics Faculty, University of Muhammadiyah Sukabumi, Sukabumi, 43113, Indonesia

ABSTRACT

One of the most important factors that can improve the sustainability of MSMEs is brand strength. The purpose of this study is to know and explain the importance of brand strength in the sustainability of MSMEs in Cianjur Regency. This research data is MSME actors in Cianjur Regency with a population of 31,926. This study's methodology is descriptive and quantitative. Using a web.raosoft.com sample size and a 10% error rate, a sample of 100 respondents was obtained for this study's sampling technique. Respondents were given questionnaires in the form of questions as part of the data collection approach used in this study. This study's analysis technique was simple linear regression analysis. The findings demonstrated that, with a 50.6% influence from brand strength and a 49.4% influence from other factors, brand strength had a favorable and significant impact on the sustainability of MSMEs.

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* Corresponding Author at Department of Management, Faculty of Economics and Business, Universitas Pekalongan, Jl. Sriwijaya No. 3 Kota Pekalongan, 51111, Indonesia
E-mail address: alia033@ummi.ac.id, risa034@ummi.ac.id, zahrafauziahcmd032@ummi.ac.id, muhammadaziz085@ummi.ac.id

1. Introduction

In the era of globalization and increasingly fierce business competition, micro, small, and medium enterprises (MSMEs) need to build sustainability to survive and grow in a competitive market (Ananda, 2022). One of the crucial factors that can help MSMEs achieve sustainability is brand strength (Sivakami et al., 2023). In the context of MSMEs, the brand is not only limited to a logo or company name, but also includes reputation, image, and perception built by customers and society. Brand strength has a significant role in influencing the success of MSMEs in the long term (Ningsih, 2019). By having a strong brand, MSMEs can differentiate themselves from competitors, build strong relationships with customers, and create sustainable loyalty (Helmi et al., 2022).

In a market full of similar products and services, a strong brand can provide a competitive advantage for MSMEs. Brands that are known and trusted by customers will be more likely to be chosen than less well-known brands (Wibowo et al., 2024). By building a strong brand, MSMEs can attract attention and influence the purchasing decisions of potential customers (Kusuma et al., 2023). So that with this brand, trust will be built in the hearts of customers (Abidin et al., 2023). Trust is a key factor in building long-term relationships with customers. Through a strong brand, MSMEs can create a

positive image and convince customers that the products or services they offer are of good quality and reliable (Dewi et al., 2023). The trust established between customers and brands will be the foundation for the sustainability of MSMEs (Sugiana et al., 2023).

A strong brand can help MSMEs build customer loyalty (Tiep Le et al., 2023). When customers are satisfied with their experience and have an emotional connection with the brand, they tend to remain loyal and become loyal supporters of MSMEs (Salanova et al., 2005). High customer loyalty will enable MSMEs to maintain market share, reduce marketing costs, and increase long-term revenue (Mujianto et al., 2023). In building sustainability, MSMEs can leverage the power of brands to expand business opportunities (Dolińska-Weryńska et al., 2020). A strong brand can open doors for better cooperation, partners, and distribution opportunities (Tewary et al., 2021). In addition, brands that have a good reputation can also make MSMEs more attractive to potential investors, expanding access to funding that can support business growth and development (Candraningrat et al., 2021).

To build MSME sustainability, business owners need to understand the importance of brand strength (Dumitriu et al., 2019). With the right marketing strategy, effective communication, and careful brand management, MSMEs can leverage their brand potential to create long-term value, grow their business, and achieve the sustainability of a more competitive business environment (Suranto et al., 2023). There are several problems in strengthening the brand, namely lack of awareness and understanding, fierce competition, lack of competitiveness, lack of customer trust, limited access to markets, and rapid market changes. The purpose of this study is to know and explain the importance of brand strength in building MSME sustainability.

2. Literature Review

2.1. The Power of MSME Brand

The brand strength of MSMEs (Micro, Small, and Medium Enterprises) lies in the elements that distinguish them from their competitors and create a positive perception in the eyes of consumers (Bernardi et al., 2022). A strong brand stands out with a unique identity that reflects the core values and personality of the business. A strong identity creates appeal and helps consumers remember the brand. A strong brand can build a good reputation through consistent quality products or services (Khudhair et al., 2019; Rusmahafi & Wulandari, 2020a). If MSMEs can provide quality products or services and meet consumer expectations, then their brands will be strong and can build customer loyalty (Mendrofa, 2024). Trust is a key aspect of building a strong brand. MSMEs that can build trust through transparency, integrity, and reliability will attract consumers and strengthen their brands (Masrun et al., 2023). MSMEs that can innovate and present unique products or services or solve consumer problems can build a strong competitive advantage (Teguh et al., 2021). Innovation helps create the perception that the brand is always up-to-date and relevant to market needs (De, et al., 2020). Strong brands can build engagement with customers through positive, responsive, and enjoyable interactions. Using social media and other technologies to interact directly with customers can strengthen MSME brands and build loyal communities (Febrian, et al., 2022). MSMEs that can differentiate themselves from competitors in a unique and value-added way will strengthen their brand. This can include factors such as competitive pricing, attractive design, or superior customer service (Rusmahafi & Wulandari, 2020b). Brands that have an attachment to the local community and contribute to local sustainability can build strong relationships with customers. This involves supporting local activities, hiring local workers, and forging partnerships with other local businesses (Ifield & Yang, 2022). MSMEs need to be able to communicate their brand message effectively to

potential consumers. Through good marketing and communication strategies, MSME brands can reach their target audience clearly and generate a positive impression (Dumitriu et al., 2019).

2.2. MSME Brand Sustainability

The brand sustainability of MSMEs (Micro, Small, and Medium Enterprises) is an important factor in ensuring the sustainability and growth of their business (Ananda, 2022). MSME brands that are committed to environmentally friendly business practices have a better chance of building consumer trust and meeting the demands of an increasingly environmentally conscious market (Maziri, 2018). This can include the use of sustainable raw materials, good waste management, energy efficiency, and efforts to reduce negative impacts on the environment. MSME brands that pay attention to social aspects can build strong relationships with the communities in which they operate. This can include efforts to empower local communities, create jobs, build partnerships with social organizations, or contribute to social initiatives relevant to the brand's mission and values (Boateng, 2022). MSMEs need to maintain economic sustainability so that their businesses can survive and grow. It involves good financial management, diversification of products or services, identification of new market opportunities, as well as the development of effective marketing and sales strategies. MSME brands that succeed in the long run are those that can innovate and adapt to market changes and consumer needs (Cheung et al., 2020). The brand must remain relevant and continuously evolve its products, services, or business processes to compete in an ever-changing market. Maintaining and expanding market share through MSME brand sustainability also depends on customer loyalty (Tiep Le, et al., 2023). Brands that can provide a positive experience and meet consumer expectations will build long-term relationships and get recommendations from satisfied customers. MSMEs can achieve brand sustainability by establishing strategic partnerships with other parties, either with suppliers, distributors, or other business partners. This collaboration can help increase brand visibility and access to a wider market, and support each other in achieving sustainable business goals (Dumitriu et al., 2019). It is important to continuously communicate the value and message of the brand to consumers. MSMEs need to use effective marketing strategies, including digital marketing and social media, to build brand awareness, educate consumers about brand sustainability, and build engagement with target audiences.

3. Method, Data, and Analysis

3.1. Types and Objects of Research

This study uses a quantitative approach with a type of causality associative relationship, which is research that aims to reveal problems that are causal relationships between two or more variables (Sugiyono, 2019). Descriptive research is the kind that is employed; it tries to explain or decode something as it is. The purpose of this study is to describe something or a situation (Arikunto, 2019). The object of this research is brand strength (X1), and MSME sustainability (Y), with the research location being MSMEs in Cianjur Regency.

3.2. Data Types and Sources

This study makes use of primary data, which is information gathered from distributing surveys or inquiries about brand strength to increase MSME sustainability. MSMEs in the Cianjur Regency Area were the respondents to whom the study's primary data was submitted.

3.3. Population and Sample

The population of this study is food MSMEs in Cianjur Regency, with a population of 31,926 business actors obtained from West Java's open web data. 90% data accuracy and a 10% margin of error were achieved while taking samples utilizing the online sample size calculator available at raosoft.com. So

that respondents will be sampled as many as 100 people.

3.4. Data Analysis Techniques

Statistical data analysis is carried out in stages, namely first carried out data feasibility tests (validity and reliability tests). The analysis techniques used are simple linear regression and determination coefficient tests.

$$Y = \alpha + bX + e$$

4. Result and Discussion

4.1. Characteristics Respondent

There were 100 MSME food in respondents this study. These respondents' traits are categorized by gender, with more female respondents than male respondents. The age range of the participants was 17 to over 38 years old. High school to bachelor's degree is the respondent's educational background (S1).

Table 1. Characteristics of Respondents

Information	Frequency	Percentage %
Gender		
Man	46	46%
Woman	54	56%
Age		
18 - 27	40	40%
28 - 37	34	34%
< 38	26	26%
Education Level		
Senior High School	46	46%
Diploma	21	21%
S1	33	33%

4.2. Data Feasibility Test

4.2.1. Validity Test

All variable instruments related to employee performance, work motivation, and training are tested as part of the validity test. A viable instrument can be determined by comparing its r calculate value to the r critical 0.3 value. The end result is the declaration of validity for each and every instrument. Table 2 below illustrates this:

Table 2. Instrument Validity Test Results

Instrument	R count	R Critical	Criteria
Brand Power (X)			
1	0.975	0,3	Valid
2	0.927	0,3	Valid
3	0.871	0,3	Valid
4	0.927	0,3	Valid
MSME Sustainability (Y)			
1	0.773	0,3	Valid
2	0.758	0,3	Valid
3	0.770	0,3	Valid
4	0.771	0,3	Valid
5	0.550	0,3	Valid
6	0.562	0,3	Valid

4.2.2. Reliability Test

Tests for reliability are conducted using the Cronbach alpha formula technique; a test is considered reliable if its Cronbach alpha value is greater than 0.600. Based on the reliability test results, every variable in this study was deemed reliable (>0.600). Table 3 below illustrates it:

Table 3. Reliability Test Results

Variable	Reliability Coefficient	Point Critical	Information
Brand Power (X)	0.940	0,600	Reliabel
MSME Sustainability (Y)	0.806	0,600	Reliabel

4.3. Results of Simple Linear Regression Analysis

The following equation represents the multiple regression test findings that were created for this study:

$$Y = 8.056 + 0.506 X + e$$

Explanation:

Y: MSME

Sustainability X:

Brand Power

e: epsilon/error

Multiple linear regression results explain the following:

A constant value of 8,056 means that if Brand Strength (X) is 0, then MSME Sustainability (Y) is 8,056. The value of the brand strength regression coefficient is 0.506 and is marked positively, meaning that if brand strength increases it will increase brand strength by 0.506.

4.4. Determination Test

Determination tests refer to statistical methods used to measure the extent to which the independent variable (explanatory variable) can explain variation or variability in the dependent variable (the variable to be explained). In the context of linear regression, determination tests generally refer to the use of coefficients of determination (R-squared) to measure how well linear regression models can account for variations in data. A statistical measure with a range of 0 to 1 is the coefficient of determination (R-squared). The R-squared number shows how much of the variance in the dependent variable the independent variable in the regression model can account for. Whereas a lower value suggests that the independent variable in the model is unable to adequately explain the variance in the dependent variable, a higher R-squared value suggests that the independent variable better explains the variation in the dependent variable. The following table displays the results of the determination test:

Table 4. Determination Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.711 ^a	.506	.501	2.83217

a. Predictors: (Constant), Power_Brand

Based on Table 4 above, the value of the R Square coefficient of determination of 0.506 means that the influence of brand strength on the sustainability of MSMEs is 50.6%. While 49.4% were influenced by other variables that were not studied, such as marketing strategy, collaboration strategy, and others.

4.5. Discussion

4.5.1. Brand Power on MSME Sustainability

The p-value of brand strength is $0.000 < 0.05$, which indicates that brand strength has a substantial impact on the sustainability of MSMEs, according to the results of the statistical test mentioned above. The coefficient of determination is 0.506, which indicates that other factors account for the remaining 50.6% of the impact of brand strength on MSMEs' sustainability. Brand strength is a method to improve the sustainability of MSMEs. The greater the strength of the brand, the more it will be able to increase the sustainability of MSMEs.

5. Conclusion and Suggestion

The findings of the statistical test analysis demonstrate that MSMEs' sustainability and brand strength have a favorable and significant impact on raising MSME performance. In MSMEs, brand strength has a 50.6% impact on sustainability, whereas other, unstudied factors have a 49.4% influence. The academic community and corporate actors who serve as study sites and can aid in the addition and expansion of information for researchers are anticipated to benefit from the research's findings. The education sector as well as the Cianjur Regency's Office of Cooperatives, Micro Enterprises, Industry, and Trade are anticipated to benefit from this research's recommendations for decisions and policy that would further enhance MSMEs' performance. It is intended that this study will serve as a resource for other scholars that study the legality of cooperation and commerce. Additionally, recommendations are made for future study that should include a large number of business players from Cianjur Regency as well as business actors from other cities and regencies in West Java, increase the number of respondents, and use additional techniques to bolster quantitative data from the distribution of questionnaires.

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