

BRANDING POSITIONING & VALUE DELIVERY & MARKETING COMMUNICATION ON SUCCESSFUL BUSINESS LONG TERM GROWTH

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ABSTRACT

Objectives of the research are to understand the influence of Branding Positioning, Value Delivery and Marketing Communication on Successful Business Long Term Growth. Quantitative approach using survey method is used in studying 30 SME business organizations in Bandung. Structural equation modelling based on covariance is used to analyse data. Results of the study are as follows: 1) Branding Positioning, Value Delivery and Marketing Communication affect significantly on Successful Business Long Term Growth simultaneously; 2) Branding Positioning affects significantly on Successful Business Long Term Growth partially; 3) Value Delivery affects significantly on Successful Business Long Term Growth partially; 4) Marketing Communication affects significantly on Successful Business Long Term Growth partially. Thus, business long term growth is important for the business organizations in order to gain competitive advantage and profit.

Keywords: Branding Positioning, Value Delivery, Marketing Communication, Business Long Term Growth

ABSTRAK

Tujuan dari penelitian ini adalah untuk memahami pengaruh Branding Positioning, Value Delivery dan Marketing Communication terhadap Keberhasilan Pertumbuhan Jangka Panjang Bisnis. Pendekatan kuantitatif dengan menggunakan metode survei digunakan untuk mempelajari 30 organisasi bisnis UKM di Bandung. Pemodelan persamaan struktural berdasarkan kovarian digunakan untuk menganalisis data. Hasil penelitian adalah sebagai berikut: 1) Branding Positioning, Value Delivery dan Marketing Communication berpengaruh signifikan terhadap Successful Business Long Term Growth secara simultan; 2) Branding Positioning berpengaruh signifikan terhadap Successful Business Long Term Growth secara parsial; 3) Value Delivery berpengaruh signifikan terhadap Successful Business Long Term Growth secara parsial; 4) Marketing Communication berpengaruh signifikan terhadap Successful Business Long Term Growth secara parsial. Dengan demikian, pertumbuhan jangka panjang bisnis merupakan hal yang penting bagi organisasi bisnis untuk mendapatkan keunggulan kompetitif dan keuntungan.

Kata kunci: Branding Positioning, Penyampaian Nilai, Komunikasi Pemasaran, Pertumbuhan Jangka Panjang Bisnis

1. INTRODUCTION

Branding positioning, value delivery and marketing communication are important when the business organization seeks to achieve competitive advantage as well as long-term growth. If the value proposition is effective, that is, it offers better and greater value to consumers, it can create a competitive advantage for the product or service. The value proposition can increase customer expectations and choices. Michael Porter defined the two ways a company can gain a competitive advantage over its competitors: cost advantage and differentiation. A cost advantage occurs when a company offers the same products and services as its competitors, but at a lower cost. A differentiating advantage occurs when a company offers better products and services than its competitors. According to Porter, strategic management must be about creating and maintaining a competitive advantage that, at the right time, leads to long-term growth and sustainability of the company. Brand positioning primarily strengthens brand trust **(Kristiono, Y.R & Tiatira, D.C., 2022)** and can enhance the consumers' purchase intention and brand awareness and brand recognition **(Marques, C., et.al., 2020)**.

The main business organizations' main goal is to find as much as profit and long term growth of their business. In implementing the goal, it needs much effort, such as effective products' branding, value delivery towards the customers, and good marketing communication of which their products become known by consumers. When it happens, the business organization will gain much benefit in the forms of consumers' satisfaction, loyalty and equity which in return it will change into profit and long term growth. Based on such conditions, the present writer starts the study based on the following problems: First, does branding position can contribute the business organization long term growth? Second will value delivery be effective in enhancing the business organization long term growth? Third, can marketing communication support the business organization long term growth?

2. RESEARCH METHOD

In this research quantitative research and survey method are used. Respondents in this study are small medium business organizations in Bandung. As much as 30 respondents are chosen by the purposive sampling technique. Questionnaire is used as collection of the data. Structural equation modeling based on covariance (CBSEM) with assistance of LISREL software to analyze the data from the site with the following research model:

Conceptual Diagram

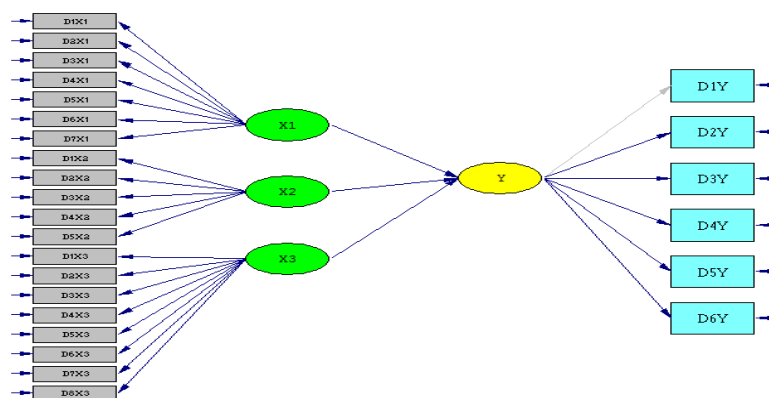


Figure 1 Conceptual Diagram

Where:

X1: Branding Positioning

With the following indicators: 1) awareness stage, 2) sentiment, 3) social mentions, 4) top-of-mind brand recall, 5) share of voice, 6) consideration stage, and 7) purchase intent

X2: Value Delivery

With the following indicators: 1) customer-focused culture, 2) customer value proposition, 3) right process, 4) right tool, and 5) value delivery

X3: Marketing Communication

With the following indicators: 1) customer retention rate, 2) customer value, 3) spending, 4) customer satisfaction, 5) number of followers, 6) newsletter sign-ups, 6) email open rate, and 7) conversion rate

Y: Long Term Growth

With the following indicators: 1) organic growth, 2) strategic growth, 3) internal growth, 4) revenue growth strategy, 5) customer growth strategy, and 6) marketing growth strategy.

3. RESULTS OF THE RESEARCH AND DISCUSSION

3.1 Research Results

R² value

The R² (R square) value is 0.82. It means that variation proportion of the Long Term Growth endogenous latent variable with its dimensions can be explained using the exogenous latent variables of Branding Positioning, Value Delivery and Marketing Communication. It can also be stated that the amount of effect of Branding Positioning, Value Delivery and Marketing Communication on Long Term Growth is as much as 0.82 (82%) while the remainder as much as 0.18 (18%) is affected by other factors outside the study. The brand perception as a matter of fact occurs in consumers' minds and this perception can lead them to associate innovation with a brand. As a result, consumers may associate poor service with a brand. Brands will maintain their standards and improve the development of innovative products and delivery of quality services to convince consumers of their position. Consumers may remember the brands, but if those affected brands do not perform well, they will be replaced by other brands. **(Mogaji, E., 2021).**

Values of Path Coefficients

One, the path coefficient value from Branding Positioning (X1) to Long Term Growth (Y) is as much as 0.32. It means that when the X1 value increases one unit, the Y value increases as much as 0.32. Two, the path coefficient value from Value Delivery (X2) to Long Term Growth (Y) is as much as 0.74. It means that when the X2 value increases one unit, the Y value increases as much as 0.74. Third, the path coefficient value from Marketing Communication

(X3) to Long Term Growth (Y) is as much as 0.24. It means that when the X3 value increases one unit, the Y value increases as much as 0.24.

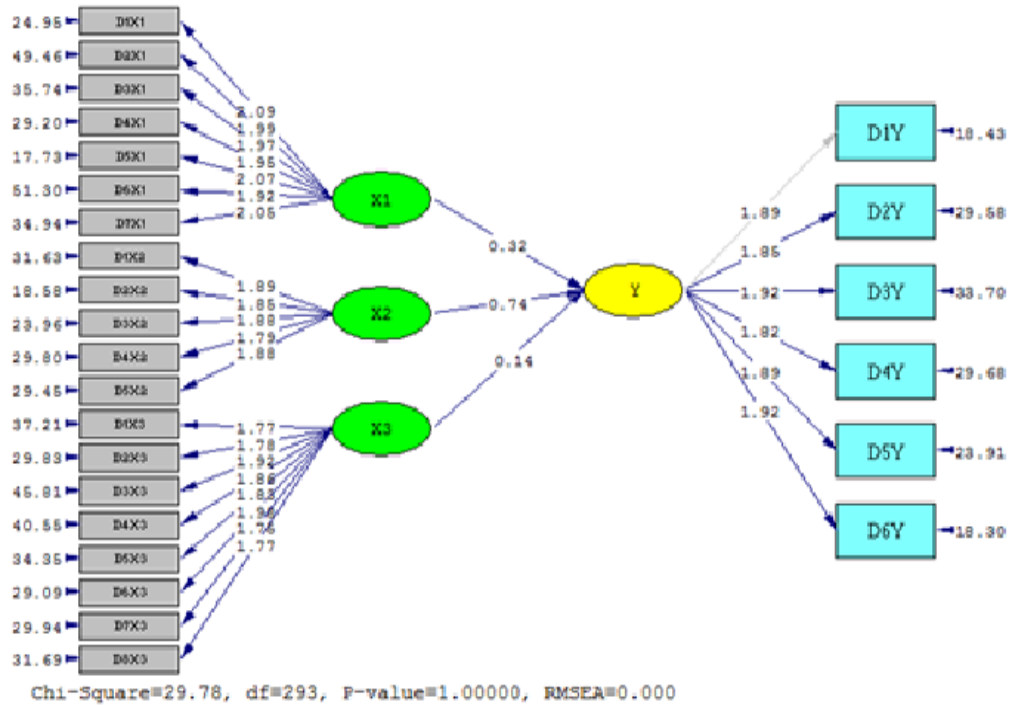


Figure 2 Simultaneous Path Coefficients

t value

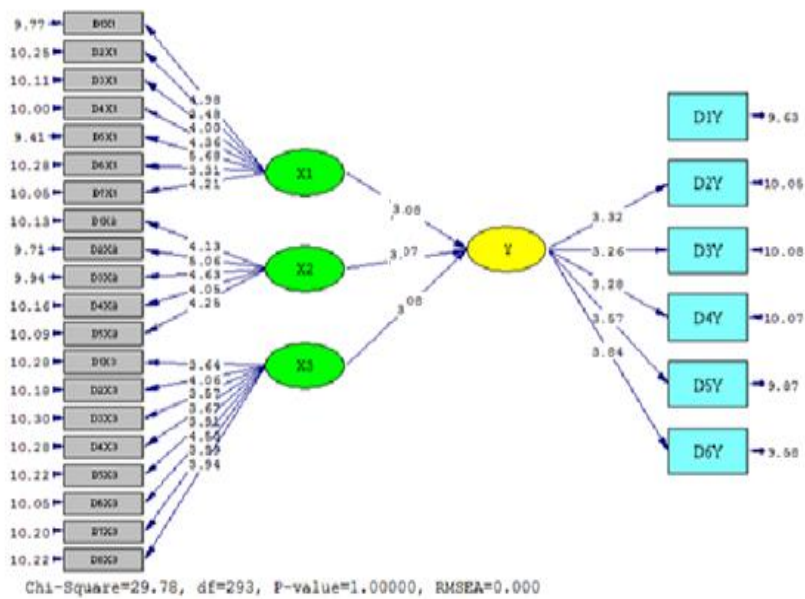


Figure 3 Simultaneous t Values

Hypothesis Testing

Simultaneous Hypothesis Testing

H0: Branding Positioning, Value Delivery and Marketing Communication do not affect significantly on Successful Business Long Term Growth simultaneously

H1: Branding Positioning, Value Delivery and Marketing Communication affect significantly on Successful Business Long Term Growth simultaneously.

The hypothesis criteria:

If the value of t_o (t observation) $> t_{\alpha}$ (t table): H0 is rejected and H1 is accepted

When the value of t_o (t observation) $< t_{\alpha}$ (t table): H0 is accepted and H1 is rejected

The value of the t table is calculated with the following provisions: p value as much as 0.05 and the degree of freedom is n-2 which is equal to 28. From that, the t_{α} obtained is 1.96

The t value from Branding Positioning (X1) to Long Term Growth (Y) is as much as 3.07 which is bigger than the t table as much as 1.96. The value of t from Value Delivery (X2) to Long Term Growth (Y) is as much as 3.39 which is bigger than the t table as much as 1.96. The value of t from Marketing Communication (X3) to Long Term Growth (Y) is as much as 3.08 which is bigger than the t table as much as 1.96. Thus H0 is rejected and H1 is accepted. Accordingly, Branding Positioning, Value Delivery and Marketing Communication affect significantly on Successful Business Long Term Growth simultaneously.

Partial Hypothesis Testing

First, Relationship between Branding Positioning and Long Term Growth

H0: Branding Positioning does not affect significantly on Successful Business Long Term Growth partially

H1: Branding Positioning affects significantly on Successful Business Long Term Growth partially.

Path Coefficient Value

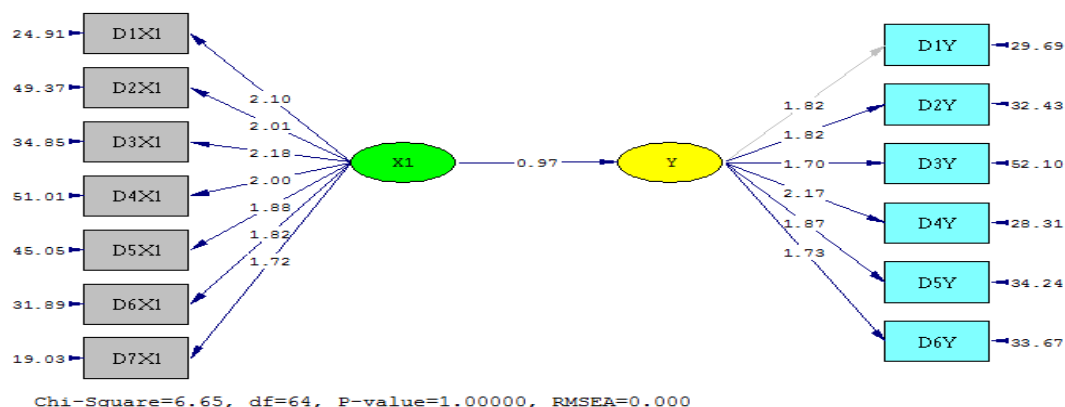


Figure 4 Path Coefficient from X1 to Y

t value

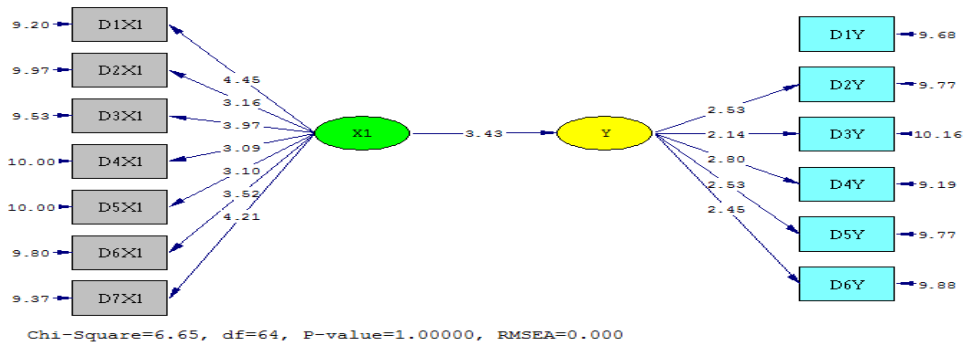


Figure 5 t Value from X1 to Y

The value of t from Branding Positioning (X1) to Long Term Growth (Y) is as much as 3.43 which is bigger than the t table as much as 1.96. Accordingly, H0 is rejected and H1 is accepted meaning that Branding Positioning affects significantly on Successful Business Long Term Growth partially. The amount of effect is as much as 0.97 meaning that when the Branding Positioning value increases in one unit, then the Long Term Growth value changes as much as 0.97.

Second, Relationship between Value Delivery and Long Term Growth

H0: Value Delivery does not affect significantly on Successful Business Long Term Growth partially

H1: Value Delivery affects significantly on Successful Business Long Term Growth partially.

Path Coefficient Value

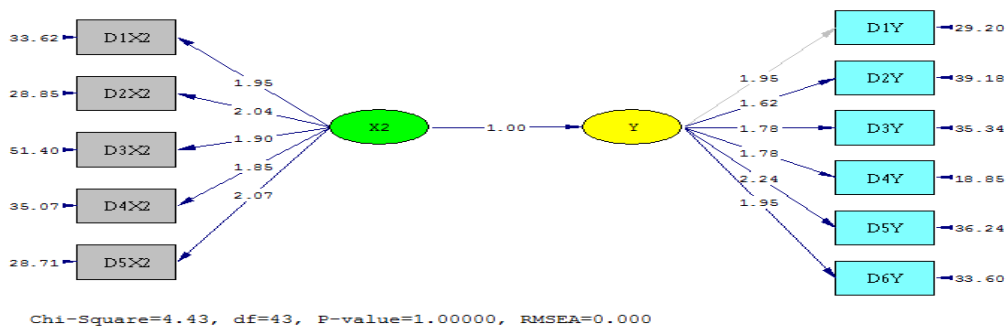


Figure 6 Path Coefficient from X2 to Y

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t value

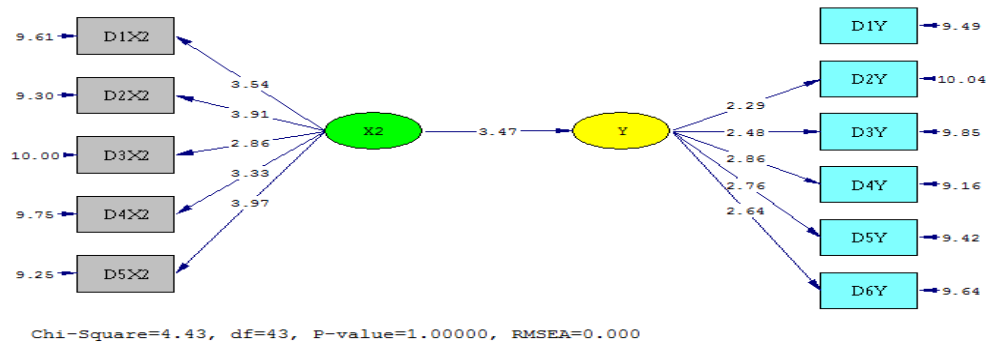


Figure 7 t Value from X2 to Y

The value of t from Value Delivery (X2) to Long Term Growth (Y) is as much as 3.47 which is bigger than the t table as much as 1.96. Accordingly, H0 is rejected and H1 is accepted meaning that Value Delivery affects significantly on Successful Business Long Term Growth partially. The amount of effect is as much as 1.00 meaning that when the Value Delivery value changes one unit, the Long Term Growth value changes as much as 1.00.

Third, Relationship between Marketing Communication and Long Term Growth

H0: Marketing Communication does not affect significantly on Successful Business Long Term Growth partially

H1: Marketing Communication affects significantly on Successful Business Long Term Growth partially.

Path Coefficient Value

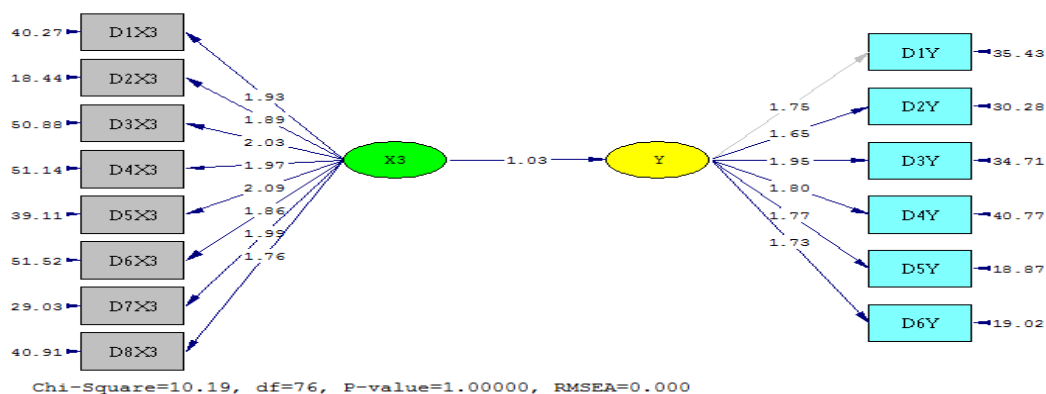


Figure 8 Path Coefficient from X3 to Y

t value

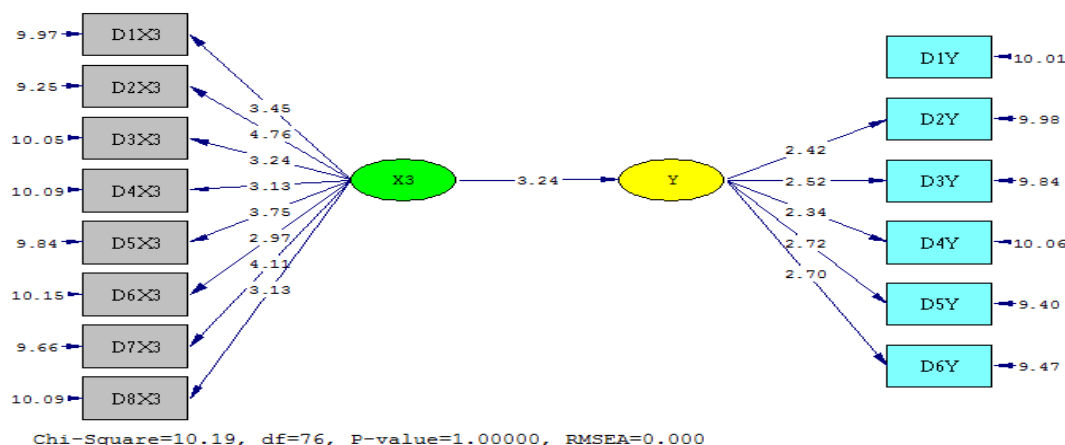


Figure 9 t Value from X3 to Y

The value of t from Marketing Communication (X3) to Long Term Growth (Y) is as much as 3.24 which is bigger than the t table as much as 1.96. Accordingly, H0 is rejected and H1 is accepted meaning that Marketing Communication affects significantly on Successful Business Long Term Growth partially. The amount of effect is as much as 1.03 meaning that when the Marketing Communication value changes one unit, the Long Term Growth value changes as much as 1.03.

Goodness of Fit

Based on the calculation result the model under study is correct because all requirement of the model fit of the research model has been fulfilled. The model fit that should be used must originate from the absolute model fit index, namely P value, RMSEA, GFI, NFI and RMR (Narimawati, Umi & Sarwono, Jonathan, 2023)

First, P value is obtained as much as $1.00 > 0.05$ meaning that the model under study is correct.

Second, RMSEA value is as much as $0.00 < 0.05$ meaning that the sample's covariance matrix represents population' matrix covariance.

Third, GFI value is as much as $0.99 \leq 1$ meaning that the sample's covariance matrix is closed to population' matrix covariance.

NFI value is obtained as much as $0.96 \leq 1$ meaning that the hypothesis model is derived from the independent model.

RMR value is as much as $0.58 \leq 1$ meaning that the model fits.

3.2 Discussion

First, Branding Positioning, Value Delivery and Marketing Communication affect significantly on Successful Business Long Term Growth simultaneously. Brand positioning refers to the way

in which the company's target image is created in the minds of consumers. In tough competition, it is necessary to ensure brand differentiation by creating effective brand positioning that includes a consistent consumer-brand relationship. Therefore, effective brand positioning is necessary to reveal brand trust and generate measurable value. A good marketing strategy starts with positioning, as other marketing topics can be designed around this positioning strategy. Therefore, when selecting the message content of narrative strategies, the steps must be determined in advance. Therefore, successful brand positioning can be enhanced by the consistent messages of narrative advertising. When it comes to consistency, respecting brand equity can increase customer satisfaction and ultimately brand loyalty. **(Oralkan, A., 2019)**

Second, Based on the research findings that been done by Mehraj, D & Qureshi, I.H., (2022) Branding Positioning affects significantly on Successful Business Long Term Growth partially. Branding positioning, as a matter of fact, affect the consumer response towards the business organization' initiative. Furthermore, the position of the brand also affect the brand itself which finally leads into purchase decision **(Wang, Y.M., et.al.,2022)**. Finally brand positioning contributes significantly to the business performance **(Ameyibor, L.E.K., et.al.,2022)** that lead the long term growth as well.

Third, Value Delivery affects significantly on Successful Business Long Term Growth partially. Value delivery has been acknowledged to have positive contribution to the customer satisfaction **(Miao, M. et.al., 2022)** which can lead to customer equity from which the long term growth of the business organization can be reached. The similar study also finds that there is correlation between customer perceived value with the customer satisfaction which ten increases the customer purchase decision **(Rowland, M., 2022)**.

Fourth, Marketing Communication affects significantly on Successful Business Long Term Growth partially. Long-term development of the business organization depends very much on the qualified relationships of marketing communication. This process of the sustainable development of business depends on marketing communication. When it is done well it can strengthen relationships with customers and gain competitive advantage **(Popescu, I.C. et.al., 2013)**. Marketing communication also relates to the business productivity **(Yadava, A.V., et al., 2022)**. Moreover, marketing communication shows significant correlation with the business growth **(Kalogiannidis, S., 2021)**.

4. CONCLUSION

First, Branding Positioning, Value Delivery and Marketing Communication affect significantly on Successful Business Long Term Growth simultaneously. Second, Branding Positioning affects significantly on Successful Business Long Term Growth partially. Third, Value Delivery affects significantly on Successful Business Long Term Growth partially. Fourth, Marketing Communication affects significantly on Successful Business Long Term Growth partially.

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