

Performance analysis of local brand organic cosmetics marketing as an effort to develop the Jambi regional economy

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Abstract

This study aims to explain regional economic growth from the perspective of the mediating role of the brand image between brand trust and marketing performance of local organic-based cosmetic products as a sustainable new business model for strengthening Jambi regional economic growth. A regional economic growth model based on marketing performance with brand image and mediated by brand trust in startup businesses. The test evidence shows that: (1) directly brand trust has a positive and significant effect on brand image and marketing performance (2) the direct effect of brand trust on brand image is greater than the effect on marketing performance. (3) The indirect effect shows that brand trust in marketing performance through brand image is significantly positive. (4) brand image partially mediates between brand trust and marketing performance for new local product businesses as a strengthening of sustainable regional economic growth.

Keywords: *Brand image, Brand trust, Marketing performance, Sustainable economic growth*

JEL Classification: L66, M31, O33

INTRODUCTION

The rise in the output of innovations by local entrepreneurs indicates the sustainability of people’s economic development in an area. Local-based businesses must continue to invent new products, establish new markets, or engage in new business activities emerging from their creativity in improving the economic ecosystem of a local community. It should be focused on entrepreneurship as the primary driver of economic growth through the creative destruction theory of entrepreneurship, also known as Micro Small Medium Enterprises (MSMEs). MSMEs have a strategic role in reducing unemployment, distributing income, and enhancing people’s well-being by creating new jobs. They have shown resilience in the face of economic downturns and bankruptcy.

This is demonstrated by the contribution of MSMEs to Indonesia’s GDP, which has risen to roughly 60% during the pre-pandemic period. Furthermore, MSME employment is quite strong and continues to expand, reaching 96.99%-97.22%, with 62 million MSME actors accounting for around 98% of all national business actors. The significant contribution MSMEs make to the national economy reflects their importance in fulfilling the SDGs (Sustainable Development Goals) for all regions in Indonesia.

Entrepreneurial activity may help countries overcome economic crises by generating economic growth. Supporting the growth of MSMEs may produce jobs and innovation, enhance output, and diversify sources of economic revenue (Ogunlana, 2018). In order to anticipate the annual rise of the new working-age population, it is necessary to encourage Indonesian entrepreneurship development. In light of several studies showing a favorable link between entrepreneurship and economic growth, the relationship between entrepreneurship, economic growth, and employment is becoming increasingly important. The growth of new MSMEs in regions across Indonesia is one of the strategic issues that must be brought to the attention of various parties to ensure the development of policies supporting sustainable national economic growth.

An intriguing phenomenon associated with the expansion of MSMEs in Indonesia’s organic cosmetics industry during the pandemic has transformed people’s mindset toward using organic products, with implications for organic market growth of roughly 15-20% (AOI, 2021). Indonesia’s **organic** cosmetic products have considerable potential to compete in the global market. This is shown by the rising demand for Indonesian organic products in the global consumer market. However, Indonesia’s market share can only reach 0.2%, which is lower than China’s 0.3%, India’s 0.7%, and Germany’s 6.5% (Hadyan, 2021).

Figure 1 shows the growth of the export market for Indonesian cosmetic products.

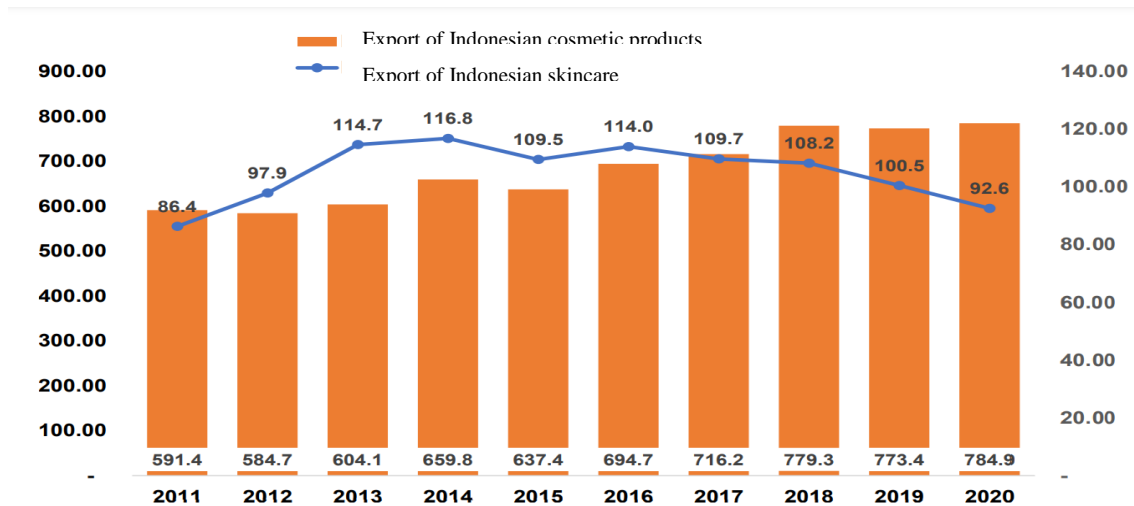


Figure 1. Growth of the export market for Indonesian cosmetic products
 Source: Trademap (Processed data, 2021)

Figure 2 shows the skincare clients' preferences regarding the product packaging's desired features.

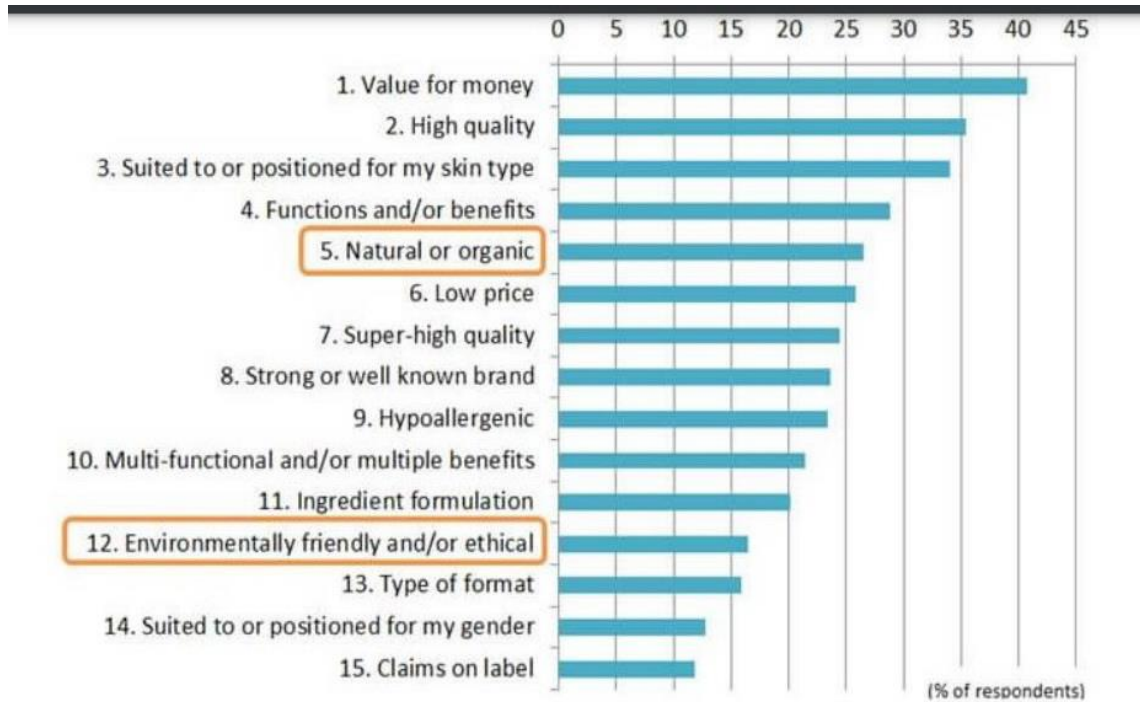


Figure 2. Desired features on the product packaging

Source: *Global Consumer Beauty Survey, Euromonitor International (2016)*

Most Indonesian skincare products continue to target ASEAN countries in terms of export destination countries. Its biggest markets are Thailand, Malaysia, and Singapore. The three countries accounted for 63.2% of Indonesia’s total skincare exports, with 2020 export values of USD 26.5 million, USD 22.2 million, and USD 9.7 million, respectively. It is still concentrated in the ASEAN region given various factors: the similar skin types in tropical climates, the raw materials used in skincare products are perceived to be better known and more widely used in ASEAN countries, and halal certification. Meanwhile, Japan remains the 27th export destination country, accounting for 0.3% of overall Indonesian skincare exports. Because up to 95% of Indonesia’s cosmetic industry is now occupied by major enterprises rather than by MSMEs, the vast market potential is both an opportunity and a challenge for Indonesia.

According to the research of CBI (2020), the global cosmetics industry will continue to develop rapidly and hold the top spot for the foreseeable future. In addition to the European market, it is undeniable that markets in Asia and Latin America have experienced tremendous development, having a favorable economic impact on developing countries, particularly Indonesia. According to (Murargo, 2021), it was triggered by a market shift in consumer perception toward using natural rather than synthetic ingredients in cosmetics. This phenomenon is worth investigating, particularly concerning the development of MSMEs in the organic cosmetics industry in Indonesia during the pandemic, a shift in consumer attitudes toward organic products, and potential implications for organic market growth of between 15%-20% (AOI, 2021). Organic cosmetic products have great potential to compete in the global market. This is shown by the rising demand for Indonesian organic products in the global consumer market. However, Indonesia’s market share can only reach 0.2%, which is lower than China’s 0.3%, India’s 0.7%, and Germany’s 6.5% (Hadyan, 2021).

Figure 3 shows how product demand is becoming more diverse and increasing.

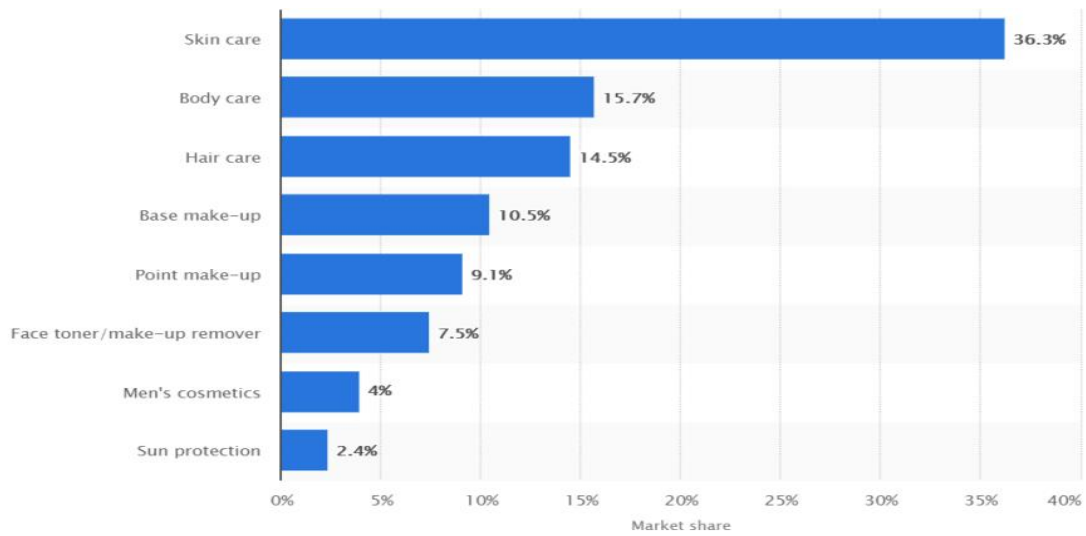


Figure 3. Demands for skincare products

Source: Murargo, 2021

Based on the information in graphs 1 and 2 on market growth and Indonesia's potential as a producer or supplier of raw materials for natural-based cosmetic goods, there is a great opportunity for regions in Indonesia to enhance the growth of MSMEs in creating organic cosmetic products. Jambi Province is a region with market potential and is a growth zone for the MSMEs in the natural ingredients-based cosmetics sector. Jambi Province is responding to this challenge by encouraging the innovation of organic-based cosmetic products, especially those based on palm oil. The Jambi regional government's efforts through the Cooperatives and UMKM services provide capital to encourage continuous innovation. The business capital takes advantage of capital grants from the Ministry of Cooperatives and SMEs of around IDR 123.46 trillion in the National Economic Recovery (PEN) program and Presidential Assistance (Banpres) Productive Micro Enterprises (BPUM) of IDR 11.76 trillion until the end of July 2022. (<https://kemenkopukm.go.id/2022>).

There are numerous market prospects in Jambi for organic cosmetic products in Jambi. Still, relatively few SMEs use them despite the strong demand for local organic cosmetic products and abundant raw materials. Therefore, the government strives to collaborate with entrepreneurs to establish new markets and products based on local wisdom. Jambi entrepreneurs are creating innovative cosmetic products utilizing palm kernel shells. The two local organic cosmetic brands from Jambi, Arkawa, and Vilchic have competed in local and national markets (Suryani et al., 2021; Lestari et al., 2021).

The small local cosmetics industry is increasingly productive and innovative (Lestari et al., 2021), as seen by the ground-breaking Arkawa Black Soap produced from oil kernel shells. Arkawa Black Soap is an organic cleaning product composed of natural active charcoal derived from palm kernel shells to maintain facial cleanliness. Because it is manufactured from 100% organic natural materials, it may be used on all skin types and age groups as it corresponds to skin pH (4-6.5). The absorption capacity of the product against dirt, oil, sweat, dust, and toxins is twice as efficient as commercial cleaning products made from active charcoal. Arkawa Black Soap serves the following purposes: 1) eliminates dirt and dust on the face, 2) absorbs excess oil on the face, 3) brightens the skin, 4) moisturizes the skin, 5) shrinks the pores on the face, 6) smooths the skin, 7) removes dead skin, 8) absorbs toxins, 9) prevents premature

aging, and 10) prevents acne on acne-prone skin.

According to research by Lestari (2022), Arkawa Black Beauty Skincare is a local brand from Jambi Province that produces cosmetics goods using local raw ingredients from oil palm plantations. The brand has become one of the superior regional products in Jambi Province because the province is rich in palm kernel shell waste, and a local enterprise produces the brand itself. During the research period, the company has created 8 organic cleaning cosmetic products, including body scrubs, peel-off gel masks, deodorant sticks and powders, soap bars, liquid soaps, shampoos, toothpaste, and facial wash gels.

Besides Arkawa Black Beauty Skincare products, there are other local organic cosmetic products from another brand, Vilchic. This company is a newcomer in the skincare and cosmetics industries. However, it has dominated the local and national markets and has evolved into a millennial brand and a productive MSME from Jambi. (Suryani et al., 2021) Vilchic offered numerous skin and facial products that officially have BPOM (Indonesian FDA) registration numbers for the millennial market segment in Jambi City. This brand offers three best-seller products: (1) Peel-off jelly mask (in 4 variants: Wassabi, Bakuchi, Hawthorn, Witch Hazel) inspired by medicinal plants from 4 countries. It has sold 60 thousand pieces quarterly. (2) Blackhead mask, with 4 variants (Blackforest, Red Velvet, Matcha, Vanilla) inspired by the smell of favorite millennial cakes. This line has sold 1 million pieces in one year. (3) Petal mask, with 5 variants (Saffron, Chamomile, Calendula, Rose, Plumeria) inspired by flowers in Jambi. Based on the brand's sales, Vilchic's marketing performance is improving significantly, but more work is needed to boost marketing performance.

The major raw material for palm oil waste in Jambi is accessible and affordable palm shells, which benefits MSMEs. Numerous palm shells have recently been shipped to other countries for use as a source of bioenergy to provide the energy demands of the cement and textile industries (Lestari et al. 2018). Additionally, Jambi's natural resources are rich in various flowers that may be used as raw material for masks under the Vilchic brand. As a result, local Jambi product brands have the chance to control the market share for natural cosmetics in the province of Jambi and the entire country.

MSMEs in Jambi benefit from plentiful and low-cost palm kernel shells as the primary material of palm oil waste. Palm kernel shells have recently been exported abroad solely as alternative energy to meet the energy demands of the cement and textile sectors (Lestari et al., 2018). Furthermore, Jambi's natural resources are abundant in providing various flowers as raw materials for Vilchic masks. It indicates that Jambi-based companies have the potential to dominate the natural-based cosmetic market not just in Jambi Province but also in the national market share. However, the problem that will arise is the sustainability of the new Jambi-based MSMEs in the national and global cosmetics industry market.

Numerous aspects are taken into account and impact marketing performance. Product innovation and government aid are important, and so are consumer behavior characteristics that are critical to a business's ability to improve marketing performance. According to Almaidah (2019), products or services will not be able to boost the growth of MSMEs if consumers do not recognize their brand. MSMEs can create products or make innovations, but few can survive long in this very competitive and large market. Similarly, for cosmetic products based on natural and local raw materials in Jambi Province, creativity and innovation must be carried out to win regional, national, or

global economic competition, and MSMEs or new businesses must also be able to formulate marketing performance strategies.

According to several research findings, business actors must coordinate their efforts to increase marketing performance through trust and brand image (Hartanty & Ratnawati, 2013; Mani, 2018; Amron, 2018; Wydyanto & Ilhamalimy, 2021). It is important to have trust and brand image because the sharing economy phenomenon and the use of Artificial Intelligence (AI), the Internet of Things, and Human-Machine Interface are disrupting the traditional model of MSME entrepreneurship in the consumer market (Almaidah, 2019).

According to Hartanty & Ratnawati (2013), marketing performance is a measure of success attained by optimally adopting the proper strategy to manage the business and realize sustained competitive advantage. According to Amron (2018), the key driver of organic cosmetic product marketing performance is greater consumer knowledge of natural cosmetics, which has relevance for the performance of the enterprises. Marketing performance may be established specifically with brand image and consumer trust (Haudi et al., 2022; Amron, 2018; Almaidah, 2019). It suggests that marketing performance is the gateway to a company's success in selling goods or services.

Maharani (2010) showed the significant impact of brand trust on marketing performance. Consumers believed that the company has dependability, honesty, care, and credibility, so it increased consumer trust. As a significant variable, the company still manages brand trust directly (Mani, 2018). Meanwhile, Miswanto et al. (2019) stated that marketing performance may survive in the consumer market by building brand trust and brand image. There are four indicators to measure consumer trust: consumer trust in goods and/or services, consumer trust in services, consumer trust in sellers, and consumer trust in the company. However, Trisnawati et al. (2020) demonstrated that trust did not significantly influence purchase decisions, so it did not contribute to marketing performance. In other words, to boost marketing performance, a company/business must constantly increase its consumer trust in its brand.

Based on the research by Amron (2018), the brand image may impact good or service marketing performance directly or indirectly. Consumers are growing more critical in choosing the product they need by having a better quality product among existing similar products. The brand image will change society's mindset and impact customer purchasing behavior (Mani, 2018; Miswanto et al., 2019). Purchases demonstrate marketing performance. Products will sell well in the market if their brand is well-known, trustworthy, and has a positive image. This is why every brand should always work to improve its image among consumers (Lim et al., 2020).

Hidayah & Apriliani (2019) discovered that brand image strongly impacted marketing performance. A product's brand image can provide a distinctive feature from other products with similar functions. Consumers will likely remember a brand with a better image and differentiation strategy in marketing its goods. According to (Fakaubun, 2019), there are five indicators of brand image: 1) the product gives a positive impression, 2) it possesses product characteristics, 3) brands that are easy to remember and pronounce, 4) high-tech products, and 5) an intriguing product.

In other words, the main marketing performance benchmarks are brand image and trust for businesses to succeed in a dynamic consumer market. Understanding the role of brand image and trust in maintaining long-term marketing performance and the key to success is critical. Maintaining it is difficult as there are always competitors in the

consumer market, and the rising number of competitors gives market saturation. Many prior researchers have studied the brand image, including Wydyanto & Ilhamalimy (2021), Fakaubun (2019), Mani (2018), and Havidz et al. (2020).

Most prior research employed brand image and trust as explanatory antecedents to measure a product's or service's marketing success in existing or new consumer marketplaces, particularly for specific market groups. However, empirical findings indicate a research gap in marketing performance by assessing trust and brand image. According to Haudi et al. (2022) and Ratana (2018), brand image and trust influence marketing performance. While the research of Haudi et al. (2021) and Ekasari (2014) showed that brand image and trust were difficult to build, they did not significantly impact

So it is necessary to study to explain the important role of brand image, brand trust, and marketing performance in a holistic research model. So that the explanation of the relationship between brand trust, brand image, and marketing performance has not been explained in general. Thus, this study develops a research model using the basic theory of entrepreneurial marketing. Entrepreneurial marketing theory is considered capable of generalizing market dynamics because this theory combines entrepreneurship theory and marketing theoretical schemes. Wydyanto & Ilhamalimy (2021) said entrepreneurial marketing could be applied in all good combinations in profit and non-profit organizations in both micro and macro businesses. Therefore, studying the important role of brand image, brand trust, and marketing performance in a holistic research model is necessary. A general explanation of the relationship between brand trust, brand image, and marketing performance has not been provided. This study develops a research model based on the fundamental theory of entrepreneurial marketing. It is considered capable of generalizing market dynamics because it combines entrepreneurship theory and marketing theoretical schemes. Wydyanto & Ilhamalimy (2021) stated that entrepreneurial marketing could be applied in all combinations of profit and non-profit organizations or micro and macro enterprises. Entrepreneurial marketing theory is employed individually at the micro level. In contrast, at a macro level, it is carried out by a succession of companies that establish value-added chains, industrial groupings, and possibly strategic alliances comprised of industries.

Understanding entrepreneurial marketing includes opportunity creation, customer intimacy-based innovative products, resource enhancement, and legitimacy. Entrepreneurial marketing is creating, communicating, and delivering value to customers, managing customer relationships in ways that benefit the organization and its stakeholders, characterized by innovation, risk-taking, proactiveness, and the ability to operate without a controlled current source. Mort et al. (2012). Kraus et al. (2010)

Entrepreneurship is creating a new organization (Gartner, 1988), carrying out new combinations (activities) (Schumpeter, 1934), exploring various opportunities (Kirzner, 1979), facing uncertainty (Knight, 1921), and getting together all factors of production (Say, 1803). Based on the various definitions of entrepreneurship, an entrepreneur is an individual who has the confidence to take risks to begin a business on various occasions, is mentally independent, and dares to start a business. Business owners or entrepreneurs focus on company growth, gaining advantages from a larger market, and more competitive competition by developing innovations in uncertain times. Entrepreneurship as an innovator is the essential key to economic development

(Schumpeter, 1934).

The core of entrepreneurship is the capacity to create something new and distinct via creative thinking and innovative action to generate opportunities to face life's challenges. Entrepreneurship is the nature, qualities, and character of an individual who desires to implement unique ideas in the real world creatively. Stel & Thurik (2005) stated that entrepreneurship is a manifestation of individual ability and willingness, whether alone, in a team, inside or outside the organization, to create new opportunities and introduce their ideas to the market to deal with uncertainty and limitations, through the decisions of locations, form and use of resources, and institutions.

Entrepreneurship can compete in the consumer market if it has strong marketing performance. According to Philip et al. (2017), marketing performance is accomplishments in marketing goods or services in line with plans. The foundation of marketing performance is the commitment to measure the indicators demonstrating the evolution of marketing performance and the degree of marketing profit. Although the notion of performance marketing stresses the need for measurement, both internal and external factors, it is equally critical that the business expand and make profits. Indicators for marketing performance used are: market growth, competitive price, relative product quality, and customer satisfaction (Ibrahim & Primiana., 2015; Wibowo, 2016).

Conceptually, marketing performance is a theory to explain a company's success in marketing products or services in the market (Almaidah, 2019; Ekasari, 2014; Wibowo, 2016). Marketing performance theory is seen from the sales growth and the number of customers (Trisnawati et al. 2020). The indicators used are (1) selling value, indicated by the amount of money or units of product sold; (2) sales growth, indicated by an increase in sales of the same product compared to a specific time unit; and (3) market share, indicated by-product contribution in controlling the product market compared to competitors, which ultimately leads to company profits. Indicators used for assessing marketing performance are: (1) sales volume or the number of product sales of the company, (2) customer growth or the level of the number of customer growth, and (3) profitability or company's product sales profits.

Marketing performance is a measure of success gained from a company's comprehensive marketing activity process, presented by sales value, sales growth, and market share. Marketing performance has a broader definition that includes the results of marketing efforts and the process leading up to the results. According to Hartanty & Ratnawati (2013) and Kotler (2016), the general antecedents influencing marketing performance include brand image and trust. Brand image identifies a product or service with a name, term, sign, symbol, or a combination of all those marks. It works as an identifier or differentiator from competitors (Miswanto et al., 2019). According to Philip et al. (2017), "brand image is perception and beliefs held by the consumer, as reflected in the associations held in consumer memory".

According to Kotler (2016), the concept of brand image is the perceptions and beliefs held by consumers, which are reflected in the associations that occur in consumers' memories. Brand image is a product that can provide an additional dimension that uniquely differentiates it from other products designed to meet similar needs. The better the brand image of a product, the higher customer satisfaction. By implementing a unique or differentiation strategy in marketing the product, it will be easier for the brand to stick in the minds of consumers.

According to Kotler (2016), brand image is the consumers' perception and belief and is reflected in the association with their memories. A brand image is a product that may give an extra dimension distinguishing it from similar products. Customer satisfaction increases when a product's brand image improves. It will be easier for the brand to stay in customers' minds if it implements a unique or differentiation strategy in marketing the products. Meanwhile, according to Aaker & Biel (2009), brand image has three indicators: (1) Corporate Image or a set of associations that consumers have with companies that provide goods or services. It includes popularity, credibility, company network, and users. (2) Product Image or a set of consumer associations for a good or service. It includes product attributes, benefits for consumers, and guarantees. (3) User Image or a set of consumer associations with users utilizing a product or service. It includes the users and their social status.

In addition to brand image, the brand trust may be used to explain marketing performance. Brand or customer trust is a business foundation to get costumers and keep them in the brand (Amron, 2018). A discussion on brand becomes an essential issue in competition because trust in a brand is vital. It allows customers to simplify selecting a brand and lessen uncertain purchases. Well-known brands give consumers information, knowledge, and a sense of trust (Trisnawati et al., 2020). Amron (2018) and Fakaubun (2019) defined brand trust as customer trust to use the brand as a basis for addressing risks with positive expectations. Lim et al. (2020) defined brand trust as a brand with a trust value for its consumers, whereas Haudi et al. (2022) stated that trust is a symbol and consumers' expectation to show one's self-image through the brand. There are five indicators of brand image: 1) the product gives a positive impression, 2) it possesses product characteristics, 3) brands that are easy to remember and pronounce, 4) high-tech products, and 5) an intriguing product.

As defined by the Food and Drug Administration (FDA), organic cosmetics must include specific organic ingredients. Organic cosmetics are natural cosmetics manufactured directly from fresh or dried components, fruits, and plants (Tranggon & Latifah, 2007). They are free of chemicals manufactured from herbs and plants grown without pesticides, chemical fertilizers, and others (Widianti, 2019). Based on the description above, the research problems in this study are (1) how is the direct effect of brand trust on brand image and marketing performance, and (2) how is the mediating role of brand image on brand trust and marketing performance.

METHOD

The quantitative approach is used in the research design. The Slovin method was used to determine the number of samples, which yielded 125 responses from a total population of 606,200 women aged 25-65 in Jambi City (BPS, 2021). Purposive sampling was utilized to choose respondents who were (1) aged 35-47 years old, (2) recognized Jambi-origin organic cosmetic products, (3) had used, and (4) had recommended local Jambi organic cosmetic brands to others.

Data collection used a questionnaire. The questionnaire used a Likert scale into five answer choices: 1 = strongly disagree, 2= disagree, 3 = neutral, 4 = agree, 5 = strongly agree. Data analysis techniques were descriptive analysis and statistical analysis. Descriptive analysis aims to analyze data based on the results of respondents' answers obtained on the measurement indicators of each variable. The descriptive analysis uses a classification method based on the range of average scores as follows: 1

- 1.79 (very low), 1.80 – 2.59 (low), 2.60 – 3.39 (sufficient), 3.40 – 4.19 (high), 4.20 – 5.00 (very high).

Statistical analysis is used to test the hypothesis proposed using Structural Equation Modeling (SEM) based on Variance or partial least squares (PLS). This study proposed a research model with the direct effect of brand trust on marketing performance and the indirect effect that explained the effect of brand trust on marketing performance through brand image.

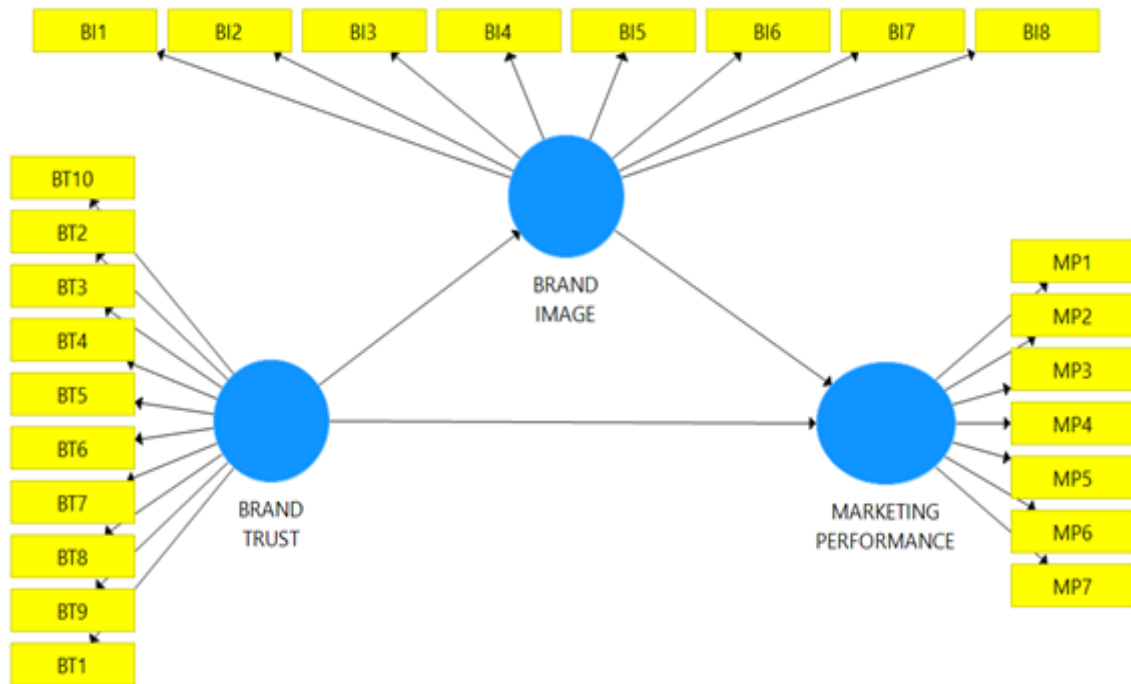


Figure 1: Research conceptual framework

Measurement of each variable using reflective indicators. The brand trust variable is measured using indicators (1) brand reputation, (2) brand predictability, (3) brand competence, (4) trust in the company, (5) company reputation, (6) perceived motives of the company, (7) company integrity, (8) brand liking, brand experience, (9) consumer's self-concept, (10) Peer support. Brand image variables are measured using indicators (1) superiority of brand associations, (2) strength of brand associations, (3) uniqueness of brand associations, (4) corporate image, (5) consumer image, (6) product image, (7) brand identity (8) brand personality. Marketing performance variables are measured using indicators (1) customer acquisition cost, (2) marketing campaigns, (3) return on investment, (4) company effectiveness, (5) sales growth, (6) relative profit, and (7) product value.

RESULTS AND DISCUSSION

Characteristic of respondent

This study analyzes primary data sourced from filling out questionnaires by 125 respondents to provide statements regarding the influence of brand trust, brand image, and marketing performance. The results of the demographic description analysis are presented in Table 1.

Table 1. Respondents' characteristic

No	Category	Person	Percentage
1	Age group		
	25-35 years old	104	83.20
	36-46 years old	21	16.80
2	Sex		
	Male	49	39.20
	Female	76	60.80
3	Freq. of usage		
	1 time	30	24.00
	2 times	42	33.60
	< 3 times	53	42.40
4	Domicile		
	Jambi City	95	76.00
	Outside Jambi City	30	24.00

Based on the results in Table 1, respondents were dominated by women aged 25-35 who lived in Jambi City and had used organic/natural cosmetic products more than three times in the recent year.

Descriptive analysis

The average score of respondents' responses is based on the dimensions and indicators of the variables used in the study

Table 2. The average score of the variable indicators

Indicator	Description	Average score	Categories
BT1	The organic cosmetic brand has lived up to my expectations.	3.640	high
BT2	Organic cosmetic brands are quality product brands.	3.704	high
BT3	Organic cosmetic brands are brands that never disappoint consumers.	3.664	high
BT4	Organic cosmetic brands are brands that can guarantee satisfaction to consumers.	3.808	high
BT5	Organic cosmetic brands are brands that can best meet consumer needs.	3.768	high
BT6	Organic cosmetic brands are brands that can solve consumer problems.	3.704	high
BT7	Organic cosmetic brands can prioritize consumers' interests when problems in product consumption arise unexpectedly.	3.976	high
BT8	This brand can be felt physically.	3.968	high
BT9	The brand shows honesty and sincerity in dealing with my concerns.	3.776	high
BT10	This organic cosmetic brand is to solve beauty problems.	3.760	high
BI1	Organic cosmetic brands have the advantage of good quality.	3.840	high
BI2	Organic cosmetic brands are well-known among the people of Indonesia.	3.848	high

Table 2. The average score of the variable indicators (cont.)

Indicator	Description	Average score	Categories
BI3	Organic cosmetic brands have a uniqueness that differentiates them from other brands.	3.600	high
BI4	Sales and distribution Organic cosmetic brands are easy to find.	3.496	high
BI5	Using organic cosmetic brands can make you more confident.	3.752	high
BI6	The brand image of organic cosmetics is good.	3.688	high
BI7	Organic cosmetic brand identity can differentiate it from other similar products.	3.736	high
BI8	The personality of organic cosmetics brands suits me.	3.768	high
MP1	Organic cosmetic brand company customers have increased from year to year	3.216	sufficient
MP2	Organic cosmetic brands have strategies used to deal with competitors.	3.368	sufficient
MP3	Sales proceeds of organic cosmetic brands can provide net profit to the organic cosmetics business.	3.336	sufficient
MP4	Organic cosmetic brands can monitor competitors' prices and price changes.	3.320	sufficient
MP5	The number of sales of organic cosmetic brands has increased from year to year.	3.480	high
MP6	Increasing profit from time to time.	3.408	high
MP7	Organic cosmetic brands can innovate in creating new products and provide value for consumers and companies.	3.544	high

Based on Table 2. it can be seen that all indicators of brand trust and brand image are in the high category. This shows that consumer trust and image towards cosmetic brands are relatively good. Nevertheless, in marketing performance, four indicators still need to be improved (categorized as sufficient): the company's ability to add customers, strategy to deal with competitors, ability to generate profits, and ability to monitor competitors' prices and price changes.

Marketing performance model for local organic cosmetics brands

Marketing performance analysis for local organic cosmetics brands uses the Structural Equation Modelling (SEM) – Partial Least Square (PLS) model. There are two stages of SEM-PLS analysis: testing the measurement model (outer model) and the structural model (inner model). The measurement model aims to test the validity. The validity test uses the convergent validity test of the indicators. The convergent validity test is based on the item's and construct scores' correlation. The indicator is convergently valid if the correlation (loading value) is ≥ 0.5 .

Figure 2 shows the correlation (factor loading) of all construct indicators.

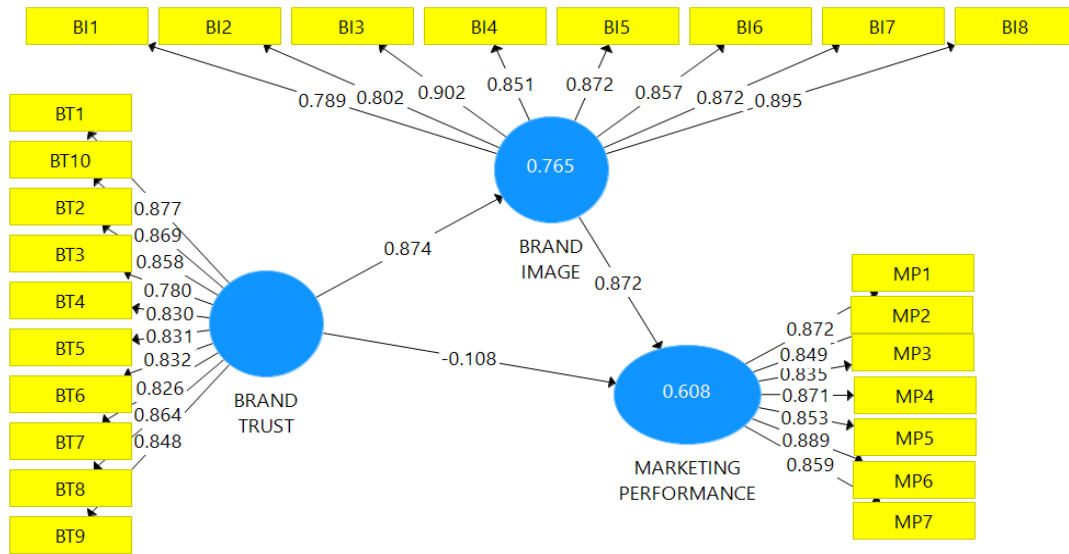


Figure 2. Loading factor of construct indicators

Figure 2 shows that all construct indicators' correlation (factor loading) is already above 0.5. In other words, all indicators in the model are valid.

After confirming that all the constructs and variables are valid, the inner model or structural model testing is carried out to see the relationship between the construct. Table 3 provides the output of structural model testing

Table 3. Testing the hypothesis relationship between model variables.

Path Coefficients	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	
Brand Image -> Marketing Performance	0.872	0.863	0.128	6.835	0.000	Significant Partial mediation
Brand Trust -> Brand Image	0.874	0.873	0.032	27.407	0.000	Significant Partial mediation
Brand Trust -> Marketing Performance	-0.108	-0.099	0.124	0.866	0.387	No significant
Brand Trust -> Brand Image -> Marketing Performance	0.763	0.754	0.121	6.307	0.000	Significant

Table 3 demonstrates the model's construction, illustrating that there are direct and indirect effects on marketing performance. These results show a direct partial mediation relationship between brand image on marketing performance and brand trust in brand image. For the role of mediation, the brand image shows a full mediation relationship. This means that brand trust is not significant if it is not through brand image. In other words, brand trust is less meaningful to marketing performance without the mediation of brand image.

Discussion

The direct effect of brand trust on marketing performance

The findings of inferential statistics demonstrated that brand trust has no direct impact on marketing performance (Y). Consumer trust in local brands had little effect on the marketing success of organic or natural cosmetic products in Jambi city. Local brands have not been included in the main considerations for using natural cosmetics

products. It is because MSMEs in organic cosmetics had yet to build trust to persuade customers that local cosmetic items are trustworthy brands.

The findings of this study contradicted Miswanto et al. (2019)'s finding, which showed that customer brand trust in the brand's products influenced marketing performance. Therefore, brand trust cannot be used to evaluate the marketing performance of local herbal cosmetic brands in Jambi City. Brands that lack customer trust will have a negative impact on their marketing performance because a brand serves an essential conceptual role as the name and product character. The brand, intended to reflect the consumers' character (caring about the green environment, herbal products, safe products to use over time without chemical side effects), had not been able to convince customers to purchase and to have an impact on marketing performance.

Brand trust was created by the companies to strengthen the brand's position in the consumer market and to differentiate their product from the competitors' similar products, but negative memories would be formed if consumers didn't trust the brand. Because of this lack of customer trust in organic cosmetic products, they have failed to become the consumer's choice. A brand trust strategy is required to survive MSMEs in herbal cosmetics because trust in local Jambi cosmetic brands remains low in the consumer market. Local cosmetic companies (MSMEs) in Jambi still have fewer opportunities to be positioned than national brands or large industries.

Consumer trust in local brands will have an indirect influence on market demand. Marketing performance demonstrates large-scale marketing accomplishments in both local and national markets. The larger the market is controlled, the greater the company's capacity to sell its products. Therefore, it will impact sales and profits, eventually benefiting the company. Aside from that, marketing performance might demonstrate that the community will be empowered in an independent business.

The direct effect of brand trust on brand image

This study demonstrated the significance of brand trust in influencing brand image. The considerable and favorable results suggested that brand trust is crucial and contributes positively to the brand image of local herbal cosmetics in Jambi City. Consumers give their trust in a brand with a strong image. A positive brand image is formed when the company establishes brand trust. Brand trust and brand image will boost the brand in the minds of consumers. As a result, more people are becoming aware of the product's existence. Not only that, but with customer trust in the company's brand, it may also track consumer interest through insights about the value of products or services.

The findings of this study are consistent with prior research (Amron, 2018) and found that brand trust had a positive or significant influence on the brand image of Vilchic masks in Jambi. Local cosmetic product brands are trusted by Jambi city residents to be of high quality and to provide more value in the long term. The more trust, the better the marketing performance marketers or companies see. When customer trust is embedded in consumer memory, the product's brand images very good and becomes the consumer's choice in the future (Amron, 2018). There is a chance that the consumer may purchase due to the good impression or brand image. MSMEs or local cosmetic businesses, particularly organic cosmetic companies, need to pay attention to that fact if they want to maintain their marketing performance. They must continue to increase brand trust and image, keep up with the trends, use technology, and look out for their competitors' performance.

Consumers believed in local brand products because they felt they were high-quality and safe for women. The brand image of cosmetic products from Jambi is very

good in the local cosmetic market as the consumers feel that the products are safe, halal, and herbal. As a result, the brand enjoyed a highly positive reputation in the Jambi City consumer market.

Effect of brand image on marketing performance

It has been demonstrated that brand image (Z) impacted company marketing performance (Y). The findings of the brand image test showed an original sample estimate value of 0.874 with a t-statistic value of 6.858. The prior study by Amron (2018) is relevant and consistent with this research. According to the findings of this study, the brand image had a significant positive influence on marketing performance. Brand image is regarded as the most important factor in attaining marketing performance. The stronger the brand image associated with customers, the more consumers will be interested in and aware of the product (Miswanto et al., 2019; Aaker & Biel, 2009). This indicated that consumers in Jambi have a favorable opinion of the Vilchic brand. Herbal masks from the Vilchic are said to be good quality herbal products for the beauty of Jambi women. Vilchic's brand image is quite positive in the cosmetic business because consumers believe the mask is safe, halal, and herbal. The Vilchic brand has a highly positive image in the Jambi consumer market. As a result, the brand image of this product directly contributed significantly to its marketing performance.

Marketing performance can depend on a strong brand image (Haudi et al., 2021). It is extremely difficult for businesses to acquire new customers and keep existing ones without a strong and good brand image. A good brand image can offer consumers the impression that the product will deliver a more secure feeling when they buy it (Haudi et al., 2022; Philip et al., 2017). Therefore, the stronger the brand image associated with the products, the more interested people are in purchasing the product.

The combination of antecedents, trust, and strong brand image will affect the marketing performance of local branded cosmetic products, particularly in the MSME industry. This will help promote local products in the consumer market.

Effect of brand trust on marketing performance with the brand image as mediating variable

Based on the results of the analysis and t-test using SmartPLS professional software, brand trust (X) had a significant and positive effect on marketing performance (Y) when mediated by brand image (Z). The findings of the direct and indirect effect test comparisons showed that the test results have not changed and are still significant. According to Haudi et al. (2022), partial mediated occurs when the influence of the mediating variable on the dependent variable is significant, and the independent variable's effect on the mediating variable is also significant. According to the findings of this study, brand image played an important role in mediating the impact of one's trust on the marketing performance of Jambi local cosmetic brands.

Based on the findings, the fourth hypothesis is consistent with past research. According to Lim et al. (2020)'s findings, brand image has a key role in mediating the relationship between the effect of trust on marketing performance. This suggests that trust affects marketing performance through brand image. Furthermore, according to a study by Amron, (2018), brand trust and image had successfully mediated the influence of the relationship between social media use and marketing performance. This study demonstrated the importance of brand image on marketing performance and brand trust. The brand image was a significant mediator between brand trust and marketing performance. This is consistent with the conception that rational customers will choose

products of high quality at reasonable rates that are easy to get and safe for health in the long run. Consumers demand products that can meet their needs and provide safety for themselves to feel secure when using those products. Based on the findings, brand image is important to build since customers have trust and perceptions of the brand.

Indirectly, the findings of this study showed that customers were influenced by brand trust and good brand image in relation to product quality and value. A reasonable customer will select things that are of high quality, reasonably priced, and easily available. Consumers demand products that can meet their needs and provide safety for themselves to feel secure when using those products. Similarly, customers believed and had good opinions about product quality and local brand value, which boosted the marketing performance of local brand cosmetics in Jambi City. As a result, local products are considered trusted customers of excellent quality and safe for Jambi women to use. Through an excellent image of the local cosmetic brand in the market in the future, consumer perceptions of these mask products are going to be better. Therefore, it will positively impact the marketing performance of this brand.

Government aids in branding are required to help local cosmetic items dominate local and national markets, specifically to increase trust and local organic cosmetics brand image. Regulations and implementation for organic cosmetics must be synchronized and coordinated. MSMEs and central and regional governments must be continuously improved so that the MSME ecosystem receives optimal support through the one-gate policy and that MSME empowerment is truly integrated into determining priority sectors, strategic steps, and financing designs. Furthermore, marketers must consider factors other than customer purchase intentions. Looking at the competition in the organic cosmetics or skin care industry, they must consider trust and the image of the cosmetic brand itself. Enabling marketers to introduce their products to customers with the brand image can influence someone to accept, consider, and purchase them.

The findings of this study back with Amron's (2018) findings that marketing performance was influenced by purchasing decisions and that brand image played an essential role in mediating the relationship between brand trust and marketing performance. Building synergy in mapping entrepreneurial potential, creating an entrepreneurial climate, growing entrepreneurship, entrepreneurial incubation, and marketing assistance are all used to strengthen MSME entrepreneurship. Strategic partnerships between Micro, Small, and Medium Enterprises (MSMEs) and corporations must be developed in all regions of Indonesia, relying on superior local products and paying attention to the diversity of existing potentials in order to improve the quality of MSME entrepreneurship and increase the competitiveness of MSMEs in the global market.

In terms of capital, several government agencies have established an allocation of monetary aid for MSMEs of around IDR123.46 trillion. It is hoped that MSME-based entrepreneurship may be upgraded; the next step is to activate go digital to boost the competitiveness of MSMEs but no longer only a market for foreign products in the middle of the digital economy's inexorable speed.

The findings of this study contribute to the transformation of the entrepreneurial spirit in the local-based Jambi populist economy. Organic cosmetics created from local raw materials, particularly palm kernel shells, are produced by local MSMEs. These kernel shells are debris from palm oil factories in Jambi Province. MSMEs in the organic cosmetics business is expected to be able to increase their competitiveness in domestic and global markets so that they can be integrated with Global Value Chains (GVC), and more and more MSMEs are scaling up. It is marked by increased business

volume, export growth, and the growth of the MSME workforce. It is also inextricably linked to the role of brand image and consumer confidence in the products offered in the market by new MSMEs. New business actors must be able to make their products as *prima donna* between other local and regional superior products.

This study proved that the consumer market responded positively to cosmetic products from local brands like Vilchic or Arkawa Black Beauty Skincare. Those companies have become one of Jambi's superior products by using natural and local raw materials such as palm kernel shell waste converted into charcoal powder. Henceforth, brand trust and image for MSME products will become increasingly crucial for their marketing performance. Cosmetic items manufactured from local and natural materials may be used by anybody, making this industry accessible to newcomers. Furthermore, organic cosmetics face intense market rivalry because many organic items on the market are created not only by MSMEs but also by huge national and international companies marketed in Jambi. However, with trust and a positive brand image, MSMEs may play a significant and strategic role in the national economy. This circumstance is quite likely since MSMEs are prevalent in the Indonesia's economy.

This is evident from MSMEs in the local cosmetics sector in Jambi City. The number of MSMEs in Jambi City has increased yearly since the economic crisis. This also demonstrated that these MSMEs might endure amid an economic downturn. They have also been shown to absorb a greater workforce in the economy of Jambi. The MSME sector can raise the income of the people of Jambi Province. Thus the companies in the cosmetics industry based on local raw materials may be considered to play a crucial role in reducing unemployment and poverty in Jambi. The government must continue to strengthen MSMEs that manufacture safe items made from natural raw materials so that these enterprises may be used as pillars in expanding the economy of Jambi Province and the nation.

CONCLUSION AND RECOMMENDATION

Conclusions

Brand trust and image are important determinants in increasing the marketing performance of local MSMEs selling organic cosmetic products. Brand trust is a decisive factor in enhancing brand image.

Brand image is an indirect factor that can contribute fully or mediate the relationship between brand trust and the marketing performance of local cosmetic brands in Jambi. Marketing Performance is the strength of organic cosmetic products of local MSMEs to increase their competitiveness in local and national markets.

RECOMMENDATION

To improve marketing performance, SME actors can carry out initiatives to build brand image and consumer trust in local brand cosmetics. For consumers, local organic cosmetics are the best choice for long-term use. The government, particularly Jambi Province, is expected to continue to accompany and promote local cosmetic products by creating trust and brand image. Future researchers should add digital marketing antecedents better to promote local cosmetic products to the consumer market, strengthening customer trust and brand image.

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