



BRANDING INNOVATION OF SMALL AND MEDIUM MICRO BUSINESS PRODUCTS KAMPOENG BATIK JETIS SIDOARJO

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ABSTRACT

The role of micro, small and medium enterprises is very important in the effort to build the economy in Indonesia in the era of disruption because of its significant contribution to job creation and improving people's welfare. Problems that often arise in micro, small and medium enterprises include limited capital, lack of innovation, inaccurate distribution/distribution (conventional marketing, inadequate innovation, inefficient in managing finances, technology ignorance so that online marketing is not optimal). The objectives of this research are (a) to describe the product branding innovation of micro, small and medium enterprises of Kampoeng batik Jetis Sidoarjo Regency; (b) describe the supporting factors and the inhibiting factors for the branding innovation of the micro, small and medium enterprises of Kampoeng Batik Jetis Sidoarjo Regency. The research, which is located in Kampoeng Batik Jetis Sidoarjo, uses qualitative research methods. The reason for choosing this topic is that the micro, small and medium enterprises of Kampoeng Batik Jetis Sidoarjo Regency are limited in the management of their business branding so that their marketing is limited. The conclusions of the present research are 1) The innovation of product branding for micro, small and medium enterprises of Kampoeng Batik Jetis Sidoarjo Regency has not been carried out optimally. Jetis batik craftsmen in Sidoarjo Regency tend to follow their predecessors. Branding is built by providing logos, opening galleries, opening batik training, giving good service, giving craftsmen business cards. 2) The factors that support the product branding innovation of Kampoeng Batik Jetis Sidoarjo Regency are (a) very high market potential; (a) The selling price is relatively affordable to the public; (c) is a unique product; (d) Has unique characteristics; (e) The government is committed to developing micro, small and medium enterprises; (f) the not yet mushrooming of batik handicrafts in Indonesia; and (g) Opened market share.

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INTRODUCTION

In the era of globalization, human life has become more dynamic, all innovations seek to make life easier. The presence of a convenience store is one of the optimal choices that provides one stop service. Convenience stores are now one of the fastest growing retail distribution channels. As the name suggests, the convenience it brings to consumers is always brand focused. Nowadays, it is easy to find quality products, ensuring hygiene and food safety in stores. In addition, shops have a combination of payment methods including electricity, water, internet bills to help customers pay the most convenient, satisfying shopping needs and paying customers quickly. In this condition, it becomes a challenge for Small and Medium Enterprises. This research is important to strengthen the products of micro, small and medium enterprises through branding innovation so that they can improve the people's economy.

It should be noted that Small and Medium Enterprises play an important role in developing and developed countries because of their sizeable contribution to the country's economic growth. Micro, small and medium enterprises in Indonesia contribute 60% of all Gross Domestic Product. Indonesia's gross domestic income in 2017 was 13,600 trillion rupiah, so that the income of micro, small and medium enterprises was 8,160 trillion rupiah. Every year, micro businesses contribute 5,000 trillion rupiah, small businesses contribute 1,300 trillion rupiah, medium businesses contribute 1,800 trillion rupiah; as well as large businesses contributing 5,400 trillion rupiah (<https://www.ukmindonesia.id>). Based on this number, the average turnover of micro, small and medium enterprises and large enterprises after dividing the number of micro, small, and medium enterprises can be observed in the table below.

Table 1.1 Average Turnover of Micro, Small, and Medium Enterprises and Large Enterprises.

Kategori Skala Usaha	Jumlah (unit)	Persentase unit usaha	Total Pendapatan Usaha - harga berlaku (Rp trilyun/tahun)	Persentase Kontribusi thd PDB	Rata-rata pendapatan per unit usaha (Rupiah per tahun)
Mikro	62,106,900	98.70%	4,727.99	34.12%	76,126,646.15
Kecil	757,090	1.20%	1,234.21	8.91%	1,630,202,485.83
Menengah	58,627	0.11%	1,742.44	12.57%	29,720,777,116.35
Besar	5,460	0.01%	5,136.22	37.07%	940,699,633,699.63
Total	62,928,077	100%	12,841	93%	

Data source: Kemenkop UKM RI 2017, BPS, (processed).

Micro, small and medium enterprises are the foundation of the national economy. This can be seen in the pyramid of Figure 1. The number of micro, small, and medium enterprises is the highest, namely 62,106,900 with a percentage of 98.70% of business units. The following is a graphic of the existing conditions of micro, small and medium enterprises in Indonesia.

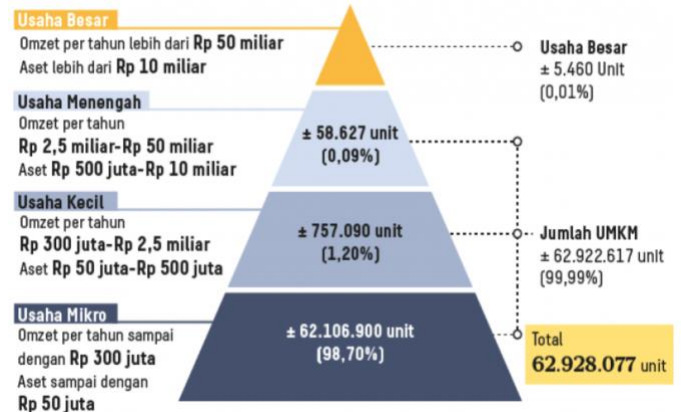


Figure 1 Existing conditions of micro, small and medium enterprises in Indonesia from the latest data in 2017

Data source: Kementerian Koperasi dan UKM, data BPS 2017 (processed)

Based on these data, despite the growing importance of small and medium enterprises in the global economy, most industries perform as commodities. In this context, 'branding' has a big role to play in enhancing the competitiveness of small and medium enterprises for their long-term profitable survival. The main objective of this research is the innovation of product branding for micro, small and medium enterprises of Kampoeng Batik Jetis Sidoarjo Regency based on local wisdom to increase marketing in the era of disruption.

There are three things that need to be considered by small and medium enterprises in the era of disruption, including digitality, creativity, connectivity. Digitality is the ability of small and

medium enterprises to use digital media or information technology to support marketing and promotion. Creativity is the key to business existence through creativity in products, presenting markets, and selling products. Connectivity is the expertise to create a network directly or with social media. In addition, it also increases brand awareness through innovative and creative content. Based on the description in the background, the objectives of this research are: 1) To describe the branding innovation of the micro, small and medium enterprises of Kampoeng Batik Jetis Sidoarjo Regency; (2) Knowing the supporting factors and factors inhibiting the branding innovation of micro, small and medium enterprises Kampoeng Batik Jetis Sidoarjo Regency based on local wisdom to increase marketing in the era of disruption.

LITERATURE REVIEW
Micro, Small, and Medium Enterprises

The following is the definition of micro, small and medium enterprises based on Law Number 20 of 2008 concerning micro, small and medium enterprises. First, a micro business is a productive business owned by an individual and / or an individual business entity that meets the criteria of a Micro Business as regulated in this Law. Second, a small business is an independent productive economic business carried out by an individual or a business entity that is not a subsidiary or branch of a company that is owned, controlled or is a part, either directly or indirectly, of a medium or large business that meets the business criteria. small in the Act. Third, Medium-sized enterprises are productive economic enterprises that are independent, carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled or part of, either directly or indirectly, with small or large businesses with total net assets or proceeds annual sales as regulated in this Law.

Table 1.2 Criteria for Micro, Small, and Medium Enterprises based on Law Number 20 of 2008

Criteria	Asset	turnover
Micro Enterprises	Maximal 50 million	Maksimal 300 million
Small	More than 50-	More than 300-

Enterprises	500 million	2,5 Billion
Medium Enterprises	More than 500-10 Billion	More than 2,5-50 Billion

Source: Undang-Undang tentang Usaha Mikro, Kecil, dan Menengah Nomor 20 Tahun 2008

The table above provides an explanation of the classification of micro, small and medium enterprises. Referring to another definition, micro, small and medium enterprises are businesses that employ a workforce of no more than 250 (two hundred and fifty) people (Krake in Rahab, 2009). Based on the data above, micro, small and medium enterprises are identified based on the number of workers and total assets. Characteristics of micro, small and medium enterprises include relatively small capital. Thus, many micro, small and medium enterprises are engaged in economic activities in the informal sector.

Strategy to Build Branding for Micro, Small, and Medium Enterprises

Kertajaya (2004) states that brand building activities are efforts to show the value, quality, and innovation of a product. Based on this opinion, brand building must be done to still win the hearts of consumers, especially in this era of disruption. In addition, Gelder (2005) also explained that a brand strategy is a brand management to regulate all elements of the brand related to consumer attitudes and behavior. In addition, Gelder (2005) also revealed that there are three important things in a brand strategy, namely brand positioning (brand advantage over competitors), brand identity (background, principles, and brand goals), and brand personality (brand appeal). In addition to brand strategy, Schultz and Barnes (1999) also reveal the importance of brand communication, namely the use of internal and external communication media such as sales promotion, events, public relations, direct marketing (sending catalogs, letters, telephone, fax, or email), corporate sponsorships.

Product Branding Innovations for Micro, Small, and Medium Enterprises

Innovation according to Kotler and Armstrong (2007:382) is the process of developing creative ideas and turning them into useful product results. A brand must provide benefits to consumers related to the brand principles. The brand benefits include functional, emotional, self-expression, and

social benefits. Here are the challenges of brand / brand innovation from three perspectives.

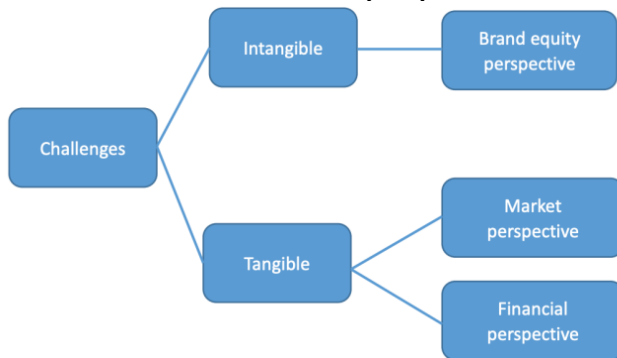


Figure 2 Brand Innovation From Three Perspectives

Source: Zaoxuan Xu. The challenges of brand innovation in different brand portfolio strategies (2014:11).

Aaker (1991) defines that brand equity is a phrase used in the marketing industry to describe brand value. Brand equity can reflect a company's brand value, so it is important to investigate the challenge from a brand equity perspective. To provide more detailed information about the challenges from a brand equity perspective, we use Aaker's (1991) brand equity model to explain them. There are several elements to Aaker's brand equity model: brand awareness, brand loyalty, brand association, perceived quality, and other exclusive brand assets. In this study, researchers will focus on the branding innovation of products of micro, small, and medium-sized kampoeng batik jetis based on local wisdom to increase marketing in the era of disruption.

Brand Awareness

Brand awareness is the level of consumers remembering a brand and differentiating it from other brands. Brand awareness represents the presence of a brand in the minds of consumers. The degree to which consumers associate brand knowledge with brand names forms brand equity (Aaker, 1991). Brand awareness creates a link between the company and the consumer. Aaker (1991) states that consumers prefer known brands over unknown brands. Brand awareness also provides information to consumers that the product is of good quality.

Brand Loyalty

Brand loyalty is an important element of brand equity which means that consumers prefer to

buy products or services from the brand (Aaker, 1991). Keller (1998) also states that brand loyalty can be measured by the number of repeat purchases. If consumers prefer to buy Coca Cola than Pepsi Cola, it is because these consumers have brand loyalty to Pepsi Cola. Brand loyalty includes not only repeat purchases, but also when the brand has a change such as a price change in a product, customers will continue to buy it or not. Aaker (1991) argues that brand loyalty requires a company to promote its brand to form a sustainable image in the minds of consumers in the long run. Marketing communication costs will be greatly reduced because of the benefits of brand loyalty. In addition, brand loyalty can also help companies gain a competitive advantage to compete with competitors in the market (Chaudhuri & Holbrook, 2001).

Brand Association

Brand association refers to anything that is associated with a brand image (Aaker, 1991). For example when we talk about Nike, we will associate it with professional sports goods of high quality, well-designed shape and appearance. These are all brand associations which provide us with comprehensive information about brands. Keller (1998) convinces that consumer purchasing behavior is based on brand association memory. It is very important for companies to create their own brand association to give a good impression to consumers in order to gain a competitive advantage. Brand association will also influence brand expansion. If the brand extension category matches the parent brand, then the brand extension will benefit from the brand association of the parent brand. For example, the Sony brand association includes high quality, high technology and great service. When Sony introduced the PlayStation, consumers also connected the PlayStation with high quality, advanced technology and good service because the brand extensions match the parent brand. On the other hand, if the brand extension does not match the parent brand, the brand association will limit the brand extension. For example, the Colgate Kitchen brand opens limited by the fColgate brand association as a toothpaste (Haig, 2004).

An innovation can be defined as a new change in the direction of improvement, different from before, deliberately and planned. According to Fontana (2011), innovation includes invention,

extension, duplication, and synthesis. With these efforts aimed at achieving success in economic activity.

2.4 Marketing Improvement in the Era of Disruption

Christensen (2006) explains that the term disruption is not just a change but a big change that changes the order. That way creativity and innovation must be done so that a product is not monotonous. For now, social media services are quite changing the order of economic activity in society. This has had a sizeable effect on the economy in Indonesia.

Therefore, increasing the marketing of a product in the era of disruption requires strategies. Both from the production strategy, service strategy, distribution strategy and marketing strategy. By being more sensitive to these conditions, it is hoped that there will be an increase in marketing results in the era of disruption. In addition, economic activity can continue to adapt to be sustainable and not be separated from the market.

Research Methods

Research on product branding innovation for micro, small and medium enterprises of Kampoeng batik Jetis Sidoarjo Regency is based on local wisdom to improve marketing in the era of disruption, using a qualitative research approach. The research is located in Kampoeng Batik Jetis, Sidoarjo Regency. This choice is based on the fact that the management of the Jetis batik micro, small and medium enterprises in Sidoarjo Regency tends to be conventional. Micro, small and medium entrepreneurs Kampoeng Batik Jetis Sidoarjo Regency is limited in the management of their business branding so that their marketing is limited. Based on this, it is necessary to innovate the branding of batik products to increase marketing in the era of disruption.

The unit of analysis for individual research on micro, small, and medium-sized batik entrepreneurs, Jetis, Sidoarjo Regency. There are two aspects that will be the focus of product branding innovation for micro, small and medium enterprises of Kampoeng batik Jetis Sidoarjo Regency, namely the consumer market and the product market.

Sources of research data on branding product innovation for micro, small and medium enterprises of Kampoeng batik Jetis Sidoarjo Regency based on local wisdom to improve marketing in the era of disruption are owners of micro, small and medium enterprises, especially micro, small, and medium enterprises of Kampoeng batik Jetis Regency. Sidoarjo. Primary data in this research is in the form of interviews with informants. Furthermore, secondary data from documents (reports; research results and so on). Qualitative research data in the form of words from in-depth interviews.

Existing Condition of Branding and Product Marketing for Micro, Small and Medium Enterprises Kampoeng Batik Jetis Sidoarjo

Micro, small and medium enterprises need to grow together, especially in the era of disruption. Through cooperation between micro, small and medium enterprises, marketing, branding, cooperation with third parties and other issues will be more easily resolved. During the interview with the perpetrator, the following information was obtained:

"In the past, during the guidance from the government, there was an association of jetis batik craftsmen. But as time goes by and the economic conditions are uncertain, over time the association formally exists but it doesn't work, it can be said that now it doesn't exist "(result of interview with informant 1)

the second informant added the following:

"In the past, when the jetis batik merchant association was still actively discussing many issues, yes, exhibitions, batik preservation, now there are no more such groups, they all run independently" (result of interview with informants 2)

The second informant added the following information:

"This batik business, the obstacles from marketing, lack of guidance are not 100% batik making, one craftsman is successful while the other craftsmen are not able to fill in" (result of interview with informant 2).

The third informant adds the following:

"Actually, you see the dynamics of our batik sellers' journey, there are also many obstacles like that, especially the human resources, bro, so setting it up doesn't matter that the government also facilitates various exhibitions, the government's aim is to motivate us to move towards being independent" (result of informant interview 3)

Based on the above interview results, the existing condition of the batik selling organization in Jetis is no longer running. The craftsmen tend to walk on their own to market their products. The obstacles that are felt from the recognition of jetis batik craftsmen include limited human resources, the mindset of craftsmen who still use traditional methods to carry out their business.

Kertajaya (2004) revealed that high values such as quality to product innovation are important to build a brand. Based on this opinion, in the era of global market competition especially the era of disruption, building a brand is very important to do. Based on the results of the interview, the following information was obtained:

"To build an image or brand, this is my way, by giving a logo to every batik that I produce. The logo indicates where the product was made from, so that the batik I produce has different characteristics from the batik produced by other craftsmen ". (result of interview with informant 1).

The same thing was stated by the informant interview 2 The following is an excerpt from the interview:

"On average, we started from a hereditary business, we followed previous family craftsmen like giving a logo on batik, but I didn't like the logo mas" (result of interview with informant 2).

The same thing was expressed by informant 4, following the results of the interview with him:

"To build a brand / brand, most of the individuals among the craftsmen, on their own initiative, put a logo on the batik cloth that is already in the shape of a shirt" (result of interview with informant 4).

Similar to what was expressed by informant 3, he said that by giving labels to the results of the batik handicrafts that were made, consumers would know about the batik products they made, this is in accordance with the results of the interview as follows:

"I have several customers where I ordered several pieces of batik cloth, if I'm not mistaken there are 6 pieces. but there are two pieces of batik cloth that have missed my label / logo, they return the 2 pieces of batik cloth again because they are afraid that people who are fanatical with my batik do not know that the batik is my creation. I am aware that a brand is important, but how can a brand help increase sales, I beg you to help me "(result of interview with informant 3).

Efforts to market handicraft products in the era of information technology convenience are very diverse. This marketing is part of the communication between craftsmen and consumers in communicating the batik product brand, namely by opening galleries such as galleries at home, opening booths in markets, entering online markets, malls and others, this is done so that consumers can buy directly the products of craftsmen. In marketing their products, Batik Jetis craftsmen obtained the following information: "Because my capital is limited, if I personally open a gallery at home, it will save money, bro, it's different from fathers / women craftsmen who have large capital. Besides opening galleries at home, he has shops in other places or markets his products in the market or shops in Surabaya " (interview with informant 2).

Other Jetis batik craftsmen added the following opinions:

"Each craftsman has different economic abilities, bro, want to open a stand but are constrained by capital, want to open a gallery at home and my house is narrow, yes, the road I can take is marketing to markets or shops in Surabaya, the important thing is going around, tomorrow. can produce again and sell it to the market "(result of interview with informant 3).

In contrast to informant 2 and informant 3, the opinion of this informant prefers to open galleries in shops rather than marketing to markets or shops following the interview excerpt:

"If I market my batik handicraft products by opening a gallery, Mas. However, as a destination for consumers to come, I am more proactive in marketing my craft by means of the marketing system visiting schools or agencies "(result of interview with informants 4).

Furthermore, the excerpt from the interview with informant 1 is as follows:

"I have a gallery in another place to market jetis batik handicraft products, that way those at home focus on production so that marketing does not interfere with production activities at Mas's house" (interview with informant 1).

It should be noted that in innovation activities, Kotler and Armstrong (2007: 382) state that developing creative ideas and then turning them into useful products is very important to do. Some batik craftsmen have opened batik training organized by the craftsmen themselves. This is to strengthen the emotional bond between producers and consumers. Besides, it shows a promise to consumers that the craft (batik) production process is made with processes as expected by consumers.

The following are the results of the interview with informant 1:

"In order for my products to be known, I usually open batik training for school children. I do this first for education, secondly so that my batik is better known by the community, the children who learn later their mothers buy their batik handicrafts. ., in addition, so that people know that the batik craft process is unique and with that uniqueness they become proud of batik "(result of interview with informant 1).

The same was stated by informant 3 as follows:

"I have also held batik training by accepting any participant who took part in the training,

the training was handled by my own workers because sometimes I was not at home" (result of interview with informant 1).

The same thing was expressed by informant 2 as follows:

"While attending the exhibition I distributed a lot of my business cards to visitors who attended the exhibition. Not only that, I also gave my name cards to visitors who came to my shop. I do this so that people know what my batik is made of "(interview with informant 1).

"We have to have a mindset to provide the best service, that I am proud to be seen by people later to be contagious, oh ndek, the complete collection of e-batik, cheap regone is known by word of mouth, just by looking it is pride that people come to my house It has a purpose and a goal, it must be considered, meaning I tell you, I don't know, I don't look at the uniform, even though I don't know, it's still given the best service, and if I give a business card, I want to go back to our kelgaleri "(interview with informant 4).

Each craftsman has a way to introduce his product so that consumers remember the batik made by the craftsman. The efforts of the craftsmen in introducing the batik craft production brand by providing logos, opening galleries, opening batik training, giving good service, giving craftsmen business cards.

Branding Innovations to Increase Product Marketing for Micro, Small and Medium Enterprises Kampong Batik Jetis Sidoarjo Regency

Brand innovation is an essential component of corporate strategy. Through strategic planning, brand innovation helps businesses implement new marketing projects. Brand innovation fosters new ideas, encourages creativity, and helps marketing departments take their organizations to the next level. With proper planning, marketers can carry forward innovation successfully and sustainably. By demonstrating innovation to consumers, businesses can promote the idea that they are producing pioneering products. Therefore, companies can cultivate consumers' perceptions of expertise and that customers personally benefit from their innovative work.

Brand innovation is an essential element of a broader corporate marketing strategy, which emphasizes the value of products and their unique qualities. Below, we describe the five main phases of developing brand innovation. Through a combination of analysis and creative thinking, rigorous governance and intuition, brands can develop strategic approaches to promotion that highlight their product's unique value proposition. Before introducing the brand innovation process, first reveal why innovation is so important. In a market where new technology disruptors emerge every day, cutting-edge products are important to consumers. Customers love to feel as if they are at the forefront of innovation

Thus, innovation is a very important influence on purchasing behavior, especially in terms of how the brand image is reflected in consumers. One study found that more than half of respondents said they bought a product simply because it was fashionable, without fully understanding what it did or how it worked.

Furthermore, the research also found that consumers really value the innovation process. For example, consumers are asked to rank the drivers of innovation; their responses indicated that coming up with inventive new solutions, listening to feedback, and continuous improvement ranked highly. However, innovation is no longer the exclusive domain of technology.

This research shows that novelty is one of the main drivers of consumer behavior. However, the consumer approach to novelty is becoming increasingly sophisticated. Now, they appreciate that they, consumers, are driving innovation through their preferences and needs. In doing so, brands cultivate a culture of continuous improvement to meet these expectations.

Dynamic innovation is beneficial, but marketers need to ensure that these developments align with brand identity. This is an important aspect of marketing strategy because, without consistency, even the most innovative of innovations can seem incompatible if they don't align with the broader company message. As a result, product benefits can be lost in a riot, creating confusing or counterproductive communication. Therefore, the entire development team needs to work to create products that are in tune with the company's corporate image. Therefore, clear internal communication and collaboration is very important. With a consistent and comprehensive

understanding of the brand vision, entire teams - including executives, marketers, and developers - can work to create a distinctive brand identity.

Brand Innovation

Generally, the brand innovation process requires workshoping. Therefore, management should focus on bringing employees from each department together to exchange ideas in a dynamic collaborative environment. Typically, there are five phases to brand innovation, each combining creativity and analysis to develop a bespoke strategic plan. Below, we introduce the five I's of brand innovation.

1. Intent

Brand innovation begins with identifying intentions. To determine brand intention, the team had to examine market opportunities in the medium to long term. From here, they can identify a path to sustainable growth and profitability. This main stage should align and inform the entire business strategy.

2. Insights

Brands need to cultivate a deep understanding of their target audience. Through detailed analysis of customer data, businesses can inform their brand goals and content, creating customized solutions, communications and customer experiences.

3. Ideation (Ideation)

The team needs to brainstorm on how to creatively articulate the brand concept. This articulation will have a generative effect, drawing connections between existing products and services to describe a comprehensive brand experience. This allows companies to visualize and evaluate their ideas.

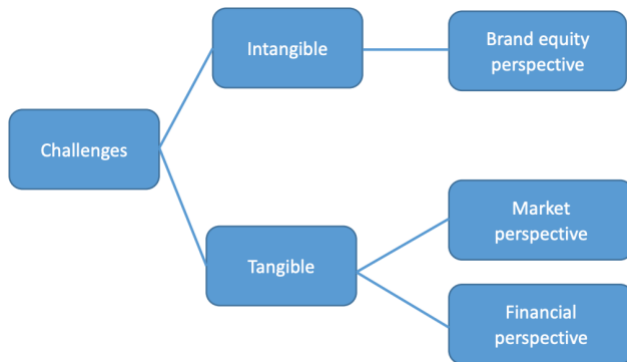
4. Innovation (Innovation)

The brand concept must inform the strategic framework that creates product solutions, experiences and brand portfolios. Businesses must support this with a strategic allocation of resources, efficient operations, and a realigned company culture.

5. Implementation

After the team has developed a strategy, they need to implement this plan according to the agreed schedule. During this period, the brand will develop and expand its market share. It is important that leadership supports this evolution through the right metrics and attitudes that can adapt to change.

The innovation challenge refers to Zaoxuan Xu with his writing entitled The challenges of brand innovation in different brand portfolio strategies, brands are identified from three perspectives as follows.



Source: Zaoxuan Xu. The challenges of brand innovation in different brand portfolio strategies (2014:11)

The invisible aspect is Brand equity perspective. Aaker (1991) defines brand equity as a phrase used by the marketing industry to describe a brand value. Brand equity can reflect a company's brand value, so it is important to investigate the challenge from a brand equity perspective. To provide more detailed information about the challenges from a brand equity perspective, we use Aaker's (1991) brand equity model to explain them. There are five elements to Aaker's brand equity model: awareness, loyalty, association, perceived quality, and other ownership assets. In this study, the researcher modified this model, and only used brand awareness, brand loyalty, and brand association to investigate the challenges of brand innovation.

In order to investigate the challenges of brand innovation, it is necessary to carry out an analysis from a market and financial perspective. Market conflicts are a big challenge when companies introduce new brands or create new products. Market conflicts caused by brand innovation are generally of two types: distribution channel conflicts and marketing position conflicts. Distribution channels can be thought of as intermediaries between producers and consumers such as distributors, sales representatives and retailers. It is important for companies to manage their distribution channels to achieve maximization of product sales. However, Channel conflict is possible when one intermediary competes with another intermediary for its own advantage rather than that of the producer. There are two types of

channel conflicts: Vertical channel conflict and horizontal channel conflict. Horizontal channel conflict means conflict occurs between intermediaries at the same level in a channel.

According to Brown & Day (1981), one of the causes of horizontal channel conflict is that producers do not make clear plans about the number of intermediaries in the market. Second, vertical channel conflicts occur at various levels within the channel. For example, some wholesalers may complain that producers in terms of price controls are too tight, they make little profit. In addition, manufacturers do not pay a lot of money for advertising and promotions. So it is difficult for wholesalers to sell their products. Sometimes, branding also causes channel conflicts. When a company produces a new product that bears the name of its parent brand, it wants to use more channels such as the direct channel to sell its products. However, doing so could cause conflict with the original intermediary.

Marketing Position Conflict

Marketing position conflicts include overlapping geographic markets and overlapping pricing positions. When a company introduces a new brand or new product, it can cause overlaps in geographic markets and price positions (Vu, Shi, & Hanby, 2009).

Financial Challenges

According to Aaker (2004), a company creates a new brand, requires a lot of money to promote the brand in the market, when using the house of brand portfolio strategy because there is no relationship between the new brand and the parent brand. The new brand cannot use the image of the parent brand to promote itself, so the company has to pay a large amount of money for market communications. If a company uses a house branded portfolio strategy to create a new brand, consumers can know exactly what is being offered. New brands can take advantage of the parent brand's influence to promote themselves. Conversely, if the new brand category does not match the parent brand, it can weaken the image of the parent brand and result in financial losses.

Supporting and Inhibiting Factors for Product Branding Innovation for Micro, Small and Medium Enterprises Kampoeng Batik Jetis Sidoarjo

Supporting Factors for Branding Innovation
The products of Kampoeng Batik Jetis Sidoarjo regency are as follows:

- 1) The potential market is very high;
- 2) The price / selling value of the product is relatively affordable to the public;
- 3) The batik products are unique (craft);
- 4) This batik has distinctive characteristics with other batik products;
- 5) The government is committed to the development of the batik micro, small and medium enterprises;
- 6) The small number of handicrafts of batik products in Indonesia;
- 7) market share opening.

Inhibiting Factors for Branding Innovation
Products of Kampoeng Batik Jetis Sidoarjo Regency are as follows:

- 1) There is high competition in developing these batik products;
- 2) Funds from both investors and government are uncertain;
- 3) transfer of employees / employees;
- 4) increase in prices of basic materials so as to reduce purchasing power;
- 5) does not have digital media / internet in marketing products;
- 6) there is a perception of product prices;
- 7) the technology used is still traditional;
- 8) limited capital.

Conclusion

Based on the results of the exposure and analysis, it can be concluded that 1) The innovation of product branding for the micro, small and medium enterprises of Kampoeng Batik Jetis Sidoarjo Regency has not been carried out optimally. Jetis batik craftsmen in Sidoarjo Regency tend to follow their predecessors. Branding is built by providing logos, opening galleries, opening batik training, giving good service, giving craftsmen business cards. 2) Several Factors Supporting and Barriers to Product Branding Innovation of Micro, Small and Medium Enterprises Kampoeng Batik Jetis Sidoarjo Regency. The supporting factors include (a) very high potential market; (b) Prices / selling value of products that are relatively affordable to the public; (c) the batik product is a unique (craft); (d) The batik has distinctive characteristics that differentiate it from other batik products; (e) The government is committed to the development of the batik micro,

small and medium enterprises; (f) The small number of batik product handicrafts in Indonesia; and (g) open market share. Meanwhile, these inhibiting factors include (a) the high competition in developing the batik product; (b) Funds from both investors and the government are uncertain; (c) transfer of employees / employees; (d) increase in prices of basic materials so as to reduce purchasing power; (e) do not have digital media / internet in marketing products; (f) perceptions of product prices; (g) the technology used is still traditional; and (h) limited capital.

Based on the above conclusions, it is recommended that Kampoeng Batik Jetis Sidoarjo Regency micro, small and medium enterprises use internet media, information and communication technology platforms to boost product branding for micro, small, and medium-sized businesses of Batik Jetis so that marketing increases. Things that can be done are proactive. against online reviews, take advantage of social media platforms, empower in chat on social media, promote work culture

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