

# Brand Positioning Strategy in Increasing the Competitiveness of Local Products

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*Opportunities for local products to innovate in how they position themselves in the market, making innovation part of a strong brand identity. Local products are considered superior in terms of natural product content, after-sales service and easy to find/available in the market. The purpose of this study is to identify that product differentiation is also important to build a strong brand image. The systematic reviews and meta-analyses research method is an effective way to go beyond the traditional limitations of literature studies, allowing researchers to gain increased competitiveness of local products. The results of this study identified that brand positioning with the competitiveness of local products has grown quite significantly. By understanding consumer behavior and emerging market trends, companies can adjust their marketing strategies and leverage a combination of conventional and digital marketing channels to increase local brand visibility and competitiveness. Therefore, optimal brand positioning can increase the competitiveness of local products.*

**Keywords:** brand positioning, increasing the competitiveness, local products.

## I. INTRODUCTION

In the context of increasing the competitiveness of local products, brand positioning strategy plays a very important role in building a strong brand image and differentiation in an increasingly competitive market. Brand positioning as a process of defining how a brand wants to be perceived by consumers compared to its competitors. Several studies have shown that an effective brand positioning strategy can improve brand image, create customer loyalty, and ultimately, increase the competitiveness of local products.

First, a clear and consistent brand positioning strategy can have a significant positive impact on brand image and customer loyalty. [1] found that there is a significant positive influence of positioning strategy and relationship marketing on the brand image of telecommunication service customers, which shows relevance in the context of local products. This finding is supported by research [2], which emphasizes the importance of brand positioning strategy in achieving the long-term goals of an organization, especially in sectors that require accreditation and recognition, such as higher education. Therefore, local products that want to compete effectively must consider how they position their brands in the minds of consumers.

Furthermore, various brand positioning approaches that can be applied affect consumer responses. According to [3], a broad brand positioning strategy, which includes many favorable brand associations, can improve brand performance compared to a narrower strategy. This approach has the potential to have a positive impact on the capacity of local products to reach wider market segments and meet the needs of diverse consumers.

Another aspect to consider is the relationship between brand positioning strategy and product innovation. [4] stated that in the era of globalization, innovation is the key to increasing the competitiveness of companies. This creates opportunities for local products to innovate in the way they position themselves in the market, making innovation part of a strong brand identity.

However, it is not only innovation that is the focus; consumer knowledge about the brand also plays an important role in purchasing decisions. [5] mentioned that efficient online marketing strategies can improve brand position in the digital market. By utilizing information technology, local products can reach a wider audience and adjust their marketing strategies to increase consumer awareness and preference for their brands.



A good brand positioning strategy not only helps local brands stand out in a competitive market, but also supports product competitiveness through the development of a strong brand image, innovation, and engagement with consumers. By considering various elements of an effective and relevant brand position with its consumers, local products can take advantage of opportunities to grow and compete more effectively in the market.

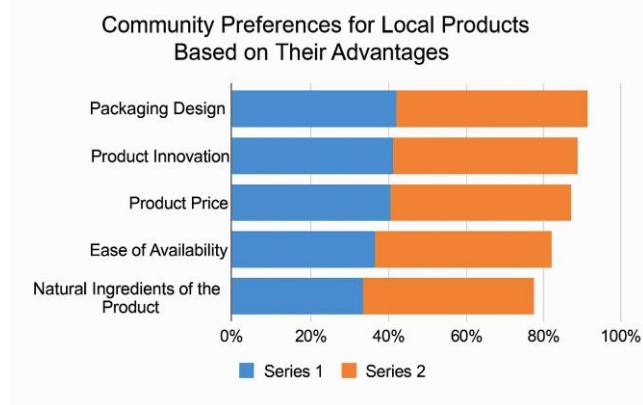


Figure 1. people's choice of local products  
Source : [6]

Based on the data above, local products are considered superior in terms of natural product content, after-sales service and easy to find/widely available in the market. While in terms of other superior values such as product safety, design and even price, international products are considered superior. This marks a serious problem for the competitive value of local products in Indonesia. Based on this phenomenon, research on product superiority, especially local products, is very important to explore.

## II. LITERATURE REVIEW

Brand positioning is a crucial aspect of marketing strategy that involves designing a brand's offering and image to occupy a distinct place in the minds of consumers within the target market. A comprehensive view of brand positioning identifies three core definitions: firstly, it involves the creation of a unique identity that differentiates the brand from its competitors while embodying customer needs and values [1]. Second, successful brand positioning must resonate with target consumers, establishing emotional or rational connections that enhance brand loyalty and perceived value [2]. Finally, brand positioning encompasses strategic decisions regarding the brand's core elements, which include its functionality, personality, and the overall experience it delivers to

consumers, potentially shaping brand equity and market presence [3].

To effectively evaluate brand positioning, three key indicators can be considered. The first indicator is the clarity of the brand message, which refers to how well the brand communicates its unique qualities and value propositions to consumers [1]. The second indicator is brand relevance; this maintains to the degree to which the brand aligns with the evolving preferences and experiences of its target audience, ensuring that it remains relevant in a competitive marketplace [3]. Finally, brand differentiation stands as a vital indicator, measuring how distinctly a brand stands out from its competitors based on specific attributes, benefits, or consumer perceptions [4]. Together, these definitions and indicators provide a framework for understanding and assessing brand positioning strategies in contemporary markets.

Competitive advantage is a critical concept in business management, reflecting an organization's ability to consistently outperform its rivals. According to [11], competitive advantage is significantly influenced by market orientation; businesses that emphasize understanding and meeting customer needs achieve better marketing performance [5]. This aligns with findings from Zhou et al. (2024), who notes that sustainable competitive advantage relies on evaluating both financial and non-financial indicators, such as brand value and operational capability, enabling firms to maintain their market positions amidst competition [6]. Additionally, the research by [13] emphasizes the role of comparative advantage in shaping export competitiveness, demonstrating that firms are capable of distinguishing their product offerings through unique competencies can enhance their competitive positioning in global markets [7].

Three indicators of competitive advantage include product innovation, market responsiveness, and customer satisfaction. [14] found that product innovation significantly influences competitive advantage, suggesting that businesses must continuously adapt their offerings to remain relevant in a dynamic market [8]. Furthermore, [15] emphasize the importance of social capital, which contributes to improved marketing performance through competitive advantage, underscoring the need for businesses to cultivate relationships and networks that enhance their strategic positioning [9]. Indicates that customer satisfaction is a vital outcome significantly impacted by competitive advantage, highlighting the importance for SMEs to focus on enhancing quality and service delivery [10].



The concept of local products can be understood from various perspectives that focus on social, economic, and environmental contexts. First, local products are often stated as goods produced within a certain distance from the place of consumption, with issues of definition and distance often varying between consumers and suppliers [11]. Second, local products can be seen as part of efforts to improve sustainability, where the understanding and value that consumers place on local food contributions to efforts to build a more sustainable and resilient food system, especially in the context of challenges such as the pandemic [12]. Third, local products are considered to be an indicator of better quality, related to the freshness and seasonal characteristics of the goods [13].

Indicators for identifying local products include several aspects. First, the geographical distance between the place of production and the consumer is a key indicator, where products produced closer tend to be considered more "local" [11]. Second, product characteristics related to local culinary traditions are also important; the stronger the connection of a product to local culture, the higher the value of its locality in the eyes of consumers [14]. Third, consumer recognition of the quality and authenticity of local products often reflects their perceptions of food safety and sustainability, where local products are expected to have a positive impact on personal and community health [15].

One of the research gaps seen in studies on brand positioning strategies to increase the competitiveness of local products is the lack of understanding of how brand authenticity can be linked to the development of effective brand placement strategies for local products in the context of the international market. Although several studies have identified the importance of positioning and marketing strategies for brand image and customer loyalty [16] and the influence of branding on consumer perceptions [17]. The integration between the dimensions of brand authenticity and positioning strategies for local products in this increasingly global market is still relatively minimal. Research that highlights how the concept of authenticity can be a determining factor in shaping the brand image for local products in the international market would be very valuable, considering the trend of globalization and increasing consumer demands for 'authentic' products [18]. Through this study, researchers can develop a more holistic theoretical framework on how local brands can

utilize authentic values to penetrate and compete in the global market.

### III. RESEARCH METHODS

The literature study research method is an approach used to analyze, collect, and evaluate various literature sources related to a particular topic. Based on this method, it is very important to understand the trends, developments, and debates that exist in a research field. Literature studies can help researchers to formulate hypotheses, identify gaps in research, and provide a firm framework for further studies [25].

This approach includes several systematic stages, such as selecting and assessing the quality of relevant research, as well as processing the data obtained from systematic reviews and meta-analyses as an effective way of going beyond the traditional limitations of literature studies, thus enabling researchers to gain in-depth insights into the impact of information systems on career and competency development [26].

These findings indicate that literature-based research is not only relevant in a particular discipline, but can also be a powerful tool for evaluating different methodologies and practices in diverse fields. The literature study research method is a crucial foundation in the development of science, and by using a systematic approach, comparative analysis, and structured writing, researchers can make significant contributions to the development of knowledge in a field [27].

### IV. RESULT AND DISCUSSION

Based on the research results from the literature review, brand positioning strategy has an important role in increasing the competitiveness of local products, especially in today's increasingly competitive market. Strong brand positioning allows local products to stand out among the wide range of choices offered by foreign brands. A strategy that combines product innovation and effective marketing can provide significant competitive advantages for local products. A creative approach to marketing has been shown to increase consumer interest in buying local brands in Indonesia [28].

A product differentiation approach is also important to build a strong brand image. Through a deep understanding of the differences between functional value and brand experience value, business actors can adopt more appropriate strategies in attracting consumers' attention. A study has shown that consumers are more likely to choose local



products when brands emphasize experiences related to local culture and strengthen their brand identity [29]. The application of local values in branding not only increases product appeal but also increases brand loyalty in a competitive market [30].

The findings in this study confirm that brand positioning provides a strategy in increasing the competitiveness of local products. The following can be identified from the results of the publish or perish search analysis regarding previous literature that is relevant to the study and interpreted as the novelty of the data, as follows:

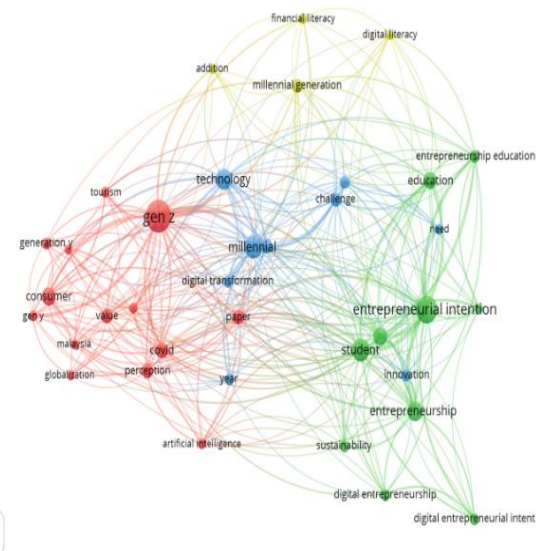
Table 1. Article Data on Publish or Perish

No	Citation	Writer	Title	Publication
1	485	Al-Ansi and Han	Role of halal-friendly destination performance, value, satisfaction, and trust in generating destination image and loyalty	Journal of destination marketing & management
2	274	Candemir, Duvalaix	Agricultural cooperatives and farm sustainability—A literature review	Journal of Economic
3	168	A Pharmacy	Corporate social responsibility in hotels: a stakeholder approach	International Journal of Contemporary Hospitality
4	162	Attia, Essam Eldin	Organizational learning, knowledge management capability and supply chain management practices in the Saudi food industry	Journal of Knowledge Management
5	155	Nastasoiiu, Vandenbosch	Competing with loyalty: How to design successful customer loyalty reward programs	Business Horizons

Source: Publish or perish, 2024.

Based on the results of the literature study above, to determine the position and existence of brand positioning research on the competitiveness of local products. All articles that had been collected were then analyzed using VOSviewer software. The results of this analysis are visualized as shown in Figure 1. In general, VOSviewer arranges variable nodes in a network form on a two-dimensional plane, where the distance between nodes reflects the strength of the relationship between variables. The closer the two

nodes are, the stronger the relationship, indicating that the two variables are often studied together. Conversely, the further the distance, the weaker the relationship or the less frequently they are studied simultaneously.



Source : Vosviewer

Figure 2. VOSviewer brand positioning towards the competitiveness of local product businesses

Based on the image above, it is identified that there are 3 clusters in the image of the research novelty analysis, where the nodes are interrelated far and differently, this shows that between brand positioning and the competitiveness of local products is growing quite significantly. Efforts to understand consumer behavior and emerging market trends, companies can adjust their marketing strategies and utilize a combination of conventional and digital marketing channels to increase the visibility and competitiveness of local brands.

It is important for local brands to establish strategic alliances with distributors and retailers, in order to more easily reach new markets and expand their reach. Brand positioning strategy is a key benchmark, especially in increasing competitiveness with global products that are currently growing rapidly, which contributes well to the growth of local businesses. The emotional connection formed through an effective positioning strategy can significantly influence consumer preference and loyalty towards local brands.

Thus, an effective brand positioning strategy that combines innovation, emotional intelligence, consumer psychology, and cohesive marketing



communications is fundamental to enhancing the competitiveness of local products. By paying attention to these aspects, brands can build a distinct identity that not only attracts market interest but also fosters long-term consumer relationships, propelling local offerings to a more favorable market position.

## V. CONCLUSION AND SUGGESTIONS

Based on the research findings, it is evident that a strategy integrating product innovation with effective marketing efforts offers a substantial competitive advantage for local products in today's increasingly globalized market. Local products, which often struggle to compete with well-established foreign brands, can position themselves more effectively through a unique value proposition rooted in cultural identity and continuous innovation.

Product innovation plays a pivotal role in ensuring that local offerings remain relevant and appealing to consumers. Innovation should not merely focus on functional improvements, but also embrace cultural narratives, sustainability, and consumer-centric solutions that resonate with the evolving tastes and values of modern society. For local businesses, incorporating traditional knowledge, local resources, and indigenous aesthetics into their product development processes can help distinguish their offerings from mass-produced alternatives. This form of culturally grounded innovation not only enhances product differentiation but also strengthens emotional ties with the target audience.

Meanwhile, effective marketing serves as the bridge that connects these innovative products to consumers. Marketing strategies should employ both traditional and digital platforms to maximize reach and impact. Campaigns must emphasize storytelling that is emotionally compelling and culturally authentic, allowing consumers to see themselves in the brand's narrative. Such strategies can deepen consumer engagement and reinforce brand loyalty.

A key element to this approach is brand development, which should prioritize crafting meaningful brand experiences. These experiences must reflect local values and traditions, giving the brand a unique and authentic identity. Strong brand positioning—rooted in innovation, emotional intelligence, consumer psychology, and integrated marketing communications—helps create a memorable brand image and fosters long-term consumer relationships. Brands that manage to consistently convey a clear and compelling identity are

better positioned to rise above the clutter of competing products in the marketplace.

To implement these strategies effectively, local businesses must also invest in human capital. Capacity building in areas such as product development, branding, digital marketing, and consumer behavior analysis is essential. Training and mentoring programs aimed at enhancing entrepreneurial competencies will equip local producers with the skills needed to thrive in a competitive market landscape. Collaborative initiatives involving local governments, educational institutions, and the private sector can further strengthen these efforts.

In conclusion, the success of local products in gaining and maintaining market share lies in their ability to combine innovation with a strong cultural narrative, delivered through cohesive and emotionally resonant marketing. With the right strategies and adequate investment in human resources, local brands can not only compete with foreign alternatives but also become champions of cultural pride and economic resilience.

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