

Implementation of Digital Promotion and Product Adaptation to Build Local Brands for Garut Leather Craft MSMEs

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Abstract

This study aims to analyze the strategies of Garut leather craft SMEs in facing global competition challenges through Digital Promotion Strategies, Product Adaptation, and Local Brand Image Building. Although local products have high cultural value, business actors often face obstacles in the form of weak branding strategies and marketing that are not adaptive to international consumer preferences. The method used was quantitative with purposive sampling of 100 respondents, where the data was analyzed using Structural Equation Modelling (SEM) through SmartPLS. The results of the study show that digital promotion strategies and product adaptation have a positive and significant effect on strengthening Local Brand Image and Market Penetration Effectiveness. The use of social media and interactive content is effective in building trust, while design modifications that follow modern trends but still maintain authentic values are proven to strengthen brand identity. The main findings confirm that Local Brand Image acts as a crucial mediating variable, bridging the influence of promotion and product innovation on market success. This model demonstrates very high predictive power with an R-Square value of 0.968 for market penetration. In conclusion, the synergy between creative digital marketing and product development flexibility is the key for MSMEs to win the competition in the international market in a sustainable manner.

Keywords: *Digital Promotion Strategy; Product Adaptation; Local Brand Image; Market Penetration Effectiveness.*



A. INTRODUCTION

In the era of globalization, local products face the enormous challenge of not only maintaining their presence in the domestic market, but also expanding their reach into highly competitive global markets. Delays in capitalizing on international trade opportunities are often caused by weak marketing strategies implemented by local businesses, particularly in adapting their marketing approaches to the diverse needs and preferences of global consumers (Hastuti et al., 2022). Local products with high quality and cultural value often face significant barriers in entering the global economic arena. This occurs because products from other countries with strong marketing strategies can dominate local and international markets extensively (Masrianto et al., 2022; Pane & Patunru, 2022).

This phenomenon highlights the need for strategic efforts to optimize the potential of local products so that they can compete healthily at the international level (Anggraeni et al., 2022). Leading sectors such as processed products, handicrafts, and traditional textile products are highly attractive in foreign markets, but have not been able to penetrate the global market in a systematic and sustainable manner (Karimah

et al., 2021; Setiadi et al., 2025). This inability is caused by weak branding efforts, inappropriate market segmentation, inefficient international distribution, and promotion that is not adaptive to the characteristics of foreign consumers (Sulistyaningsih et al., 2021).

Specifically, for Garut leather craft MSMEs, there are a number of challenges that hinder international market penetration. First, many local products have distinctive flavors and identities but fail in the international market because they are not marketed with the right approach (Putra et al., 2023). Second, the absence of competitive pricing strategies, inefficient distribution systems, and ineffective promotional strategies targeting audiences are factors that reduce competitiveness (Perdana et al., 2022). Indonesia's geographical conditions, consisting of thousands of islands, pose unique challenges in the distribution of local products. High logistics costs and uneven transportation infrastructure make it difficult for local products to reach international markets efficiently (Pravitasari et al., 2021).

This requires marketing planning and management that is not only promotion-oriented, but also considers aspects of product availability, delivery speed, and cost efficiency (Xu, Lin, et al., 2021). Conversely, the development of digital technology and access to global e-commerce platforms opens up great opportunities for local products to be known more widely in various parts of the world (Maulana et al., 2025; Harini et al., 2023). However, these opportunities will not have a significant impact if they are not accompanied by the ability to manage adaptive and creative digital marketing strategies based on strong market research (Erhan et al., 2023).

Local products that are able to leverage the power of digital marketing to build brand image, interact with global consumers, and tailor their products to market needs will have a greater chance of penetrating international markets. Therefore, developing an integrated and optimal marketing strategy is the main foundation for increasing the competitiveness of local products in a dynamic global arena (Lestari et al., 2022). Although research on local product marketing strategies has been extensively conducted, there are still significant research gaps. This research gap lies in the need for specific studies that comprehensively integrate digital promotion strategies, product adaptation, and local brand image building for traditional craft sectors such as Garut leather crafts.

Previous studies have focused more on general marketing strategies or separate aspects of the marketing mix. There has been no in-depth study that specifically analyzes how the synergy between digital promotion, product adaptation, and brand image building can effectively penetrate the international market for local craft MSMEs (Munir et al., 2023; Wicaksono et al., 2021), research specifically designed to understand the mechanisms of these three elements in the context of Garut leather crafts is needed, with a unit of analysis focused on the perceptions and behaviors of international consumers (Ong et al., 2021). This study is important to provide strategic guidance for Garut leather craft SMEs in optimizing their product positioning in the global market through a measurable and consumer data-driven marketing approach.

B. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

1. Digital Promotion Strategy

Digital Promotion Strategy is a comprehensive and structured plan that integrates various tools, channels, and tactics of technology-based digital marketing to achieve specific business objectives, particularly in increasing awareness, interest, and sales with the right target audience, at the optimal time, and with efficiently allocated budgets and resources (Zahara et al., 2023).

This concept encompasses the use of various digital platforms such as social media, digital content, digital analytics, and measurable online advertising to optimize marketing effectiveness and strengthen the company's competitiveness in a market that is increasingly dependent on digital technology (Masrianto et al., 2022). With an integrated and innovative approach, digital promotion strategies can create real-time interactions with customers, build brand engagement, and maximize resource allocation efficiency to achieve optimal results (Erhan et al., 2023).

The indicators of success for Digital Promotion Strategies for MSMEs must be simple, measurable, relevant, and affordable to track. The following are the main indicators grouped based on the strategic objectives of SMEs in this study, based on relevant research (Rozak et al., 2023): (1) Social media utilization, (2) Digital content, and (3) Digital marketing training.

2. Product Adaptation

Product adaptation refers to the modification or adjustment of products to meet the needs and preferences of specific markets, both locally and globally (Wang et al., 2025). This process is important in international marketing, where companies need to tailor their products to suit the unique characteristics of local consumers, including language, culture, and buyer values. This strategy is carried out by adjusting various aspects of the product, such as design, features, packaging, or brand, to suit local tastes, regulations, language, climate, or cultural nuances specific to the target market (Wang et al., 2025). Product adaptation aims to increase product acceptance, consumer satisfaction, and competitiveness in different regions or market segments (Nowacki, 2021).

Product adaptation indicators for MSMEs in this study include (Qu & Kim, 2025; Najib et al., 2022): (1) Adoption of digital technology, namely the use of digital platforms and e-commerce as well as the application of information technology to improve operational efficiency. (2) Development of environmentally-based and circular economy products such as eco-friendly products, production processes that reduce waste and emissions, and product innovations that support the circular economy. (2) Product innovation and diversification, including the development of new products in line with market trends, product line diversification, and the application of user-oriented and sustainable design. (4) Financial factors and market access, including increased access to financing and the ability to adapt products to global market standards. (5) Training and capacity building for MSMEs in product innovation and the use of innovative raw materials. (6) Response to market and

regulatory changes, including the speed of product adaptation and success in meeting sustainability and environmental standards.

3. Local Brand Image

Local brand image is the collective perception and belief that consumers have about brands originating from their own country or region (Safeer et al., 2022). Local brand identity reflects the unique characteristics that connect the brand with the cultural heritage and national pride of the local community. The emotions and cultural closeness embedded in local products or symbols play an important role in shaping this identity, which is not easily imitated by global brands due to its strong attachment to the geo-cultural context and local heritage (Feng et al., 2023). In this study, the indicators used to measure the image of local brands generally cover several main aspects (Bańbuła, 2024), namely: (1) brand awareness. (2) Brand association. (3) Perceived quality. (4) Customer loyalty. (5) The overall image of the brand in the eyes of consumers.

4. Market Penetration Effectiveness

Market penetration effectiveness refers to the extent to which a company successfully enters and dominates a particular market with its products or services, which can have a significant impact on organizational performance and company growth (Do & Tran, 2024). Factors such as the use of information technology, appropriate business strategies, and market orientation play an important role in the success of market penetration and its impact on company performance. Additionally, the speed and timeliness of market entry are vital aspects in enhancing penetration effectiveness by considering market potential and resilience to competitive pressures (Muna et al., 2022). This study uses indicators according to Mukherjee & Mukherjee (2022) to measure market penetration effectiveness in SMEs, which commonly include: (1) Market share, (2) Product adoption rate, (3) Customer growth, and (4) Customer retention rate.

5. Digital Promotion Strategies for MSMEs to Build Local Brand Image.

Digital promotion strategies are a key catalyst for MSMEs in building and strengthening authentic local brand images, as digital marketing significantly increases customer engagement and brand promotion (Kamyabi et al., 2025). The use of social media helps MSMEs optimize business performance by reaching a wider range of consumers through promotion, service delivery, and collaboration with third parties, which contributes to accelerating digital transformation and strengthening brand image. Additionally, digitalization enables SMEs to adapt and enhance business resilience during crises by connecting directly with customers and building more personal relationships through digital platforms (Kawane et al., 2024). Thus, digital promotion strategies play a crucial role in building authentic local brands and enhancing the sustainability of SMEs.

H₁: Digital Promotion Strategies Affect Local Brand Image

6. Adaptation of MSME Products for Local Brand Image

Adapting MSME products to strengthen the image of local brands requires the integration of authentic cultural values through symbols, narratives, and design aesthetics that create an emotional connection with consumers (Glukhova, 2021). Collaboration between business actors is also crucial in forming a strong regional identity to support the potential of regional tourism (Setiadi et al., 2025). Additionally, communication strategies that highlight local wisdom, religiosity, and sustainability principles have proven effective in increasing consumer trust and brand value in the eyes of modern consumers. Overall, the synergy between culture-based design innovation, community collaboration, and social responsibility is the key for SMEs to build a unique and competitive identity in the global market.

H₂: Adaptation of MSME Products Affects Local Brand Image

7. MSME Digital Promotion Strategies for Effective Market Penetration

Digital promotion strategies play a crucial role in accelerating modern market penetration. Through the integration of social media, SEO, and advanced technologies such as artificial intelligence (AI), companies can reach specific audiences more efficiently and in real time. This approach increases brand awareness, consumer engagement, and sales conversions, which directly strengthen the competitiveness and adaptability of companies (Hendrayati et al., 2024). In addition, the use of viral marketing in social networks has been proven to accelerate the dissemination of information and market share dominance. Overall, the adoption of integrated digital strategies not only expands access but also becomes the key for companies to win competition in dense and dynamic market segments (Athaide et al., 2024).

H₃: Digital Promotion Strategies Affect Market Penetration Effectiveness.

8. Adaptation of MSME Products for Market Penetration Effectiveness

Product adaptation is a vital strategy for MSMEs to maintain relevance and competitiveness amid market dynamics. Through continuous innovation and feature adjustments, MSMEs can meet specific consumer needs and break through market entry barriers with unique added value. The ability to respond to technological changes and trends has been proven to strengthen business resilience while accelerating market penetration (Panjaitan et al., 2022). Furthermore, an entrepreneurial orientation and innovative transformation are crucial for overcoming expansion challenges and ensuring business sustainability. Therefore, flexibility in product development is key to long-term business performance growth (Muafi & Roostika, 2022).

H₄: Adaptation of MSME Products Affects Market Penetration Effectiveness.

9. Local Brand Image for Market Penetration Effectiveness

A positive local brand image is crucial in increasing consumer trust and loyalty, which directly supports effective market penetration. By consistently conveying emotional and functional values, brands can build strong psychological identification

and perceptions of superior quality to face global competition (Namkung & Park, 2021). For Gen Z in particular, interactive digital experiences and environmental sustainability issues are key determinants of purchasing decisions (Theocharis & Tsekouropoulos, 2025). Supported by transparent and authentic marketing strategies, consumer trust acts as a vital mediator connecting product value with purchasing preferences. Thus, efforts to build a positive and credible brand image are key strategic steps to successfully and sustainably dominate the domestic market.

H₅: The Influence of Local Brand Image on Market Penetration Effectiveness

10. Digital Promotion Strategies for MSMEs to Improve Market Penetration Effectiveness Mediated by Local Brand Image

Effective digital promotion strategies through local brand image mediation are key for MSMEs to increase market penetration. The integrated use of video content and social media has been proven to strengthen visibility and consumer interaction, which builds positive perceptions and trust (Suryani et al., 2021). This modern approach, supported by internal resource management, creates unique value that is relevant amid fierce competition. Despite literacy challenges, a well-developed strategy offers cost efficiency and better personalization compared to traditional marketing. Overall, the synergy between digital promotion and strengthening the local brand image is a vital strategic tool for driving sales growth and business sustainability for MSMEs (Jayawardena et al., 2024).

H₆: Digital Promotion Strategies for MSMEs Influence Market Penetration Effectiveness Mediated by Local Brand Image.

11. Adaptation of SME Products for Market Penetration Effectiveness Mediated by Local Brand Image

Product adaptation by MSMEs (Micro, Small, and Medium Enterprises) is crucial to improving market penetration effectiveness, especially when combined with strong local brand image mediation. Research shows that strengthening digital brand image through various platforms such as social media and websites can increase brand awareness and the influence of electronic word-of-mouth (e-WOM), which in turn effectively mediates the influence of product quality on brand image for MSMEs in Indonesia (Suryani et al., 2021).

Product adaptations made by SMEs must consider the uniqueness and local characteristics that can build positive consumer perceptions of the brand, thereby helping to optimize market penetration in the context of local culture and preferences. For example, the importance of using authentic brand storytelling that is appropriate to the local context can increase consumers' positive attitudes toward the brand, through perceptions of product authenticity mediated by regional recognition and local values (Zhang & Liu, 2023).

H₇: The Adaptation of MSME Products Affects the Effectiveness of Market Penetration Mediated by Local Brand Image

Based on the development of the above hypothesis, the research paradigm can be described as follows:

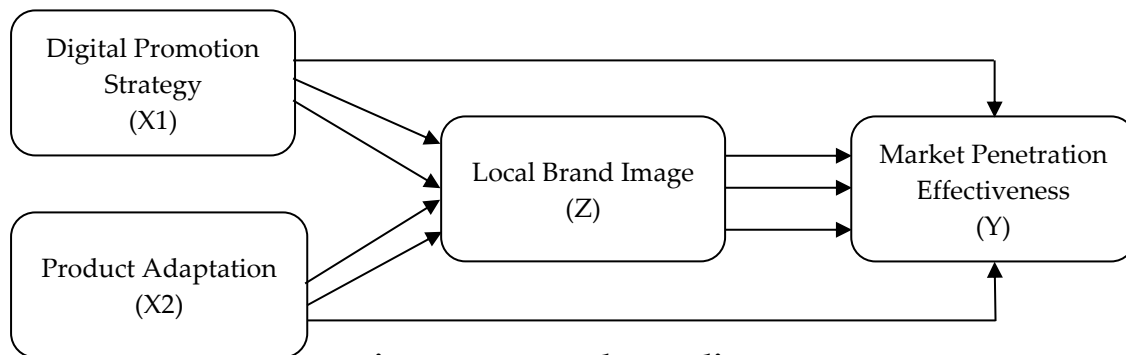


Figure 1. Research Paradigm

C. METHOD

This quantitative study examines the synergy between digital promotion, product adaptation, and brand image in international market penetration in the Garut leather craft MSME sector. The analysis focuses on consumer perceptions and behavior as an unlimited population. Therefore, the sampling technique used Non-Probability Sampling of the Purposive Sampling type (Putranti et al., 2023). Respondents were selected based on specific inclusion criteria, namely consumers who were exposed to digital product content, had brand awareness, and considered product adaptation aspects such as design innovation. Based on the Lemeshow formula calculation for an unknown population, the sample size was set at 100 respondents. Data collection was conducted through a questionnaire that had been tested for validity and reliability. Subsequently, the data was analyzed using the Structural Equation Modelling (SEM) method with the assistance of SmartPLS software (Setiadi & Ginanjar, 2024).

D. RESULTS AND DISCUSSION

1. Measurement Model (Outer Model)

This study analyzed 4 latent variables and 30 manifest indicators using the Partial Least Square (PLS)-based Structural Equation Modelling (SEM) method. The analysis process included evaluating the measurement model (Outer Model) and structural model (Inner Model) to test the validity of the indicators and the structural relationships between variables comprehensively. In structural modelling, the measurement model (Outer Model) plays a crucial role in assessing the validity and reliability of latent constructs through observable indicators. The SEM-PLS approach was used to comprehensively address the complexity of the analysis. This evaluation focused on two main techniques: convergent and discriminant validity.

a. Validity Test

Convergent validity ensures that indicators correlate positively with their constructs, while discriminant validity tests the differentiation between constructs. In testing using SmartPLS, convergent validity criteria are met if the factor loading value exceeds 0.70 for confirmatory research or 0.60 for exploratory research, and the

Average Variance Extracted (AVE) value is greater than 0.5 (Setiadi, Widyastuti, et al., 2025). A diagram depicting the relationships between constructs and containing the factor loadings for each indicator:

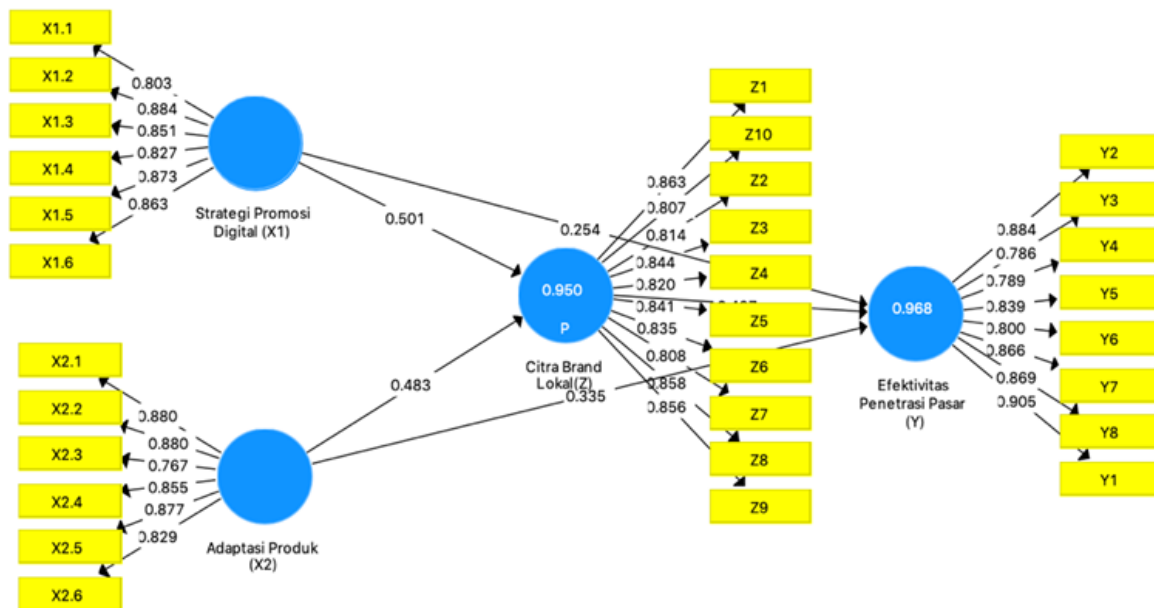


Figure 2. Outer Model

Source: Processed from SMART PLS3 (2025)

Figure 2 visualizes the results of the convergent validity test referring to the loading factor value of each indicator. The data shows that all manifest variables successfully recorded factor loading values exceeding 0.70. Thus, all indicators are declared valid because they have met the threshold criteria required to accurately measure latent variables in this model. To ensure the uniqueness of a construct and prevent overlap between variables, a discriminant validity test is required. This test can be conducted using two approaches: analyzing cross-loadings or comparing AVE values with correlations between latent variables (Ghanavati et al., 2022).

Table 1. AVE Values

Variable	AVE Value
Digital Promotion Strategy (X1)	0.724
Product Adaptation (X2)	0.721
Local Brand Image (Z)	0.697
Market Penetration Effectiveness (Y)	0.711

Source: Data processed by the researcher (2025)

The data in Table 1 shows that all latent variables have AVE scores above 0.5, which means that the manifest indicators are valid and meet the testing criteria.

b. Reliability Testing

To measure internal consistency in PLS analysis, two key indicators are used: Composite Reliability (CR) and Cronbach's Alpha (CA). The test results are shown below:

Table 2. Composite Reliability (CR) and Cronbach's Alpha (CA)

Variable	Cronbach's Alpha	Composite Reliability
Digital Promotion Strategy (X1)	0.923	0.940
Product Adaptation (X2)	0.922	0.939
Local Brand Image (Z)	0.952	0.958
Market Penetration Effectiveness (Y)	0.942	0.952

Source: Data processed by the researcher (2025)

Test data indicates good consistency, with CR scores greater than 0.7 and CA values greater than 0.6.

2. Structural Model Testing (Inner Model)

The path coefficients in the structural model (SEM) were evaluated to test the significance level of the relationships between latent variables. The visualization of the bootstrapping test results in this study is presented as follows:

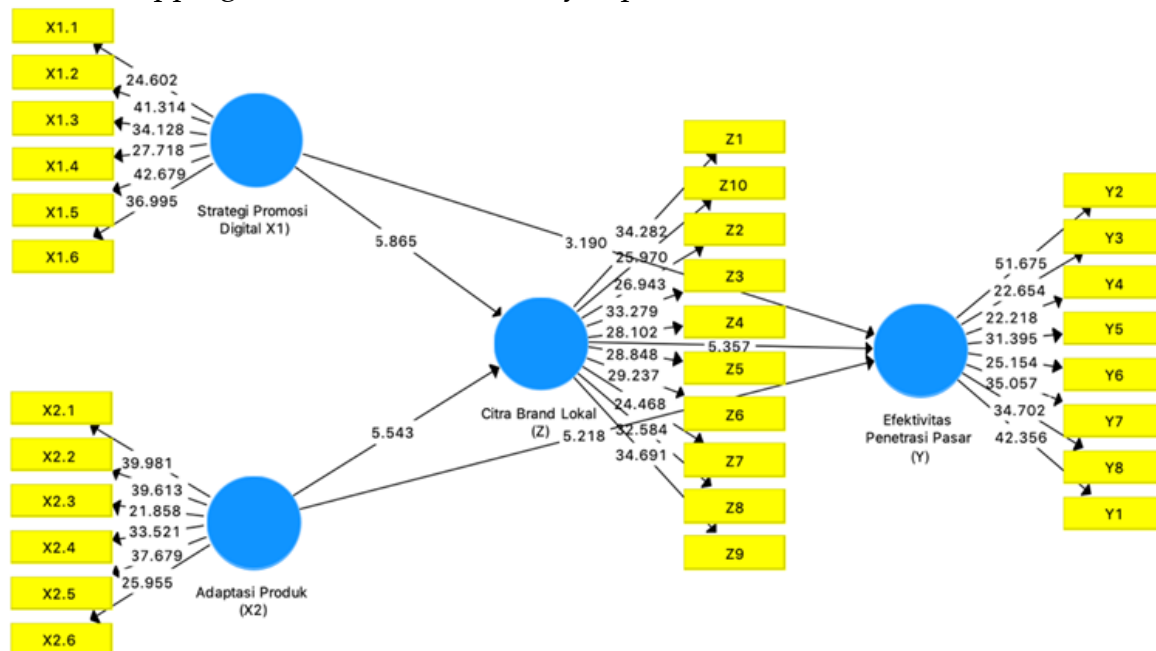


Figure 3. Bootstrapping

Source: Processed by Smart PLS 3 (2025)

The visualization of the structural bootstrapping model above shows that all research hypotheses are significantly accepted, indicated by T-statistic values on each relationship path exceeding the threshold of 1.96. Digital Promotion Strategy and Product Adaptation were proven to contribute significantly to improving Local Brand Image and Market Penetration Effectiveness, with the greatest influence shown by the Digital Promotion path on Brand Image (T-statistic 5.865). In addition, the mediating role of Local Brand Image was confirmed to significantly influence Market Penetration (5.357). The high T-statistic values across all indicators also confirm that the measurement instruments are highly valid in reflecting the research constructs. In the Structural Equation Modelling (SEM) framework, model evaluation is highly dependent on the relationships between latent constructs measured through R-Square

values. As a coefficient of determination, R-Square represents how much of the variability in the dependent (endogenous) construct can be explained by the independent (exogenous) construct. The following table shows the R-Square estimation results obtained through data processing using SMARTPLS version 3 software.

Table 3. R Square Results

Variable	R Square
Local Brand Image (Z)	0.950
Market Penetration Effectiveness (Y)	0.968

Source: Data Processed by the Researcher (2025)

The estimation results show that the dependent construct in this model has a significant R Square value, indicating that the exogenous variables tested contribute substantially to explaining the endogenous construct phenomenon. This value shows that the model has sufficient explanatory power to support the proposed hypothesis. The remainder is influenced by other factors outside the scope of this study, which provides opportunities for model development in future studies. In Partial Least Squares (PLS) analysis, the Q² or predictive relevance value serves as an indicator of the model's effectiveness in predicting observational data. The model is considered to have adequate predictive validity if the Q² value is greater than zero, while a value below zero indicates the model's failure to make predictions. Predictive relevance is categorized as moderate if it exceeds 0.25 and significant if it exceeds 0.50.

Table 4. Q-square

Variable	SSO	SSE	Q ² (=1-SSE/SSO)
Local Brand Image (Z)	1000,000	345,137	0.655
Market Penetration Effectiveness (Y)	800,000	257,447	0.678

Source: Data Processed by the Researcher (2025)

The Q² value obtained shows that the model has good predictive relevance because its value exceeds the zero threshold. Based on the achievement criteria, this value reflects the model's predictive ability, which is at a moderate to significant level. This proves that the latent constructs in the model are able to predict observational data accurately, so that the resulting structural model is considered reliable and has strong predictive validity.

The use of Goodness of Fit (GoF) as a measure of model fit in PLS analysis adds a more comprehensive dimension of evaluation and complements the analysis's conducted through R² and Q-square. GoF provides an important indicator of the extent to which the model is able to adequately capture the complexity of the observed data and can assist researchers in validating constructs. GoF values ranging from 0.10 indicate low fit, 0.25 indicate moderate fit, and 0.36 or higher indicate high fit. In addition to GoF, Standardized Root Mean Square Residual (SRMR) is also used in the PLS SEM model to assess how well the correlation matrix predicted by the model matches the empirical data correlation matrix. The recommended SRMR value is less than 0.08 (Setiadi et al., 2025).

Table 5. SRMR

	Saturated Model	Estimated Model
SRMR	0.041	0.041

Source: Data Processed by the Researcher (2025)

The saturated and estimated models show identical SRMR values of 0.041. Given that this figure is below the threshold of 0.08, this model is considered to have a good level of model fit.

Table 6. GoF Index

Average AVE	Average R Square	Goodness of Fit Index
0.713	0.959	0.827

Source: Data Processed by the Researcher (2025)

Evaluation of model fit through the Goodness of Fit (GoF) index produced a value of 0.827, indicating a high level of suitability. This achievement confirms that the structural model has very strong predictive performance and is able to accurately represent the relationship between constructs.

3. Hypothesis Testing

The bootstrapping method is applied to evaluate statistical significance and determine confidence intervals for path coefficients and mediation effects in the SEM framework. Through this procedure, parameter significance is tested based on t-statistics or p-values generated from the data resampling process. This technique is crucial for verifying the extent to which predictor variables can empirically influence outcome variables.

Table 7. Path Significance Test

Variable	Original Sample (O)	T Statistics (O/STDEV)	P Values	Description
Digital Promotion Strategy X1) -> Local Brand Image (Z)	0.502	5.865	0.000	Accepted
Product Adaptation (X2) -> Local Brand Image (Z)	0.481	5.543	0.000	Accepted
Digital Promotion Strategy (X1) -> Market Penetration Effectiveness (Y)	0.252	3,190	0.000	Accepted
Product Adaptation (X2) -> Market Penetration Effectiveness (Y)	0.334	5.218	0.000	Accepted
Local Brand Image (Z) -> Market Penetration Effectiveness (Y)	0.410	5.357	0.000	Accepted
Digital Promotion Strategy X1) -> Local Brand Image (Z) -> Market Penetration Effectiveness (Y)	0.206	4.098	0.000	Accepted
Product Adaptation (X2) -> Local Brand Image (Z) -> Market Penetration Effectiveness (Y)	0.197	3.682	0.000	Accepted

Source: Data Processed by the Researcher (2025)

The path testing results in Table 7 show that all relationships between variables in the structural model are statistically significant, both direct and indirect relationships. The t-statistics values for all paths are above the threshold of 1.96 and

the p-values are 0.000, confirming that the model has very strong empirical power, thus all H_0 hypotheses are rejected and H_a is accepted.

Digital Promotion Strategy (X1) has a positive and significant effect on Local Brand Image (Z) with a path coefficient of 0.502. This finding indicates that the intensity and quality of digital media utilization, such as social media, interactive content, and online campaigns, play a strategic role in shaping consumers' positive perceptions of local brands.

Product Adaptation (X2) also has a positive and significant effect on Local Brand Image (Z) with a coefficient of 0.481. This shows that the ability of businesses to adapt products to the needs, tastes, and characteristics of the local market strengthens the brand image in the minds of consumers.

Digital Promotion Strategy (X1) has a direct effect on Market Penetration Effectiveness (Y) with a coefficient of 0.252. Although its effect is smaller than other variables, this result confirms that digital promotion can expand market reach, increase awareness, and accelerate product adoption in the target market.

Product Adaptation (X2) has a stronger direct influence on Market Penetration Effectiveness (Y) with a coefficient of 0.334. This indicates that product suitability with consumer preferences is a key factor in successful market penetration, especially in the context of increasingly homogeneous competition.

Local Brand Image (Z) has a significant effect on Market Penetration Effectiveness (Y) with a coefficient of 0.410. This finding confirms that brand image serves as a strategic asset that influences consumer trust, loyalty, and adoption decisions.

The mediation test results show that Local Brand Image (Z) significantly mediates the effect of Digital Promotion Strategy (X1) and Product Adaptation (X2) on Market Penetration Effectiveness (Y). The indirect path coefficients of 0.206 and 0.197, respectively, indicate partial mediation, as the direct effects of X1 and X2 on Y remain significant. This means that digital promotion strategy and product adaptation not only have a direct impact on market penetration but also work indirectly through strengthening the local brand image.

The results of the study show that digital promotion strategies have an impact on the brand image of local MSMEs, indicating that the use of social media, interactive content creation, and active online campaigns are key to building a positive public perception of Garut leather products. Through the digital world, MSMEs can showcase the authenticity of their brands and establish more personal relationships with customers, making local brands appear more trustworthy and modern in the eyes of consumers. These findings are consistent with research conducted by Kamyabi et al. (2025) and Santoso (2023), which shows that digital promotion strategies have a positive effect on local brand image. Digital marketing through social media increases consumer engagement and promotional effectiveness, builds trust and brand affection, thereby strengthening brand image and consumer loyalty consistently and sustainably in the market.

The results of the study show that product adaptation affects the brand image of local MSMEs, indicating that the ability of artisans to change the design, features, and packaging of products to suit current market tastes and needs is very helpful in strengthening brand identity. By incorporating distinctive cultural values and aesthetics into products, an emotional connection is formed between consumers and the brand, ultimately giving local brands a unique characteristic that is difficult for global competitors to imitate. These findings are consistent with research conducted by Suryani et al. (2021) and Chang et al. (2024), which shows that product adaptation has a significant impact on the brand image of local MSMEs through the adjustment of product attributes to market preferences. This strategy improves quality, brand awareness, competitiveness, and strengthens brand equity and consumer loyalty in a sustainable manner.

The results of the study show that digital promotion strategies have an effect on market penetration effectiveness, whereby promotion through digital platforms makes it easier for leather craft products to reach a wider area quickly and accurately. Although competition on the internet is very fierce, creative promotion helps to increase people's awareness of products and accelerates the process of changing from mere viewing to purchasing. These findings are consistent with research conducted by Xu (2023) and Zhu et al. (2021). Digital promotion strategies have a significant impact on market penetration. Approaches that address differences in digital literacy expand consumer adoption. Intelligent information systems optimize targeting and increase the effectiveness of social media.

The results of the study show that product adaptation affects market penetration effectiveness, indicating that products that continue to innovate and adapt to technological trends and specific consumer needs have a greater chance of breaking through market barriers. The flexibility of MSMEs in developing products is a determining factor in ensuring that they remain relevant and able to compete with other similar products in a crowded market. These findings are consistent with research conducted by Sartorius et al. (2024), which states that product adaptation has a significant effect on market penetration effectiveness through adjustments to design, features, packaging, and pricing in line with local needs. This strategy enhances relevance, competitiveness, consumer trust, and expands market share and customer loyalty in a sustainable manner.

The results of the study show that local brand image affects market penetration effectiveness. Brands that have a good reputation and are respected will be more easily accepted by new markets due to consumer trust and loyalty. A strong image acts as a valuable asset that makes it easier for consumers to choose these products over others, enabling sustainable market dominance. These findings are consistent with research conducted by Junfeng et al. (2022) and Luo (2024), which states that local brand image significantly influences market penetration effectiveness through positive perceptions, perceived value, and consumer loyalty. Market orientation strengthens image, increases competitiveness, differentiation, ease of transaction, and the success of local companies in entering and expanding market share.

The results of the study show that the image of local brands in bridging digital promotion to market penetration effectiveness plays a significant role. Digital promotion is not only aimed at instant sales, but also works by building reputation first. When digital promotion successfully builds a good name, it will trigger deeper trust from the community, which ultimately makes market expansion efforts much more effective. These findings are consistent with research conducted by Ali & Naushad (2023), Safeer & Nazir (2024), which confirms that local brand image acts as a key mediator between digital promotion and market penetration effectiveness. Effective digital promotion strengthens the perception of localness, builds emotional bonds, increases loyalty and purchase intent, thereby driving the success of digital market penetration.

The results of the study show that brand image plays a significant role in bridging product adaptation to market penetration effectiveness. Product adjustments that highlight local uniqueness will be more successful if supported by a strong brand story or identity. By showcasing the authenticity of the product through local identity, consumers will feel more attracted and feel that the product truly aligns with their values, thereby optimizing product acceptance in the market. These findings are consistent with research conducted by Nie & Zeng (2024) and Safeer & Nazir (2024), which states that brand image acts as a strategic mediator between product adaptation and market penetration effectiveness. A strong brand image enhances consumer perception of value, loyalty, and purchase intent, thereby strengthening market acceptance and supporting more optimal and sustainable market penetration.

E. CONCLUSION

The success of Garut's small and medium-sized leather craft businesses is largely determined by the integration of digital promotion strategies and creative product adaptation. Promotion through various social media platforms allows businesses to reach global consumers without geographical boundaries, while also building direct engagement with customers. Interactive digital content and consistent online campaigns can shape positive perceptions of products, making local brands appear more modern, professional, and trustworthy. On the other hand, product adaptation is key to staying relevant to international market trends. Design, features, and packaging need to be adjusted to suit global consumer preferences, while still maintaining cultural values and local wisdom as differentiating advantages. The synergy between digital promotion and product innovation directly strengthens the image of local brands. A strong brand image acts as a strategic asset that fosters consumer trust and loyalty, thereby facilitating penetration of competitive markets. In addition, digital technology helps reduce cost and infrastructure barriers, thereby supporting sustainable market expansion.

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