

THE ROLES OF STAKEHOLDERS IN MEDIATING BRAND STRATEGY OF LOCAL WISDOM PRODUCT “ARAK BALI” TOWARDS COMPETITIVE ADVANTAGE**Ni Luh Putu Agustini Karta¹, Stephanus Remond Waworuntu², I Nyoman Susila³**¹ *Triatma Mulya University-Indonesia; agustini.karta@triatmamulya.ac.id**² *President University-Indonesia; stephanus@president.ac.id*³ *Satya Wacana University-Indonesia; nyomans67@gmail.com*

ABSTRACT

Arak Bali is a traditional alcoholic drink that has been known for generations since the days of the Hindu kingdoms. This research aims to analyze the roles of stakeholders in governance and strengthening the local wisdom product brand Arak Bali as an inclusive business supporting tourism in Bali. It is hoped that strengthening strategy of the local brand will increase the competitiveness of Arak Bali in penetrating the global market. This quantitative research employed the SEM PLS analysis. The sampling technique used in collecting respondents was purposive sampling, with a total of 162 respondents, consisting of primary and secondary stakeholders, namely tourism actors, MSMEs / Balinese Arak artisans, distributors, the community, academics, government, and law enforcement officials. The findings of this research show that the role of stakeholders can mediate the brand strategy of the local wisdom product Arak Bali into a community-based (inclusive) local product with international competitive advantage. This research demonstrates that the local wisdom product Arak Bali has quality and international competitive advantages.

Keywords: *stakeholders, brand strengthening, local wisdom.*

1. Introduction

Consuming alcohol has become a traditional habit in Indonesian society, passed down from generation to generation. However, there has not been extensive research on the positive and negative effects of excessive consumption. The community in Bali, particularly from the Karangasem Regency, practices the craft of Arak-making as a skill inherited from their ancestors. As shown in Table 1, there are one thousand nine hundred seventy-five (1,975) artisans spread across twenty-nine (29) villages in eight (8) districts. All these artisans are under the guidance of the Karangasem Regency's Department of Industry, Trade, and Small and Medium Enterprises (UMKM) (Santika 2024). The home industry production volume of Arak artisans averages between 15-50 liters per month. The raw materials for Arak are quite diverse, including palm sap, coconut sap, cashew apples, and salak fruit. All these raw materials are abundantly available in the villages in Karangasem Regency. The number of artisans has decreased by 310 units compared to two years ago, when it reached 2,285 artisans. Some have closed due to a shortage of raw materials for production. Based on this data, the Arak-producing villages in Karangasem have great

potential for further development. The abundant raw material sources in these villages guarantee a better livelihood for the community.

Table 1. List of Arak Artisans / Makers in Karangasem Regency for the Year 2024

No	District	Number of Villages	Number	
			Number of MSME (Unit)	Number of Resources (Individuals)
1	Abang	4 villages, (Abang, Culik, Labasari, Datah)	423	425
2	Bebandem	3 villages (Sibetan, Jungutan, Bebandem)	58	58
3	Karangasem	1 village (Seraya Tengah)	7	9
4	Kubu	10 villages (Baturinggit, Dukuh, Kubu, Tianyar, Tianyar Barat, Tianyar Tengah, Sukadana, Tulamben, Ban)	469	469
5	Manggis	5 villages (Gegelang, Padangbai, Manggis, Antiga, Sengkidu)	186	186
6	Rendang			
7	Selat	2 villages (Duda Utara, Duda Timur)	23	23
8	Sidemen	5 villages (Lokasari, Sidemen, Talibeng, Telaga Tawang, Tri Eka Buana)	809	809
Number			1,975	1,979

Source: Department of Cooperatives and SMEs of Karangasem Regency, 2024

The province of Bali, as an international tourism destination, needs to take aggressive measures and prioritize the production of this traditional beverage. Observations by the government team in 2019 indicated that the Arak produced by the artisans is of considerable quality, with alcohol content standards reaching 25-45%. It is estimated that good raw materials, the artisans' expertise, and sufficient product innovation contribute to the high quality of the flagship products. The artisans produce Arak not only using palm sap, coconut sap, and aren sap but also incorporating cashew fruit, salak, and flavoring mixtures such as basil leaves or champaca flowers, resulting in specific tastes and aromas. One brand, Arak Holly Tirta, is a creation of Balinese artisans that is highly favored by international tourists. Innovation and creativity in creating Arak Bali-based mixed drinks have become popular among tourists in Bali. Now, with governmental assistance, it is produced legally in large capacities by CV Dukuh Lestari in Sibetan Karangasem village and PT Ratnajaya in Denpasar, which holds the brand license for Arak Poleng.

Operational production and marketing of Arak Bali in rural areas face various challenges, affecting its marketability. Issues, including legalization and regulatory constraints, hinder and limit production capacity. The existence of this locally traditional production becomes negative when counterfeit or mixed alcoholic beverages emerge, adversely impacting the community and even causing fatalities. According to production oversight data (Santika, 2024), several artisans have been apprehended by the police for creating adulterated Arak and selling it to the public without distribution permits. Traditional alcoholic beverages are intellectual property-based products as cultural heritage, possessing unique characteristics that cannot be equated with other alcoholic drinks. Currently, Arak Bali lacks its own brand and thus cannot penetrate the international market. The alcohol content produced is quite high, categorizing it as a Group C Spirit Drink with an alcohol content of above 20.02-40%. In 2020, the Governor of Bali (Koster 2020) formulated regulations on the production and distribution of traditional Arak Bali. The government appointed several renowned factories and distributors to assist in packaging and branding, thus preparing it for the global market. Even during the grand event of the G20 countries in Bali in 2022, Arak Bali was given as a souvenir to all delegation members. In efforts to improve product quality, ensure sustainable production, and

maintain the livelihood of the community, it is deemed necessary to introduce new breakthroughs that guarantee the artisans' welfare. This study analyzes the role of all relevant stakeholders in maintaining the existence of Arak Bali and strengthening the brand of this local product as an inclusive business supporting tourism.

Based on observations and discussions with members of the community, artisans, MSME actors, and the Department of Industry of Karangasem Regency, it is apparent that the Arak Bali beverage products, which are produced in large quantities and of high quality, lack branding, do not have distribution permits, and do not meet production standards; thus, they have not been accepted by the hospitality and tourism business sectors. Who should be involved in ensuring that Arak Bali obtains a brand and competitive advantage? What is the role of stakeholders in strengthening the brand of the local wisdom product, Arak Bali, as an inclusive business supporting the hospitality industry?

2. Theoretical and Literature Review

2.1 The Role of Stakeholders in Governance

The role of stakeholders in addressing various issues arising within the community is significant. According to the Overseas Development Administration (ODA, 1995), stakeholders can be categorized into three groups: primary stakeholders, secondary stakeholders, and key stakeholders (Subowo 2024) and consist of the community, NGOs, MSMEs, government, private sector, consumers, and others (Lundgren and McMakin 2009). Effective stakeholder involvement in community-based inclusive business governance and tourism management can enhance business performance (Mursalin et al., 2022; Lundgren & McMakin, 2009).

As stakeholders running governance functions, Indonesian government officials, through the National Committee on Governance Policy (2021), emphasize governance principles based on five key tenets: transparency, accountability, responsibility, independence, and fairness/equity (Hartarto 2021). These indicators of governance principles provide guidance to stakeholders in performing governance functions. Several considerations in the implementation of stakeholder roles are explained in studies by Benn, Abratt, and O'Leary (2016), Mertha, Wiarti, and Suasapha (2019), Simanjorang, Hakim, and Sunarti (2020), which highlight that coordination often encounters challenges and that no single entity acts as a coordinator or agent of change. Organizations must focus on stakeholder satisfaction and develop strategies that recognize the importance of all legitimate stakeholders.

Considering the important role of stakeholders, the presence of stakeholders in the inclusive Arak Bali business in Karangasem Regency needs to be established. This study applies the five governance principles implemented by all stakeholders involved in the governance of Arak Bali alcoholic beverages. Research by Nuriyani and Dewi (2023) identified the influence of primary, secondary, and regulatory stakeholders on carbon emission disclosure. Meanwhile, from a role perspective, Agustina, Saleh Soeaidy, and Ribawanto (2014) found that the presence of MSMEs as small industries greatly assists the government in developing the small-scale economy. To increase the income of artisans and MSME actors of Arak Bali, all stakeholders must collaborate effectively to develop a business process model or pattern that can guide Arak Bali to become an inclusive and competitive product.

2.2 Government Regulations in Governance

Efforts to provide legal protection for traditional Indonesian alcoholic beverages should be tailored to their characteristics and the cultural and legal influence of the community (Serfiyani, Hariyani, & Rahmati Serfiyani, 2020). Wise and objective legal protection from the perspective of Intellectual Property Rights (IPR) for traditional alcoholic beverages is expected to develop positive aspects while anticipating negative ones. A study by Serfiyani et al. (2020) also concludes that traditional Indonesian alcoholic beverages meet three specific characteristics that can be protected as intangible cultural heritage (public property) or as indications of origin (local community property), although currently, indications of origin are more appropriate. Therefore, the government needs to adjust regulatory designs at the central level according to the indication of origin. Addressing legal issues requires regulation at various levels of legislation from production to consumption (Lestari 2016). The Governor's Regulation (Koster 2020) governs the management of Bali-specific fermented and/or distilled beverages. In 2022, the Minister of Education and Culture, Research, and Technology (Kemdikbudristek) officially recognized Balinese Arak as an Intangible Cultural Heritage (WBTb). This designation was made based on the Decree of the Minister

of Education, Culture, Research, and Technology of the Republic of Indonesia Number 414/P/2022, which specifically identifies Indonesia's Intangible Cultural Heritage for the year 2022, as outlined by Wibawana (2022). Although the recognition of Balinese Arak as intangible cultural heritage was declared in 2022, the regulation regarding alcoholic beverages remains fragmented across various legislative instruments. The Bill on the prohibition of alcoholic beverages and the regulation of alcoholic beverages has not yet materialized in Indonesia (Harris 2016). Similarly, in the context of regulating micro-enterprises, which have legal loopholes such as alcoholic beverage businesses, it is necessary to strengthen the basic legal framework and its implementation (Pangesti 2021).

2.3 Brand and Positioning of The Product

Products that lack branding often face difficulties in penetrating broader markets, including international markets. Various theoretical studies that explore the concept and implementation of branding in products and services show that it can enhance customer trust. The branding theory (Kotler, Philip; Armstrong 2018) explains that a brand is a powerful asset that must be carefully developed and managed. Brand-building strategies include 1) brand positioning, 2) brand name selection, 3) brand sponsorship, and 4) brand development. Kotler and Armstrong (2018) further explain that brand development can be achieved through line extension, brand extension, multibrands, and new brands. This is explained in greater detail in Figure 1 below.

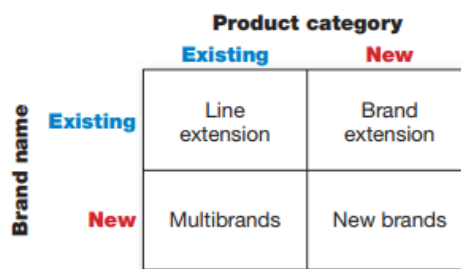


Figure 1: Brand Development Strategies (Kotler, Philip; Armstrong 2018)

Arak Bali is a product of local wisdom that has existed since ancient times but still lacks a specific brand. The benefits of Arak have long been recognized by the Balinese community, particularly the baby boomer generation. However, recently, the skill of bartenders in crafting Arak with new innovations has made it increasingly popular in society. Various efforts are needed to ensure that this authentic product remains economically and healthily beneficial. The production, marketing, and distribution channels need to be clarified to ensure the product's sustainability. One effort that can be undertaken in this context is the application of an effective and efficient policy network (Rahmi and Ula 2020). Various strategies can be applied to enhance brand building, and a prominent brand image is a crucial component of brand equity (Zulfikar 2023; Kumaresan and Samydooss 2024). Although Arak Bali has been traditionally made for generations, without legacy and recognition that affirm its quality and legal status, its development is challenging. Appropriate brand positioning is necessary to gain acknowledgment from the community and consumers. Well-defined brand positioning is an effective key element in strategy implementation (Janiszewska and Insch 2012; Eskiev 2023).

Branding theory (Ries, Al; Trout 2001) proposes "The Instability of Equality." It is true that in some categories, the two leading brands run neck and neck. This concept brings us to the "law of duality." In every category, there are two brands that will eventually dominate that category, for example, the brands Chevrolet and Ford. In branding theory (Ries, Al; Trout 2001), the concept of multi-brand strategy is also discussed. One of the most successful examples of multi-brand strategy is the launch of the Lexus brand by Toyota. They did not name the product Super Toyota or Toyota Ultra; instead, they gave their expensive Toyota model a different brand name, Lexus. The luxury Lexus car was introduced as an expensive vehicle seemingly separate from Toyota.

Figure 2. Brand Duality and Multi Brand Theory



Source: Ries and Trout (2001)

A well-known brand with high authenticity is easily ingrained in the customer's mindset. This is different from the alcoholic beverage Arak Bali. This drink possesses high authenticity as a cultural heritage, but it is not yet well-known, and thus it is not considered to have a clear competitive advantage. Currently, Arak Bali also lacks a strong positioning. A comprehensive definition of positioning encompasses five fundamental perspectives: competition, vacant slots/empty minds, consumer perception, differentiation, and competitive advantage (Saqib 2021). From these five perspectives, Arak Bali requires more intelligent brand strengthening efforts to accelerate its expansion into international markets. The fundamental theory of positioning states that positioning is not what is done to a product, but rather what is in the mind of the potential buyer (Ries, Al; Trout 2001). This means that the product must be clearly positioned in the mind of the potential buyer. Trout and Ries in Daye (1969) also argue that being the first in a category is crucial to achieving a strong brand position; it is better to be the first in people's minds than the first in the market.

Building an opinion or perception in the minds of potential buyers is a positive initial step in brand strengthening. Research on luxury brand products (Chong, 2021; Ghasemi, 2014; Ellis, 2009) demonstrates that the key elements of successful brand positioning include simplicity, consistency, and authenticity. A positive relationship exists between consumers' perceived value of luxury goods, sensitivity to perception influences purchasing behavior, and position maps are created to show how consumers view various brands. Arak Bali is a local wisdom product and cultural heritage with high authenticity. Theoretically, it should be easy to position it as a product close to the hearts of the community. In the context of marketing a product with high authenticity but lacking a brand, would it be feasible to apply the branding theories of brand extension, multibrand, and combined branding with an existing alcoholic beverage brand?

2.4 Competitiveness and Competitive Advantage of Products

Competitiveness is measured at three levels in research studies: national, industry, and company (organization/company). For local products with local competitiveness special efforts are required to penetrate international markets. According to Farhikhteh and Shirzad (2016), compared to competitive advantage, competitiveness at the national level is a broader concept because the welfare of a country depends on its international position. To achieve a strong competitive position, everyone must be concerned with their domestic competitiveness. Porter's theory (1991) elaborates: "Why are certain companies based in certain countries able to innovate consistently?" The Theory of Determinants of National Competitive Advantage outlines that there are four factors determining competitive advantage: internal conditions, company strategy, structure and rivalry, supporting and related industries, and demand conditions. These four determining factors are known as the diamond of national advantage, which creates a national environment where companies are born and learn how to compete. This is illustrated in detail in Figure 3 below.



Figure 3. The Diamond of National Competitive Advantages Concept (Porter, 1991)

The concept of competitive advantage is quite extensive. According to Ranguti (2005) as well as Karta and Koppula (2019), a company's competitive advantage includes two elements: the potential for competitive advantage and the position of competitive advantage. The potential for competitive advantage encompasses the quality of human resources, distribution network, production capacity, and control. The position of competitive advantage includes cost leadership, competition, and customer value. Additionally, research by Ahmedova (2015) indicates that the main factors identified as having a critical impact on a company's competitiveness can be summarized in several research areas: 1) access to finance; 2) innovation activities; 3) activities related to intellectual property; 4) internationalization; and 5) implementation of best practices. Findings from Farida and Setiawan (2022) indicate that business strategies positively impact competitive advantage and business performance, and innovation also mediates this relationship. Therefore, SMEs must enhance their performance and innovation capabilities to strengthen their competitive advantage.

2.5 Research Hypotheses

This study analyzes how the role of stakeholders in governance mediates the strategy for strengthening the Arak Bali brand to achieve competitiveness and competitive advantage.

Hypothesis 1 (H1): Branding strategy significantly influences the competitiveness and competitive advantage of arak Bali, a product of local wisdom. Research conducted by Ahmedova (2015), Kurniadjaya, Morgan, and Setiyowati (2024), Harcourt and Ubaka (2018), Kumaresan and Samydoss (2024), Samuel Timothy (2022), and Janiszewska and Insch (2012) justifies that an appropriate branding strategy can enhance the competitiveness of a company or MSME, thus surpassing its competitors.

Hypothesis 2 (H2): Branding strategy significantly influences the governance role of arak Bali's stakeholders. In this context, findings from several studies (Setyawati, Trifiyanto, and Zakiyah 2023; Kumaresan and Samydoss 2024; Shwastika and Keni 2021; Putri, Indarini, and Anandya 2019) indirectly explain that branding strategies implemented by various companies or MSMEs affect the policies enacted in governance by the involved stakeholders. An appropriate branding strategy influences governance carried out by stakeholders to be transparent, accountable, reliable, independent, and fair.

Hypothesis 3 (H3): The governance role of stakeholders influences the competitiveness and competitive advantage of arak Bali. Research by Harini, Sudarijati, and Arsyad (2018), Kotler and Armstrong (2018), Lundgren and McMakin (2009), Daye (1969), Nuryanto et al. (2024), and Harrison, Freeman, and de Abreu (2015) outlines that various functions and roles performed by stakeholders can enhance the credibility of

companies and MSMEs. The role of stakeholders is examined from various perspectives, including competitiveness, efficiency, and the sustainability of the companies they manage. Governance concepts implemented by stakeholders in a transparent, accountable, reliable, independent, and fair manner ensure the achievement of competitiveness and competitive advantage for the relevant companies or MSMEs.

Hypothesis 4 (H4): Branding strategy mediated by the governance role of stakeholders influences the competitiveness and competitive advantage of arak Bali, a product of local wisdom. Research conducted by Porter (1991), Freddy Rangkuti (2005), Cegliński (2017), Santoso (2023), and Farida and Setiawan (2022) technically explains that the role of stakeholders as mediators in transparent, accountable, reliable, independent, and fair governance of companies or MSMEs can enhance the competitiveness and competitive advantage of the product.

Based on the hypotheses and the results of the theoretical and empirical reviews above, the research model is shown in Figure 4 below:

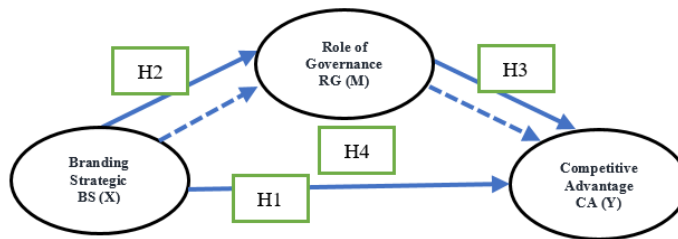


Figure 4: Conceptual Framework

3 Methodology

This study employed a descriptive quantitative approach with SEM PLS analysis technique. Variable measurements used a 1-5 Likert scale, with the variables in this study comprising Branding Strategy (X), Governance Role of Stakeholders (M), and Competitive Advantage (Y) of the local wisdom product, Arak Bali. The sampling technique used was purposive sampling by distributing questionnaires via Google Forms, yielding valid responses from 162 participants. The analysis using SEM PLS began with tests for validity, reliability, discriminant validity, and multicollinearity, followed by hypothesis testing to assess the impact of brand strengthening strategy on the competitive advantage of Arak Bali products, mediated by the governance role of stakeholders. The variable measurements are presented in Table 2 below.

Tabel 2: Variable Measurements

Variable	Variable's Indicator	Measurements
Variable X: Branding Strategic (BS) according to the branding theory of (Kotler, Philip; Armstrong 2018)	1. Brand Extension 2. Multi Brands 3. New Brands	Likert Scale 1-5.
Variable M: Roles of Stakeholder in Governance of MSME (Komite Nasional Kebijakan Governansi 2021), (Hartarto 2021), the principles of governance Transparent, Accurate, Reliable, Independent and Fairness.	1. Roles of Governance Transparent. 2. Roles of Governance Accurate. 3. Roles of Governance Reliable. 4. Roles of Governance Independent. 5. Roles of Governance Fairness.	Likert Scale 1-5.
Variable Y: Competitive Advantage (CA) theory according to (Freddy Rangkuti 2005) consist of Potential CA and Position CA.	1. Potential Competitive Advantage. 2. Position Competitive Advantage.	Likert Scale 1-5.

Sources: Karta, et.al. (2024)

The SEM PLS analysis was applied in this study to measure the outer model, evaluate the structural (inner) model, and test the hypotheses.

4. Results and Discussion

The questionnaire was distributed to 162 respondents, comprising artisans and stakeholders located in the Karangasem Regency area. These stakeholders are knowledgeable about and actively engaged with Arak Bali. The respondents focused on stakeholders predominantly including artisans, government officials in the departments of industry and MSMEs in Karangasem Regency, academics, tourism practitioners, and other supporting professions.

4.1 Characteristics of Respondents

The respondents of this study are categorized based on gender, age, profession, educational background, knowledge of and experience with drinking Arak Bali, as well as other information, as detailed in Tables 3 and 4 below.

Table 3: Respondent Characteristics by Gender, Age, Experience with Drinking Arak Bali, and Knowledge of the Arak Bali Brand

Age of Respondent	Total (%)	Knowing Arak Bali Brand & %	Not Knowing Arak Bali Brand & %	Have Drunk Arak Bali & %	Never Drink Arak Bali & %
<i>Male</i>	95 (59%)	93	2	79	16
17-35	19	19		16	3
36-56	71	70	1	59	12
>56	5	4	1	4	1
<i>Female</i>	67 (41%)	66	1	21	46
17-35	18	18		5	13
36-56	46	45	1	16	30
>56	3	3			3
<i>Grand Total</i>	162 (100%)	159 (98%)	3 (2%)	100 (62%)	62 (38%)

Source: Data Analysis (Karta, et.al. 2024)

As Table 3 indicates, according to age groups and knowledge about Arak Bali, there are 95 male respondents (59%) and 62 female respondents (41%). The age distribution shows 37 respondents aged 17-35 years, 117 respondents aged 36-56 years, and 8 respondents aged over 56 years. Less than 2% of the respondents were unfamiliar with Arak Bali, while the remaining 98% were well-acquainted with it. Only 38% of the respondents had never consumed Arak Bali, whereas 62% had. Table 4 provides the educational background and profession.

Table 4: Respondent Characteristics by Gender, Profession, and Education

Profession of respondents	Senior High School	Bachelor Degree	Master Degree	Doctor / PhD	Grand Total	Percent age
Government Staff	11	27	27	3	68	42%
Lecture / teacher		3	23	9	35	22%
Private employee	3	9	9		21	13%
Tourism actor			3		3	2%
Students	3	8	1		12	7%
Soldier	3	2			5	3%
Entrepreneur / MSEM	1	3	3		7	4%
Others	2	7	2		11	7%
<i>Grand Total</i>	23	59	68	12	162	100%

Source: Data Analysis (Karta, et.al. 2024)

Based on the data in Table 4, it can be explained that the largest group of respondents, representing 42%, comes from government staff, followed by 22% who are teachers and lecturers, 13% who are private employees, and the remaining groups each representing less than 10%. The production of the alcoholic beverage Arak Bali, which has its production center in Karangasem Regency, involves nearly 1,975 artisans. The economic benefits and social protection aspects are of particular concern to the government, especially the division in charge of industry and MSMEs in the local government of Karangasem Regency. The predominance of county government stakeholders is highly advantageous in shaping appropriate policies for strengthening the Arak Bali brand.

4.2 Measurement Model (Outer Model)

To determine the accuracy of the data tabulation, validity and reliability tests were conducted. Based on the data from the 162 respondents, Table 5 explains the values of Loading Factor, Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE).

Tabel 5. Validity & Reliability Test

Variable	VIF	Outer Loading	Cronbach's Alpha	CR	AVE
Branding Strategic (BS)			0.878	0.878	0.804
Brand Extension (BS1)	2,245	0.886			
Multi Brand (BS2)	2,762	0.922			
New Brand (BS3)	2,382	0.893			
Competitive Advantage (CA)			0.905	0.905	0.913
Position Competitive Advantage (CA1)	3,150	0.956			
Potential Competitive Advantage (CA2)	3,150	0.955			
Role of Governance (RG)			0.936	0.937	0.797
Role of Governance I (RG1)	2,633	0.895			
Role of Governance III (RG3)	3,132	0.907			
Role of Governance IV (RG4)	2,692	0.871			
Role of Governance V (RG5)	2,501	0.851			

Source: Data Analysis (Karta, et.al. 2024)

As Table 5 shows, the validity test uses the outer loading value. An indicator is considered valid if the outer loading value is >0.7 (Hair et al. 2019). The higher the outer loading value, the more valid the indicator is in explaining the formed variable. According to Table 5, all outer loading values are >0.85 , meaning each indicator can explain more than 85% of the variable.

The next test is the reliability test using Cronbach's alpha and Composite Reliability (CR) values. Both of these tests are metrics to measure the consistency of each indicator in measuring the variable. Based on the data in Table 5, all Cronbach's alpha values are >0.7 and CR values are >0.7 , indicating that the indicators are reliable (Hair et al. 2019).

The subsequent test is the measurement of convergent validity. Convergent validity is tested using the Average Variance Extracted (AVE) value. Convergent validity assesses the extent to which a latent variable can explain the variance of its indicators. The higher the AVE value, the better a latent variable explains the variance of its indicators. The AVE value should be >0.5 , and in this study's results, the data in Table 5 shows that all AVE values are >0.7 .

4.3 Structural Model (Inner Model)

In the structural model (inner model), the testing focuses on the relationships between variables. The analyses conducted include path analysis and the analysis of the influence between variables. The evaluation of the structural model is carried out in three stages: first, ensuring that there is no

multicollinearity issue between variables; second, hypothesis testing between variables; and third, measuring the influence of variables.

The results of the data processing using SEM PLS are depicted in the structural model in Figure 5 below:

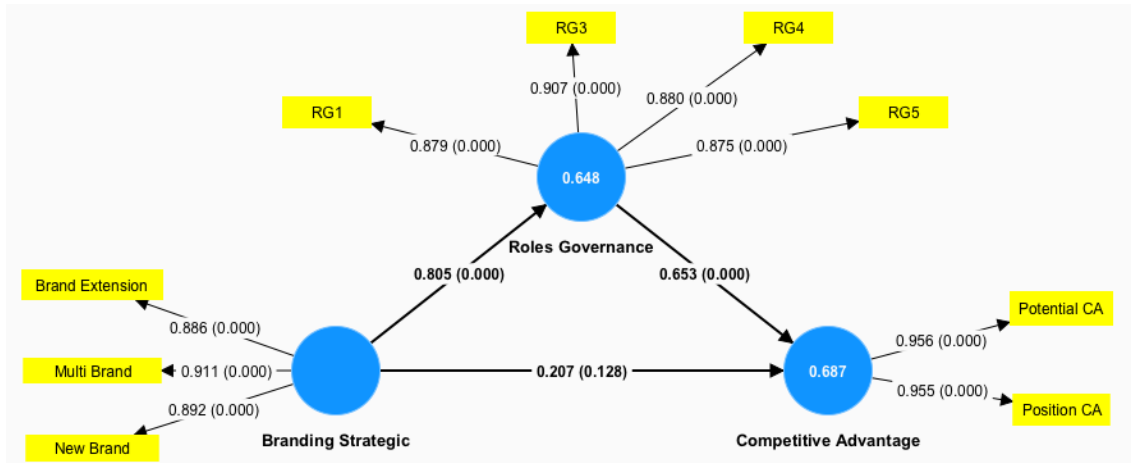


Figure 5: Model based on the Analysis (Karta, et.al. 2024)

In more detail, the values of f-square (f^2), Original Sample (O), t-statistic, p-value, and the final conclusion of this analysis are outlined in Table 6 below:

Table 6. Path Coefficients

Hypothesis		f-square	Original sample (O)	T-statistics (O/STDEV)	P-values	Conclusion
Branding Strategy -> Competitive Advantage	H1	0.048	0.207	1.523	0.128	Rejected
Branding Strategy -> Roles Governance	H2	1.844	0.805	17.993	0.000	Accepted
Roles Governance -> Competitive Advantage	H3	0.480	0.653	5.615	0.000	Accepted
Branding Strategy -> Roles Governance -> Competitive Advantage	H4		0.526	4.799	0.000	Accepted

Source: Bootstrapping (Karta, et.al. 2024)

The most important assumption and an absolute requirement for SEM-PLS analysis is the issue of collinearity. The multicollinearity test is conducted to determine whether there is a strong correlation between the research variables. Multicollinearity is not considered a problem if the Variance Inflation Factor (VIF) value is <5 . In this analysis, the indicator "Role of Government 2" (RG2) was removed from the model because its VIF value was >7 . According to Table 5, apart from the RG2 indicator, all other indicators have VIF values <5 . This ensures that the selection of indicators and the model does not experience collinearity issues.

Hypothesis Testing

There are four hypotheses in this study, which are discussed sequentially as follows:

Hypothesis H1: Branding strategy does not have a positive and significant effect on competitive advantage.

Based on the analysis results in Table 6, the relationship between branding strategy and competitive advantage has a t-statistic value of 1.523 < 1.96 and a p-value of 0.128 > 0.05. This indicates that there is no direct relationship between branding strategy and competitive advantage. This also means that the branding strategy does not affect the competitive advantage, so hypothesis H1 is rejected.

Hypothesis H2: Branding strategy has a positive and significant effect on governance roles.

According to Table 6, the relationship between branding strategy and governance roles has a t-statistic value of 17.993 > 1.96 and a p-value of 0.000 < 0.05. This means that the branding strategy has a significant positive effect, with the original sample/path coefficient being a positive 0.805. Hypothesis H2 is accepted. In addition to the significant effect, the effect size of this relationship is further measured by the f-square value. According to Hair et al. (2019), the f-square value for direct relationships is categorized as 0.02=low, 0.15=moderate, and 0.35=high. Based on the PLS Algorithm processing results, the f-square value of the relationship between branding strategy and governance role is 1.844. This effect size value falls into the very high category. This indicates that the branding strategy has a significant positive effect with high significance quality.

Hypothesis H3: Governance roles have a positive and significant effect on competitive advantage.

The relationship between governance roles and competitive advantage has a t-statistic value of 5.516 > 1.96 and a p-value of 0.000 < 0.05, indicating that there is a significant positive relationship between governance roles and competitive advantage. Hypothesis H3 is accepted. The effect size or f-square value is 0.480, still falling into the high category.

Hypothesis H4: Branding strategy affects competitive advantage with the mediation of governance roles.

The mediation test for the governance role, based on Table 6, has a t-statistic value of 4.799 > 1.96 and a p-value of 0.000 < 0.05. Thus, there is a positive and significant relationship, and Hypothesis H4 is accepted. This means that the governance role significantly mediates the relationship between branding strategy and competitive advantage. There is no direct effect of branding strategy on competitive advantage, but after being mediated by the governance role, this relationship becomes significant. To test the mediation effect, Lachowicz, Preacher, and Kelley (2018) recommend using the mediation effect size, ν , with the formula:

$$\frac{(\text{path coefficients of exogen variable to mediating variable})^2 \times (\text{path coefficients of mediating variable to endogen variable})^2}{\dots}$$

The ν value is categorized as follows: 0.01 = low, 0.075 = moderate, 0.175 = high. The path coefficient values are Branding Strategy → Governance Roles = 0.805 and Governance Roles → Competitive Advantage = 0.653, resulting in an ν effect size of $(0.805)^2 \times (0.653)^2 = 0.276$. This effect size falls into the high category. This indicates that governance roles significantly mediate the relationship between branding strategy and the competitive advantage of Arak Bali.

4.4 PLS Predict with CPVAT

PLS-SEM emphasizes the research objective on prediction, thus necessitating a measure to demonstrate how well the proposed model's predictive power performs. The result of the PLS-SEM prediction needs to be compared with a baseline model, which is the linear regression model (LM). The PLS Predict model to be used is the Cross Validated Predictive Ability Test (CVPAT), or cross-validated predictive ability test. This test aims to determine how well changes in exogenous variables can predict changes in mediation and endogenous variables. The CVPAT was proposed by Sarstedt et al. (2022) as a complement to the PLS Predict initially introduced by Shmueli (Shmueli et al. 2016). CVPAT employs an out-of-sample prediction approach, calculating the model's prediction errors to determine the average loss value. In predictive model assessment, the average loss value is compared with the average loss value of predictions using the indicator average (IA) as a naive benchmark and the average loss value of the linear model (LM) predictions as a more conservative benchmark.

Tabel 7. CVPAT results

VARIABLE	PLS-SEM vs IA		PLS-SEM vs LM	
	AVERAGE LOSS	P VALUE	AVERAGE LOSS	P VALUE
Competitive Advantage	-0.465	0.001	-0.039	0.206
Roles Governance	-0.472	0.000	-0.029	0.005
Overall	-0.469	0.000	-0.032	0.045

Source: PLS Predict (Karta, et.al. 2024)

The comparison of average prediction loss between the PLS model and the indicator average showing a negative value indicates that the constructed PLS model has a smaller average loss. This means that the predictive capability of the PLS model is better than that of using the indicator average (IA). Similarly, the comparison of the average loss value between the PLS model and the linear model (LM) also showing a negative value indicates that the constructed PLS model has better predictive capability than the linear model (LM).

4.5 Discussion

Arak Bali, as a product of local wisdom in Bali, is produced by 1,975 artisans in Karangasem Regency. Nowadays, Arak Bali is highly favored by both national and international communities. Its existence has been known since the time of the Balinese ancestors, who used Arak as an offering in religious ceremonies. Over generations, the capacity and quality of Arak Bali production have been continuously developed. However, its legal status and distribution, which are still not optimal, negatively impact the sustainability of this local wisdom production. The data collection results, including interviews with informants and 162 respondents, were further analyzed quantitatively. The technical analysis of the relationship between the Branding Strategy variable (X) and the mediating variable Governance Roles (M) by stakeholders on the Competitive Advantage (Y) of the Arak Bali product is as follows:

4.5.1 Branding Strategy Does Not Affect the Competitive Advantage of Arak Bali Product

The findings of this study indicate that the branding strategy implemented for Arak Bali does not affect its competitive advantage. This phenomenon does not support the research of Ahmedova (2015), Kurniadjaya, Morgan, and Setiyowati (2024), Harcourt and Ubaka (2018), Kumaresan and Samydoss (2024), Samuel Timothy (2022), and Janiszewska and Insch (2012). According to the theory proposed by Kotler and Armstrong (2018), various strategies can be employed in branding, including brand extension, multi-brand, and new brand.

Generally, MSMEs employ these branding strategies to enhance their competitiveness. However, in the case of Arak Bali, the branding strategy does not have an impact because Arak Bali has not yet established a brand. The government's efforts to strengthen Arak Bali in terms of legality, quality standards, and distribution are very appropriate. Referring to Governor Regulation No. 1 of 2020 (Koster 2020), which provides legal recognition to Arak Bali and regulates its distribution mechanism through BUMDES stakeholders, cooperatives, and licensed factories, can pave the way towards a wider market. In line with the study by Santoso (2023), efforts are still needed to build the quality and trust in Arak Bali products that do not yet have a brand. These findings also reinforce the research by Eskiev (2023), which asserts that only leading brands can attract consumer attention. Therefore, the priority should be on creating and strengthening the brand positioning of Arak Bali to become the leader, rather than on brand extension, multi-brand, and new brand strategies.

4.5.2 Branding Strategy Influences the Role of Stakeholders in the Governance of Arak Bali

When connected with the governance concept, the creation of a product brand is intrinsically linked to its management. The research findings on Arak Bali reveal that the branding strategy positively and significantly influences the role of stakeholders in better governance. Efforts such as brand extension, the creation of a new brand for Arak Bali, and the combination with various existing alcoholic beverage

brands affect the involvement of all stakeholders in performing their managerial functions. This aligns with the studies by Setyawati et al. (2023), Kumaresan and Samyadoss (2024), Shwastika and Keni (2021), and Putri et al. (2019), which indirectly explain their findings that the branding strategies implemented by various companies or MSMEs influence the policies carried out in governance by the stakeholders involved.

As a new product brand, Arak Bali requires a more comprehensive arrangement to be accepted by the market, well distributed, free of societal controversy, and provide significant economic benefits to the community. These findings also reinforce the study by Agustina et al. (2014), which indicates that the government's role as a stakeholder can help strengthen MSMEs and provide substantial economic benefits to small communities. It is crucial for the government to undertake specific efforts to regulate its production and distribution in accordance with the Minister of Trade Regulation of the Republic of Indonesia (2021) and to clearly outline these regulations (Harris 2016), thus providing a win-win solution for the artisans of Arak Bali. Strengthening the brand positioning of Arak Bali will make governance easier and enhance the brand's image in the minds of customers (Samuel Timothy 2022).

4.5.3 The Role of Stakeholders in the Governance of Arak Bali Positively and Significantly Influences the Competitive Advantage of Arak Bali

According to the principles of governance, as explained by Setiawan and Nurcahyanto (2020), the National Governance Policy Committee (2021), and Hartarto (2021), good governance must prioritize transparency, accountability, reliability, independence, and fairness (impartiality). The governance of Arak Bali by stakeholders is far from adhering to these principles; thus, it fails to establish Arak Bali as an authentic heritage product recognized for its excellence by both national and international communities. The quality of production by artisans is not standardized, distribution channels are not widely open, there is no distribution permit, and hygiene and sanitation are still questionable, leading to the stagnation and lack of development of the Arak Bali product.

The presence of the government as a crucial stakeholder in governance has a significant impact on achieving the excellence of Arak Bali. In line with the studies by Nuryanto et al. (2024), Mursalin et al. (2022), and Harrison et al. (2015), this research also found that the role of stakeholders in the governance of Arak Bali—if carried out with transparency, accountability, reliability, independence, and fairness—affects its competitive advantage. Implementing good governance concepts is believed to elevate the authenticity of Arak Bali as an invaluable intangible cultural heritage and benefit the economy of the community.

From the perspective of competitive advantage indicators, according to Freddy Rangkuti (2005), the competitive potential includes quality, production, distribution, network, and Arak Bali's competitive positioning, encompassing cost leadership, competition, and customer value. All these indicators are the objectives of good governance for various local Arak Bali branded products. This research strongly supports the role of stakeholders in good governance to achieve competitive advantage across all planned indicators. Reinforced by the studies of Setyawati et al. (2023), Harcourt and Ubaka (2018), and Lenggogeni and Ferdinand (2016), the potential and positioning of Arak Bali as an authentic, competitive product with strong brand awareness make it highly feasible for excelling in the national and international markets.

4.5.4 Brand Strategy Positively and Significantly Influences the Competitive Advantage of Arak Bali, Mediated by the Role of Stakeholders in Its Governance

Based on interviews with government officials from Karangasem Regency during an FGD event, it was concluded that the government's role as a stakeholder in regulating distribution, issuing permits, educating on production standards, and providing extension support and financing to Arak Bali artisans is substantial. Likewise, the results of testing the mediating role of the stakeholder variable in governance showed positive and significant results. This is consistent with the studies conducted by Porter (1991), Freddy Rangkuti (2005), Cegliński (2017), Santoso (2023), and Farida and Setiawan (2022), which explain how the role of stakeholders as mediators in transparent, accountable, reliable, independent, and fair governance of companies or MSMEs can enhance competitiveness and product competitive advantage. These findings also reinforce the research findings on Arak Bali, where the role of stakeholders is crucial and mediates the acceleration of achieving Arak Bali's competitive advantage.

The representative of the government, namely the Department of Industry and Trade, as one of the stakeholders, plays a very important role in assisting the community that has yet to understand the proper, accurate, and profitable governance process of Arak Bali. The government's declaration of Arak as an intangible cultural heritage (Wibawana 2022) and the emphasis by Harini et al. (2018) on the importance of government policies in supporting MSMEs provide a foundation for the government to help preserve the Arak Bali brand towards becoming a well-known authentic product internationally. The presence of Governor Regulation No. 1 of 2020 (Koster 2020), which regulates the production of Arak Bali alcoholic beverages through distillation and clear distribution channels, greatly benefits the positioning of Arak Bali. Additionally, during the international G20 meeting, Arak Bali was presented as a valuable souvenir under a new brand, Arak Poleng. This moment served as a significant milestone and valuable declaration for Arak Bali artisans to increase their production capacity and distribution to reach international markets.

Among the various Arak Bali products, the guidance efforts by the Department of Industry and Trade of Karangasem Regency also influence the achievement of the competitive advantage of these guided products. Branding strategies, differentiation, cost leadership, digital marketing, and meeting quality standards according to BPOM have made Arak Bali increasingly trusted and valuable in the eyes of customers. The inclusivity of Arak Bali products, which provide economic and social benefits to the community, aligns with the research by Karta, Wardani, and Suarhana (2021) and Kumaresan and Samyoss (2024), and can be realized with the appropriate role of stakeholders in governance.

Furthermore, from a tourism perspective, the role of all stakeholders involved in the governance of Arak Bali greatly supports the hospitality business in Bali by supplying quality and authentic alcoholic beverages. The distribution channels become clearer and wider, reaching the international tourist market.

5. Conclusion and Recommendations

Based on the findings of the study, several conclusions can be drawn:

1. There is no influence of brand strategy on the competitive advantage of Arak Bali, indicating that Arak Bali is not yet strong or trusted when it only has a local brand. Therefore, efforts to strengthen the brand through the involvement of all stakeholders in its governance are needed.
2. The brand strategy positively and significantly affects the role of stakeholders in governance, meaning that the introduction of brand extensions, multi-brands, and new brands of Arak Bali influences the overall contribution of all stakeholders in its governance.
3. The role of stakeholders in governance positively and significantly influences the competitive advantage of Arak Bali. This clearly illustrates that when stakeholders play their roles to the fullest, the competitive advantage of Arak Bali is naturally created.
4. The competitive advantage of Arak Bali will be achieved if all stakeholders actively serve as mediators in brand building. In other words, the attainment of Arak Bali's competitive advantage heavily depends on the roles of all involved stakeholders, including artisans, the government, MSMEs, academics, the community, and security forces.

An important recommendation from this research is that the negative phenomenon occurring in society regarding Arak Bali requires serious attention from various parties. Therefore, exploring societal issues needs to be intensified so that academics and related practitioners can assist the community in finding solutions to existing problems. Academics, as independent parties with the capacity and knowledge needed by society, must act as liaisons, analysts, and scientists who can provide insights from a scholarly perspective, making their contribution essential.

References

Agustina, Rischi, Mochammad Saleh Soeaidy, and Heru Ribawanto. 2014. "Peran Stakeholder Dalam Meningkatkan Perekonomian Lokal Melalui Industri Kecil Menengah (IKM) (Studi Pada Dinas

- Perindustrian, Perdagangan, Pertambangan Dan Energi Kota Kediri.” *Jurnal Administrasi Publik* 2(5):844–50.
- Agustini Karta, Ni Luh Putu, Rani Kusumo Wardani, and Jimmy Harry Putu Suarhana. 2021. “Differentiation and the Five As Concept in Digital Marketing of Small and Medium Enterprises During the Covid-19 Pandemic (a Study at Cepaka Village, Kediri Tabanan).” *KnE Social Sciences* 2021(2020):566–78. doi: 10.18502/kss.v5i5.8843.
- Ahmedova, Sibel. 2015. “Factors for Increasing the Competitiveness of Small and Medium- Sized Enterprises (SMEs) in Bulgaria.” *Procedia - Social and Behavioral Sciences* 195(February):1104–12. doi: 10.1016/j.sbspro.2015.06.155.
- Benn, S., R. Abratt, and B. O’Leary. 2016. “Defining and Identifying Stakeholders: Views from Management and Stakeholders.” *South African Journal of Business Management* 47(2):1–11. doi: 10.4102/sajbm.v47i2.55.
- Cegliński, Paweł. 2017. “The Concept of Competitive Advantages. Logic, Sources and Durability.” *Journal of Positive Management* 7(3):57. doi: 10.12775/jpm.2016.016.
- Chong, Darren. 2021. “Why Mainland (China) Consumers Intend to Purchase Luxury Brand Cars?” (April).
- Daye, Derrick. 1969. ““ We Live in an Age of ‘ Compressed Change .’ Brand Building Is Completely Different from the Way It Used to Be . Positioning Used to Be Planting a Flag and Stepping Back . Now the Terrain Is Moving at Such Speed and Ferocity That It ’ s Difficult to Thin.”
- Ellis, Debbie. 2009. “Positioning of Luxury Vehicle Brands in the Pietermaritzburg Area.” *Alternation* (December).
- Eskiev, M. A. 2023. “The Meaning and Role of the Positioning Process in Brand Management.” *SHS Web of Conferences* 172:05008. doi: 10.1051/shsconf/202317205008.
- Farhikhteh, Shirzad; Farhikhteh, Fatemeh. 2016. “We Are IntechOpen , the World ’ s Leading Publisher of Open Access Books Built by Scientists , for Scientists TOP 1 %.” P. 15 in *Intech*. Vol. i.
- Farida, Ida, and Doddy Setiawan. 2022. “Business Strategies and Competitive Advantage: The Role of Performance and Innovation.” *Journal of Open Innovation: Technology, Market, and Complexity* 8(3):163. doi: 10.3390/joitmc8030163.
- Freddy Rangkuti. 2005. “Perpustakaan Universitas Indonesia >> Buku Teks.”
- Ghasemi, Mohammad Javad. 2014. “An Investigation on Consumer’s Behaviors towards Well-Known Luxury Brands.” *Management Science Letters* 4:543–48. doi: 10.5267/j.msl.2014.1.011.
- Hair, Joseph F., Jeffrey J. Risher, Marko Sarstedt, and Christian M. Ringle. 2019. “When to Use and How to Report the Results of PLS-SEM.” *European Business Review* 31(1):2–24. doi: 10.1108/EBR-11-2018-0203.
- Harcourt, Horsfall, and Ozo Johnson Ubaka. 2018. “Brand Awareness and Market Performance of Food and Beverage Firms in Rivers State , Nigeria.” *International Journal of Business & Law Research* 6(4):1–10.
- Harini, Sri, Sudarijati Sudarijati, and Apendi Arsyad. 2018. “Analysis Of The Effects of Government Policy andthe Involvement Ff Stakeholders onthe Performance of Msmes.” *Matrik : Jurnal Manajemen, Strategi Bisnis Dan Kewirausahaan* 12(1):15–24.
- Harris, YP Sibuea. 2016. “Penegakan Hukum Pengaturan Minuman Beralkohol.” *Negara Hukum* 7(1):127–43.
- Harrison, Jeffrey S., R. Edward Freeman, and Mônica Cavalcanti Sá de Abreu. 2015. “Stakeholder Theory as an Ethical Approach to Effective Management: Applying the Theory to Multiple Contexts.” *Revista Brasileira de Gestao de Negocios* 17(55):858–69. doi: 10.7819/rbgn.v17i55.2647.
- Hartarto, Erlangga. 2021. “Airlangga: Penguatan Tata Kelola Pemerintahan Dan Korporasi Dorong Pemulihan Perekonomian Nasional.” *Setkab.Go.Id* 2020–22.
- Janiszewska, Karolina, and Andrea Insch. 2012. “The Strategic Importance of Brand Positioning in the Place Brand Concept: Elements, Structure and Application Capabilities.” *Journal of International Studies* 5(1):9–19. doi: 10.14254/2071-8330.2012/5-1/2.
- Komite Nasional Kebijakan Governansi. 2021. “Pedoman Umum Governansi Korporat Indonesia (PUGKI) 2021.” *Komite Nasional Kebijakan Governansi* 37.
- Koster, Wayan. 2020. *Peraturan Gubernur No 1 Th 2020*.
- Kotler, Philip; Armstrong, Gary. 2018. *Principles of Marketing*. 17th ed. Pearson Education, USA.
- Kumaresan, Chakkaravarthy, and Chandramohan Samydooss. 2024. “Brand Awareness: Understanding Its

- Role in Sales, Consumer Intentions, and Decision Making.” *International Journal of Scientific Research and Engineering Development* 7(2):579–85. doi: 10.5281/zenodo.12247092.
- Kurniadjaya, Morgan; Setiyowati, Harlis. 2024. “View of PENGUATAN BRAND EQUITY MELALUI ANALISIS SWOT PADA STRATEGI RETAIL MIX INDOMARET GADING SERPONG_ KONTRIBUSI SDG’S.Pdf.” 262–73.
- Lachowicz, Mark J., Kristopher J. Preacher, and Ken Kelley. 2018. “A Novel Measure of Effect Size for Mediation Analysis.” *Psychological Methods* 23(2):244–61. doi: 10.1037/met0000165.
- Lenggogeni, Laylani, and Augusty Tae Ferdinand. 2016. “Faktor-Faktor Yang Mempengaruhi Keunggulan Pembelian.” *Dipenogoro Journal Of Management* 5(3):1–12.
- Lestari, Tri Rini Puji. 2016. “MENYOAL PENGATURAN KONSUMSI MINUMAN BERALKOHOL DI INDONESIA Questioning the Regulation on Consumption of Alcoholic Beverages in Indonesia.” *Aspirasi* (86):127–41.
- Luh, Ni, Putu Agustini Karta, and Victor Babu Koppula. 2019. *Digital Marketing Increase Competitive Advantage Village Tourism in Bali, Indonesia*.
- Lundgren, Regina E., and Andrea H. McMakin. 2009. “Stakeholder Participation.” *Risk Communication* 229–52. doi: 10.1002/9780470480120.ch17.
- Menteri Perdagangan Republik Indonesia. 2021. “Menteri Perdagangan Republik Indonesia.” *Peraturan Menteri Perdagangan Republik Indonesia* 54.
- Mertha, I. Wayan, Luh Yusni Wiarti, and Anom Suasapha. 2019. “Stakeholders: Peran Dan Kendala Pelibatangannya Dalam Pengembangan Desa Wisata Di Bali.” *Jurnal Kepariwisata* 17(2):15–23.
- Mursalin, Adi, Windi Pratiwi, Ricola Dewi Rawa, Angga Hendharsa, and Aisyah Aisyah. 2022. “The Role of Government Policy and Stakeholder Engagement In Improving Performance of MSMEs In North Kayong Regency.” *Eduvest - Journal of Universal Studies* 2(11):2258–68. doi: 10.59188/eduvest.v2i11.642.
- Nuriyani, Fina Dwi, and R. Rosiyana Dewi. 2023. “The Influence of Primary Stakeholder, Secondary Stakeholder, and Regulatory Stakeholder on Carbon Emission Disclosure.” *International Journal of Social Service and Research* 3(1):194–206. doi: 10.46799/ijssr.v3i1.228.
- Nuryanto, Uli Wildan, Basrowi, Icin Quraysin, and Ika Pratiwi. 2024. “Magnitude of Digital Adaptability Role: Stakeholder Engagement and Costless Signaling in Enhancing Sustainable MSME Performance.” *Heliyon* 10(13):e33484. doi: 10.1016/j.heliyon.2024.e33484.
- Pangesti, Shinta. 2021. “Mikro Dan Kecil Dalam Mendukung Pemulihan Ekonomi Masa Pandemi Covid-19.” *Jurnal Rechts Vinding* 10(1):117–31.
- Porter, Michael E. ve. 1991. “Book Review: The Competitive Advantage of Nations.” Pp. 213–15 in *Journal of Management*. Vol. 17. Harvard Business Review.
- Putri, Annisa Dieni Eka, - Indarini, and Dudi Anandya. 2019. “The Influence of Brand Communication, Brand Image, Brand Satisfaction, and Brand Trust on Brand Loyalty.” *XXIV(03):412–26*. doi: 10.2991/insyima-19.2019.31.
- Rahmi, Purwati Ayu, and Mas Ula. 2020. “Sebagai Upaya Penguatan Branding Produk-Produk Umkm Dalam Menghadapi Masyarakat Ekonomi Asean.” *Jurnal Ekonomi* 1(3):13–18.
- Ries, Al; Trout, Jack. 2001. *Positioning The Battle for Your Mind*. Anniversar. USA: Mc-Graw Hill.
- Samuel Thimothy. 2022. “What Brand Positioning Is And Why It’s Important For Your Business.” *Forbes*.
- Santika, I. Gede Loka. 2024. “Daftar Pengerajin / Pengolah Arak Di Kabupaten Karangasem Tahun 2024 1 . Rekap Jumlah Pengerajin / Pengolah Arak.” Pp. 1–120 in. Karangasem: Dinas Koperasi UMKM Kabupaten Karangasem.
- Santoso, Haris. 2023. “Analisis Keunggulan Bersaing (Competitive Advantage) Dalam Perspektif Ekonomi Islam.” *I-ECONOMICS: A Research Journal on Islamic Economics* 8(2):152–64. doi: 10.19109/ieconomics.v8i2.12939.
- Saqib, Natasha. 2021. “Positioning – a Literature Review.” *PSU Research Review* 5(2):141–69. doi: 10.1108/PRR-06-2019-0016.
- Sarstedt, Marko, Joseph F. Hair, Mandy Pick, Benjamin D. Liengaard, Lăcrămioara Radomir, and Christian M. Ringle. 2022. “Progress in Partial Least Squares Structural Equation Modeling Use in Marketing Research in the Last Decade.” *Psychology and Marketing* 39(5):1035–64. doi: 10.1002/mar.21640.
- Serfiyani, Cita Yustisia, Iswi Hariyani, and Citi Rahmati Serfiyani. 2020. “Pelindungan Hukum Terhadap Minuman Alkohol Tradisional Khas Indonesia (Legal Protection towards Indonesian Traditional

- Alcoholic Beverages).” *Negara Hukum: Membangun Hukum Untuk Keadilan Dan Kesejahteraan* 11(2):267–87. doi: 10.22212/jnh.v1i2.1672.
- Setiawan, Beny, and Herbasuki Nurcahyanto. 2020. “Analisis Peran Stakeholders Dalam Implementasi Kebijakan Penanggulangan Angka Kematian Ibu Studi Kasus Kecamatan Pedurungan Kota Semarang.” *Journal of Public Policy and Management Review* 9(2):127–44.
- Setyawati, Harini Abrilia, Kabul Trifiyanto, and Tuti Zakiyah. 2023. “Measuring Indigenous Product Attractiveness Through Authenticity Perspective.” *Journal of International Conference Proceedings* 6(4):177–87. doi: 10.32535/jicp.v6i4.2632.
- Shmueli, Galit, Soumya Ray, Juan Manuel Velasquez Estrada, and Suneel Babu Chatla. 2016. “The Elephant in the Room: Predictive Performance of PLS Models.” *Journal of Business Research* 69(10):4552–64. doi: 10.1016/j.jbusres.2016.03.049.
- Shwastika, Regina, and Keni Keni. 2021. “The Effect of Brand Awareness, Social Media Marketing, Perceived Quality, Hedonic Motivation, and Sales Promotion Towards Consumers Intention to Purchase in Fashion Industry.” *Proceedings of the International Conference on Economics, Business, Social, and Humanities (ICEBSH 2021)* 570(Icebsh):23–31. doi: 10.2991/assehr.k.210805.004.
- Simanjanong, Feronica, Luchman Hakim, and Sunarti Sunarti. 2020. “Peran Stakeholder Dalam Pembangunan Pariwisata Di Pulau Samosir.” *Profit* 14(01):42–52. doi: 10.21776/ub.profit.2020.014.01.5.
- Subowo, Ari. 2024. “21 Juni 2024 Drs. Ari Subowo M.A.” 1–20.
- Wibawana, Widhia Arum. 2022. “<https://News.Detik.Com/Berita/d-6394347/Apa-Itu-Arak-Bali-Yang-Jadi-Warisan-Budaya-Takbenda>.” November 8.
- Zulfikar, Ian. 2023. “Building a Strong Brand: Marketing Strategy to Increase Brand Awareness and Consumer Loyalty.” *Neo Journal of Economy and Social Humanities* 1(4):280–84. doi: 10.56403/nejesh.v1i4.79.