

## A Study on the Capability of Competitive Products Through Brand Image Toward Marketing Performance

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### Information Article

*History Article*

*Submission: 14-10-2025*

*Revision: 03-12-2025*

*Published: 08-12-2025*

### DOI Article:

*10.24905/permana.v17i2.1217*

### ABSTRACT

This study aimed to analyze the effect of competitive products on marketing performance with brand image as a mediating variable among café and restaurant MSMEs in Pontianak City. The research employed a quantitative approach with probability sampling of 122 respondents, and the data were analyzed using Structural Equation Modeling (SEM) with AMOS. The findings revealed that competitive products had a positive and significant effect on both brand image and marketing performance, brand image had a positive and significant effect on marketing performance, and brand image significantly mediated the relationship between competitive products and marketing performance. The study was limited to café and restaurant MSMEs in Pontianak, restricting the generalization of results. The practical implication suggested that MSMEs should strengthen their brand image through product innovation and marketing strategies to enhance competitiveness. The originality and value of this study lay in integrating competitive product, brand image, and marketing performance variables within the local culinary MSME context, which has received limited attention in previous research.

**Key word:** Competitive Product, Brand Image, Marketing Performance, MSMEs.

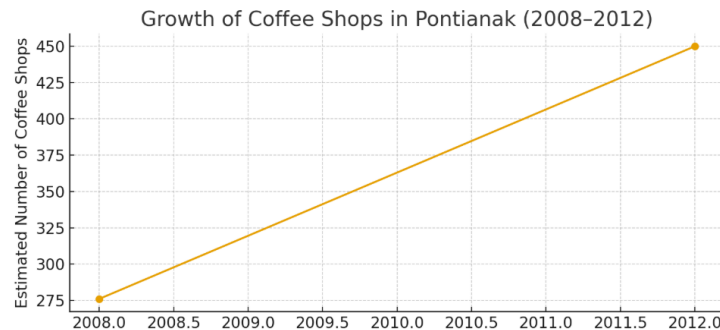
### Acknowledgment

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### PENDAHULUAN

Currently, the coffee shop industry in Pontianak is experiencing rapid growth, making the city widely known as the “city of a thousand coffee shops.” Many new coffee shops have emerged, offering diverse concepts to attract consumer interest. In 2008, the number of coffee shops in Pontianak was recorded at approximately 276 units spread across more than 55 streets. These businesses ranged in scale, from small stalls to medium-sized and large-capacity

establishments. Four years later, in 2012, the number of coffee shops increased significantly, with estimates showing around 400 to 500 units, indicating rapid growth of this industry in Pontianak (Pontianak Post, 2016).



**Picture 1. Growth of Coffee Shop in Pontianak**

Source: Pontianak Post (2016)

The Mayor of Pontianak, Edi Rusdi, explained that the city currently has around 800 coffee shops, which play an important role in economic development, particularly in creating job opportunities and contributing to Regional Original Revenue (PAD), as most of the employees in these coffee shops come from West Kalimantan Province (Ibrahim, 2022). Pontianak is also recognized as one of the cities with a rapidly developing culinary sector, as evidenced by the proliferation of cafés and restaurants, both small and medium in scale. The trend of social gatherings in cafés, working from coffee shops, and using restaurants as family and community meeting places further strengthens this sector's position in the local economy.

Increasingly intense competition among business players pushes MSME cafés and restaurants to continuously innovate in terms of products, service quality, and marketing strategies in order to survive and win customer loyalty. Each coffee shop represents an alternative choice for customers, and if the value they receive is unsatisfactory, they are very likely to switch to another coffee shop. Therefore, it is crucial for coffee shop entrepreneurs to design appropriate strategies in order to survive and gain a competitive advantage in this market.

Competitive products are a crucial factor in enhancing business competitiveness in a dynamic market. This is relevant to the condition of MSME cafés and restaurants in Pontianak, where consumers have many alternatives, thus requiring businesses to provide unique added value. This aligns with the study of Ningrum et al. (2020), which stated that competitive advantage and marketing strategies influence the marketing performance of MSMEs, yet other

findings (Ramadzab, 2022) argued that brand image does not affect marketing performance. The inconsistency of these findings indicates a research gap worth further exploration, particularly in the MSME culinary sector in Pontianak. While some studies emphasize the importance of product excellence in improving marketing performance, others question the role of brand image. This opens up opportunities to re-examine the relationship between competitive products, brand image, and marketing performance to gain a more comprehensive understanding that suits the characteristics of cafés and restaurants in Pontianak. Moreover, research focusing on the influence of competitive products and brand image on marketing performance in the culinary sector in Pontianak remains limited. Considering the intensifying competition and shifting consumer preferences, businesses are required to develop appropriate strategies both in product innovation and brand management. Therefore, this study is expected to fill this gap while also providing both theoretical and practical contributions to the development of MSME culinary businesses in Indonesia.

## RESEARCH METHOD

This study employed a quantitative approach with the aim of explaining the effect of competitive products on marketing performance with brand image as a mediating variable in MSME cafés and restaurants in Pontianak City. The research population consisted of all MSME cafés and restaurants operating in Pontianak, while the sample was determined using probability sampling, which provides equal opportunities for each member of the population to be selected. A total of 122 respondents were included as the sample. Primary data were collected through questionnaires using a 1–10 measurement scale. Data analysis was conducted using Structural Equation Modeling (SEM) with the AMOS program, aiming to test validity, reliability, and to analyze both the direct and indirect effects among the research variables.

## Hypothesis

- H1: Competitive Products have a positive and significant effect on Brand Image.
- H2: Brand Image has a positive and significant effect on Marketing Performance.
- H3: Competitive Products have a positive and significant effect on Marketing Performance.
- H4: Brand Image is able to mediate the effect of Competitive Products on Marketing Performance.

## RESULTS

The validity test was conducted to determine whether the data obtained from the questionnaire were valid or not. The questionnaire data can be considered valid if the Average Variance Extracted (AVE) value exceeds 0.5 and remains consistent when tested repeatedly. Furthermore, the questionnaire can also be considered valid if the Construct Reliability (CR) value exceeds 0.7. The table below presents the results of the reliability test.

**Table 1. Construct Reliability and Variance Extracted of Endogenous Constructs**

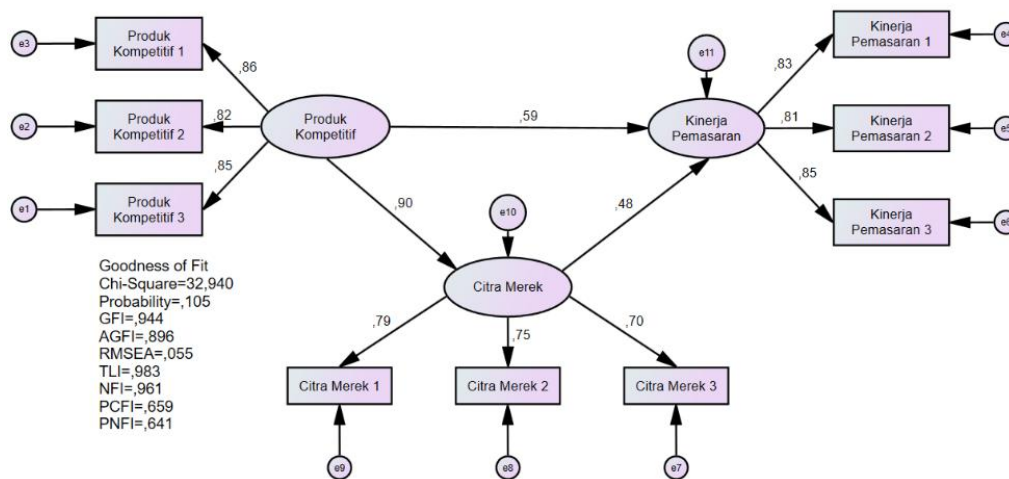
Construct	Comperirive Product			Brand Image			Marketing Performance		
Item	Std. Loading	(Std. Loading) <sup>2</sup>	Std. Error	Std. Loading	(Std. Loading) <sup>2</sup>	Std. Error	Std. Loading	(Std. Loading) <sup>2</sup>	Std. Error
PK1	0,845	0,714	0,290						
PK2	0,815	0,664	0,336						
PK3	0,858	0,736	0,264						
CM1				0,700	0,490	0,510			
CM2				0,755	0,570	0,430			
CM3				0,786	0,618	0,382			
KP1							0,828	0,686	0,314
KP2							0,807	0,651	0,349
KP3							0,850	0,723	0,278
$\Sigma\lambda$	2,518			2,241			2,485		
$\Sigma\epsilon_j$	2,114			2,060			1,679		
$(\Sigma\lambda)^2$	6,391			5,022			6,175		
$(\Sigma\lambda)^2 + \Sigma\epsilon_j$	8,454			7,082			7,854		
AVE	0,705			0,559			0,686		
CR	0,877			1,180			1,357		

Source: Processed Data (2025)

Based on the data diagram above, the construct reliability (CR) for all variables exceeded 0.7, indicating that the data were reliable. The Average Variance Extracted (AVE) values for all variables were above 0.5, confirming their validity.

### Goodness Of Fit Testing

In this study, a total of 122 samples were used, obtained through the distribution of questionnaires to MSME café and restaurant owners. This sample size meets the requirements for SEM analysis, which recommends data between 100 and 200 samples.



Picture 2. Structural Equation Modeling (SEM) Path Diagram using AMOS

Source: Processed Data (2025)

Based on the data above, the GFI value was 0.944, indicating a good fit since it met the cut-off value of  $\geq 0.90$ . The AGFI value was 0.896, which also indicated a good fit as it was close to the cut-off value of  $\geq 0.90$ . The RMSEA value was 0.055, meeting the cut-off requirement of  $\leq 0.08$ . Furthermore, the TLI value was 0.983, which exceeded the cut-off value of  $\geq 0.90$ , indicating an excellent fit. The NFI value was 0.961, also above the cut-off value of  $\geq 0.90$ . Meanwhile, the PCFI value was 0.659, surpassing the cut-off value of  $\geq 0.60$ . Lastly, the PNFI value was 0.641, which also indicated a very good fit as it exceeded the cut-off value of  $\geq 0.60$ .

## Hypothesis Testing

Table 2. Hypothesis Test Results

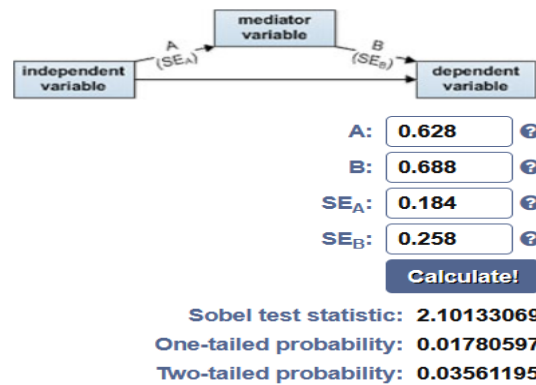
Hypothesis	C.R	Cut-off Value	P	Cut-off Value
H <sub>1</sub> : Competitive Product is expected to have a relationship with Brand Image.	7,837	$\geq 1,96$	***	$\leq 0,05$
H <sub>2</sub> : Brand Image is expected to have a relationship with Marketing Performance.	3,417	$\geq 1,96$	***	$\leq 0,05$
H <sub>3</sub> : Competitive Product is expected to have a relationship with Marketing Performance.	2,672	$\geq 1,96$	0,008	$\leq 0,05$

Source: Processed Data (2025)

Based on the data analysis, the Critical Ratio (CR) value of 7.837 and Probability value of  $<0.001$  (indicated by \*\*\*) show that Hypothesis 1 is accepted, meaning that competitive products significantly influence brand image. This can be explained by the fact that brand image is shaped by consumers' perceptions of the quality and superiority of the products offered. The higher the product quality and competitiveness, the stronger the brand image in the minds of consumers. Superior products create positive experiences, leading consumers to associate the brand with reliability, credibility, and added value compared to competitors. This finding is consistent with the research of Latifah & Vania (2025).

Furthermore, the results indicate that brand image has a positive and significant effect on marketing performance. This is evidenced by the CR value of 3.417, which exceeds the cut-off value of 1.96, and a Probability value of  $<0.001$ , which meets the criterion of being less than 0.05. Therefore, Hypothesis 2 is accepted. This implies that brand image directly contributes to improving marketing performance in MSMEs. A strong brand image fosters positive consumer perceptions, increases customer loyalty, encourages repeat purchases, and expands market reach. MSMEs with a solid brand image are better positioned to attract new customers while retaining existing ones, thereby enhancing their marketing performance. Moreover, brand image differentiates businesses from competitors, which ultimately boosts competitiveness and supports sales targets. This result is reinforced by Nurudin et al. (2021).

Finally, the test results show that the CR value of competitive products is 2.672 (above 1.96) and the Probability value is 0.008 (below 0.05), indicating that competitive products have a positive and significant impact on marketing performance. This means that the higher the product competitiveness, the greater its ability to improve marketing achievements in terms of sales, customer growth, and market positioning. Competitive products typically demonstrate superior quality, innovation, and uniqueness that attract consumer interest, thereby driving marketing performance. This finding is supported by Nofrizal et al. (2021).



**Picture 3. Testing the Role of Competitive Price as a Mediating Variabel**

Source: Processed Data (2025)

Based on the data above, a Sobel test was conducted to examine the effect of competitive products on marketing performance with brand image as an intervening variable. The results showed a Z-value of 2.1013 with a significance value of 0.0356. This indicates that when a business offers competitive products, it can enhance brand image in the eyes of consumers. A strong brand image ultimately drives improvements in marketing performance, as consumers tend to show greater trust, loyalty, and repeat purchase behavior. Therefore, it can be concluded that the mediating role is valid, since the Z-value exceeded 1.9 and the significance value was below 0.05. This finding is supported by Fadlilah & Muanas (2025).

## CONCLUSION

From the results of the discussion and analysis conducted on the effect of competitive products on marketing performance through brand image, three out of four hypotheses were supported. The findings indicate that: (1) competitive products have a direct and significant relationship with brand image, (2) brand image significantly influences marketing performance, and (3) competitive products also affect marketing performance. Further analysis using the Sobel test showed that the independent variable affects the dependent variable through the mediating role, where competitive products can create a positive brand image, enhance customer satisfaction, stimulate purchase intention, and ultimately increase sales. At the same time, brand image helps businesses differentiate themselves from competitors and attract new consumers, which in turn supports business sustainability and sales growth.

Based on the research findings, it can be suggested that competitive products are capable of enhancing the marketing performance of MSME cafés and restaurants when supported by a



strong brand image. Business owners need to be more responsive to consumer needs, for example by utilizing social media to collect feedback through polls or short surveys on popular menu trends. Moreover, offering product variations aligned with current consumer preferences such as low-sugar, gluten-free, or vegan options can strengthen brand image in the eyes of customers. Such innovations not only increase product attractiveness but also build a positive perception of the brand, thereby encouraging purchase intention and directly contributing to improved marketing performance.

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