

# Model Development of Positioning Strategy, Trust, Brand Image, Towards Purchase Intention in Virgin Coconut Oil Products MSMEs

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## ABSTRACT

The research aims to improve strategy, namely the act of designing in product offerings to consumers which include positioning strategies, Trust, Brand Image, towards purchase intentions in MSMEs of Virgin Coconut Oil products in North Minahasa. The population is small and medium enterprises for Virgin Coconut Oil (VCO) products in North Minahasa Regency. The implementation of this research obtained a theory that functions to explain, predict, and control a phenomenon, especially those related to the development of positioning, trust, brand, image strategies for purchase intentions in VCO product SMEs in North Minahasa Regency. The sample size in this study is 100 respondents. The variables in this study consist of positioning strategy indicators (X1), namely good performance, benefits, suitability, excellence, Trust (X2), namely the perception of trust in MSME virgin coconut oil products with indicators of reliability, credibility and benevolence, so for variable X3 ( Brand Image) namely recognition, reputation, affinity, loyalty. The purchase intention variable (Y) is design, patience, search. The results of research on marketing strategy and consumer behavior obtain a strategy model of positioning, trust and brand image that can be applied to MSMEs in the form of the Level of Technology Readiness for the community, especially the workforce in North Minahasa Regency.

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## I. Introduction

The largest coconut plantation commodity in North Sulawesi in 2020 according to sources from the Central Statistics Agency (BPS) (2021). North Sulawesi managed to supply 242.5 tonnes of coconut, down 79% compared to 2019. Despite the decline, coconut production in the province is still the largest compared to plantation crops. other. The area of coconut plantations in North Sulawesi is also the largest among other commodities, namely 260.8 ha.

Based on the area of production, the most coconut production was in North Minahasa Regency, namely 37.1 tons. Related to regional development various approaches, one of which is through agropolitan. This approach is expected to accelerate efforts to empower the community, through the impact of a multiplier effect and the diffusion of development results, as one of the mainstays which is expected to spur an increase in added value and open the door for improving the welfare of farmers.

Coconut is a biological natural wealth that belongs to Indonesia, which many decades ago was used by the community to meet various needs, both as a source of food, medicine, industry and others.

Virgin Coconut Oil (VCO) is one of the products that can be produced from coconuts where Virgin Coconut Oil has the ability to improve health (immune resistance), can treat various diseases and can even be used in the cosmetic sector. As a modern product that can be developed, Virgin Coconut Oil can be expected to become the main driving product as a downstream industry which in the end will bring with it the development of the upstream coconut commodity industry, increasing employment and increasing people's welfare in general with the aim of returning Indonesia as a waving coconut country (Wibowo, 2005).

Researchers studied and built a research model related to the development of positioning strategies, trust, brand image towards purchase intention in MSME virgin coconut oil products in North Minahasa Regency. Thus, these VCO products can contribute to the government and increase PAD for the advancement of MSMEs in the City of Airmadidi sub-district, North Minahasa Regency. This is to elevate micro, small and medium entrepreneurs to become more professional and efficient entrepreneurs in a dynamic and competitive business environment in today's digital era in studying marketing strategies to buy these products to others [7]. Purchase intention is routinely measured and used by marketers as input for sales or market share estimates.

The aims of the research are: to develop a marketing strategy model for MSME virgin coconut oil products in North Minahasa, by (1) To analyze simultaneously (simultaneously) Positioning strategy, trust, brand image on purchase intention of Virgin Coconut Oil (VCO) products ) in North Minahasa district. (2) To partially analyze the positioning strategy for the purchase intention of Virgin Coconut Oil (VCO) products in North Minahasa Regency. (3) To partially analyze the trust in the purchase intention of Virgin Coconut Oil (VCO) products in North Minahasa regency (4) . To partially analyze Brand Image on purchase intention of Virgin Coconut Oil (VCO) products in North Minahasa Regency.

By using the positioning, trust, brand image, and purchase intention strategy models, it is hoped that producers can meet the needs and desires of society, in this case consumers. This also means that producers need to develop innovation in developing their marketing strategies for MSME products that can retain customers and even recommend others to buy.

In running a business for MSMEs in today's digital era, it is necessary to understand the marketing strategy. Kotler & Keller (2015) Marketing management is the art and science of choosing target markets and getting and keeping, as well as growing customers by creating, delivering and communicating superior customer value. This is the most important part for the continuity of the company in running a business.

Widjaya (2017) explains positioning where companies arrange market offers to place competitive positions with competitors that can be embedded in the minds of consumers. There are 3 stages in determining positioning, namely collecting different customer values to build a position; choose the right competitive advantage; and selecting an overall positioning strategy. Positioning is an activity of designing the company's offer and image to occupy a special place in the minds of the intended target market [3]

Trust is a belief in other parties who become business partners, that these business partners will carry out all their obligations properly as expected. Hasan (2014), trust (trust) is defined as the perception of trust in the reliability of the company which is determined by systematic confirmation of the expectations of the company's offer.

A strong brand image must be built from a consistent and long-term positive perception. So it's not easy to shape and build a strong and positive brand image. [3], brand image is the perception and belief held by consumers, as reflected in the associations embedded in the customer's memory, which is always remembered for the first time when hearing a slogan and embedded in the minds of consumers.

Purchase intention is the intention to buy, the consideration to buy and recommend buying the product to others. Beliefs show information that a person has about an object based on information, attitudes, or behavior towards the object [2]. As for the measurement of purchase intention with its indicators, namely Stimulation, Awareness, and Information Search. It can be concluded that purchase intention is a condition where consumers intend to buy a product in the author's research, namely virgin coconut oil (VCO) products.

## II. Method

This study analyzes the strategy of positioning, trust, brand image on purchase intention in MSME virgin coconut oil products in North Minahasa district. This type of research used in this research is associative causal research. Associative research is a study that predicts the relationship and influence between variables X1, X2, X3, and Y. This research was conducted in Airmadidi City, North Minahasa Regency with the object of research being Small and Medium Enterprises of Virgin Coconut Oil (VCO) with a good sample ranging from 100 – 200 samples for the maximum likelihood estimation technique [2].

The sample size in this study is 100 respondents. The variables in this study consist of positioning strategy indicators (X1), namely good performance, benefits, suitability, excellence, Trust (X2), namely the perception of trust in MSME virgin coconut oil products with indicators of reliability, credibility and benevolence, so for variable X3 ( Brand Image) namely recognition, reputation, affinity, loyalty. The purchase intention variable (Y) is design, patience, search.

The Questionnaire Measurement Scale used a Likert scale with alternative answers: (1) Strongly Agree (SS) = 5. (2) Agree (S) = 4. (3) Less Agree (KS) = 3. (4) Disagree (TS) = 2. (5) Strongly Disagree (STS) = 1.

The instrument tests are: (1) Validity Test (assessment criteria, i.e. if  $r_{count} > r_{table}$ , then the questionnaire items are valid, and vice versa. (2) Reliability Test (assessment criteria are reliable if the value shows Cronbach alpha  $> 0,60$ ) (3) t (Partial) test, namely hypothesis testing used to test the effect of the independent variable partially on the dependent variable with the condition that if the significant value is  $> 0,05$  then partially the independent variable does not affect the dependent variable, and vice versa then  $H_0$  is accepted. (4) Multiple Linear Regression Analysis Techniques).

The expected positioning strategy includes positioning based on product users (user positioning), namely associating products with user types based on buyer interest behavior. Trust is the perception of trust in the reliability of the benefits of VCO products against offers by CV. Emka for trust by potential buyers. Based on indicators of reliability (level of reliability) in providing services and credibility based on the level of expertise needed by companies to carry out work effectively and safely and benevolence related to intentions and motivation by producers in this case the VCO product providers.

Brand image greatly influences consumer choices to determine which products will be preferred (interested by prospective buyers). Based on perceptions including nature, product brand recognition, quality, product size, product durability, packaging design, product color, price, and location.

Purchase intention which is the intention to buy and be able to recommend to prospective buyers. Purchase intention in question is a condition where consumers intend to buy a product.

## III. Result and Discussion

North Minahasa Regency (Minut) with a government center and capital in Airmadidi, is located in North Sulawesi Province. North Minahasa Regency is one of the regencies in North Sulawesi Province which is located between 0 degrees 25-1 degrees 59' north latitude and 124 degrees 20-125 degrees 59' east longitude, to the north is bordered by the Sulawesi Sea and Manado City, to the east by with the Maluku Sea and Bitung City, to the south by Minahasa Regency. The area of North Minahasa Regency is around 1,059,244 km<sup>2</sup> with a coastline of 292.20 km. Virgin Coconut Oil, which we know as VCO, is oil that is produced from refining coconut milk with a certain method to separate the chemical elements gradually [8]. Basically VCO is clear due to the gradual separation of chemical elements with proper processing, VCO does not taste and smell if the processing is correct. With a high lauric acid content, VCO is a product that can be used for many medical and beauty purposes [9].

Virgin Coconut Oil (VCO) coconut oil contains a distinctive coconut aroma, low free fatty acids (less than 0.07% as soluble acid), unrefined, contains the maximum amount of vitamin E and is free from aflatoxin contamination. VCO is a stable oil, this oil is not damaged by heat and is resistant to light and air, has a smoke point 198 degrees Celsius and contains vitamin E (tocopherol) which

plays a role in maintaining the stability of the oil and protecting it from being stale. The nature of VCO can be stored easily at room temperature for years

*A. Validity and Reliability Test Results*

Validity Test is used to measure whether or not a questionnaire is valid. A questionnaire is declared valid if the statements in the questionnaire are able to reveal something that will be measured by the questionnaire. The validity test is calculated by comparing the r count with the r table value. If r count > from r table then the statement is declared valid. The reliability test is used to see the results of calculating the Cronbach alpha value. According to Hinton, et al. (2004) suggested four points for reliability including those that include very good reliability which is > 0.90, high reliability 0.70 - 0.90, moderate reliability 0.50 - 0.70, and low reliability < 0.50.

*B. Multicollinearity Test Results*

**Table 1.** Multicollinearity Test Results

**Coefficients<sup>a</sup>**

Model		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		Beta			Tolerance	VIF
	(Constant)		2,348	,021		
	Positioning Strategy (X1)	-,008	-,074	,941	,571	1,750
1	Trust (X2)	,599	5,415	,000	,486	2,056
	Brand Image (X3)	,096	,996	,322	,640	1,563

The results of the multicollinearity test show that all VIF values of the independent variables have a value of <10, which means that there is no correlation between the independent variables.

*C. Multiple Regression Results*

Table 2. Multiple Regression Test Results

Model		Standardized Coefficients	t	Sig.
		Beta		
	(Constant)		2,348	,021
	Positioning Strategy (X1)	-,008	-,074	,941
1	Trust (X2)	,599	5,415	,000
	Brand Image (X3)	,096	,996	,322

The equation of the research results, namely:

$$\text{Purchase intention} = -0.008 \text{ Positioning Strategy} + 0.599 \text{ Trust} + 0.096 \text{ Brand Image}$$

This means: (1) The results of B1 Positioning Strategy show negative results, which means that if the Positioning Strategy is increased, Purchase Intention will decrease. (2) The results of B2 Trust show positive results, which means that if Trust is increased, Purchase intention will increase. (3) The results of B3 Brand Image show a positive result, which means that if the Brand Image is increased, the Purchase Intention will increase.

#### D. Partial Hypothesis Testing Results

	Model	t	Sig.
	(Constant)	2,348	,021
	Positioning Strategy (X1)	-,074	,941
1	Trust (X2)	5,415	,000
	Brand Image (X3)	,996	,322

Table 3. Partial Hypothesis Test Results

#### Coefficients<sup>a</sup>

#### E. The Effect of Positioning Strategy on Purchase Intention

The significance value of the results of 0.941 is greater than 0.05 where these results indicate that hypothesis 1 in this study is rejected, which means that the positioning strategy has no significant and negative effect on purchase intention.

#### F. The Effect of Trust on Purchase Intention

The significance value of the results of 0.000 is less than 0.05 where these results indicate that hypothesis 2 in this study is accepted, which means that Trust is significant and positive towards Purchase Intention.

#### G. The Effect of Brand Image on Purchase Intention

The significance value of the results of 0.322 is greater than 0.05 where these results indicate that hypothesis 3 in this study is accepted, which means that Brand Image has a positive and not significant effect on purchase intention.

### IV. Conclusions

Simultaneously the positioning strategy variables, trust, brand image, had effect on purchase intention. The positioning strategy shows a negative (opposite) effect of on purchase intention. Trust shows a significant and positive effect on purchase intention. Brand image shows no significant and positive effect on purchase intention.

#### A. Suggestion

Based on the results of the research and analysis in the discussion, it can be suggested to the CV. EMKA VCO INDOCOCO as follows: 1) It is necessary to increase sales by improving the positioning strategy by determining the right segment so that people will be more familiar with INDOCOCO's VCO products. 2) INDOCOCO VCO producers need to design products in more attractive packaging and sizes

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