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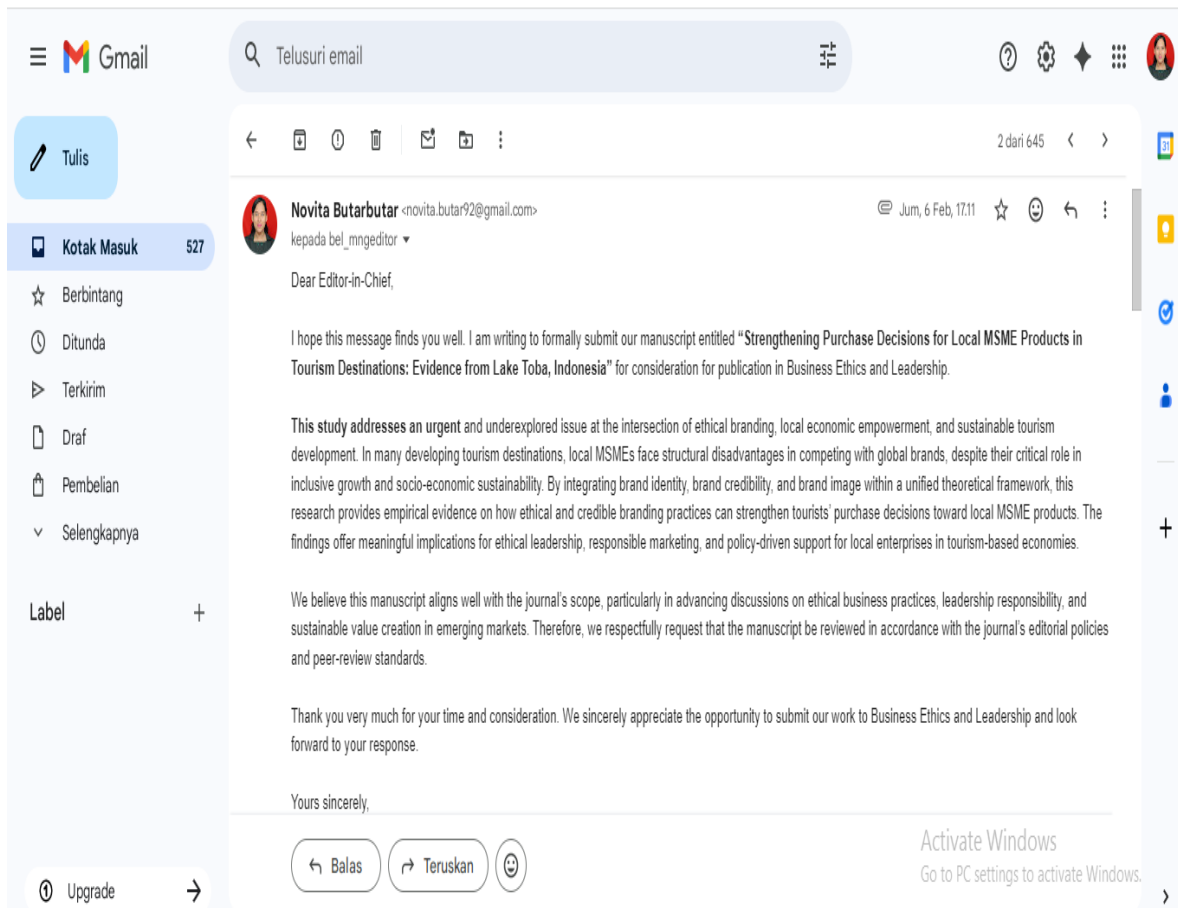
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Strengthening Purchase Decisions for Local MSME Products in Tourism Destinations: Evidence from Lake Toba, Indonesia

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Abstract: Consumer purchasing decisions are vital for enhancing local MSME goods via the implementation of experience based tourism. In actuality, visitors often make inefficient purchase judgments about local items owing to insufficient understanding of brand management. This research seeks to examine the impact of brand identification, brand credibility, and brand image on the purchasing choices of local MSME goods in the Lake Toba tourist attraction in Indonesia. A total of 180 respondents participated in the sample, acquired using a survey technique employing a quantitative research methodology. The data analysis used the Structural Equation Modeling (PLS-SEM) technique to evaluate the validity, reliability, and structural correlations among variables. The findings demonstrate that brand identification, brand credibility, and brand image have a favorable and substantial influence on purchase choices, with brand identity serving as the most prominent predictor. The findings affirm that the symbolic significance of trust and customers' emotional views of local MSME product brands substantially impact tourist shopping choices. This study's theoretical implications bolster the integrative branding strategy inside MSMEs, enhancing marketing literature and broadening the application of the theory of planned behavior and brand signaling theory at the local product level. This study's findings provide guidelines and evaluation tools for policymakers to formulate strategic measures aimed at enhancing local MSMEs by incorporating a credible and consistent brand identity focused on quality, while also managing a brand image that aligns with the experiences and cultural narratives of the tourist destination to promote sustainable purchasing decisions.

Keywords: brand identity, brand credibility, brand image, purchase decisions, MSME products

JEL Classification: M31, M21, L26, Z32

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INTRODUCTION

Global tourism has reaffirmed its position as a key driver of service-based economic growth, fostering job creation, strengthening local supply chains, and promoting experience-based consumption (Afwā et al., 2021; Kotler et al., 2022). Recent data indicate that this sector will contribute approximately 10% to the global economy, equivalent to US\$10.9 trillion, and support around 357 million jobs by 2024 (World Bank, 2025; WTTC, 2024). This scale highlights the substantial market potential for locally produced products integrated into tourism activities. However, this recovery is also accompanied by intensified competition, with tourists becoming increasingly selective, sensitive to credibility, and relying on brand cues as cognitive shortcuts in rapid purchasing decisions (Graham & Wilder, 2020; Ismanto et al., 2023). In this context, micro, small, and medium enterprises (MSMEs) play a strategic role as they are the primary providers of destination value through culinary products, crafts, souvenirs, and cultural artifacts. In Indonesia, MSMEs dominate the economic structure, comprising approximately 64.2 million business units and contributing more than 61% to the gross domestic product, while absorbing a significant portion of the national workforce (DJPb Kemenkeu, 2024). Consistently, the tourism sector is also showing a strong recovery trend, reflected in the increase in foreign tourist visits, which reached 1.24 million in December 2024 (BPS, 2025). This condition indicates a significant demand base for MSME products in tourist destinations.

Branding in the digital environment has its own unique dynamics that need to be understood in order to choose effective branding tactics and strategies (Mandler et al., 2021; Siddiqui et al., 2021; Dash et al., 2021). Effective brand management creates an identity for products and services and differentiates them from their main competitors (Chigora et al., 2024; Sánchez Garza et al., 2024; Efendi et al., 2023). Typical regional souvenir MSME products at the Lake Toba Samosir tourist destination are goods or products produced by MSMEs that reflect the richness of local culture and heritage. However, the current market share of these superior MSME products has declined due to a decrease in public purchasing interest in these products (Sherly et al., 2020; Jatmiko et al., 2021). The primary challenges faced by destination MSMEs stem from information asymmetry

and quality uncertainty. Tourists generally have limited time and information to assess the authenticity, quality, and consistency of products (Le & Le, 2020; Armutcu et al., 2023). In such circumstances, brands should function as a risk-reducing mechanism and a guarantee of reliability. However, many MSMEs in tourist destinations still face fundamental weaknesses in three key branding dimensions: an undifferentiated brand identity, inconsistent brand credibility, and a brand image that has not yet been firmly established in the minds of tourists.

Several studies have positioned brand identity as a symbolic foundation that allows consumers to identify with a brand. In the context of experience-based products, strong brand identity has been shown to drive purchase decisions through emotional attachment and self-value expression (Parkinson et al., 2016; Mao et al., 2020; Graham & Wilder, 2020). However, this finding is countered by other research showing that the influence of brand identity weakens when consumers are more oriented towards utilitarian values, such as price and function, particularly in low-involvement product categories (Foroudi et al., 2020; Ghodeswar, 2008). This difference indicates that brand identity is more effective as a determinant of purchase decisions when consumption is rich in symbolic meaning than when rational considerations are more dominant (Jin et al., 2019; Butarbutar et al., 2024).

In contrast to brand identity, brand credibility is more consistently explained as a cognitive mechanism to reduce information asymmetry and perceived risk. Both classic and recent studies confirm that brand credibility increases consumer confidence and accelerates purchase decisions, particularly in services and tourism, where quality is difficult to evaluate before consumption (Kong et al., 2021; Rather, 2018). However, this consistency is not absolute. Some studies suggest that the effect of brand credibility becomes insignificant when consumers have strong direct experience or when short-term incentives, such as discounts, are more prominent (Nilasari & Handayani, 2021; Martín-Consuegra et al., 2018). Recent studies have positioned brand credibility as an indirect antecedent that operates through brand trust and perceived value, rather than as a direct predictor of purchase decisions (Ainsworth & Ballantine, 2017; Mandler et al., 2021; Cuong, 2020).

Meanwhile, brand image is often reported as the closest predictor of purchasing decisions because it represents the accumulation of consumer perceptions and experiences. Numerous studies have demonstrated that a positive brand image facilitates evaluation and increases the likelihood of purchase (Chigora et al., 2024; Mao et al., 2020; Girsang et al., 2024). However, contemporary literature highlights that brand image rarely stands alone. In several studies, the influence of brand image on purchase decisions is weakened when situational factors such as social recommendations or product availability are more dominant (Matikiti-Manyeverere et al., 2020; Ramesh et al., 2019; Sawaftah et al., 2020). This strengthens the argument that brand image is often the result of an interaction between brand identity and credibility, rather than a single determinant.

Based on these conditions, a significant empirical and theoretical gap exists, particularly in the lack of quantitative research examining the simultaneous influence of brand identity, brand credibility, and brand image on purchasing decisions for local MSME products in a destination context. This study aims to fill this gap by developing a predictive model focused on MSME product branding within tourist destinations. Theoretically, this study deepens understanding of the role of brands as risk-reducing, meaning-forming, and association-accumulating devices that work together in tourists' purchasing decisions. Empirically, this study aims to assess the extent to which these three branding dimensions predict purchase decisions of local MSME products in Lake Toba.

LITERATURE REVIEW

Theoretical Framework

This research's theoretical framework integrates the theory of planned behavior (TPB) and brand signaling theory to explain the strengthening of local MSME product purchasing decisions at tourist destinations. TPB views purchasing decisions as the result of behavioral intentions shaped by attitudes toward the product, subjective norms, and perceived behavioral control. In the tourism context, these three determinants are influenced by travel experiences, limited information, and situational social pressures, resulting in a rapid and perception-based decision-making process. On the other hand, Brand Signaling Theory posits that brands serve as credibility signals, functioning to reduce information asymmetry between MSME producers and tourists, who are temporary consumers. Brand credibility, quality consistency, and brand identity clarity act as trust signals that influence risk evaluation and purchase confidence. Some studies find that brand signals have a direct influence on purchasing decisions, while others suggest that consumer attitudes or beliefs mediate these influences. On the TPB side, tourism research often ignores the role of brands as sources of attitude formation and perceived control, thus partially explaining purchase intentions. This theoretical gap highlights the need for a model that integrates psychological mechanisms with market signals. This research offers conceptual novelty by positioning brand signaling as a structural antecedent within the TPB framework, where brand signals shape attitudes, reinforce social norms, and reduce perceived uncertainty. This integration deepens the TPB within the

context of tourism information asymmetry. It extends brand signaling theory to the realm of destination-based MSMEs, resulting in a more comprehensive understanding of tourist purchasing decisions.

The Relationship Between Brand Identity and Purchase Decision

Brand identity is a unique brand association that shows a promise to consumers (Jin et al., 2019; Butarbutar et al., 2024; Haidiani et al., 2022; Vuong & Bui, 2023). Building a brand identity that is accepted or not in the minds of the public depends on how the owner packages the concept (Ross & Harradine, 2011; Butarbutar et al., 2023). To express brand identity can be done through its products, its services (Graham & Wilder, 2020), or several tagline words or slogans that describe the vision, mission, and characteristics of the product (Mao et al., 2020). The success of businesspeople in attracting attention by conveying a strong brand character or identity that is acceptable to many people will result in informed purchasing decisions (Dash et al., 2021; Vacas de Carvalho et al., 2020). The results of several previous studies show that brand identity has a significant positive influence on purchasing decisions (Ghodeswar, 2008; Ross & Harradine, 2011). However, empirical findings show significant variations in influence on purchase decisions, depending on the industry context and consumer characteristics. Several studies have found a direct and significant influence of brand identity on purchasing decisions through the mechanisms of self-identification and consumer emotional attachment (Parkinson et al., 2016; Dash et al., 2021). In the context of experience-based products, brand identity serves as a symbol that enables consumers to project their self-value and social affiliation, thereby influencing their preferences and purchasing choices. Conversely, other studies show that the influence of brand identity is weakened or insignificant when consumers are more oriented towards price or utilitarian value, particularly in low-involvement product segments (Foroudi et al., 2020; Haidiani et al., 2022). This inconsistency suggests that brand identity does not always serve as a universal determinant of purchasing decisions. Recent research has begun to shift the focus from a linear relationship to a more contextual and relational approach. Several studies confirm that the influence of brand identity on purchase decisions is often indirect, mediated by brand trust, brand image, or perceived authenticity (Iglesias et al., 2020; Japutra & Molinillo, 2019; Vuong & Bui, 2023). However, research on MSMEs and tourism is still dominated by partial models that separate brand identity from the context of destination experiences and local cultural meanings. The research gap lies in the lack of understanding of how brand identity functions as a symbolic mechanism in temporary, experiential purchasing situations, such as tourist destinations. Therefore, based on several previous studies, the following hypothesis is developed:

H₁: Brand identity influences purchase decisions

The Relationship Between Brand Credibility and Purchase Decisions

Brand credibility is defined as trust in the product positioning information contained in a brand that consistently delivers what is promised by the brand (Siddiqui et al., 2021; Sutia et al., 2023). Brand credibility is recognized as trust in the characteristics of the status of goods/services contained in a brand by relying on readiness, as well as the company's ability to deliver what they promise (Sheeraz et al., 2016; Nilasari & Handayani, 2021). If credibility is associated with a business brand or if the brand is used as a source of reliability, it is described as brand credibility (Chin et al., 2019; Abu Zayyad et al., 2021; Baek & King, 2011). In accordance with brand signaling theory, the concept of brand credibility is an important factor in shaping consumer behavior as well as driving purchasing behavior (Shams et al., 2017; Jeng, 2016). Previous research results indicate that brand credibility has a significant positive influence on purchasing decisions (Martín-Consuegra et al., 2018; Cuong, 2020; Kong et al., 2021). However, research findings show an inconsistent pattern. Several studies have found that brand credibility has a direct impact on purchasing decisions through risk reduction mechanisms and increased consumer cognitive trust (Nofiawaty et al., 2020). In the context of services and tourism, brand credibility has proven crucial because consumers often cannot evaluate product quality before consumption, thus relying heavily on brand signals for purchasing decisions (Bakator et al., 2018). Conversely, other research suggests that the influence of brand credibility becomes insignificant when consumers have strong direct experience or when price and short-term promotional factors are more dominant (Martín-Consuegra et al., 2018). Recent studies have begun to emphasize that the relationship between brand credibility and purchase decisions is contextual and often mediated by psychological variables such as brand trust, perceived value, and brand attitude (Chin et al., 2019); Sheeraz et al., 2016; Cuong, 2020). However, most research still focuses on large brands and established markets, while studies on MSMEs, especially in the context of tourism destinations, remain limited and fragmented. This research gap underscores the need for further investigation into how brand credibility serves as a collective trust signal, influenced by social, cultural, and destination image contexts. Therefore, based on several previous studies, the following hypotheses are developed:

H₂: Brand credibility influences purchase decisions

The Relationship Between Brand Image and Purchase Decision

Brand image is an idea, belief, or impression of a brand in the minds of consumers that arises from experiences in using a company's products or services (Matikiti-Manyeverere et al., 2020; Ramesh et al., 2019; Mao et al., 2020). A positive brand image is the basis for building a strong brand (Sujana & Na'im, 2021; Majeed et al., 2021). Consumer attitudes and actions are greatly influenced by the brand image itself (Shukla, 2011; Sánchez Garza et al., 2024). Brand image is formed from long-term consumer perceptions, which are consistent, so that a positive brand image is not easy to form (Chigora et al., 2024; Girsang et al., 2024). The more information consumers receive and the more experience they have using a company's products or services, the more the company's brand image will increase in their minds (Hanika et al., 2023; Nagar & Rana, 2015). The results of several previous studies show that brand image has a significant positive influence on purchasing decisions (Kazmi & Mehmood, 2016; Isyanto et al., 2020). Several studies have found a significant direct influence, especially when brand image is built through associations of quality, uniqueness, and emotional experiences (Diamantopoulos et al., 2011; Suryani et al., 2022). In the context of services and tourism, brand image is often a key determinant because consumers cannot objectively evaluate quality before consumption, so purchasing decisions are heavily influenced by initial perceptions and impressions (Fornari et al., 2016). Conversely, other studies have shown that the influence of brand image can weaken when functional factors such as price, availability, or social recommendations are more dominant, particularly for low-involvement products (Ainsworth & Ballantine, 2017; Fortuna, 2022). Recent research tends to position brand image as a relational construct that operates indirectly through brand attitude, perceived value, and brand trust (Sánchez Garza et al., 2024; Chigora et al., 2024; Majeed et al., 2021). This approach suggests that brand image is not merely the result of communication, but rather a dynamic accumulation of experiences. However, most studies still focus on large brands and established market contexts. Research on MSMEs, particularly in the context of tourism destinations and culture-based products, remains limited and often overlooks the role of destination experiences in shaping brand image. This research gap requires the development of a more contextual model to understand how brand image interacts with tourism experiences in shaping consumer purchasing decisions. Therefore, based on several previous studies, the following hypotheses are developed:

H₃: Brand image influences purchase decisions

METHODOLOGY

Research Design

This study employs a library and field research strategy with a quantitative methodology. The quantitative method, along with survey methods, is the main way to gather data (Turner, 2020). The survey tool will be made to find out how people feel about brand identity, brand credibility, brand image, and their choices to buy MSME items. The study site centers on the tourist attraction of Lake Toba Samosir in North Sumatra, Indonesia. We picked this place since it is one of Indonesia's most popular tourist spots and has a lot of possibilities for making traditional regional MSME items. The variety of MSME items available at this area was also an important consideration in choosing it as the study site.

Sample and Data Collection

The participants in this research are tourists visiting the Lake Toba Samosir area, who might be interested in buying characteristic MSME items from the area. These visitors include both local and foreign tourists who come to Lake Toba Samosir for fun, vacation, or other tourist activities. The study sample will be randomly chosen from this group of people. The people who may be included are tourists who are at least 18 years old and have bought typical regional MSME items while they were there. A statistical method that takes into account the required degree of confidence and margin of error will be used to figure out the sample size. The research sample shall include an adequate number of respondents to reflect the diversity of characteristics among visitors to the Lake Toba Samosir tourism attraction pertinent to the study's aims. Hair et al. (2019), says that if you don't know how many people are in the population, you may figure out the sample size by multiplying the number of indicators in one construct by 5 to 10. This study employs 18 indicators derived from four established variable dimensions, yielding a total of $18 \times 10 = 180$ research samples. Data collection in this research used observational techniques, including direct field observations and documentation obtained from secondary data sources, including documents and structured interviews done via a questionnaire. The next table shows further information on the demographics of the people who took part in the study:

Table 1. Description of Research Respondents

Category	Detail	Amount	Percentage (%)
Gender	Men	94	52.22
	Woman	86	47.78
Age (years)	< 25	38	21.11
	26 - 35	52	28.89
	36 - 45	50	27.78
	46 - 55	30	16.67
	> 55	10	5.55
Level of education	Senior High School	126	70
	Diploma	14	7.78
	Bachelor	30	16.67
	Masters	10	5.55
Employment Status	Students	35	19.44
	Government employees	50	27.78
	Private sector employee	45	25
	Self-employed	30	16.67
	Other	20	11.11
Income/month (Millions)	< 2 Million	30	16.67
	2-5 Million	75	41.67
	5-10 Million	55	30.55
	> 10 Million	20	11.11
Types of MSME products that have been purchased	Typical regional food/drinks	86	47.78
	Handicrafts/Souvenirs	30	16.67
	Fashion (ulos, accessories)	54	30
	Other Products	10	5.55

Source: data processing results (2025)

Based on the characteristics of the respondents, the gender composition shows a relatively balanced distribution, with 94 male respondents (52.22%) and 86 female respondents (47.78%). In terms of age, the majority of respondents fall within the productive age range, with the 26–35 age group comprising 52 respondents (28.89%) and the 36–45 age group including 50 respondents (27.78%). The age group under 25 years also shows a fairly significant proportion, namely 38 respondents (21.11%), while respondents aged 46–55 years and over 55 years each numbered 30 people (16.67%) and 10 people (5.55%), respectively. This age distribution reflects the representation of consumers from various stages of the life cycle, with a dominance of the productive age group, which generally has higher purchasing power and consumption activity.

In terms of education level, the majority of respondents had a high school education background, namely 126 people (70%). Respondents with a Bachelor's degree numbered 30 people (16.67%), followed by Diploma graduates with 14 people (7.78%) and Master's graduates with 10 people (5.55%). This composition shows that respondents come from diverse educational backgrounds, with a predominance of secondary education, which represents the general characteristics of MSME product consumers in tourist destinations. In terms of employment status, respondents were predominantly civil servants, with 50 people (27.78%), followed by private employees with 45 people (25%), and students with 35 people (19.44%). Meanwhile, respondents with self-employed status numbered 30 people (16.67%), and other job categories numbered 20 people (11.11%). This diversity of employment status indicates the heterogeneity of the respondents' socio-economic backgrounds.

Based on monthly income levels, the majority of respondents have an income between 2–5 million rupiah per month, namely 75 people (41.67%). Respondents with an income of 5–10 million rupiah numbered 55 people (30.55%), while the groups with incomes below 2 million rupiah and above 10 million rupiah included 30 people (16.67%) and 20 people (11.11%), respectively. This distribution indicates that most respondents are in the middle-income group, which is a potential market segment for typical regional MSME products. In terms of the types of MSME products purchased, the majority of respondents (86 people, 47.78%) have purchased typical regional food or beverage products. Furthermore, fashion products such as ulos and accessories were purchased by 54 respondents (30%), followed by handicrafts or souvenirs by 30 respondents (16.67%), and other products by 10 respondents (5.55%). This pattern suggests that culinary and culture-based products with local roots have a strong appeal to consumers in tourist destination areas.

Measurement Instruments

The operational definitions of the variables in this study were developed to provide conceptual clarity and empirical boundaries for each construct, thereby facilitating systematic measurement and analysis. Each variable was defined based on theoretical foundations and previous research findings, then translated into measurable indicators relevant to the research context. This approach aims to ensure consistency between theoretical concepts and empirical data, thereby enhancing the validity and reliability of measurements in testing the research model.

Table 2. Operational Definitions of Research Variables

Variables	Code	Item	Source
Brand Credibility	BC1	<i>Trustworthiness</i>	(Abu Zayyad et al., 2021; Sheeraz et al., 2016)
	BC2	<i>Expertise</i>	
	BC3	<i>Attractiveness</i>	
	BC4	<i>Consistency</i>	
Brand Identity	BI1	<i>Brand as Organization</i>	(Graham & Wilder, 2020; Ross & Harradine, 2011)
	BI2	<i>Brand as Product</i>	
	BI3	<i>Brand as Person</i>	
	BI4	<i>Brand as Symbol</i>	
Brand Image	BM1	<i>Brand Strength</i>	(Chigora et al., 2024; (Sánchez Garza et al., 2024)
	BM2	<i>Brand Favorability</i>	
	BM3	<i>Brand Uniqueness</i>	
	BM4	<i>Brand Experience</i>	
	BM5	<i>Brand Evaluation</i>	
Purchase Decision	PI1	<i>Transactional</i>	(Martín-Consuegra et al., 2018; Majeed et al., 2021)
	PI2	<i>Referential</i>	
	PI3	<i>Preferential</i>	
	PI4	<i>Explorative</i>	
	PI5	<i>Willingness</i>	

Source: developed by the authors based on prior literature (2025).

The brand credibility variable indicates the extent of customer belief in the brand's dependability and capacity to provide its promised value. This construct is implemented via the characteristics of trustworthiness, expertise, attractiveness, and consistency, which together include customer impressions of the brand's integrity, professional competence, symbolic allure, and reliable performance over time. Brand credibility serves as a quality indicator that reduces ambiguity and perceived risk in purchase choices. Brand identity delineates the strategic significance formulated and conveyed by the brand via four primary perspectives, brand as organization, brand as product, brand as person, and brand as symbol. The four elements represent fundamental principles, operational traits, brand identity, and symbolism that distinguish MSME goods from their rivals within the realm of tourist destinations. Brand image is a compilation of customers' cognitive connections with a brand, developed via recurrent encounters and assessments. This concept is assessed by brand strength, preference, distinctiveness, brand experience, and overall appraisal, which together represent consumers' cognitive and emotional reactions. Purchase choices delineate customers' intents and behavioral inclinations about acquisitions, manifested via transactional, referential, preferred, exploratory characteristics, and the propensity to buy local MSME goods.

Conceptual Framework

The choice to buy local MSME goods in tourist spots is a complicated one that depends on how visitors understand the brand and how they feel about the risks involved in using the goods. This study's theoretical approach encompasses signaling theory and brand equity theory, together elucidating the impact of brand identity, credibility, and image on cognitive and emotional evaluations prior to a purchasing choice (Sheeraz et al., 2016; Mandler et al., 2021; Graham & Wilder, 2020). In the setting of Lake Toba, the transient nature of encounters and significant perceptual ambiguity provide brand signals a crucial tool in influencing customer decisions. Brand identity signifies the symbolic significance, distinctiveness, and authenticity of local goods, as shown by international research (Vuong & Bui, 2023; Foroudi et al., 2020). However, its direct impact on purchase choices remains inconclusive, particularly for MSMEs in emerging tourism locations. This lack of consistency shows that there has to be intermediate variables. Brand credibility serves as an indicator of dependability that mitigates risk and fosters trust, while brand image embodies the aggregation of brand associations that operate as a fundamental cognitive process influencing purchase behavior. Consequently, this research presents an integrative model that situates brand identity as a strategic precursor influencing brand

credibility and brand image, with brand image serving as a crucial mediator in enhancing purchase choices for local MSME products:

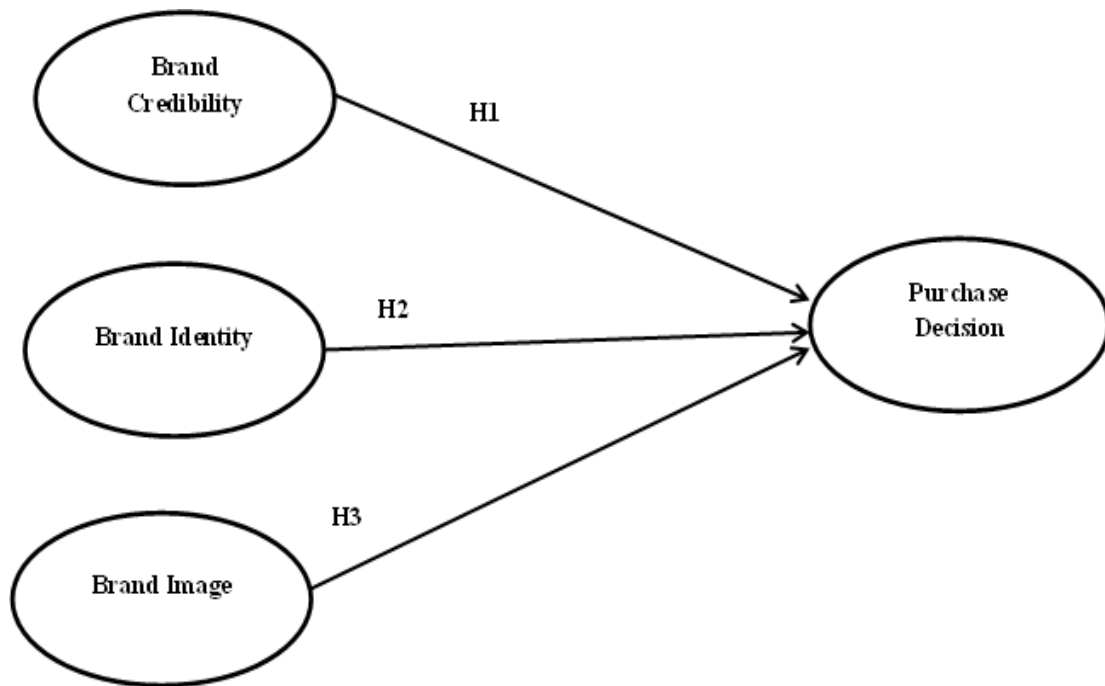


Figure 1 Conceptual Research Model

Source: developed by the authors based on prior literature (2025).

Data Analysis

This research used Partial Least Squares-based Structural Equation Modeling (PLS-SEM) as its data analysis approach. This approach is a multivariate analysis technique that combines factor analysis and regression analysis to investigate the relationships among variables within a research model (Hair et al., 2019). PLS-SEM specifically allows for the assessment of the link between indicators as manifest variables and constructs as latent variables by testing the measurement model, as well as the analysis of relationships between latent variables via the structural model. This method is useful for looking at complicated research models that use more than one construct and indicator at the same time (Hair et al., 2019). Additionally, PLS-SEM enables researchers to evaluate causal links across variables concurrently, rendering it appropriate for characterizing phenomena that include multidimensional interactions at the person, organizational, and situational context levels.

RESULTS

Measurement Model Assessment

The Partial Least Squares–Structural Equation Modeling (PLS-SEM) methodology for measuring Model Assessment evaluates the quality of measuring instruments prior to examining the structural links among latent components. This assessment involves analyzing the reliability and validity of conceptions in both reflective and formative measuring modes. In the reflective model, indicator reliability is established by an expected outer loading value above 0.70, while construct reliability is assessed by Composite Reliability and Cronbach's Alpha, with a minimum criterion of 0.70. The Average Variance Extracted (AVE) metric was used to assess convergent validity (Hair et al., 2019). This score must exceed 0.50, indicating that the construct can account for more than half of the variation of its indicators. We used the Fornell–Larcker criterion and cross-loading values to assess discriminant validity. The measurement model was considered sufficiently reliable and valid, meeting all necessary criteria, therefore qualifying it for progression to the structural model assessment step in PLS-SEM analysis.

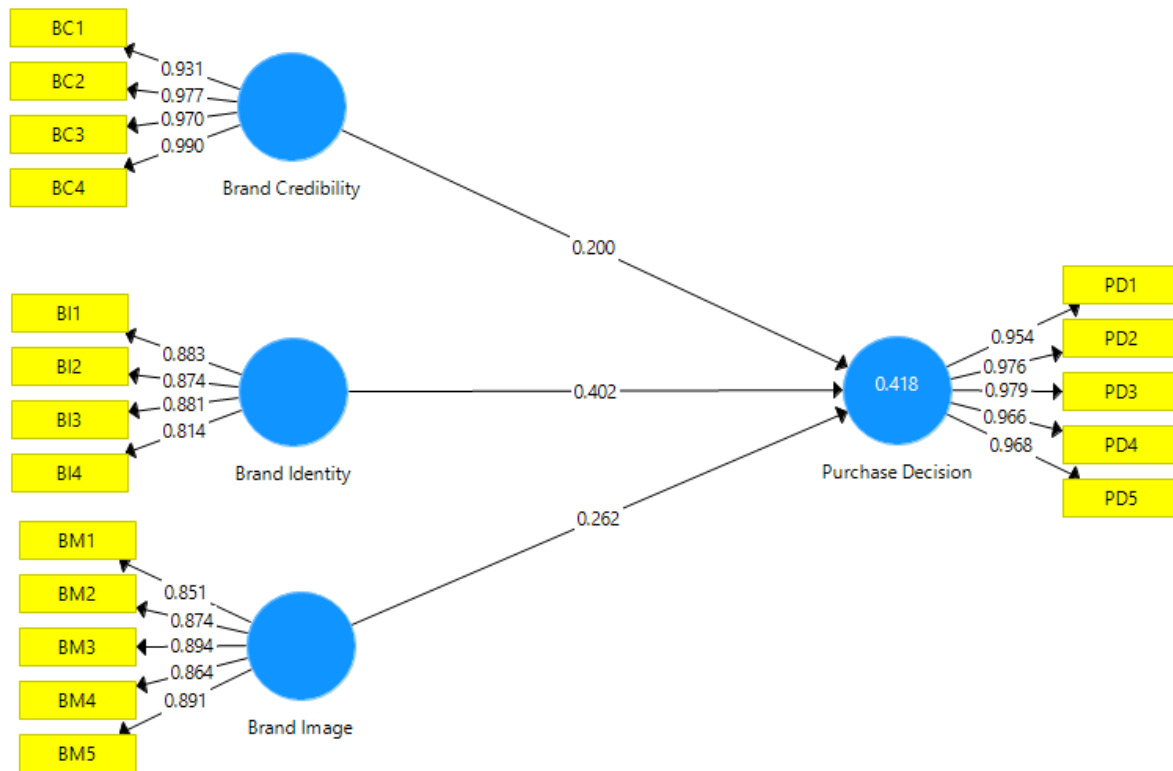


Figure 2 Measurement model analysis

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

Table 3. Measurement Model Analysis

Construct/item	Code	Outer Loadings	Cronbach's Alpha	CR	AVE
Brand Credibility			0.977	0.983	0.935
Trustworthiness	BC1	0.931			
Expertise	BC2	0.977			
Attractiveness	BC3	0.970			
Consistency	BC4	0.990			
Brand Identity			0.886	0.921	0.745
Brand as Organization	BI1	0.833			
Brand as Product	BI2	0.874			
Brand as Person	BI3	0.881			
Brand as Symbol	BI4	0.814			
Brand Image			0.923	0.942	0.765
Brand Strength	BM1	0.851			
Brand Favorability	BM2	0.874			
Brand Uniqueness	BM3	0.894			
Brand Experience	BM4	0.864			
Brand Evaluation	BM4	0.891			
Purchase Decision			0.984	0.987	0.938
Transactional	PD1	0.954			
Referential	PD2	0.976			
Preferential	PD3	0.979			
Explorative	PD4	0.966			
Willingness	PD5	0.968			

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

All of the study designs have high-quality measurements, according to the data processing findings. With AVE of 0.935, Cronbach's Alpha and Composite Reliability values over 0.97, and substantial outer loadings on all indicators, Brand Credibility demonstrates convergent validity and extremely high reliability. With Cronbach's Alpha values over 0.88, Composite Reliability beyond 0.92, and AVE above 0.74, it is clear that Brand Identity and Brand Image fulfill the reliability and validity requirements. This means that the construct

can properly explain the indicator variation. Additionally, all indicators have very strong outer loadings, and the Purchase Decision shows very high internal consistency with Cronbach's Alpha values of 0.984 and an AVE of 0.938. In conclusion, the results show that the research tool is trustworthy, legitimate, and appropriate for future studies; furthermore, it provides a thorough and humanistic representation of phenomena related to consumer behavior.

Table 4. Discriminant Validity: Fornell-Larcker Criterion

	Brand Credibility	Brand Identity	Brand Image	Purchase Decision
Brand Credibility	0.967			
Brand Identity	0.555	0.863		
Brand Image	0.099	0.229	0.875	
Purchase Decision	0.449	0.573	0.374	0.969

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

The results of the discriminant validity test based on the Fornell–Larcker criteria indicate that all constructs in this study have met the established requirements. The square root of the AVE value for each construct, namely Brand Credibility, Brand Identity, Brand Image, and Purchase Decision, is higher than its correlation value with other constructs. This finding suggests that each construct can represent the concept it measures more strongly than its relationship with other constructs in the model. Thus, there is no conceptual overlap between latent variables, so that the uniqueness and independence of each construct are maintained. Humanistically, these results reflect that respondents' perceptions of brand credibility, brand identity, brand image, and purchase decisions are formed through different, yet complementary, experiences and assessments. Therefore, the measurement model is declared to have good discriminant validity and is suitable for use in further structural analysis.

Inner Model Measurement

Using the SEM-PLS method, the Inner Model Measurement test checks how the hidden factors in the study model are connected structurally. To find out how well the independent variable can explain the dependent variable, this test uses the coefficient of determination (R^2) and the F-Square value to measure the size of the effect between the constructs. The sampling method also gives us the path coefficient estimate and its significance level, which we can use to figure out the strength and direction of the link between the terms. Overall, the inner model test gives an idea of how well the study model can predict things and whether it can be built. Sarstedt et al. (2023) say that the R-Square number falls into three groups: when it's 0.19, when it's 0.33, and when it's 0.67. These groups show that the link between the external variable and the internal variable is weak, moderate, or strong, respectively. Ghozali (2014), said that the link between the internal and external factors is strong when the R-squared number is higher than 0.67.

Table 5. Coefficient of Determination Result R2

Notes	R-Square	R-Square Adjusted
Purchase Decision	0.418	0.408

Note: R-squared = coefficient of determination; R-squared Adjusted = squared corrected; R-squared for the number of predictors.

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

The determination coefficient test shows that the Purchase Decision variable has an R-Square value of 0.418 and an Adjusted R-Square value of 0.408. This conclusion shows that the independent variables in the study model can explain 41.8% of the differences in purchase choices. The remaining 58.2% are due to factors that are not in the model. The Adjusted R-Square value is quite close to the R-Square value. This means that the model is accurate and not biased since it uses a lot of predictor variables. In terms of ideas and people, these findings show that deciding what to buy is a complicated process. The elements analyzed are important, but personal experience, social context, and other situational dynamics may still have an effect. The structural model, therefore, has modest explanatory efficacy and is appropriate for further examination.

In Partial Least Squares Structural Equation Modeling (PLS-SEM), the F-square (f^2) test is used to find out how big of an influence each exogenous construct has on the endogenous construct in a structural model. The f^2 value tells you how much a predictor variable affects the variance of the dependent variable, whereas the path coefficient significance test just tells you whether or not there is statistical effect (Sarstedt et al., 2023). To do this test, you compare the model's R-square value with and without the predictor construct.

Table 6. F-Square Value

	Purchase Decision
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Brand Credibility	0.047
Brand Identity	0.183
Brand Image	0.111

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

The results of subsequent data analysis, related to the effect size (F-Square), show that each independent variable makes a distinct contribution to the purchase decision. Brand Credibility has an F-Square value of 0.047, indicating a small but significant influence in explaining variations in purchasing decisions. Brand Identity shows an F-Square value of 0.183, indicating a moderate influence; thus, its role is relatively more dominant in shaping consumer purchasing decisions. Meanwhile, Brand Image has an F-Square value of 0.111, reflecting a small to nearly moderate influence. Humanistically, these findings suggest that a single factor does not determine purchasing decisions, but rather that they result from the simultaneous interaction of consumer perceptions of credibility, identity, and brand image. Thus, despite their varying levels of contribution, all variables still play a crucial role in building a comprehensive understanding of consumer behavior.

Hypothesis Testing

To determine the strength and direction of the causal links between the latent constructs that were modeled in the structural equation model, the Partial Least Squares-Structural Equation Modeling (PLS-SEM) method employs hypothesis testing. Stable parameter estimates are obtained by doing hypothesis testing using a bootstrapping technique with an adequate number of subsamples. At a 5% significance level, a t-statistic value more than 1.96 and a p-value less than 0.05 are the typical criteria used to assess the importance of the link between constructs, which is then based on the path coefficient and t-statistic. Furthermore, the structural link is evaluated for its strength and importance using the R² and f² values, which quantify the external constructs' contributions to the endogenous construct. If the correlation between the variables is both statistically significant and follows the predicted theoretical trend, we may say that the hypothesis is correct.

Table 7. Hypotheses Test

Hypothesis	Coefficient	Standard Deviation	t-count	P-Value	Conclusion
Brand Credibility>>Purchase Decision (H ₁)	0.200	0.074	2,701	0.007	Accepted
Brand Identity >>Purchase Decision (H ₂)	0.402	0.068	5,882	0.000	Accepted
Brand Image>>Purchase Decision (H ₃)	0.262	0.046	5,645	0.000	Accepted

Note: t-count = T-statistic; p-value = probability value.

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

The results of the hypothesis testing indicate that all tested relationships have a positive and significant influence on Purchase Decision. Brand Credibility is proven to have a significant influence on purchasing decisions with a coefficient of 0.200, a t-value of 2.701, and a p-value of 0.007, indicating that the level of consumer trust in the brand plays a significant role in driving purchasing decisions. Brand identity has the most decisive influence, with a coefficient of 0.402, supported by a t-value of 5.882 and a p-value of 0.000, thus confirming that the clarity and consistency of brand identity are dominant factors in shaping consumer choices. Furthermore, Brand Image also has a significant influence with a coefficient of 0.262, a t-value of 5.645, and a p-value of 0.000, reflecting the importance of a positive brand image in strengthening purchasing intentions and decisions. In general, these findings demonstrate that consumer decisions are shaped by interrelated rational and emotional processes, where trust, identity, and brand image collectively contribute to a meaningful experience in the decision-making process.

DISCUSSION

The findings of this study confirm that brand identity plays a highly strategic role in shaping purchasing decisions for regionally distinctive MSME products. These results reinforce brand identity theory, which states that brands function not merely as product markers but as constructs of meaning that represent specific values, culture, and character. In the context of Lake Toba Samosir, a tourism destination rooted in local wisdom, brand identity serves as a symbolic medium that connects tourist experiences with the MSME products they consume. Previous research confirms that a strong brand identity can create meaningful differentiation and foster a more profound emotional attachment among consumers. This relationship mechanism operates through a process of self-identification, where consumers perceive products as integral to their personal and social experiences. MSME products are no longer perceived merely as souvenirs, but as authentic representations of travel and cultural interactions. Critically, these findings suggest that MSMEs' weaknesses in articulating their brand identity have the potential to hinder competitiveness, even if the product quality is adequate. Therefore,

strengthening brand identity should focus on consistent narratives, visual symbols, and cultural storytelling, so that sustainable meaning, rather than fleeting impulses, drives purchasing decisions.

The research findings indicate that brand credibility plays a crucial role in shaping consumer purchasing decisions, particularly in situations of information uncertainty inherent in MSME products. This finding aligns with brand signaling theory, which posits that brand credibility serves as a signal of reliability and quality. In the tourism context, consumers often lack prior experience with specific MSME products, making trust a determining factor. Previous research consistently demonstrates that credible brands can reduce perceived risk and increase consumer confidence in decision-making. This relationship is cognitive-affective, where consistency of brand promise, reputation, and prior experience fosters a sense of psychological security. In the context of Lake Toba Samosir, brand credibility is not only built by individual MSMEs but is also influenced by the collective image of the tourist destination and trust in local products. Critically, this finding suggests that short-term marketing strategies for MSMEs without consistent quality can harm brand credibility. Therefore, strengthening brand credibility must be understood as a long-term process that requires product consistency, transparency of information, and brand integrity to influence consumer purchasing decisions sustainably.

The research findings also confirm that brand image plays a significant role in influencing purchasing decisions. Brand image reflects the accumulation of perceptions, experiences, and emotional associations embedded in consumers' minds, as explained in consumer perception theory. Previous research confirms that a positive brand image serves as an evaluative framework, facilitating consumers' decision-making and reducing cognitive load. In the context of MSMEs in tourist destinations, brand image is inseparable from the overall tourism experience, encompassing social interactions, the destination's atmosphere, and its inherent cultural narratives. The mechanism of this relationship is affective, where emotional impressions and symbolic experiences strengthen consumer preferences for specific products. Critically, these findings suggest that the brand image of MSMEs is often fragile, as it is highly dependent on situational experiences. Therefore, brand image management needs to be carried out holistically through product quality, packaging design, brand communication, and synergy with the destination image. Thus, purchasing decisions are not only triggered by momentary perceptions but also have the potential to develop into long-term brand loyalty and advocacy.

CONCLUSIONS

The conclusion of this study confirms that purchasing decisions for regionally distinctive MSME products at the Lake Toba Samosir tourist destination are shaped through the complementary interaction of brand identity, brand credibility, and brand image. Synthetically, the research findings indicate that consumers act not only based on functional considerations but also interpret MSME products as symbols of tourism experience, cultural identity, and trust in local quality. The main contribution of this study to the development of marketing science lies in strengthening the integrative perspective of branding, particularly in the context of tourism-based MSMEs, which has tended to be studied partially. This study enriches the literature by demonstrating that MSME brand management cannot be separated from the socio-cultural context of the destination, so that branding functions as a cognitive and affective mechanism that bridges product value with consumer experience. Theoretically, these findings extend the application of brand identity theory and brand signaling theory in the regional creative economy context, while also highlighting the importance of a holistic approach to understanding tourism consumer behavior.

In terms of practical implications, the research findings provide a strong foundation for MSMEs to design more targeted and sustainable branding strategies. Strengthening an authentic brand identity, maintaining consistent product quality as a basis for credibility, and managing a brand image aligned with the image of the tourist destination are key to increasing the competitiveness of local products. For policymakers and tourism stakeholders, this research suggests the need for policy interventions that focus not only on increasing MSME production capacity but also on providing branding assistance, product curation, and integrating cultural narratives within the regional tourism ecosystem. Thus, MSMEs are positioned not merely as complements to destinations, but rather as strategic actors in creating added economic value and meaningful tourism experiences. This implication highlights that the successful development of MSMEs producing regional souvenirs heavily depends on the synergy between business actors, the government, and tourism destination managers.

As a recommendation, this study suggests that the professional practices of MSMEs should focus on long-term brand building through cultural storytelling, visual consistency, and an enhanced customer experience, both in-person and digitally. From a policy perspective, an integrated mentoring program combining branding training, quality standardization, and destination-based promotion is needed to strengthen and enhance the image of local products. For future research, it is recommended that the model be expanded to include mediating or moderating variables, such as tourism experience, emotional engagement, or the influence of digital media, to gain a more comprehensive understanding of the phenomenon. Furthermore, cross-destination testing and mixed-methodological approaches can provide broader generalizations and deepen the socio-cultural context that

shapes consumer behavior. With this direction, further research is expected to strengthen academic contributions while providing more tangible practical impacts for the development of MSMEs and sustainable tourism.

Author Contributions

Conceptualisation: NB, CYS, JY, RN, AS; data curation: NB, CYS, JY, RN, AS; formal analysis: NB, JY, RN, AS; investigations: NB, CYS, JY, RN, AS; methodology: NB, CYS, JY, RN, AS; project administration: NB, JY, RN; supervision: NB, JY, RN; validation: NB, CYS, JY, RN, AS; visualization: NB, CYS, JY, RN; writing – original draft: NB, JY, RN; writing – review & editing: NB, CYS, JY, RN, AS.

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Conflicts of Interest

The authors declare that they have no conflict of interest.

Data Availability Statement

The data is available and can be provided on request.

Informed Consent Statement

All participants in this research provided informed consent. Before data collection, participants were apprised of the research objectives, methodologies, and their rights, including the choice to participate voluntarily and the right to withdraw at any moment. All subjects granted written permission, and their identity and confidentiality were rigorously maintained throughout the study procedure. The research was performed in compliance with ethical standards and obtained ethical clearance from Sekolah Tinggi Ilmu Ekonomi Sultan Agung.

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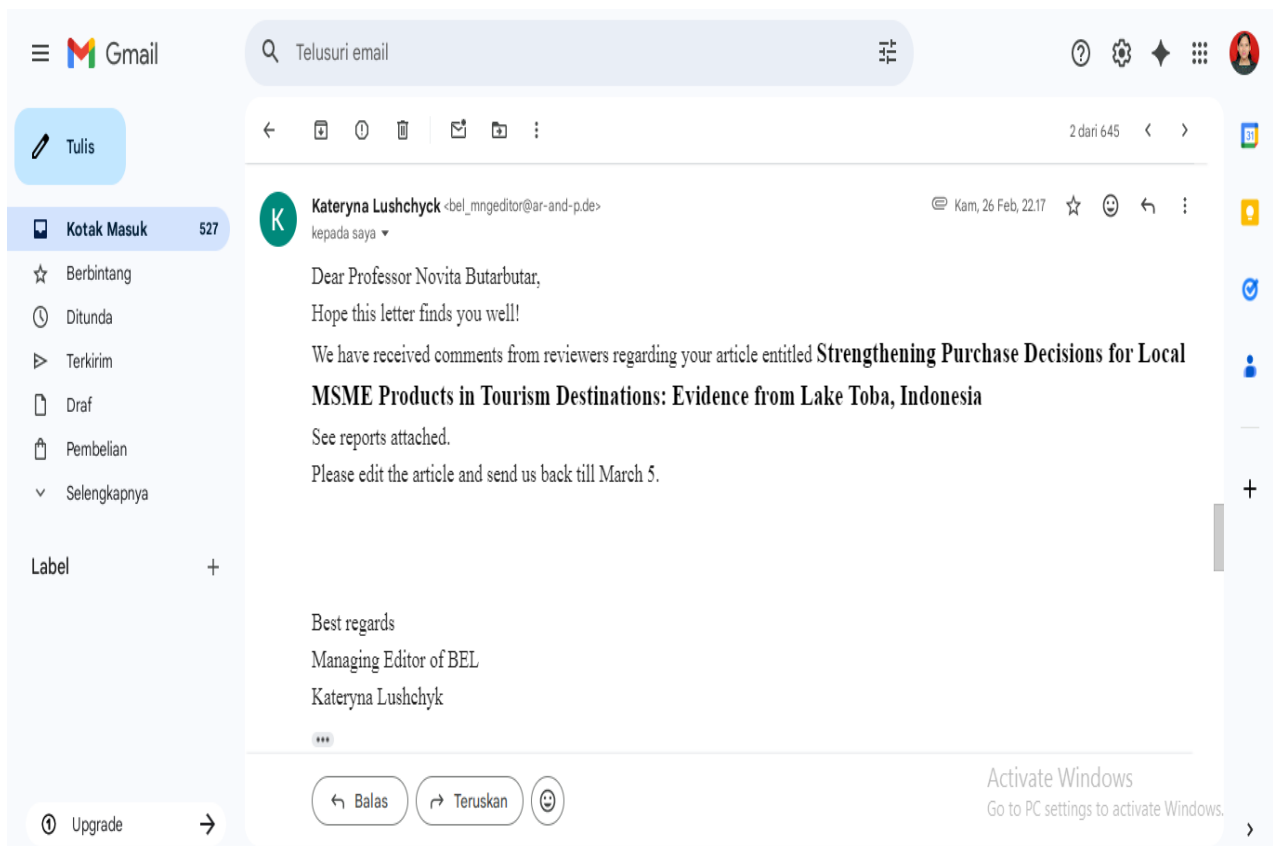
APPENDIX

Questionnaire Form

Brand Credibility Variable						
No	What is your opinion, attitude, and knowledge regarding the statement below:	Very good	Good	Neutral	Not good	Very Bad
<i>Trustworthiness</i>						
1	This local MSME product is produced with safe and quality ingredients.					
2	The information provided by MSMEs regarding products can always be trusted.					
<i>Expertise</i>						
3	MSMEs have expertise in producing good-quality products.					
4	The products produced demonstrate the high level of skill and innovation of MSME actors.					
<i>Attractiveness</i>						
5	This MSME product has a design or appearance that caught my attention.					
6	The product packaging appears professional and aesthetically pleasing.					
<i>Consistency</i>						
7	The products I buy consistently maintain the same high quality over time.					
8	The service provided by MSMEs is always consistent, every time I interact with them.					
Brand Identity Variables						
No	What is your opinion, attitude, and knowledge regarding the statement below:	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
<i>Brand as Organization</i>						
1	MSMEs as organizations are capable of maintaining their brand reputation.					
2	This brand represents the professionalism and good values of the organization behind it.					
3	The organization that manages this brand is responsible for customer satisfaction.					
<i>Brand as Product</i>						
4	The products offered by this brand consistently meet the highest standards of quality.					
5	The product's characteristics make this brand easy for me to recognize and remember.					
6	The products from this brand meet my needs and preferences as a customer.					
<i>Brand as Person</i>						
7	This brand has a friendly and approachable personality.					
8	This brand is like a friend I can trust to fulfill my needs.					
9	The character of this brand feels familiar and makes me comfortable continuing to interact with it.					
<i>Brand as Symbol</i>						
10	This brand's logo, colors, and symbols are memorable and have special meaning to me.					
11	This brand boasts a distinctive visual identity that sets it apart from others.					
12	This brand symbol represents the cultural values and distinctive identity of the region, making it more attractive and competitive in the market.					
Brand Image Variables						
No	What is your opinion, attitude, and knowledge regarding the statement below:	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
<i>Brand Strength</i>						
1	I recognize the brand of this MSME product without needing to examine the label in detail.					
2	This brand has a strong influence among similar products.					
3	The strength of this brand helps me in making purchasing decisions.					

Brand Favorability						
4	I prefer this UMKM product brand over other brands.					
5	I have had a positive perception of this brand since I first encountered it.					
6	I recommend this brand to others because of the good impression I had.					
Brand Uniqueness						
7	This product brand has a uniqueness that sets it apart from other brands in the market.					
8	This brand identity reflects the local cultural characteristics that caught my attention.					
9	I bought this product because of the uniqueness of the brand, which is not found in similar products.					
Brand Experience						
10	I had a pleasant experience using products from this brand.					
11	My interactions with this brand (both through products and services) have been very satisfying.					
12	Every time I buy a product from this brand, I am getting more value.					
Brand Evaluation						
13	Overall, I rate this brand as superior.					
14	I rate the quality, price, and benefits of the products from this brand positively.					
15	This brand meets my expectations in terms of reputation, design, and reliability.					
Purchasing Decision Variables						
No	What is your opinion, attitude, and knowledge regarding the statement below:	Very good	Good	Neutral	Not good	Very Bad
Transactional						
1	I have made transactions to purchase this MSME product both directly and online.					
2	I buy this product because of the ease of the transaction process it offers.					
Referential						
3	I got to know this MSME product through recommendations from friends, family, or people close to me.					
4	I am more confident in buying this product because many people recommend it.					
Preferential						
5	I prefer this UMKM brand over other similar product brands.					
6	This product is my top choice when purchasing regional specialty items.					
Explorative						
7	I am interested in trying new products from this MSME brand.					
8	I often explore various product variants or innovations from this brand.					
Willingness						
9	I am willing to pay more for this MSME product if the quality is comparable.					
10	I am more than happy to recommend this product to others.					

Bukti konfirmasi review round 1 dan hasil review round 1 (26 Februari 2026)



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Academic Research and Publishing UG (AR&P)

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REFEREE REPORT

Business Ethics and Leadership

Manuscript code 15-02-2026_BEL

Manuscript title Strengthening Purchase Decisions for Local MSME Products in Tourism Destinations: Evidence from Lake Toba, Indonesia

Referee's name 1: Reviewer 1

Strengths of Article (add lines if necessary):

The article corresponds to the aims and scope of the journal.

Required improvements (add lines if necessary):

To attract a wider international readership, I recommend removing the reference to a specific country from the title of the article. A more general formulation will enhance the global relevance and visibility of the study. In order to better align the manuscript with the journal's subject focus, I suggest revising the title as follows: "Trust-Based Business Leadership of Local MSMEs in Tourism Destinations: The Role of Brand Credibility, Brand Identification, and Brand Image in Strengthening Consumer Purchase Decisions." This formulation more clearly reflects the journal's thematic emphasis on business leadership and trust.

I strongly recommend revising the abstract and structuring it into nine logically connected sentences as follows:

- The first sentence should explicitly state the relevance of the specific research problem within the framework of business leadership and trust, directly reflecting the journal's subject categories.
- The second sentence should clearly identify a specific research gap in the literature, again explicitly referring to business leadership, trust, or related thematic terminology.
- The third sentence should state the purpose of the research.
- The fourth sentence should describe the data used. If the study is survey-based, this sentence must include the year of data collection, the country, the sample size, the type of respondents, and key characteristics of the sample.
- The fifth sentence should describe the research methods, including the survey procedure, statistical techniques applied, and the software used for data analysis.
- The sixth, seventh, and eighth sentences should present the main empirical findings. Each of these sentences must contain a specific quantitative indicator (e.g., percentage, regression coefficient, significance level, R^2 value) confirming the reported result and highlighting newly identified patterns.
- The ninth sentence should conclude by outlining future research and practical implications within the thematic field of business leadership, trust, or related journal categories.

The Conclusions section should contain three clearly structured components:

1. a concise and formal summary of the most significant new patterns identified in the study;
2. a clear discussion of the study's limitations;
3. an outline of future research directions and practical implications within the context of Trust-Based Business Leadership and the journal's thematic focus.

No citations should be included in the Conclusions.

Additional comments:

The article can be published after completing the recommendations.

Recommendations for Publisher:

- a) accept
- b) **accept on minor revisions indicated above**
- c) accept on major revisions indicated above
- d) reject entirely

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Academic Research and Publishing UG (AR&P)

AR&P

REFEREE REPORT

Business Ethics and Leadership

Manuscript code 15-02-2026_BEL

Manuscript title Strengthening Purchase Decisions for Local MSME Products in Tourism Destinations: Evidence from Lake Toba, Indonesia

Referee's name 1: Reviewer 2

Required improvements (add lines if necessary):

- It is recommended adding Trust and Business Leadership to the list of keywords to ensure alignment with the journal's thematic sections.
- Two additional paragraphs are necessary to add to the Introduction devoted specifically to the concept of Trust-Based Business Leadership, explaining its theoretical foundations and relevance to MSMEs in tourism destinations.
- A separate subsection (3–4 paragraphs) is required in the Literature Review dedicated exclusively to Trust-Based Business Leadership. This section should be based primarily on publications from journals ranked in the first and second quartiles (Q1 and Q2) according to Scopus or Web of Science. While respecting the authors' autonomy in selecting sources, I strongly encourage grounding the theoretical framework in the most recent and highly cited studies published in reputable international journals. The predominance of Q1 and Q2 sources will demonstrate that the study builds upon the most significant and authoritative research in the field.
- The Methodology section must clearly indicate the year in which the survey was conducted.
- Each table and figure should be explicitly referenced in the text before it appears (e.g., "As shown in Table 2..." or "Figure 3 demonstrates...").
- The presentation of the questionnaire in the Appendix is required to revise. It is not necessary to present it in table format. Instead, define the response scale at the beginning and then provide the list of questions in a structured list format.
- It is not stylistically appropriate for a figure to be immediately followed by a table without explanatory text. It is recommended inserting at least one or two analytical paragraphs between them to interpret the results.
- The text currently placed in the Discussion section appears to summarize findings and therefore should be moved to the end of the Results section. The Discussion section should instead follow the journal's template and focus on comparing the study's findings with previous research. Specifically, it should demonstrate how the results confirm certain authors' conclusions and contradict others. The value of this section lies in systematically comparing the findings with at least 10 of the most significant prior studies.
- The manuscript currently lacks a section describing the use of artificial intelligence. Please add a dedicated AI Statement clarifying whether AI tools were used in data analysis, language editing, or manuscript preparation, in accordance with current academic publishing standards.

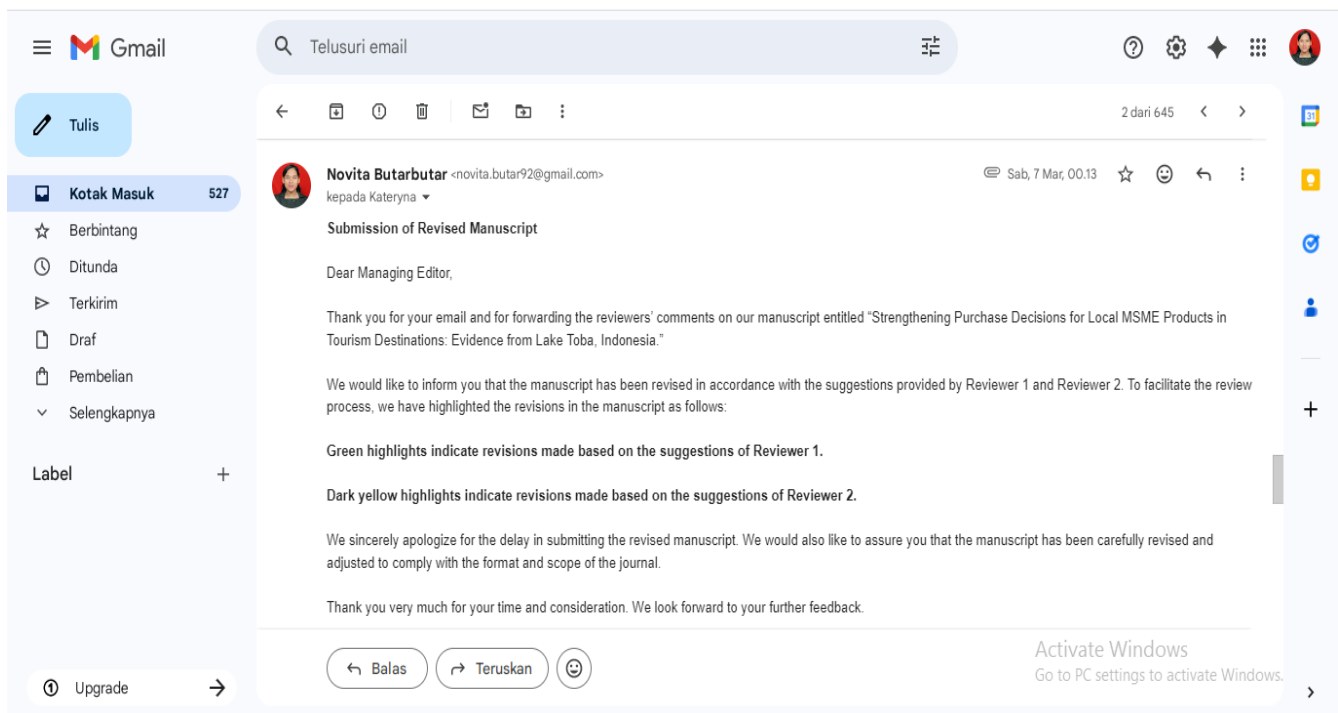
Additional comments:

Overall, the manuscript addresses a relevant topic; however, substantial revisions are necessary to ensure methodological rigor, theoretical depth, structural clarity, and full compliance with the journal's requirements.

Recommendations for Publisher:

- a) accept
- b) **accept on minor revisions indicated above**
- c) accept on major revisions indicated above
- d) reject entirely

Bukti konfirmasi submit revisi pertama, respon kepada reviewer, dan artikel yang diresubmit (07 Maret 2026)



1) Comments Reviewer 1 to the Author

To attract a wider international readership, I recommend removing the reference to a specific country from the title of the article. A more general formulation will enhance the global relevance and visibility of the study. In order to better align the manuscript with the journal's subject focus, I suggest revising the title as follows: **“Trust-Based Business Leadership of Local MSMEs in Tourism Destinations: The Role of Brand Credibility, Brand Identification, and Brand Image in Strengthening Consumer Purchase Decisions.”** This formulation more clearly reflects the journal's thematic emphasis on business leadership and trust.

Response:

The authors sincerely appreciate the reviewer's insightful recommendation. In response, the title has been revised by removing the reference to a specific country in order to enhance the manuscript's international relevance and broader scholarly appeal. Furthermore, the revised title has been aligned more closely with the journal's thematic focus by emphasizing trust-based business leadership and its relationship with brand credibility, brand identification, brand image, and consumer purchase decisions. These revisions improve the conceptual clarity, visibility, and suitability of the manuscript for an international readership.

Trust-Based Business Leadership of Local MSMEs in Tourism Destinations: The Role of Brand Credibility, Brand Identification, and Brand Image in Strengthening Consumer Purchase Decisions

2) Comments Reviewer B to the Author

I strongly recommend revising the abstract and structuring it into nine logically connected sentences as follows:

- The first sentence should explicitly state the relevance of the specific research problem within the framework of business leadership and trust, directly reflecting the journal's subject categories.
- The second sentence should clearly identify a specific research gap in the literature, again explicitly referring to business leadership, trust, or related thematic terminology.
- The third sentence should state the purpose of the research.
- The fourth sentence should describe the data used. If the study is survey-based, this sentence must include the year of data collection, the country, the sample size, the type of respondents, and key characteristics of the sample.
- The fifth sentence should describe the research methods, including the survey procedure, statistical techniques applied, and the software used for data analysis.
- The sixth, seventh, and eighth sentences should present the main empirical findings. Each of these sentences must contain a specific quantitative indicator (e.g., percentage, regression coefficient, significance level, R² value) confirming the reported result and highlighting newly identified patterns.
- The ninth sentence should conclude by outlining future research and practical implications within the thematic field of business leadership, trust, or related journal categories.

Response:

The authors sincerely thank the reviewer for the detailed and constructive recommendations regarding the abstract structure. In response, the abstract has been comprehensively revised into nine logically connected sentences in accordance with the reviewer's guidance and the journal's thematic focus. The revised version now explicitly emphasizes the relevance of the study within the framework of business leadership and trust, identifies the research gap, clarifies the research purpose, and provides detailed information regarding the data, sample characteristics, research methods, statistical techniques, and software used. Furthermore, the main empirical findings are supported by quantitative indicators, and the concluding sentence highlights future research and practical implications related to business leadership and trust.

Effective brand management is essential for directing consumer purchase choices in experience-based tourism that promotes regional MSMEs within the parameters of trust and business leadership. However, little study has been done to explain how leadership-driven brand management enhances visitors' choices to buy local goods and fosters customer trust. This research seeks to examine the impact of brand identification, brand credibility, and brand image on the purchasing choices of local MSME goods in the Lake Toba tourist attraction in Indonesia. In 2025, survey results were gathered in Indonesia from 180 tourists who purchased local MSME goods, reflecting visitors engaged in experience-based tourism. Data were collected by structured questionnaires and analyzed using Structural Equation Modeling (PLS-SEM) with SmartPLS software to evaluate measurement validity, reliability, and structural correlations. Brand identity significantly influenced purchase decisions ($\beta=0.402$, $p<0.000$), emerging as the strongest predictor. Brand credibility also showed a positive effect ($\beta=0.200$, $p<0.07$). Brand image further contributed significantly ($\beta=0.262$, $p<0.00$), confirming that trust-related symbolic and emotional brand perceptions shape tourists' purchasing decisions for local MSME products. This research enhances the literature by reinforcing integrative branding techniques in MSMEs and broadening the applicability of the theory of planned behavior and brand signaling theory in relation to local tourism goods. The results provide direction for governments and corporate leaders to design leadership-oriented branding strategies that foster customer trust via a credible brand identity, consistent quality indicators, and culturally relevant brand imagery associated with tourist experiences. Future study should investigate the influence of company leadership techniques and trust-building mechanisms on customer behavior and the enduring value of brands in experience-based tourist industries.

3) Comments Reviewer 1 to the Author

The Conclusions section should contain three clearly structured components:

- a concise and formal summary of the most significant new patterns identified in the study;

- a clear discussion of the study's limitations;
- an outline of future research directions and practical implications within the context of Trust Based Business Leadership and the journal's thematic focus.

Response:

The authors sincerely appreciate the reviewer's valuable recommendation regarding the structure of the Conclusions section. In response, the section has been comprehensively revised to incorporate three clearly organized components. First, a concise and formal summary of the most significant findings and newly identified patterns has been provided. Second, the study's limitations are explicitly discussed to ensure transparency and balanced interpretation of the results. Third, future research directions and practical implications have been outlined within the context of Trust-Based Business Leadership and the journal's thematic focus, thereby strengthening the manuscript's academic and practical relevance.

This research delineates numerous notable empirical trends that elucidate purchase choices for regional MSME items in the Lake Toba Samosir tourist area. The results indicate that brand identity, brand credibility, and brand image function as synergistic factors affecting visitors' purchase choices. Brand identification stands up as the most significant element, suggesting that customers perceive MSME goods via both functional characteristics and the symbolic connotations linked to cultural identity, tourist experiences, and confidence in local product quality. The findings support a holistic view of branding, illustrating that successful MSME brand management merges cognitive components (identification and credibility) with emotional perceptions (brand image), which together influence trust-driven customer choices. This research enhances marketing and leadership literature by emphasizing that trust-oriented branding tactics are crucial for bolstering the competitiveness of tourism-based MSMEs.

Notwithstanding these advances, many limits must be recognized. The research is based on cross-sectional survey data obtained from travelers visiting a specific tourism site, thus limiting the generalizability of the results to other cultural or geographic settings. The study emphasizes three principal branding elements and fails to include other possible factors influencing trust-based purchase behavior, including tourist experience, digital involvement, or perceptions of service quality. Third, the use of self-reported survey data may engender response bias, since respondents' views and intentions may not accurately represent their actual purchase behavior. These limitations suggest that the findings must be understood within the particular context of tourism-oriented MSMEs and should prompt further empirical confirmation in more extensive contexts.

Subsequent study need to enhance the analytical framework by integrating supplementary factors pertinent to trust-oriented company leadership, including leadership-influenced branding strategies, stakeholder engagement, and the development of consumer trust within tourist ecosystems. Longitudinal research and cross-destination comparisons would facilitate the examination of the evolution of trust and brand perceptions over time across various tourist markets. Mixed-method techniques that combine qualitative observations with quantitative modeling might enhance the understanding of the socio-cultural narratives influencing customer trust and purchase behavior. The results underscore the significance of leadership-driven branding strategies that prioritize genuine brand identification, uniform product quality, and culturally rooted narratives. Policymakers and tourism stakeholders should therefore assist MSMEs via comprehensive programs that include branding mentoring, trust-enhancing certification systems, and destination-oriented marketing tactics to bolster sustainable tourism growth and enhance local economic value creation.

1) **Comments Reviewer 2 to the Author**

It is recommended adding Trust and Business Leadership to the list of keywords to ensure alignment with the journal's thematic sections.

Response:

The authors sincerely thank the reviewer for the valuable recommendation. In response, the keywords Trust and Business Leadership have been added to the manuscript's keyword list to ensure stronger alignment with the journal's thematic sections and subject focus. This revision enhances the discoverability, thematic relevance, and academic positioning of the study within the broader discourse on trust-based business leadership and related research domains.

brand identity, brand credibility, brand image, purchase decisions, trust, business leadership

2) Comments Reviewer 2 to the Author

Two additional paragraphs are necessary to add to the Introduction devoted specifically to the concept of Trust-Based Business Leadership, explaining its theoretical foundations and relevance to MSMEs in tourism destinations.

Response:

The authors sincerely appreciate the reviewer's insightful suggestion. In response, two additional paragraphs have been incorporated into the Introduction section to specifically discuss the concept of Trust-Based Business Leadership. These additions elaborate on its theoretical foundations, conceptual significance, and relevance within the context of MSMEs operating in tourism destinations..

Trust-Based Business Leadership has arisen as a significant theoretical framework in modern management literature, highlighting the importance of leadership in fostering credibility, transparency, and relational trust among stakeholders. This leadership paradigm is based on relational leadership theories, social exchange principles, and trust signaling, indicating that leaders affect stakeholder behavior by regularly exhibiting integrity, competence, and alignment of values. In market contexts marked by uncertainty and information asymmetry, such as tourist markets, trust serves as a vital mechanism that mitigates perceived risk and influences consumer decision-making. In this context, company executives are tasked with controlling operational performance and creating reliable brand signals that influence consumer perceptions and enhance enduring customer relationships. Thus, trust-based leadership approaches are crucial for organizations aiming to establish durable competitive advantages in experience-oriented tourist industries.

The need of Trust-Based Business Leadership is especially critical for MSMEs functioning in tourist locations. In contrast to major organizations, MSMEs mostly depend on relational credibility, cultural authenticity, and reputation to recruit and retain clientele. In tourist environments, visitors often assess local items with little information, rendering trust signals—such as brand reputation, genuine identity, and consistent product quality—crucial to their purchase choices. Leadership strategies in MSMEs are essential in influencing the communication of trust via branding, storytelling, and service experiences integrated into the cultural narrative of the location. By merging trust-centric leadership with strategic brand management, MSME leaders can elevate local goods into significant representations of destination identity and quality assurance. This viewpoint emphasizes that enhancing the competitiveness of MSMEs in tourism destinations requires leadership strategies that deliberately foster trust among producers, visitors, and the wider tourism ecosystem.

3) Comments Reviewer 2 to the Author

A separate subsection (3–4 paragraphs) is required in the Literature Review dedicated exclusively to Trust-Based Business Leadership. This section should be based primarily on publications from journals ranked in the first and second quartiles (Q1 and Q2) according to Scopus or Web of Science. While respecting the authors' autonomy in selecting sources, I strongly encourage grounding the theoretical framework in the most recent and highly cited studies published in reputable international journals. The predominance of Q1 and Q2 sources will demonstrate that the study builds upon the most significant and authoritative research in the field.

Response:

The authors sincerely thank the reviewer for the valuable and constructive recommendation. In response, a separate subsection dedicated exclusively to Trust-Based Business Leadership has been added to the Literature Review section. This subsection consists of several paragraphs discussing the theoretical foundations, conceptual development, and relevance of the construct to the present study. Furthermore, the discussion has been strengthened by incorporating recent and highly cited publications from reputable Q1 and Q2 journals indexed in Scopus and Web of Science. These revisions enhance the theoretical rigor, academic credibility, and alignment of the manuscript with current international scholarly discourse.

Trust-Based Business Leadership is a way of leading in which business people generate value by always being honest, competent, open, and caring about their stakeholders. This lowers uncertainty and builds trust amongst people (Islam et al., 2021). The theoretical underpinnings are based on social exchange theory, stakeholder theory, and relational leadership (Bhattacharyya, 2006). These theories say that trust grows when leaders keep their commitments, do what they say they will do, and share values over time. Recent research published in prominent international journals indicates that ethical, authentic, responsible, and entrepreneurial leadership enhances trust development, employee commitment, innovation, and organizational performance, particularly in service-oriented and tourism contexts characterized by elevated risk, intangibility, and information asymmetry (Islam et al., 2021). In the fields of tourism and hospitality, trust has been shown to mediate the influence of leadership on agility, inventive behavior, and extra-role performance, so affirming that leadership functions not just via control but also by credibility and the quality of relationships (Tajeddini & Martin, 2020). This viewpoint is particularly pertinent for MSMEs in tourism locales, as tourists frequently assess local products with insufficient information; thus, leadership-driven trust signals such as genuine branding, consistent quality, and culturally informed communication emerge as essential strategies for enhancing credibility, destination reputation, and enduring purchasing choices.

4) Comments Reviewer 2 to the Author

The Methodology section must clearly indicate the year in which the survey was conducted.

Response:

The authors sincerely appreciate the reviewer's important observation. In response, the Methodology section has been revised to clearly specify the year in which the survey was conducted. This addition improves the transparency, contextual clarity, and methodological completeness of the study, allowing readers to better understand the temporal context of the data collection process and the relevance of the findings.

Based on Table 1, the gender composition shows a relatively balanced distribution, with 94 male respondents (52.22%) and 86 female respondents (47.78%). In terms of age, the majority of respondents fall within the productive age range, with the 26–35 age group comprising 52 respondents (28.89%) and the 36–45 age group including 50 respondents (27.78%). The age group under 25 years also shows a fairly significant proportion, namely 38 respondents (21.11%), while respondents aged 46–55 years and over 55 years each numbered 30 people (16.67%) and 10 people (5.55%), respectively. This age distribution reflects the representation of consumers from various stages of the life cycle, with a dominance of the productive age group, which generally has higher purchasing power and consumption activity.

5) Comments Reviewer 2 to the Author

Each table and figure should be explicitly referenced in the text before it appears (e.g., “As shown in Table 2...” or “Figure 3 demonstrates...”).

Response:

The authors sincerely thank the reviewer for this valuable recommendation. In response, the manuscript has been carefully revised to ensure that each table and figure is explicitly introduced and referenced in the text before its appearance using appropriate academic expressions such as “As shown in Table 2...” or “Figure 3

demonstrates...”. These revisions improve the logical flow, readability, and structural coherence of the manuscript while ensuring greater compliance with academic writing standards and the journal’s formatting requirements.

Based on Table 2 The brand credibility variable indicates the extent of customer belief in the brand's dependability and capacity to provide its promised value. This construct is implemented via the characteristics of trustworthiness, expertise, attractiveness, and consistency, which together include customer impressions of the brand's integrity, professional competence, symbolic allure, and reliable performance over time. Brand credibility serves as a quality indicator that reduces ambiguity and perceived risk in purchase choices. Brand identity delineates the strategic significance formulated and conveyed by the brand via four primary perspectives, brand as organization, brand as product, brand as person, and brand as symbol. The four elements represent fundamental principles, operational traits, brand identity, and symbolism that distinguish MSME goods from their rivals within the realm of tourist destinations. Brand image is a compilation of customers' cognitive connections with a brand, developed via recurrent encounters and assessments. This concept is assessed by brand strength, preference, distinctiveness, brand experience, and overall appraisal, which together represent consumers' cognitive and emotional reactions. Purchase choices delineate customers' intents and behavioral inclinations about acquisitions, manifested via transactional, referential, preferred, exploratory characteristics, and the propensity to buy local MSME goods.

Consequently, Figure 3 demonstrates presents an integrative model that situates brand identity as a strategic precursor influencing brand credibility and brand image, with brand image serving as a crucial mediator in enhancing purchase choices for local MSME products:

6) Comments Reviewer 2 to the Author

The presentation of the questionnaire in the Appendix is required to revise. It is not necessary to present it in table format. Instead, define the response scale at the beginning and then provide the list of questions in a structured list format.

Response:

The authors sincerely appreciate the reviewer’s constructive suggestion regarding the presentation of the questionnaire in the Appendix. In response, the questionnaire format has been revised by removing the table-based presentation. The response scale is now clearly defined at the beginning of the Appendix, followed by the questionnaire items presented in a structured list format. These revisions improve the readability, clarity, and overall organization of the Appendix while ensuring better alignment with academic presentation standards and the journal’s formatting expectations.

APPENDIX

Questionnaire Form

Brand Credibility Variable						
No	What is your opinion, attitude, and knowledge regarding the statement below:	Very good	Good	Neutral	Not good	Very Bad
Trustworthiness						
1	This local MSME product is produced with safe and quality ingredients.					
2	The information provided by MSMEs regarding products can always be trusted.					
Expertise						
3	MSMEs have expertise in producing good-quality products.					
4	The products produced demonstrate the high level of					

	skill and innovation of MSME actors.					
Attractiveness						
5	This MSME product has a design or appearance that caught my attention.					
6	The product packaging appears professional and aesthetically pleasing.					
Consistency						
7	The products I buy consistently maintain the same high quality over time.					
8	The service provided by MSMEs is always consistent, every time I interact with them.					
Brand Identity Variables						
No	What is your opinion, attitude, and knowledge regarding the statement below:	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
Brand as Organization						
1	MSMEs as organizations are capable of maintaining their brand reputation.					
2	This brand represents the professionalism and good values of the organization behind it.					
3	The organization that manages this brand is responsible for customer satisfaction.					
Brand as Product						
4	The products offered by this brand consistently meet the highest standards of quality.					
5	The product's characteristics make this brand easy for me to recognize and remember.					
6	The products from this brand meet my needs and preferences as a customer.					
Brand as Person						
7	This brand has a friendly and approachable personality.					
8	This brand is like a friend I can trust to fulfill my needs.					
9	The character of this brand feels familiar and makes me comfortable continuing to interact with it.					
Brand as Symbol						
10	This brand's logo, colors, and symbols are memorable and have special meaning to me.					
11	This brand boasts a distinctive visual identity that sets it apart from others.					
12	This brand symbol represents the cultural values and distinctive identity of the region, making it more attractive and competitive in the market.					
Brand Image Variables						
No	What is your opinion, attitude, and knowledge regarding the statement below:	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
Brand Strength						
1	I recognize the brand of this MSME product without needing to examine the label in detail.					
2	This brand has a strong influence among similar products.					
3	The strength of this brand helps me in making purchasing decisions.					

Brand Favorability						
4	I prefer this UMKM product brand over other brands.					
5	I have had a positive perception of this brand since I first encountered it.					
6	I recommend this brand to others because of the good impression I had.					
Brand Uniqueness						
7	This product brand has a uniqueness that sets it apart from other brands in the market.					
8	This brand identity reflects the local cultural characteristics that caught my attention.					
9	I bought this product because of the uniqueness of the brand, which is not found in similar products.					
Brand Experience						
10	I had a pleasant experience using products from this brand.					
11	My interactions with this brand (both through products and services) have been very satisfying.					
12	Every time I buy a product from this brand, I am getting more value.					
Brand Evaluation						
13	Overall, I rate this brand as superior.					
14	I rate the quality, price, and benefits of the products from this brand positively.					
15	This brand meets my expectations in terms of reputation, design, and reliability.					
Purchasing Decision Variables						
No	What is your opinion, attitude, and knowledge regarding the statement below:	Very good	Good	Neutral	Not good	Very Bad
Transactional						
1	I have made transactions to purchase this MSME product both directly and online.					
2	I buy this product because of the ease of the transaction process it offers.					
Referential						
3	I got to know this MSME product through recommendations from friends, family, or people close to me.					
4	I am more confident in buying this product because many people recommend it.					
Preferential						
5	I prefer this UMKM brand over other similar product brands.					
6	This product is my top choice when purchasing regional specialty items.					
Explorative						
7	I am interested in trying new products from this MSME brand.					
8	I often explore various product variants or innovations from this brand.					
Willingness						
9	I am willing to pay more for this MSME product if the quality is comparable.					

10	I am more than happy to recommend this product to others.					
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7) Comments Reviewer 2 to the Author

It is not stylistically appropriate for a figure to be immediately followed by a table without explanatory text. It is recommended inserting at least one or two analytical paragraphs between them to interpret the results.

Response:

The authors sincerely thank the reviewer for this valuable stylistic recommendation. In response, the manuscript has been revised to ensure that figures and tables are not presented consecutively without adequate explanatory discussion. Analytical paragraphs have been inserted between the relevant figures and tables to provide interpretation, contextualization, and discussion of the presented results. These revisions improve the logical flow, readability, and academic presentation of the manuscript while enhancing the clarity and depth of the empirical analysis.

The findings of the measurement model analysis performed to check the reliability and validity of the research constructs are shown in Table 3. Factor loadings, Cronbach's alpha, composite reliability (CR), and average variance extracted (AVE) are all important indicators that are used in the assessment. The findings show that all of the indicators satisfy the suggested standards. The factor loadings are over 0.70, and the CR and Cronbach's alpha values are also above 0.70, which shows that the data is very consistent. Also, the AVE values are higher than 0.50, which shows that the convergent validity is good. These results show that the measurement model is statistically sound and may be used for further structural model analysis that looks at how the study variables are related to each other.

8) Comments Reviewer 2 to the Author

The text currently placed in the Discussion section appears to summarize findings and therefore should be moved to the end of the Results section. The Discussion section should instead follow the journal's template and focus on comparing the study's findings with previous research. Specifically, it should demonstrate how the results confirm certain authors' conclusions and contradict others. The value of this section lies in systematically comparing the findings with at least 10 of the most significant prior studies.

Response:

The authors sincerely appreciate the reviewer's insightful and constructive recommendation. In response, the manuscript has been revised by relocating the summary-oriented content from the Discussion section to the end of the Results section. Furthermore, the Discussion section has been substantially restructured in accordance with the journal's template to emphasize critical comparison between the study's findings and prior research. The revised discussion now systematically examines how the results confirm or contradict conclusions from previous studies, incorporating comparisons with more than ten significant scholarly works to strengthen the theoretical contribution and academic rigor of the manuscript.

The results of this research demonstrate that brand identity has a crucial role in shaping buying choices for regionally unique MSME goods in tourist areas. This outcome corroborates the assertions of (Parkinson et al., 2016), who assert that brand identity serves as a strategic framework for brands to convey their fundamental values, significance, and uniqueness. The findings align with Pamungkas & Pramesti (2021), assertion that a distinct brand identity enhances customer connection and affects purchase behavior. Foroudi et al. (2020), research on tourism and local product markets shows that strong identity-based branding makes products more genuine and makes consumers more interested in them. Likewise, research conducted by Haidiani et al. (2022), substantiates that identity-based branding assists companies in constructing symbolic significance around their goods. Nonetheless, the results somewhat contradict studies demonstrating that practical product features may

prevail in consumer decision-making within souvenir marketplaces, suggesting that in culturally rooted tourist environments like Lake Toba, symbolic brand identification has a more pivotal role.

The research substantiates that brand credibility substantially affects visitors' buying choices, corroborating the theories stated by (Mandler et al., 2021), who define brand credibility as a signal that mitigates consumer uncertainty and perceived risk. Their research shows that trustworthy brands provide customers confidence in the quality and dependability of their products, which makes it easier for them to make decisions in new marketplaces. These results align with Chin et al. (2019), which emphasizes the impact of credible signals on market behavior in the presence of information asymmetry. Previous empirical research conducted by Martín-Consuegra et al. (2018), corroborates that credibility bolsters customer trust and fortifies brand assessments. In the case of tourism, the findings substantiate the notion that trust-based signals are especially significant, since tourists generally had no past experience with local items. However, previous research indicates that price discounts or impulsive buying behaviors may diminish the influence of trustworthiness in short-term purchase choices (Jiménez-Barreto et al., 2020). The above results underscore that in tourism-oriented MSME marketplaces, credibility persists as a vital long-term trust mechanism influencing customer decisions.

Finally, the results show that brand image has a big effect on buying decisions. This backs up the consumer perception framework put forth by (Agmeka et al., 2019), who say that brand image reflects the emotional connections and meanings that people have with brands. Prior studies conducted by Diamantopoulos et al. (2011), indicate that favorable brand impressions enhance customer preferences and loyalty. Studies in destination marketing literature show that brand image and destination image are commonly linked in tourist settings. The current results affirm that MSME goods in tourist locations serve not only as economic commodities but also as experience emblems embodying local culture and vacation memories (Sawaftah et al., 2020). However, brand image alone is unable to influence purchasing behavior without the backing of credibility and identity. The research shows that sustainable buying choices come from the combined effects of brand identity, brand credibility, and brand image. This shows how important trust-based brand management techniques are for tourism-based small and medium-sized businesses.

9) Comments Reviewer 2 to the Author

The manuscript currently lacks a section describing the use of artificial intelligence. Please add a dedicated AI Statement clarifying whether AI tools were used in data analysis, language editing, or manuscript preparation, in accordance with current academic publishing standards.

Response:

The authors sincerely thank the reviewer for this important recommendation. In response, a dedicated AI Statement section has been added to the manuscript in accordance with current academic publishing standards. This section clearly explains whether artificial intelligence tools were utilized in data analysis, language editing, or manuscript preparation.

AI Statement

We only employed AI technologies to a little extent when we wrote this paper. AI was simply used to make the English in the text clearer, more grammatically correct, and easier to read. AI-assisted techniques were also utilized to improve the way statistical findings were presented and understood in the tables. This was done to make them clearer and more consistent. Artificial intelligence was not used in the study design, data collecting, data processing, statistical analysis, or the creation of empirical findings. The authors are fully responsible for any analyses, interpretations, and findings.

Trust-Based Business Leadership of Local MSMEs in Tourism Destinations: The Role of Brand Credibility, Brand Identification, and Brand Image in Strengthening Consumer Purchase Decisions

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Abstract: Effective brand management is essential for directing consumer purchase choices in experience-based tourism that promotes regional MSMEs within the parameters of trust and business leadership. However, little study has been done to explain how leadership-driven brand management enhances visitors' choices to buy local goods and fosters customer trust. This research seeks to examine the impact of brand identification, brand credibility, and brand image on the purchasing choices of local MSME goods in the Lake Toba tourist attraction in Indonesia. In 2025, survey results were gathered in Indonesia from 180 tourists who purchased local MSME goods, reflecting visitors engaged in experience-based tourism. Data were collected by structured questionnaires and analyzed using Structural Equation Modeling (PLS-SEM) with SmartPLS software to evaluate measurement validity, reliability, and structural correlations. Brand identity significantly influenced purchase decisions ($\beta=0.402$, $p<0.000$), emerging as the strongest predictor. Brand credibility also showed a positive effect ($\beta=0.200$, $p<0.07$). Brand image further contributed significantly ($\beta=0.262$, $p<0.00$), confirming that trust-related symbolic and emotional brand perceptions shape tourists' purchasing decisions for local MSME products. This research enhances the literature by reinforcing integrative branding techniques in MSMEs and broadening the applicability of the theory of planned behavior and brand signaling theory in relation to local tourism goods. The results provide direction for governments and corporate leaders to design leadership-oriented branding strategies that foster customer trust via a credible brand identity, consistent quality indicators, and culturally relevant brand imagery associated with tourist experiences. Future study should investigate the influence of company leadership techniques and trust-building mechanisms on customer behavior and the enduring value of brands in experience-based tourist industries.

Keywords: brand identity, brand credibility, brand image, purchase decisions, trust, business leadership

JEL Classification: M31, M21, L26, Z32

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INTRODUCTION

Global tourism has reaffirmed its position as a key driver of service-based economic growth, fostering job creation, strengthening local supply chains, and promoting experience-based consumption (Afwaa et al., 2021; Kotler et al., 2022). Recent data indicate that this sector will contribute approximately 10% to the global economy, equivalent to US\$10.9 trillion, and support around 357 million jobs by 2024 (World Bank, 2025; WTTC, 2024). This scale highlights the substantial market potential for locally produced products integrated into

tourism activities. However, this recovery is also accompanied by intensified competition, with tourists becoming increasingly selective, sensitive to credibility, and relying on brand cues as cognitive shortcuts in rapid purchasing decisions (Graham & Wilder, 2020; Ismanto et al., 2023). In this context, micro, small, and medium enterprises (MSMEs) play a strategic role as they are the primary providers of destination value through culinary products, crafts, souvenirs, and cultural artifacts. In Indonesia, MSMEs dominate the economic structure, comprising approximately 64.2 million business units and contributing more than 61% to the gross domestic product, while absorbing a significant portion of the national workforce (DJPb Kemenkeu, 2024). Consistently, the tourism sector is also showing a strong recovery trend, reflected in the increase in foreign tourist visits, which reached 1.24 million in December 2024 (BPS, 2025). This condition indicates a significant demand base for MSME products in tourist destinations.

Trust-Based Business Leadership has arisen as a significant theoretical framework in modern management literature, highlighting the importance of leadership in fostering credibility, transparency, and relational trust among stakeholders. This leadership paradigm is based on relational leadership theories, social exchange principles, and trust signaling, indicating that leaders affect stakeholder behavior by regularly exhibiting integrity, competence, and alignment of values. In market contexts marked by uncertainty and information asymmetry, such as tourist markets, trust serves as a vital mechanism that mitigates perceived risk and influences consumer decision-making. In this context, company executives are tasked with controlling operational performance and creating reliable brand signals that influence consumer perceptions and enhance enduring customer relationships. Thus, trust-based leadership approaches are crucial for organizations aiming to establish durable competitive advantages in experience-oriented tourist industries.

The need of Trust-Based Business Leadership is especially critical for MSMEs functioning in tourist locations. In contrast to major organizations, MSMEs mostly depend on relational credibility, cultural authenticity, and reputation to recruit and retain clientele. In tourist environments, visitors often assess local items with little information, rendering trust signals—such as brand reputation, genuine identity, and consistent product quality—crucial to their purchase choices. Leadership strategies in MSMEs are essential in influencing the communication of trust via branding, storytelling, and service experiences integrated into the cultural narrative of the location. By merging trust-centric leadership with strategic brand management, MSME leaders can elevate local goods into significant representations of destination identity and quality assurance. This viewpoint emphasizes that enhancing the competitiveness of MSMEs in tourism destinations requires leadership strategies that deliberately foster trust among producers, visitors, and the wider tourism ecosystem.

Branding in the digital environment has its own unique dynamics that need to be understood in order to choose effective branding tactics and strategies (Mandler et al., 2021; Siddiqui et al., 2021; Dash et al., 2021). Effective brand management creates an identity for products and services and differentiates them from their main competitors (Chigora et al., 2024; Sánchez Garza et al., 2024; Efendi et al., 2023). Typical regional souvenir MSME products at the Lake Toba Samosir tourist destination are goods or products produced by MSMEs that reflect the richness of local culture and heritage. However, the current market share of these superior MSME products has declined due to a decrease in public purchasing interest in these products (Sherly et al., 2020; Jatmiko et al., 2021). The primary challenges faced by destination MSMEs stem from information asymmetry and quality uncertainty. Tourists generally have limited time and information to assess the authenticity, quality, and consistency of products (Le & Le, 2020; Armutcu et al., 2023). In such circumstances, brands should function as a risk-reducing mechanism and a guarantee of reliability. However, many MSMEs in tourist destinations still face fundamental weaknesses in three key branding dimensions: an undifferentiated brand identity, inconsistent brand credibility, and a brand image that has not yet been firmly established in the minds of tourists.

Several studies have positioned brand identity as a symbolic foundation that allows consumers to identify with a brand. In the context of experience-based products, strong brand identity has been shown to drive purchase decisions through emotional attachment and self-value expression (Parkinson et al., 2016; Mao et al., 2020; Graham & Wilder, 2020). However, this finding is countered by other research showing that the influence of brand identity weakens when consumers are more oriented towards utilitarian values, such as price and function, particularly in low-involvement product categories (Foroudi et al., 2020; Ghodeswar, 2008). This difference indicates that brand identity is more effective as a determinant of purchase decisions when consumption is rich in symbolic meaning than when rational considerations are more dominant (Jin et al., 2019; Butarbutar et al., 2024).

In contrast to brand identity, brand credibility is more consistently explained as a cognitive mechanism to reduce information asymmetry and perceived risk. Both classic and recent studies confirm that brand credibility increases consumer confidence and accelerates purchase decisions, particularly in services and tourism, where quality is difficult to evaluate before consumption (Kong et al., 2021; Rather, 2018). However, this consistency is not absolute. Some studies suggest that the effect of brand credibility becomes insignificant when consumers

have strong direct experience or when short-term incentives, such as discounts, are more prominent (Nilasari & Handayani, 2021; Martín-Consuegra et al., 2018). Recent studies have positioned brand credibility as an indirect antecedent that operates through brand trust and perceived value, rather than as a direct predictor of purchase decisions (Ainsworth & Ballantine, 2017; Mandler et al., 2021; Cuong, 2020).

Meanwhile, brand image is often reported as the closest predictor of purchasing decisions because it represents the accumulation of consumer perceptions and experiences. Numerous studies have demonstrated that a positive brand image facilitates evaluation and increases the likelihood of purchase (Chigora et al., 2024; Mao et al., 2020; Girsang et al., 2024). However, contemporary literature highlights that brand image rarely stands alone. In several studies, the influence of brand image on purchase decisions is weakened when situational factors such as social recommendations or product availability are more dominant (Matikiti-Manyeverere et al., 2020; Ramesh et al., 2019; Sawaftah et al., 2020). This strengthens the argument that brand image is often the result of an interaction between brand identity and credibility, rather than a single determinant.

Based on these conditions, a significant empirical and theoretical gap exists, particularly in the lack of quantitative research examining the simultaneous influence of brand identity, brand credibility, and brand image on purchasing decisions for local MSME products in a destination context. This study aims to fill this gap by developing a predictive model focused on MSME product branding within tourist destinations. Theoretically, this study deepens understanding of the role of brands as risk-reducing, meaning-forming, and association-accumulating devices that work together in tourists' purchasing decisions. Empirically, this study aims to assess the extent to which these three branding dimensions predict purchase decisions of local MSME products in Lake Toba.

LITERATURE REVIEW

Theoretical Framework

This research's theoretical framework integrates the theory of planned behavior (TPB) and brand signaling theory to explain the strengthening of local MSME product purchasing decisions at tourist destinations. TPB views purchasing decisions as the result of behavioral intentions shaped by attitudes toward the product, subjective norms, and perceived behavioral control. In the tourism context, these three determinants are influenced by travel experiences, limited information, and situational social pressures, resulting in a rapid and perception-based decision-making process. On the other hand, Brand Signaling Theory posits that brands serve as credibility signals, functioning to reduce information asymmetry between MSME producers and tourists, who are temporary consumers. Brand credibility, quality consistency, and brand identity clarity act as trust signals that influence risk evaluation and purchase confidence. Some studies find that brand signals have a direct influence on purchasing decisions, while others suggest that consumer attitudes or beliefs mediate these influences. On the TPB side, tourism research often ignores the role of brands as sources of attitude formation and perceived control, thus partially explaining purchase intentions. This theoretical gap highlights the need for a model that integrates psychological mechanisms with market signals. This research offers conceptual novelty by positioning brand signaling as a structural antecedent within the TPB framework, where brand signals shape attitudes, reinforce social norms, and reduce perceived uncertainty. This integration deepens the TPB within the context of tourism information asymmetry. It extends brand signaling theory to the realm of destination-based MSMEs, resulting in a more comprehensive understanding of tourist purchasing decisions.

Trust-Based Business Leadership

Trust-Based Business Leadership is a way of leading in which business people generate value by always being honest, competent, open, and caring about their stakeholders. This lowers uncertainty and builds trust amongst people (Islam et al., 2021). The theoretical underpinnings are based on social exchange theory, stakeholder theory, and relational leadership (Bhattacharyya, 2006). These theories say that trust grows when leaders keep their commitments, do what they say they will do, and share values over time. Recent research published in prominent international journals indicates that ethical, authentic, responsible, and entrepreneurial leadership enhances trust development, employee commitment, innovation, and organizational performance, particularly in service-oriented and tourism contexts characterized by elevated risk, intangibility, and information asymmetry (Islam et al., 2021). In the fields of tourism and hospitality, trust has been shown to mediate the influence of leadership on agility, inventive behavior, and extra-role performance, so affirming that leadership functions not just via control but also by credibility and the quality of relationships (Tajeddini & Martin, 2020). This viewpoint is particularly pertinent for MSMEs in tourism locales, as tourists frequently assess local products with insufficient information; thus, leadership-driven trust signals such as genuine branding, consistent quality, and culturally informed communication emerge as essential strategies for enhancing credibility, destination reputation, and enduring purchasing choices.

The Relationship Between Brand Identity and Purchase Decision

Brand identity is a unique brand association that shows a promise to consumers (Jin et al., 2019; Butarbutar et al., 2024; Haidiani et al., 2022; Vuong & Bui, 2023). Building a brand identity that is accepted or not in the minds of the public depends on how the owner packages the concept (Ross & Harradine, 2011; Butarbutar et al., 2023). To express brand identity can be done through its products, its services (Graham & Wilder, 2020), or several tagline words or slogans that describe the vision, mission, and characteristics of the product (Mao et al., 2020). The success of businesspeople in attracting attention by conveying a strong brand character or identity that is acceptable to many people will result in informed purchasing decisions (Dash et al., 2021; Vacas de Carvalho et al., 2020). The results of several previous studies show that brand identity has a significant positive influence on purchasing decisions (Ghodeswar, 2008; Ross & Harradine, 2011). However, empirical findings show significant variations in influence on purchase decisions, depending on the industry context and consumer characteristics. Several studies have found a direct and significant influence of brand identity on purchasing decisions through the mechanisms of self-identification and consumer emotional attachment (Parkinson et al., 2016; Dash et al., 2021). In the context of experience-based products, brand identity serves as a symbol that enables consumers to project their self-value and social affiliation, thereby influencing their preferences and purchasing choices. Conversely, other studies show that the influence of brand identity is weakened or insignificant when consumers are more oriented towards price or utilitarian value, particularly in low-involvement product segments (Foroudi et al., 2020; Haidiani et al., 2022). This inconsistency suggests that brand identity does not always serve as a universal determinant of purchasing decisions. Recent research has begun to shift the focus from a linear relationship to a more contextual and relational approach. Several studies confirm that the influence of brand identity on purchase decisions is often indirect, mediated by brand trust, brand image, or perceived authenticity (Iglesias et al., 2020; Japutra & Molinillo, 2019; Vuong & Bui, 2023). However, research on MSMEs and tourism is still dominated by partial models that separate brand identity from the context of destination experiences and local cultural meanings. The research gap lies in the lack of understanding of how brand identity functions as a symbolic mechanism in temporary, experiential purchasing situations, such as tourist destinations. Therefore, based on several previous studies, the following hypothesis is developed:

H₁: Brand identity influences purchase decisions

The Relationship Between Brand Credibility and Purchase Decisions

Brand credibility is defined as trust in the product positioning information contained in a brand that consistently delivers what is promised by the brand (Siddiqui et al., 2021; Sutia et al., 2023). Brand credibility is recognized as trust in the characteristics of the status of goods/services contained in a brand by relying on readiness, as well as the company's ability to deliver what they promise (Sheeraz et al., 2016; Nilasari & Handayani, 2021). If credibility is associated with a business brand or if the brand is used as a source of reliability, it is described as brand credibility (Chin et al., 2019; Abu Zayyad et al., 2021; Baek & King, 2011). In accordance with brand signaling theory, the concept of brand credibility is an important factor in shaping consumer behavior as well as driving purchasing behavior (Shams et al., 2017; Jeng, 2016). Previous research results indicate that brand credibility has a significant positive influence on purchasing decisions (Martín-Consuegra et al., 2018; Cuong, 2020; Kong et al., 2021). However, research findings show an inconsistent pattern. Several studies have found that brand credibility has a direct impact on purchasing decisions through risk reduction mechanisms and increased consumer cognitive trust (Nofiawaty et al., 2020). In the context of services and tourism, brand credibility has proven crucial because consumers often cannot evaluate product quality before consumption, thus relying heavily on brand signals for purchasing decisions (Bakator et al., 2018). Conversely, other research suggests that the influence of brand credibility becomes insignificant when consumers have strong direct experience or when price and short-term promotional factors are more dominant (Martín-Consuegra et al., 2018). Recent studies have begun to emphasize that the relationship between brand credibility and purchase decisions is contextual and often mediated by psychological variables such as brand trust, perceived value, and brand attitude (Chin et al., 2019); Sheeraz et al., 2016; Cuong, 2020). However, most research still focuses on large brands and established markets, while studies on MSMEs, especially in the context of tourism destinations, remain limited and fragmented. This research gap underscores the need for further investigation into how brand credibility serves as a collective trust signal, influenced by social, cultural, and destination image contexts. Therefore, based on several previous studies, the following hypotheses are developed:

H₂: Brand credibility influences purchase decisions

The Relationship Between Brand Image and Purchase Decision

Brand image is an idea, belief, or impression of a brand in the minds of consumers that arises from experiences in using a company's products or services (Matikiti-Manyeverere et al., 2020; Ramesh et al., 2019; Mao et al., 2020). A positive brand image is the basis for building a strong brand (Sujana & Na'im, 2021; Majeed et al., 2021). Consumer attitudes and actions are greatly influenced by the brand image itself (Shukla, 2011; Sánchez Garza et al., 2024). Brand image is formed from long-term consumer perceptions, which are consistent, so that a positive brand image is not easy to form (Chigora et al., 2024; Girsang et al., 2024). The more information consumers receive and the more experience they have using a company's products or services, the more the company's brand image will increase in their minds (Hanika et al., 2023; Nagar & Rana, 2015). The results of several previous studies show that brand image has a significant positive influence on purchasing decisions (Kazmi & Mehmood, 2016; Isyanto et al., 2020). Several studies have found a significant direct influence, especially when brand image is built through associations of quality, uniqueness, and emotional experiences (Diamantopoulos et al., 2011; Suryani et al., 2022). In the context of services and tourism, brand image is often a key determinant because consumers cannot objectively evaluate quality before consumption, so purchasing decisions are heavily influenced by initial perceptions and impressions (Fornari et al., 2016). Conversely, other studies have shown that the influence of brand image can weaken when functional factors such as price, availability, or social recommendations are more dominant, particularly for low-involvement products (Ainsworth & Ballantine, 2017; Fortuna, 2022). Recent research tends to position brand image as a relational construct that operates indirectly through brand attitude, perceived value, and brand trust (Sánchez Garza et al., 2024; Chigora et al., 2024; Majeed et al., 2021). This approach suggests that brand image is not merely the result of communication, but rather a dynamic accumulation of experiences. However, most studies still focus on large brands and established market contexts. Research on MSMEs, particularly in the context of tourism destinations and culture-based products, remains limited and often overlooks the role of destination experiences in shaping brand image. This research gap requires the development of a more contextual model to understand how brand image interacts with tourism experiences in shaping consumer purchasing decisions. Therefore, based on several previous studies, the following hypotheses are developed:

H₃: Brand image influences purchase decisions

METHODOLOGY

Research Design

This research utilizes a library and field research technique, using a quantitative approach. Surveys are the main way to obtain data (Turner, 2020). The survey was conducted in 2024 in the Lake Toba Samosir tourist spot in North Sumatra, Indonesia. A standardized questionnaire was developed to assess visitors' opinions of brand identification, brand credibility, brand image, and their purchase choices related to local MSME goods. Lake Toba Samosir was chosen as the study location due to its status as a premier tourist destination in Indonesia and its considerable potential for the development of traditional regional MSME goods. The region also contains a wide variety of MSME items, such as food, crafts, and souvenirs. This makes it a good place to study how people buy things while they are on vacation.

Sample and Data Collection

The participants in this research are tourists visiting the Lake Toba Samosir area, who might be interested in buying characteristic MSME items from the area. These visitors include both local and foreign tourists who come to Lake Toba Samosir for fun, vacation, or other tourist activities. The study sample will be randomly chosen from this group of people. The people who may be included are tourists who are at least 18 years old and have bought typical regional MSME items while they were there. A statistical method that takes into account the required degree of confidence and margin of error will be used to figure out the sample size. The research sample shall include an adequate number of respondents to reflect the diversity of characteristics among visitors to the Lake Toba Samosir tourism attraction pertinent to the study's aims. Hair et al. (2019), says that if you don't know how many people are in the population, you may figure out the sample size by multiplying the number of indicators in one construct by 5 to 10. This study employs 18 indicators derived from four established variable dimensions, yielding a total of $18 \times 10 = 180$ research samples. Data collection in this research used observational techniques, including direct field observations and documentation obtained from secondary data sources, including documents and structured interviews done via a questionnaire. The next table shows further information on the demographics of the people who took part in the study:

Table 1. Description of Research Respondents

Category	Detail	Amount	Percentage (%)
Gender	Men	94	52.22
	Woman	86	47.78
Age (years)	< 25	38	21.11
	26 - 35	52	28.89
	36 - 45	50	27.78
	46 - 55	30	16.67
	> 55	10	5.55
Level of education	Senior High School	126	70
	Diploma	14	7.78
	Bachelor	30	16.67
	Masters	10	5.55
Employment Status	Students	35	19.44
	Government employees	50	27.78
	Private sector employee	45	25
	Self-employed	30	16.67
	Other	20	11.11
Income/month (Millions)	< 2 Million	30	16.67
	2-5 Million	75	41.67
	5-10 Million	55	30.55
	> 10 Million	20	11.11
Types of MSME products that have been purchased	Typical regional food/drinks	86	47.78
	Handicrafts/Souvenirs	30	16.67
	Fashion (ulos, accessories)	54	30
	Other Products	10	5.55

Source: data processing results (2025)

Based on Table 1, the gender composition shows a relatively balanced distribution, with 94 male respondents (52.22%) and 86 female respondents (47.78%). In terms of age, the majority of respondents fall within the productive age range, with the 26–35 age group comprising 52 respondents (28.89%) and the 36–45 age group including 50 respondents (27.78%). The age group under 25 years also shows a fairly significant proportion, namely 38 respondents (21.11%), while respondents aged 46–55 years and over 55 years each numbered 30 people (16.67%) and 10 people (5.55%), respectively. This age distribution reflects the representation of consumers from various stages of the life cycle, with a dominance of the productive age group, which generally has higher purchasing power and consumption activity.

In terms of education level, the majority of respondents had a high school education background, namely 126 people (70%). Respondents with a Bachelor's degree numbered 30 people (16.67%), followed by Diploma graduates with 14 people (7.78%) and Master's graduates with 10 people (5.55%). This composition shows that respondents come from diverse educational backgrounds, with a predominance of secondary education, which represents the general characteristics of MSME product consumers in tourist destinations. In terms of employment status, respondents were predominantly civil servants, with 50 people (27.78%), followed by private employees with 45 people (25%), and students with 35 people (19.44%). Meanwhile, respondents with self-employed status numbered 30 people (16.67%), and other job categories numbered 20 people (11.11%). This diversity of employment status indicates the heterogeneity of the respondents' socio-economic backgrounds.

Based on monthly income levels, the majority of respondents have an income between 2–5 million rupiah per month, namely 75 people (41.67%). Respondents with an income of 5–10 million rupiah numbered 55 people (30.55%), while the groups with incomes below 2 million rupiah and above 10 million rupiah included 30 people (16.67%) and 20 people (11.11%), respectively. This distribution indicates that most respondents are in the middle-income group, which is a potential market segment for typical regional MSME products. In terms of the types of MSME products purchased, the majority of respondents (86 people, 47.78%) have purchased typical regional food or beverage products. Furthermore, fashion products such as ulos and accessories were purchased by 54 respondents (30%), followed by handicrafts or souvenirs by 30 respondents (16.67%), and other products by 10 respondents (5.55%). This pattern suggests that culinary and culture-based products with local roots have a strong appeal to consumers in tourist destination areas.

Measurement Instruments

The operational definitions of the variables in this study were developed to provide conceptual clarity and empirical boundaries for each construct, thereby facilitating systematic measurement and analysis. Each variable was defined based on theoretical foundations and previous research findings, then translated into measurable indicators relevant to the research context. This approach aims to ensure consistency between theoretical concepts and empirical data, thereby enhancing the validity and reliability of measurements in testing the research model.

Table 2. Operational Definitions of Research Variables

Variables	Code	Item	Source
Brand Credibility	BC1	<i>Trustworthiness</i>	(Abu Zayyad et al., 2021; Sheeraz et al., 2016)
	BC2	<i>Expertise</i>	
	BC3	<i>Attractiveness</i>	
	BC4	<i>Consistency</i>	
Brand Identity	BI1	<i>Brand as Organization</i>	(Graham & Wilder, 2020; Ross & Harradine, 2011)
	BI2	<i>Brand as Product</i>	
	BI3	<i>Brand as Person</i>	
	BI4	<i>Brand as Symbol</i>	
Brand Image	BM1	<i>Brand Strength</i>	(Chigora et al., 2024; (Sánchez Garza et al., 2024)
	BM2	<i>Brand Favorability</i>	
	BM3	<i>Brand Uniqueness</i>	
	BM4	<i>Brand Experience</i>	
	BM5	<i>Brand Evaluation</i>	
Purchase Decision	PI1	<i>Transactional</i>	(Martín-Consuegra et al., 2018; Majeed et al., 2021)
	PI2	<i>Referential</i>	
	PI3	<i>Preferential</i>	
	PI4	<i>Explorative</i>	
	PI5	<i>Willingness</i>	

Source: developed by the authors based on prior literature (2025).

Based on Table 2 The brand credibility variable indicates the extent of customer belief in the brand's dependability and capacity to provide its promised value. This construct is implemented via the characteristics of trustworthiness, expertise, attractiveness, and consistency, which together include customer impressions of the brand's integrity, professional competence, symbolic allure, and reliable performance over time. Brand credibility serves as a quality indicator that reduces ambiguity and perceived risk in purchase choices. Brand identity delineates the strategic significance formulated and conveyed by the brand via four primary perspectives, brand as organization, brand as product, brand as person, and brand as symbol. The four elements represent fundamental principles, operational traits, brand identity, and symbolism that distinguish MSME goods from their rivals within the realm of tourist destinations. Brand image is a compilation of customers' cognitive connections with a brand, developed via recurrent encounters and assessments. This concept is assessed by brand strength, preference, distinctiveness, brand experience, and overall appraisal, which together represent consumers' cognitive and emotional reactions. Purchase choices delineate customers' intents and behavioral inclinations about acquisitions, manifested via transactional, referential, preferred, exploratory characteristics, and the propensity to buy local MSME goods.

Conceptual Framework

The choice to buy local MSME goods in tourist spots is a complicated one that depends on how visitors understand the brand and how they feel about the risks involved in using the goods. This study's theoretical approach encompasses signaling theory and brand equity theory, together elucidating the impact of brand identity, credibility, and image on cognitive and emotional evaluations prior to a purchasing choice (Sheeraz et al., 2016; Mandler et al., 2021; Graham & Wilder, 2020). In the setting of Lake Toba, the transient nature of encounters and significant perceptual ambiguity provide brand signals a crucial tool in influencing customer decisions. Brand identity signifies the symbolic significance, distinctiveness, and authenticity of local goods, as shown by international research (Vuong & Bui, 2023; Foroudi et al., 2020). However, its direct impact on purchase choices remains inconclusive, particularly for MSMEs in emerging tourism locations. This lack of consistency shows that there has to be intermediate variables. Brand credibility serves as an indicator of dependability that mitigates risk and fosters trust, while brand image embodies the aggregation of brand associations that operate as a fundamental cognitive process influencing purchase behavior. **Consequently,**

Figure 3 demonstrates presents an integrative model that situates brand identity as a strategic precursor influencing brand credibility and brand image, with brand image serving as a crucial mediator in enhancing purchase choices for local MSME products:

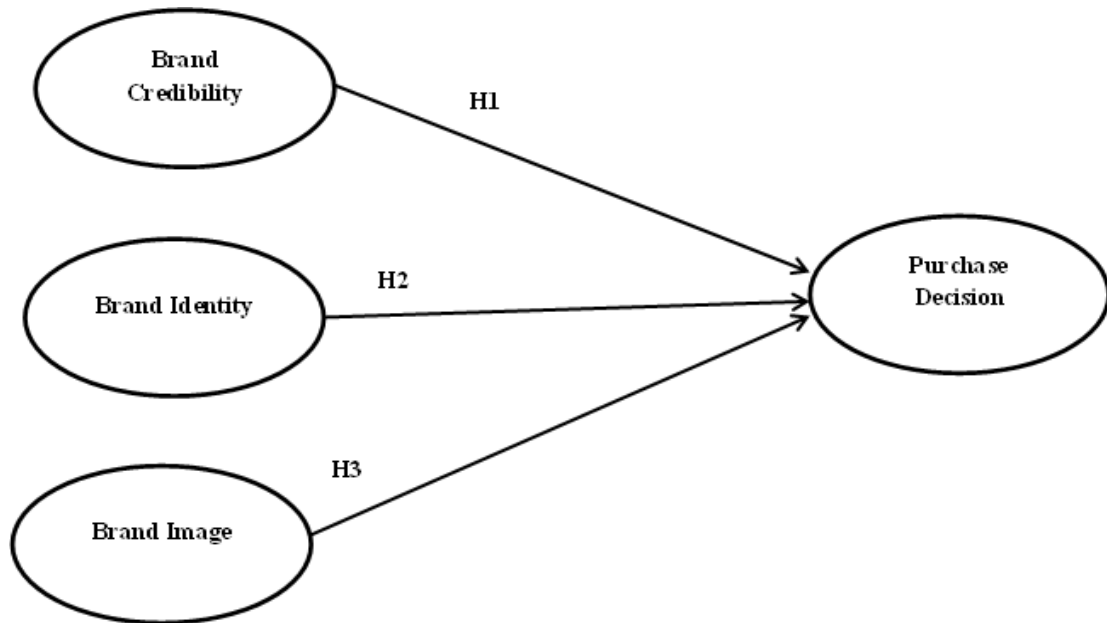


Figure 1 Conceptual Research Model

Source: developed by the authors based on prior literature (2025).

Data Analysis

This research used Partial Least Squares-based Structural Equation Modeling (PLS-SEM) as its data analysis approach. This approach is a multivariate analysis technique that combines factor analysis and regression analysis to investigate the relationships among variables within a research model (Hair et al., 2019). PLS-SEM specifically allows for the assessment of the link between indicators as manifest variables and constructs as latent variables by testing the measurement model, as well as the analysis of relationships between latent variables via the structural model. This method is useful for looking at complicated research models that use more than one construct and indicator at the same time (Hair et al., 2019). Additionally, PLS-SEM enables researchers to evaluate causal links across variables concurrently, rendering it appropriate for characterizing phenomena that include multidimensional interactions at the person, organizational, and situational context levels.

RESULTS

Measurement Model Assessment

The Partial Least Squares–Structural Equation Modeling (PLS-SEM) methodology for measuring Model Assessment evaluates the quality of measuring instruments prior to examining the structural links among latent components. This assessment involves analyzing the reliability and validity of conceptions in both reflective and formative measuring modes. In the reflective model, indicator reliability is established by an expected outer loading value above 0.70, while construct reliability is assessed by Composite Reliability and Cronbach's Alpha, with a minimum criterion of 0.70. The Average Variance Extracted (AVE) metric was used to assess convergent validity (Hair et al., 2019). This score must exceed 0.50, indicating that the construct can account for more than half of the variation of its indicators. We used the Fornell–Larcker criterion and cross-loading values to assess discriminant validity. The measurement model was considered sufficiently reliable and valid, meeting all necessary criteria, therefore qualifying it for progression to the structural model assessment step in PLS-SEM analysis.

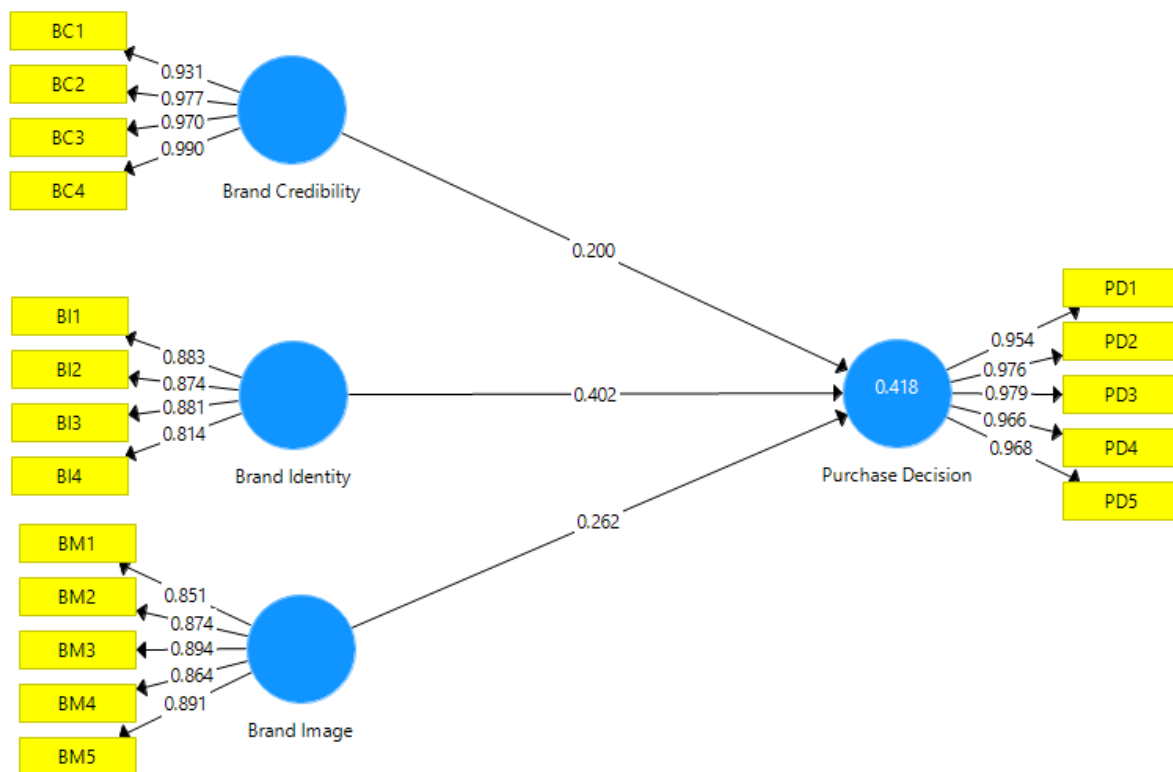


Figure 2 Measurement model analysis

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

The findings of the measurement model analysis performed to check the reliability and validity of the research constructs are shown in Table 3. Factor loadings, Cronbach's alpha, composite reliability (CR), and average variance extracted (AVE) are all important indicators that are used in the assessment. The findings show that all of the indicators satisfy the suggested standards. The factor loadings are over 0.70, and the CR and Cronbach's alpha values are also above 0.70, which shows that the data is very consistent. Also, the AVE values are higher than 0.50, which shows that the convergent validity is good. These results show that the measurement model is statistically sound and may be used for further structural model analysis that looks at how the study variables are related to each other.

Table 3. Measurement Model Analysis

Construct/item	Code	Outer Loadings	Cronbach's Alpha	CR	AVE
Brand Credibility			0.977	0.983	0.935
Trustworthiness	BC1	0.931			
Expertise	BC2	0.977			
Attractiveness	BC3	0.970			
Consistency	BC4	0.990			
Brand Identity			0.886	0.921	0.745
Brand as Organization	BI1	0.833			
Brand as Product	BI2	0.874			
Brand as Person	BI3	0.881			
Brand as Symbol	BI4	0.814			
Brand Image			0.923	0.942	0.765
Brand Strength	BM1	0.851			
Brand Favorability	BM2	0.874			
Brand Uniqueness	BM3	0.894			
Brand Experience	BM4	0.864			
Brand Evaluation	BM4	0.891			
Purchase Decision			0.984	0.987	0.938
Transactional	PD1	0.954			
Referential	PD2	0.976			
Preferential	PD3	0.979			

Explorative	PD4	0.966			
Willingness	PD5	0.968			

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

All of the study designs have high-quality measurements, according to the data processing findings. With AVE of 0.935, Cronbach's Alpha and Composite Reliability values over 0.97, and substantial outer loadings on all indicators, Brand Credibility demonstrates convergent validity and extremely high reliability. With Cronbach's Alpha values over 0.88, Composite Reliability beyond 0.92, and AVE above 0.74, it is clear that Brand Identity and Brand Image fulfill the reliability and validity requirements. This means that the construct can properly explain the indicator variation. Additionally, all indicators have very strong outer loadings, and the Purchase Decision shows very high internal consistency with Cronbach's Alpha values of 0.984 and an AVE of 0.938. In conclusion, the results show that the research tool is trustworthy, legitimate, and appropriate for future studies; furthermore, it provides a thorough and humanistic representation of phenomena related to consumer behavior.

Table 4. Discriminant Validity: Fornell-Larcker Criterion

	Brand Credibility	Brand Identity	Brand Image	Purchase Decision
Brand Credibility	0.967			
Brand Identity	0.555	0.863		
Brand Image	0.099	0.229	0.875	
Purchase Decision	0.449	0.573	0.374	0.969

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

The results of the discriminant validity test based on the Fornell–Larcker criteria indicate that all constructs in this study have met the established requirements. The square root of the AVE value for each construct, namely Brand Credibility, Brand Identity, Brand Image, and Purchase Decision, is higher than its correlation value with other constructs. This finding suggests that each construct can represent the concept it measures more strongly than its relationship with other constructs in the model. Thus, there is no conceptual overlap between latent variables, so that the uniqueness and independence of each construct are maintained. Humanistically, these results reflect that respondents' perceptions of brand credibility, brand identity, brand image, and purchase decisions are formed through different, yet complementary, experiences and assessments. Therefore, the measurement model is declared to have good discriminant validity and is suitable for use in further structural analysis.

Inner Model Measurement

Using the SEM-PLS method, the Inner Model Measurement test checks how the hidden factors in the study model are connected structurally. To find out how well the independent variable can explain the dependent variable, this test uses the coefficient of determination (R^2) and the F-Square value to measure the size of the effect between the constructs. The sampling method also gives us the path coefficient estimate and its significance level, which we can use to figure out the strength and direction of the link between the terms. Overall, the inner model test gives an idea of how well the study model can predict things and whether it can be built. Sarstedt et al. (2023) say that the R-Square number falls into three groups: when it's 0.19, when it's 0.33, and when it's 0.67. These groups show that the link between the external variable and the internal variable is weak, moderate, or strong, respectively. Ghozali (2014), said that the link between the internal and external factors is strong when the R-squared number is higher than 0.67.

Table 5. Coefficient of Determination Result R2

Notes	R-Square	R-Square Adjusted
Purchase Decision	0.418	0.408

Note: R-squared = coefficient of determination; R-squared Adjusted = squared corrected; R-squared for the number of predictors.

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

The determination coefficient test shows that the Purchase Decision variable has an R-Square value of 0.418 and an Adjusted R-Square value of 0.408. This conclusion shows that the independent variables in the study model can explain 41.8% of the differences in purchase choices. The remaining 58.2% are due to factors that are not in the model. The Adjusted R-Square value is quite close to the R-Square value. This means that the model is accurate and not biased since it uses a lot of predictor variables. In terms of ideas and people, these findings show that deciding what to buy is a complicated process. The elements analyzed are important, but

personal experience, social context, and other situational dynamics may still have an effect. The structural model, therefore, has modest explanatory efficacy and is appropriate for further examination.

In Partial Least Squares Structural Equation Modeling (PLS-SEM), the F-square (f^2) test is used to find out how big of an influence each exogenous construct has on the endogenous construct in a structural model. The f^2 value tells you how much a predictor variable affects the variance of the dependent variable, whereas the path coefficient significance test just tells you whether or not there is statistical effect (Sarstedt et al., 2023). To do this test, you compare the model's R-square value with and without the predictor construct.

Table 6. F-Square Value

	Purchase Decision
Brand Credibility	0.047
Brand Identity	0.183
Brand Image	0.111

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

The results of subsequent data analysis, related to the effect size (F-Square), show that each independent variable makes a distinct contribution to the purchase decision. Brand Credibility has an F-Square value of 0.047, indicating a small but significant influence in explaining variations in purchasing decisions. Brand Identity shows an F-Square value of 0.183, indicating a moderate influence; thus, its role is relatively more dominant in shaping consumer purchasing decisions. Meanwhile, Brand Image has an F-Square value of 0.111, reflecting a small to nearly moderate influence. Humanistically, these findings suggest that a single factor does not determine purchasing decisions, but rather that they result from the simultaneous interaction of consumer perceptions of credibility, identity, and brand image. Thus, despite their varying levels of contribution, all variables still play a crucial role in building a comprehensive understanding of consumer behavior.

Hypothesis Testing

To determine the strength and direction of the causal links between the latent constructs that were modeled in the structural equation model, the Partial Least Squares-Structural Equation Modeling (PLS-SEM) method employs hypothesis testing. Stable parameter estimates are obtained by doing hypothesis testing using a bootstrapping technique with an adequate number of subsamples. At a 5% significance level, a t-statistic value more than 1.96 and a p-value less than 0.05 are the typical criteria used to assess the importance of the link between constructs, which is then based on the path coefficient and t-statistic. Furthermore, the structural link is evaluated for its strength and importance using the R^2 and f^2 values, which quantify the external constructs' contributions to the endogenous construct. If the correlation between the variables is both statistically significant and follows the predicted theoretical trend, we may say that the hypothesis is correct.

Table 7. Hypotheses Test

Hypothesis	Coefficient	Standard Deviation	t-count	P-Value	Conclusion
Brand Credibility >> Purchase Decision (H ₁)	0.200	0.074	2,701	0.007	Accepted
Brand Identity >> Purchase Decision (H ₂)	0.402	0.068	5,882	0.000	Accepted
Brand Image >> Purchase Decision (H ₃)	0.262	0.046	5,645	0.000	Accepted

Note: t-count = T-statistic; p-value = probability value.

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

The results of the hypothesis testing indicate that all tested relationships have a positive and significant influence on Purchase Decision. Brand Credibility is proven to have a significant influence on purchasing decisions with a coefficient of 0.200, a t-value of 2.701, and a p-value of 0.007, indicating that the level of consumer trust in the brand plays a significant role in driving purchasing decisions. Brand identity has the most decisive influence, with a coefficient of 0.402, supported by a t-value of 5.882 and a p-value of 0.000, thus confirming that the clarity and consistency of brand identity are dominant factors in shaping consumer choices. Furthermore, Brand Image also has a significant influence with a coefficient of 0.262, a t-value of 5.645, and a p-value of 0.000, reflecting the importance of a positive brand image in strengthening purchasing intentions and decisions. In general, these findings demonstrate that consumer decisions are shaped by interrelated rational and emotional processes, where trust, identity, and brand image collectively contribute to a meaningful experience in the decision-making process.

DISCUSSION

The results of this research demonstrate that brand identity has a crucial role in shaping buying choices for regionally unique MSME goods in tourist areas. This outcome corroborates the assertions of (Parkinson et al., 2016), who assert that brand identity serves as a strategic framework for brands to convey their fundamental values, significance, and uniqueness. The findings align with Pamungkas & Pramesti (2021), assertion that a distinct brand identity enhances customer connection and affects purchase behavior. Foroudi et al. (2020), research on tourism and local product markets shows that strong identity-based branding makes products more genuine and makes consumers more interested in them. Likewise, research conducted by Haidiani et al. (2022), substantiates that identity-based branding assists companies in constructing symbolic significance around their goods. Nonetheless, the results somewhat contradict studies demonstrating that practical product features may prevail in consumer decision-making within souvenir marketplaces, suggesting that in culturally rooted tourist environments like Lake Toba, symbolic brand identification has a more pivotal role.

The research substantiates that brand credibility substantially affects visitors' buying choices, corroborating the theories stated by (Mandler et al., 2021), who define brand credibility as a signal that mitigates consumer uncertainty and perceived risk. Their research shows that trustworthy brands provide customers confidence in the quality and dependability of their products, which makes it easier for them to make decisions in new marketplaces. These results align with Chin et al. (2019), which emphasizes the impact of credible signals on market behavior in the presence of information asymmetry. Previous empirical research conducted by Martín-Consuegra et al. (2018), corroborates that credibility bolsters customer trust and fortifies brand assessments. In the case of tourism, the findings substantiate the notion that trust-based signals are especially significant, since tourists generally had no past experience with local items. However, previous research indicates that price discounts or impulsive buying behaviors may diminish the influence of trustworthiness in short-term purchase choices (Jiménez-Barreto et al., 2020). The above results underscore that in tourism-oriented MSME marketplaces, credibility persists as a vital long-term trust mechanism influencing customer decisions.

Finally, the results show that brand image has a big effect on buying decisions. This backs up the consumer perception framework put forth by (Agmeka et al., 2019), who say that brand image reflects the emotional connections and meanings that people have with brands. Prior studies conducted by Diamantopoulos et al. (2011), indicate that favorable brand impressions enhance customer preferences and loyalty. Studies in destination marketing literature show that brand image and destination image are commonly linked in tourist settings. The current results affirm that MSME goods in tourist locations serve not only as economic commodities but also as experience emblems embodying local culture and vacation memories (Sawaftah et al., 2020). However, brand image alone is unable to influence purchasing behavior without the backing of credibility and identity. The research shows that sustainable buying choices come from the combined effects of brand identity, brand credibility, and brand image. This shows how important trust-based brand management techniques are for tourism-based small and medium-sized businesses.

CONCLUSIONS

This research delineates numerous notable empirical trends that elucidate purchase choices for regional MSME items in the Lake Toba Samosir tourist area. The results indicate that brand identity, brand credibility, and brand image function as synergistic factors affecting visitors' purchase choices. Brand identification stands up as the most significant element, suggesting that customers perceive MSME goods via both functional characteristics and the symbolic connotations linked to cultural identity, tourist experiences, and confidence in local product quality. The findings support a holistic view of branding, illustrating that successful MSME brand management merges cognitive components (identification and credibility) with emotional perceptions (brand image), which together influence trust-driven customer choices. This research enhances marketing and leadership literature by emphasizing that trust-oriented branding tactics are crucial for bolstering the competitiveness of tourism-based MSMEs.

Notwithstanding these advances, many limits must be recognized. The research is based on cross-sectional survey data obtained from travelers visiting a specific tourism site, thus limiting the generalizability of the results to other cultural or geographic settings. The study emphasizes three principal branding elements and fails to include other possible factors influencing trust-based purchase behavior, including tourist experience, digital involvement, or perceptions of service quality. Third, the use of self-reported survey data may engender response bias, since respondents' views and intentions may not accurately represent their actual purchase behavior. These limitations suggest that the findings must be understood within the particular context of tourism-oriented MSMEs and should prompt further empirical confirmation in more extensive contexts.

Subsequent study need to enhance the analytical framework by integrating supplementary factors pertinent to trust-oriented company leadership, including leadership-influenced branding strategies, stakeholder engagement, and the development of consumer trust within tourist ecosystems. Longitudinal research and cross-

destination comparisons would facilitate the examination of the evolution of trust and brand perceptions over time across various tourist markets. Mixed-method techniques that combine qualitative observations with quantitative modeling might enhance the understanding of the socio-cultural narratives influencing customer trust and purchase behavior. The results underscore the significance of leadership-driven branding strategies that prioritize genuine brand identification, uniform product quality, and culturally rooted narratives. Policymakers and tourism stakeholders should therefore assist MSMEs via comprehensive programs that include branding mentoring, trust-enhancing certification systems, and destination-oriented marketing tactics to bolster sustainable tourism growth and enhance local economic value creation.

Author Contributions

Conceptualisation: NB, CYS, JY, RN, AS; data curation: NB, CYS, JY, RN, AS; formal analysis: NB, JY, RN, AS; investigations: NB, CYS, JY, RN, AS; methodology: NB, CYS, JY, RN, AS; project administration: NB, JY, RN; supervision: NB, JY, RN; validation: NB, CYS, JY, RN, AS; visualization: NB, CYS, JY, RN; writing – original draft: NB, JY, RN; writing – review & editing: NB, CYS, JY, RN, AS

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Conflicts of Interest

The authors declare that they have no conflict of interest.

Data Availability Statement

The data is available and can be provided on request.

AI Statement

We only employed AI technologies to a little extent when we wrote this paper. AI was simply used to make the English in the text clearer, more grammatically correct, and easier to read. AI-assisted techniques were also utilized to improve the way statistical findings were presented and understood in the tables. This was done to make them clearer and more consistent. Artificial intelligence was not used in the study design, data collecting, data processing, statistical analysis, or the creation of empirical findings. The authors are fully responsible for any analyses, interpretations, and findings.

Informed Consent Statement

All participants in this research provided informed consent. Before data collection, participants were apprised of the research objectives, methodologies, and their rights, including the choice to participate voluntarily and the right to withdraw at any moment. All subjects granted written permission, and their identity and confidentiality were rigorously maintained throughout the study procedure. The research was performed in compliance with ethical standards and obtained ethical clearance from Sekolah Tinggi Ilmu Ekonomi Sultan Agung.

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APPENDIX

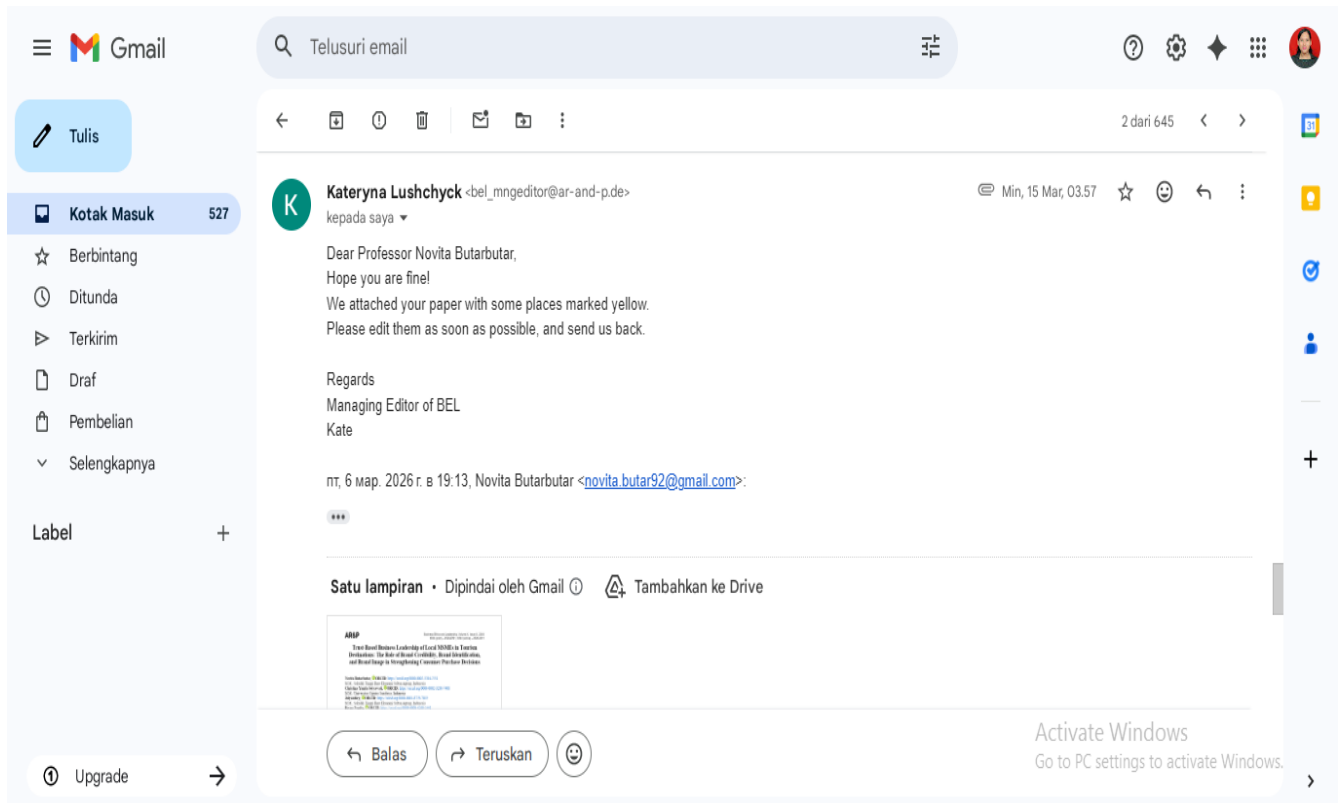
Questionnaire Form

Brand Credibility Variable						
No	What is your opinion, attitude, and knowledge regarding the statement below:	Very good	Good	Neutral	Not good	Very Bad
Trustworthiness						
1	This local MSME product is produced with safe and quality ingredients.					
2	The information provided by MSMEs regarding products can always be trusted.					
Expertise						
3	MSMEs have expertise in producing good-quality products.					
4	The products produced demonstrate the high level of skill and innovation of MSME actors.					
Attractiveness						
5	This MSME product has a design or appearance that caught my attention.					
6	The product packaging appears professional and aesthetically pleasing.					
Consistency						
7	The products I buy consistently maintain the same high quality over time.					
8	The service provided by MSMEs is always consistent, every time I interact with them.					
Brand Identity Variables						
No	What is your opinion, attitude, and knowledge regarding the statement below:	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
Brand as Organization						
1	MSMEs as organizations are capable of maintaining their brand reputation.					
2	This brand represents the professionalism and					

	good values of the organization behind it.					
3	The organization that manages this brand is responsible for customer satisfaction.					
Brand as Product						
4	The products offered by this brand consistently meet the highest standards of quality.					
5	The product's characteristics make this brand easy for me to recognize and remember.					
6	The products from this brand meet my needs and preferences as a customer.					
Brand as Person						
7	This brand has a friendly and approachable personality.					
8	This brand is like a friend I can trust to fulfill my needs.					
9	The character of this brand feels familiar and makes me comfortable continuing to interact with it.					
Brand as Symbol						
10	This brand's logo, colors, and symbols are memorable and have special meaning to me.					
11	This brand boasts a distinctive visual identity that sets it apart from others.					
12	This brand symbol represents the cultural values and distinctive identity of the region, making it more attractive and competitive in the market.					
Brand Image Variables						
No	What is your opinion, attitude, and knowledge regarding the statement below:	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
Brand Strength						
1	I recognize the brand of this MSME product without needing to examine the label in detail.					
2	This brand has a strong influence among similar products.					
3	The strength of this brand helps me in making purchasing decisions.					
Brand Favorability						
4	I prefer this UMKM product brand over other brands.					
5	I have had a positive perception of this brand since I first encountered it.					
6	I recommend this brand to others because of the good impression I had.					
Brand Uniqueness						
7	This product brand has a uniqueness that sets it apart from other brands in the market.					
8	This brand identity reflects the local cultural characteristics that caught my attention.					
9	I bought this product because of the uniqueness of the brand, which is not found in similar products.					
Brand Experience						
10	I had a pleasant experience using products from this brand.					

11	My interactions with this brand (both through products and services) have been very satisfying.					
12	Every time I buy a product from this brand, I am getting more value.					
Brand Evaluation						
13	Overall, I rate this brand as superior.					
14	I rate the quality, price, and benefits of the products from this brand positively.					
15	This brand meets my expectations in terms of reputation, design, and reliability.					
Purchasing Decision Variables						
No	What is your opinion, attitude, and knowledge regarding the statement below:	Very good	Good	Neutral	Not good	Very Bad
Transactional						
1	I have made transactions to purchase this MSME product both directly and online.					
2	I buy this product because of the ease of the transaction process it offers.					
Referential						
3	I got to know this MSME product through recommendations from friends, family, or people close to me.					
4	I am more confident in buying this product because many people recommend it.					
Preferential						
5	I prefer this UMKM brand over other similar product brands.					
6	This product is my top choice when purchasing regional specialty items.					
Explorative						
7	I am interested in trying new products from this MSME brand.					
8	I often explore various product variants or innovations from this brand.					
Willingness						
9	I am willing to pay more for this MSME product if the quality is comparable.					
10	I am more than happy to recommend this product to others.					

Bukti konfirmasi review round 2 dan hasil review round 2 (15 Maret 2026)



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Academic Research and Publishing UG (AR&P)

REFeree REPORT

Business Ethics and Leadership

Manuscript code 15-02-2026_BEL

Manuscript title Trust-Based Business Leadership of Local MSMEs in Tourism Destinations: The Role of Brand Credibility, Brand Identification, and Brand Image in Strengthening Consumer Purchase Decisions

Referee's name 1: coded

Strengths of Article (add lines if necessary):

Required improvements (add lines if necessary):

To attract a wider international readership, I recommend removing the reference to a specific country from the title of the article. A more general formulation will enhance the global relevance and visibility of the study. In order to better align the manuscript with the journal's subject focus, I suggest revising the title as follows: **“Trust-Based Business Leadership of Local MSMEs in Tourism Destinations: The Role of Brand Credibility, Brand Identification, and Brand Image in Strengthening Consumer Purchase Decisions.”** This formulation more clearly reflects the journal's thematic emphasis on business leadership and trust. Below you can see some new corrections required by editors of the journal:

1. The last two sentences of the abstract should be combined into a single sentence with greater emphasis on Trust-Based Business Leadership

2. The first sentence of the abstract should be replaced with a more general one - essentially addressing the relevance of the concept of Trust-Based Business Leadership, particularly for SMEs. In this regard, the authors have added two very effective paragraphs to the Introduction; the first sentence should be based on these, but without verbatim repetition

3. In paragraphs 5, 6, and 7 of the Introduction, certain sentences are structured as if this were a literature review. For example, “Recent studies... have shown,” or “Some studies indicate....” This style is appropriate for a literature review, not for an Introduction. Therefore, these sentences should be rewritten in a slightly different manner. That is, there should be a statement that logically and consistently develops the idea regarding the relevance or specificity of studying a particular issue. After that, sources can be cited in parentheses.

4. It is recommended not to include more than three citations within a single sentence. In academic practice, this is often perceived as an indication of an insufficiently thorough literature review. If it is necessary to refer to a larger number of studies, please divide them into separate sentences, each highlighting a more specific contribution of the cited works and including no more than three references per sentence.

5. Before each figure and table, the text should explicitly introduce it by referring to its number (e.g., “as shown in Figure 1” or “presented in Table 2”). This improves readability and ensures proper integration of visual materials into the narrative.

6. Not corrected from previous comments: it makes no sense to present the questionnaire in the appendix as a table. It is simpler to list the answer options at the top and then provide the list of questions using a bulleted list rather than a table.

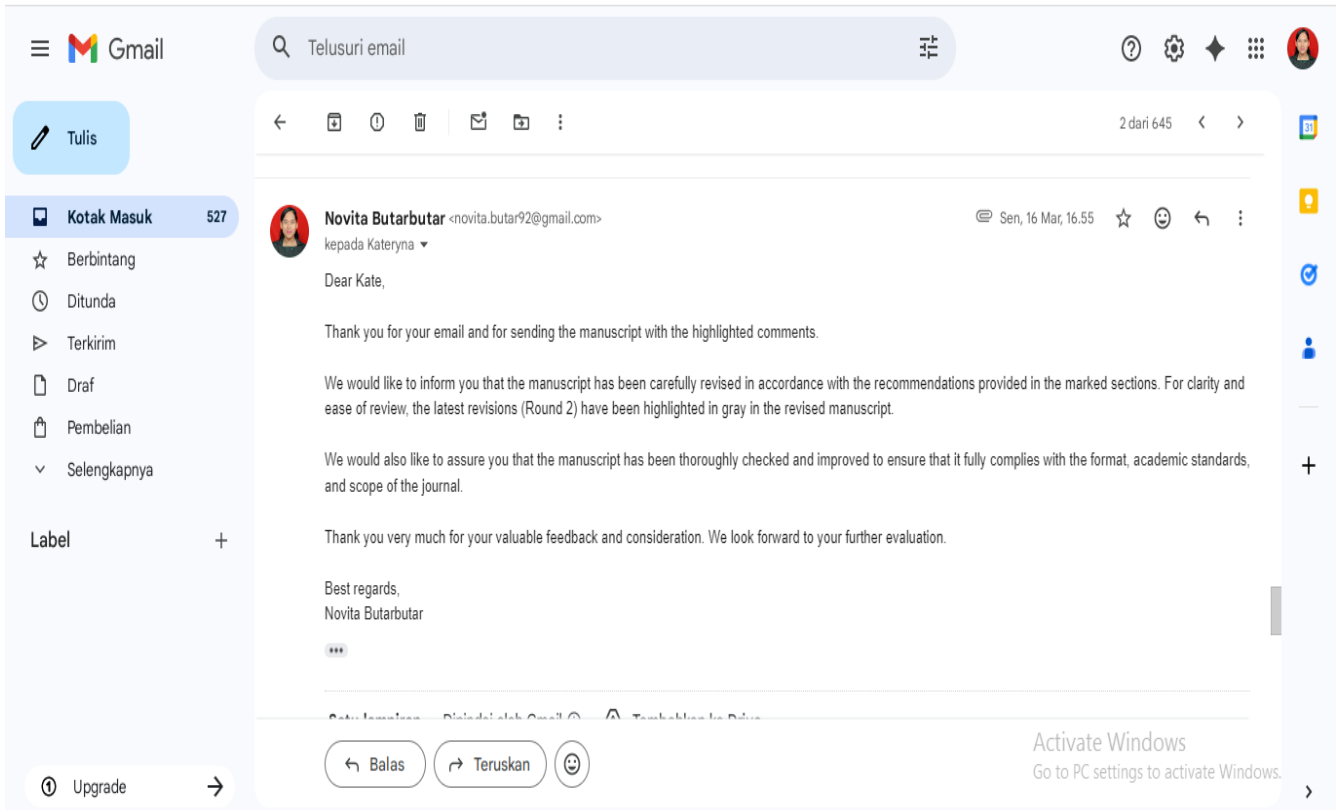
7. Not corrected from previous comments: Please upload all data, anonymized survey results, interim and final calculations, and the input dataset to Zenodo and include a link in the Data Availability Statement section.

Additional comments:

The article can be published after completing the recommendations. Recommendations for Publisher:

- a) accept
- b) *accept on minor revisions indicated above***
- c) accept on major revisions indicated above
- d) reject entirely

Bukti konfirmasi submit revisi kedua, respon kepada reviewer, dan artikel yang diresubmit (16 Maret 2026)



1) Comments Reviewer 3 to the Author

The last two sentences of the abstract should be combined into a single sentence with greater emphasis on Trust-Based Business Leadership

Response:

The authors sincerely appreciate the reviewer's valuable suggestion. In response, the final two sentences of the abstract have been revised and combined into a single, more coherent sentence with stronger emphasis on Trust-Based Business Leadership. This revision improves the conciseness, clarity, and thematic consistency of the abstract while ensuring closer alignment with the journal's focus and the overall contribution of the study.

Trust-Based Business Leadership has become increasingly vital for MSMEs in tourism destinations, where building consumer trust determines competitiveness and sustainability. However, limited research explains how leadership-driven brand strategies through credibility, identification, and brand image shape tourists' purchase decisions and strengthen trust in local MSME products. This research seeks to examine the impact of brand identification, brand credibility, and brand image on the purchasing choices of local MSME goods in the Lake Toba tourist attraction in Indonesia. In 2025, survey results were gathered in Indonesia from 180 tourists who purchased local MSME goods, reflecting visitors engaged in experience-based tourism. Data were collected by structured questionnaires and analyzed using Structural Equation Modeling (PLS-SEM) with SmartPLS software to evaluate measurement validity, reliability, and structural correlations. Brand identity significantly

influenced purchase decisions ($\beta=0.402$, $p<0.000$), emerging as the strongest predictor. Brand credibility also showed a positive effect ($\beta=0.200$, $p<0.07$). Brand image further contributed significantly ($\beta=0.262$, $p<0.00$), confirming that trust-related symbolic and emotional brand perceptions shape tourists' purchasing decisions for local MSME products. This research enhances the literature by reinforcing integrative branding techniques in MSMEs and broadening the applicability of the theory of planned behavior and brand signaling theory in relation to local tourism goods. The results highlight the strategic role of Trust-Based Business Leadership in guiding governments and MSME leaders to develop leadership-driven branding strategies that strengthen consumer trust through credible brand identity, consistent quality signals, and culturally embedded tourism imagery, while emphasizing the need for future research to examine how trust-oriented leadership practices shape consumer behavior and sustain long-term brand value in tourism-based MSMEs.

2) Comments Reviewer 3 to the Author

The first sentence of the abstract should be replaced with a more general one - essentially addressing the relevance of the concept of Trust-Based Business Leadership, particularly for SMEs. In this regard, the authors have added two very effective paragraphs to the Introduction; the first sentence should be based on these, but without verbatim repetition

Response:

The authors sincerely thank the reviewer for the insightful recommendation. In response, the first sentence of the abstract has been revised to present a broader and more general statement emphasizing the relevance of Trust-Based Business Leadership, particularly in the context of SMEs. The revised sentence was developed based on the conceptual discussion added to the Introduction section, while carefully avoiding verbatim repetition. This modification improves the coherence between the Introduction and the abstract and strengthens the manuscript's alignment with the journal's thematic focus.

Trust-Based Business Leadership has become increasingly vital for MSMEs in tourism destinations, where building consumer trust determines competitiveness and sustainability. However, limited research explains how leadership-driven brand strategies through credibility, identification, and brand image shape tourists' purchase decisions and strengthen trust in local MSME products. This research seeks to examine the impact of brand identification, brand credibility, and brand image on the purchasing choices of local MSME goods in the Lake Toba tourist attraction in Indonesia. In 2025, survey results were gathered in Indonesia from 180 tourists who purchased local MSME goods, reflecting visitors engaged in experience-based tourism. Data were collected by structured questionnaires and analyzed using Structural Equation Modeling (PLS-SEM) with SmartPLS software to evaluate measurement validity, reliability, and structural correlations. Brand identity significantly influenced purchase decisions ($\beta=0.402$, $p<0.000$), emerging as the strongest predictor. Brand credibility also showed a positive effect ($\beta=0.200$, $p<0.07$). Brand image further contributed significantly ($\beta=0.262$, $p<0.00$), confirming that trust-related symbolic and emotional brand perceptions shape tourists' purchasing decisions for local MSME products. This research enhances the literature by reinforcing integrative branding techniques in MSMEs and broadening the applicability of the theory of planned behavior and brand signaling theory in relation to local tourism goods. The results highlight the strategic role of Trust-Based Business Leadership in guiding governments and MSME leaders to develop leadership-driven branding strategies that strengthen consumer trust through credible brand identity, consistent quality signals, and culturally embedded tourism imagery, while emphasizing the need for future research to examine how trust-oriented leadership practices shape consumer behavior and sustain long-term brand value in tourism-based MSMEs.

3) Comments Reviewer 3 to the Author

In paragraphs 5, 6, and 7 of the Introduction, certain sentences are structured as if this were a literature review. For example, “Recent studies... have shown,” or “Some studies indicate...” This style is appropriate for a literature review, not for an Introduction. Therefore, these sentences should be rewritten in a slightly different manner. That is, there should be a statement that logically and consistently develops the idea regarding the relevance or specificity of studying a particular issue. After that, sources can be cited in parentheses.

Response:

The authors sincerely appreciate the reviewer’s insightful observation regarding the writing style of the Introduction section. In response, the relevant sentences in paragraphs 5, 6, and 7 have been revised to better reflect the purpose and structure of an academic Introduction rather than a literature review. The revised text now presents logically developed statements emphasizing the relevance and specificity of the research issue, followed by supporting citations in parentheses where appropriate. These changes improve the coherence, readability, and structural consistency of the manuscript in accordance with academic writing conventions and the journal’s standards.

Brand identity constitutes a fundamental symbolic mechanism through which consumers align themselves with a brand, particularly in tourism contexts where consumption reflects personal values and experiential meaning (Graham & Wilder, 2020). In experience-based MSME products, a well-defined brand identity enables emotional attachment and self-expression, thereby strengthening purchase intentions (Parkinson et al., 2016; Mao et al., 2020). However, its effectiveness depends on the nature of consumption; when utilitarian considerations such as price and functionality dominate, the influence of identity tends to diminish (Foroudi et al., 2020; Ghodeswar, 2008). This indicates that brand identity becomes more relevant in contexts rich in symbolic and experiential value, such as tourism destinations, where trust-based leadership can strategically embed cultural meaning into branding (Jin et al., 2019; Butarbutar et al., 2024).

Brand credibility, in contrast, represents a more cognitively grounded mechanism that reduces uncertainty and perceived risk, which are particularly salient in tourism and service-based MSMEs where product quality cannot be fully assessed prior to consumption. The presence of credible signals such as consistent quality, reliability, and honest communication enhances consumer confidence and supports faster decision-making (Kong et al., 2021; Rather et al., 2018). Nevertheless, the influence of credibility is contingent upon contextual conditions. When consumers possess strong prior experience or are driven by short-term incentives, its direct effect on purchase decisions may weaken (Martín-Consuegra et al., 2018). Consequently, brand credibility often operates indirectly by reinforcing trust and perceived value, highlighting the central role of trust-based business leadership in maintaining credibility as a strategic asset (Ainsworth & Ballantine, 2017; Mandler et al., 2021).

Meanwhile, brand image reflects the cumulative perception formed through consumer interactions, experiences, and communicated brand values, making it a proximate determinant of purchase decisions in tourism-based MSMEs. A positive and culturally resonant brand image simplifies evaluation processes and increases the likelihood of consumer choice (Chigora et al., 2024; Girsang et al., 2024). However, its influence is not isolated, as situational factors such as social recommendations and product accessibility can moderate its effect (Matikiti-Manyeverere et al., 2020; Ramesh et al., 2019). This suggests that brand image is more accurately understood as the outcome of interactions between brand identity and brand credibility, both of which are shaped by leadership practices that prioritize trust, authenticity, and consistency in local MSME branding strategies.

4) Comments Reviewer 4 to the Author

It is recommended not to include more than three citations within a single sentence. In academic practice, this is often perceived as an indication of an insufficiently thorough literature review. If it is necessary to refer to a larger number of studies, please divide them into separate sentences, each highlighting a more specific contribution of the cited works and including no more than three references per sentence

Response:

The authors sincerely thank the reviewer for the valuable recommendation regarding citation practices. In response, the manuscript has been carefully revised to ensure that no sentence contains more than three citations. Where references to multiple studies were necessary, the discussion has been reorganized into separate sentences, each emphasizing a distinct contribution or perspective of the cited works.

Brand identity is a unique brand association that shows a promise to consumers (Jin et al., 2019; Haidiani et al., 2022; Vuong & Bui, 2023). Building a brand identity that is accepted or not in the minds of the public depends on how the owner packages the concept (Ross & Harradine, 2011; Butarbutar et al., 2023). To express brand identity can be done through its products, its services (Graham & Wilder, 2020), or several tagline words or slogans that describe the vision, mission, and characteristics of the product (Mao et al., 2020). The success of businesspeople in attracting attention by conveying a strong brand character or identity that is acceptable to many people will result in informed purchasing decisions (Dash et al., 2021; Vacas de Carvalho et al., 2020).

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5) Comments Reviewer 5 to the Author

Before each figure and table, the text should explicitly introduce it by referring to its number (e.g., “as shown in Figure 1” or “presented in Table 2”). This improves readability and ensures proper integration of visual materials into the narrative.

Response:

The authors sincerely appreciate the reviewer’s careful observation and constructive recommendation. In response, the manuscript has been revised to ensure that all figures and tables are explicitly introduced in the text prior to their appearance using appropriate references such as “as shown in Figure 1” or “presented in Table 2.” Additionally, the identified error in figure numbering has been corrected, including the incorrect reference to Figure 3 appearing before Figure 1. These revisions improve the readability, structural consistency, and integration of visual materials within the manuscript narrative.

The operational definitions of the variables in this study were developed to ensure conceptual clarity and measurable boundaries for each construct, facilitating systematic analysis. Each variable is grounded in established theories and prior studies, then translated into context-relevant indicators for tourism MSMEs. As presented in Table 2, these definitions ensure alignment between theoretical constructs and empirical measurement, thereby enhancing the validity and reliability of the model.

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Consequently, Figure 1 demonstrates presents an integrative model that situates brand identity as a strategic precursor influencing brand credibility and brand image, with brand image serving as a crucial mediator in enhancing purchase choices for local MSME products.

As shown in Figure 2, the measurement model demonstrates adequate reliability and validity, meeting all required criteria for PLS-SEM analysis. These results confirm that the constructs are empirically sound and suitable for further examination, thereby justifying progression to the structural model assessment within the Trust-Based Business Leadership framework for tourism MSMEs.

The findings of the measurement model analysis performed to check the reliability and validity of the research constructs are shown in Table 3. Factor loadings, Cronbach's alpha, composite reliability (CR), and average variance extracted (AVE) are all important indicators that are used in the assessment. The findings show that all of the indicators satisfy the suggested standards.

As presented in Table 4, the results of the discriminant validity test using the Fornell–Larcker criteria confirm that all constructs meet the required thresholds. The square root of the AVE for brand credibility, brand identity, brand image, and purchase decision exceeds their inter-construct correlations, indicating strong discriminant validity. This demonstrates that each construct more accurately represents its underlying concept than its associations with other variables.

The results of the inner model evaluation are presented in Table 5, which reports the R² values indicating how strongly brand credibility, brand identification, and brand image collectively explain consumer purchase decisions in the context of trust-based business leadership of local MSMEs in tourism destinations. These figures provide an indication of the model's predictive capability and the strength of the relationships proposed in the study.

Table 6 presents the results of the f² analysis, showing the relative effect sizes of brand credibility, brand identification, and brand image in explaining consumer purchase decisions within the structural model of trust-based business leadership in local MSMEs operating in tourism destinations.

The detailed results of this hypothesis testing are presented in Table 7, which reports the path coefficients, t-statistics, and p-values for the relationships between brand credibility, brand identification, brand image, and consumer purchase decisions in the context of trust-based business leadership of local MSMEs in tourism destinations.

6) Comments Reviewer 6 to the Author

Not corrected from previous comments: it makes no sense to present the questionnaire in the appendix as a table. It is simpler to list the answer options at the top and then provide the list of questions using a bulleted list rather than a table

Response:

The authors sincerely thank the reviewer for the additional clarification and valuable recommendation. In response, the questionnaire presentation in the Appendix has been comprehensively revised by removing the table format entirely. The response scale is now presented clearly at the beginning of the Appendix, followed by the questionnaire items organized in a structured bulleted list format. This revision improves readability, presentation efficiency, and consistency with academic formatting standards while addressing the reviewer's previous comment more appropriately.

APPENDIX

Questionnaire Form

No.	Variable Dimensions	Questions	Answers (Likert Scale)				
			1: Strongly Disagree	2: Disagree	3: Neutral	4: Agree	5: Strongly Agree
1	Brand Credibility (Trustworthiness)	This local MSME product is produced with safe and quality ingredients.	1	2	3	4	5
2	Brand Credibility (Trustworthiness)	The information provided by MSMEs regarding products can always be trusted.					
3	Brand Credibility (Expertise)	MSMEs have expertise in producing good-quality products.					
4	Brand Credibility (Expertise)	The products produced demonstrate the high level of skill and innovation of MSME actors.					
5	Brand Credibility (Attractiveness)	This MSME product has a design or appearance that caught my attention.					
6	Brand Credibility (Attractiveness)	The product packaging appears professional and aesthetically pleasing.					

7	Brand Credibility (Consistency)	The products I buy consistently maintain the same high quality over time.
8	Brand Credibility (Consistency)	The service provided by MSMEs is always consistent, every time I interact with them.
9	Brand Identity (Brand as Organization)	MSMEs as organizations are capable of maintaining their brand reputation.
10	Brand Identity (Brand as Organization)	This brand represents the professionalism and good values of the organization behind it.
11	Brand Identity (Brand as Organization)	The organization that manages this brand is responsible for customer satisfaction.
12	Brand Identity (Brand as Product)	The products offered by this brand consistently meet the highest standards of quality.
13	Brand Identity (Brand as Product)	The product's characteristics make this brand easy for me to recognize and remember.
14	Brand Identity (Brand as Product)	The products from this brand meet my needs and preferences as a customer.
15	Brand Identity (Brand as Person)	This brand has a friendly and approachable personality.
16	Brand Identity (Brand as Person)	This brand is like a friend I can trust to fulfill my needs.
17	Brand Identity (Brand as Person)	The character of this brand feels familiar and makes me comfortable continuing to interact with it.
18	Brand Identity (Brand as Symbol)	This brand's logo, colors, and symbols are memorable and have special meaning to me.
19	Brand Identity (Brand as Symbol)	This brand boasts a distinctive visual identity that sets it apart from others.
20	Brand Identity (Brand as Symbol)	This brand symbol represents the cultural values and distinctive identity of the region, making it more attractive and competitive in the market.
21	Brand Image (Brand Strength)	I recognize the brand of this MSME product without needing to examine the label in detail.
22	Brand Image (Brand Strength)	This brand has a strong influence among similar products.
23	Brand Image (Brand Strength)	The strength of this brand helps me in making purchasing decisions.
24	Brand Image (Brand Favorability)	I prefer this UMKM product brand over other brands.
25	Brand Image (Brand Favorability)	I have had a positive perception of this brand since I first encountered it.
26	Brand Image (Brand Favorability)	I recommend this brand to others because of the good impression I had.
27	Brand Image (Brand Uniqueness)	This product brand has a uniqueness that sets it apart from other brands in the market.
28	Brand Image (Brand Uniqueness)	This brand identity reflects the local cultural characteristics that caught my attention.
29	Brand Image (Brand Uniqueness)	I bought this product because of the uniqueness of the brand, which is not found in similar products.
30	Brand Image (Brand Experience)	I had a pleasant experience using products from this brand.
31	Brand Image (Brand Experience)	My interactions with this brand (both through products and services) have been very satisfying.
32	Brand Image (Brand Experience)	Every time I buy a product from this brand, I am getting more value.
33	Brand Image (Brand Evaluation)	Overall, I rate this brand as superior.
34	Brand Image (Brand Evaluation)	I rate the quality, price, and benefits of the products from this brand positively.
35	Brand Image (Brand Evaluation)	This brand meets my expectations in terms of reputation, design, and reliability.
36	Purchasing Decision (Transactional)	I have made transactions to purchase this MSME product both directly and online.
37	Purchasing Decision (Transactional)	I buy this product because of the ease of the transaction process it offers.

38	Purchasing Decision (Referential)	I got to know this MSME product through recommendations from friends, family, or people close to me.
39	Purchasing Decision (Referential)	I am more confident in buying this product because many people recommend it.
40	Purchasing Decision (Preferential)	I prefer this UMKM brand over other similar product brands.
41	Purchasing Decision (Preferential)	This product is my top choice when purchasing regional specialty items.
42	Purchasing Decision (Explorative)	I am interested in trying new products from this MSME brand.
43	Purchasing Decision (Explorative)	I often explore various product variants or innovations from this brand.
44	Purchasing Decision (Willingness)	I am willing to pay more for this MSME product if the quality is comparable.
45	Purchasing Decision (Willingness)	I am more than happy to recommend this product to others.

Note: *The questionnaire is provided to the respondent as shown in the previous table and in the same order, excluding the “Variable Dimensions” column, which is included here for clarification purposes only.

7) Comments Reviewer 7 to the Author

Not corrected from previous comments: Please upload all data, anonymized survey results, interim and final calculations, and the input dataset to Zenodo and include a link in the Data Availability Statement section

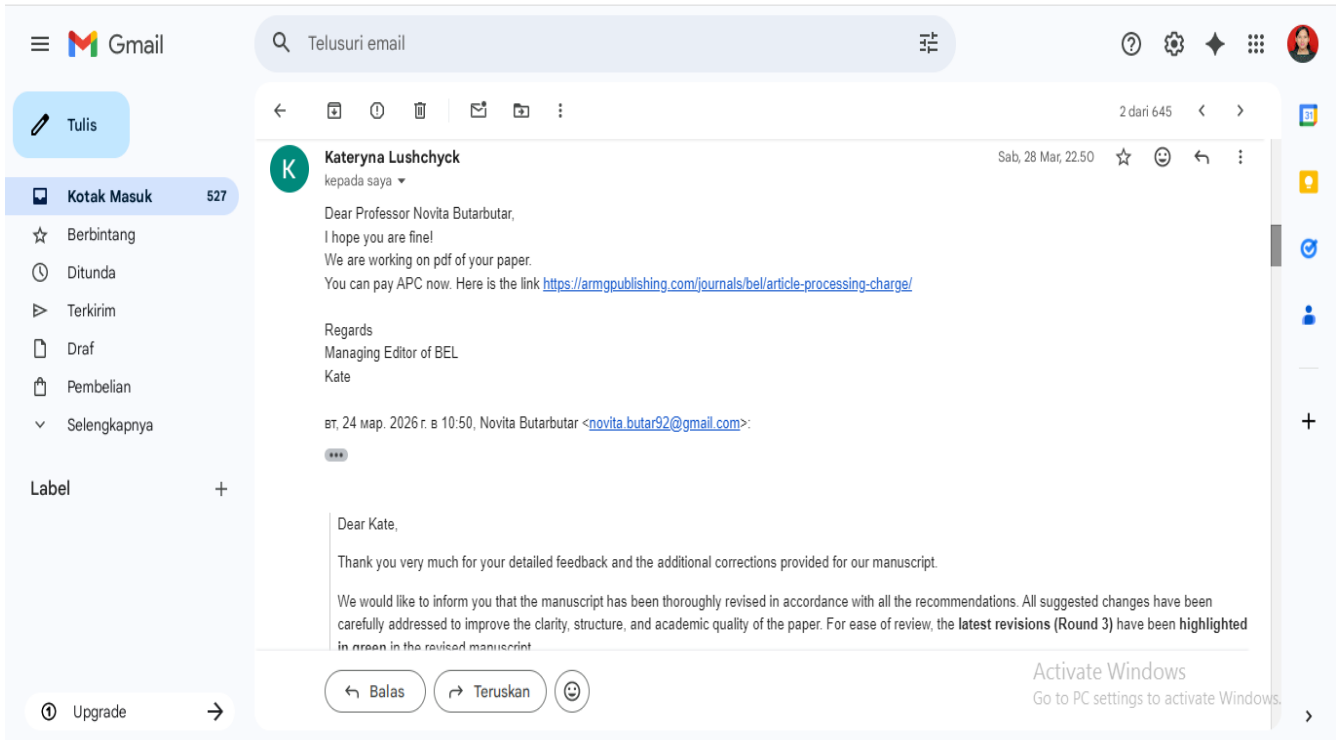
Response:

The authors sincerely appreciate the reviewer’s important recommendation regarding research transparency and data accessibility. In response, all anonymized survey data, interim and final calculation files, as well as the complete input dataset, have been prepared and uploaded to the Zenodo repository. Furthermore, the corresponding access link has been added to the Data Availability Statement section of the manuscript.

The data supporting the findings of this study were processed and analyzed using Smart-PLS software. The raw dataset underlying this research is publicly available and can be accessed through the institutional repository at the following link provided by the authors.

Butarbutar, N. (2025). Data Analysis Research Result PFR 2025. <http://repository.stiesultanagung.ac.id/id/eprint/1165/>. [Link]

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Trust-Based Business Leadership of Local MSMEs in Tourism Destinations: The Role of Brand Credibility, Brand Identification, and Brand Image in Strengthening Consumer Purchase Decisions

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Type of manuscript: research paper

Abstract: Trust-Based Business Leadership has become increasingly vital for MSMEs in tourism destinations, where building consumer trust determines competitiveness and sustainability. However, limited research explains how leadership-driven brand strategies through credibility, identification, and brand image shape tourists' purchase decisions and strengthen trust in local MSME products. This research seeks to examine the impact of brand identification, brand credibility, and brand image on the purchasing choices of local MSME goods in the Lake Toba tourist attraction in Indonesia. In 2025, survey results were gathered in Indonesia from 180 tourists who purchased local MSME goods, reflecting visitors engaged in experience-based tourism. Data were collected by structured questionnaires and analyzed using Structural Equation Modeling (PLS-SEM) with SmartPLS software to evaluate measurement validity, reliability, and structural correlations. Brand identity significantly influenced purchase decisions ($\beta=0.402$, $p<0.000$), emerging as the strongest predictor. Brand credibility also showed a positive effect ($\beta=0.200$, $p<0.07$). Brand image further contributed significantly ($\beta=0.262$, $p<0.00$), confirming that trust-related symbolic and emotional brand perceptions shape tourists' purchasing decisions for local MSME products. This research enhances the literature by reinforcing integrative branding techniques in MSMEs and broadening the applicability of the theory of planned behavior and brand signaling theory in relation to local tourism goods. The results highlight the strategic role of Trust-Based Business Leadership in guiding governments and MSME leaders to develop leadership-driven branding strategies that strengthen consumer trust through credible brand identity, consistent quality signals, and culturally embedded tourism imagery, while emphasizing the need for future research to examine how trust-oriented leadership practices shape consumer behavior and sustain long-term brand value in tourism-based MSMEs.

Keywords: brand identity, brand credibility, brand image, purchase decisions, trust, business leadership

JEL Classification: M31, M21, L26, Z32

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INTRODUCTION

Global tourism has reaffirmed its position as a key driver of service-based economic growth, fostering job creation, strengthening local supply chains, and promoting experience-based consumption (Afwā et al., 2021; Kotler et al., 2022). Recent data indicate that this sector will contribute approximately 10% to the global economy, equivalent to US\$10.9 trillion, and support around 357 million jobs by 2024 (World Bank, 2025; WTTC, 2024). This scale highlights the substantial market potential for locally produced products integrated into tourism activities. However, this recovery is also accompanied by intensified competition, with tourists becoming increasingly selective, sensitive to credibility, and relying on brand cues as cognitive shortcuts in rapid purchasing decisions (Graham & Wilder, 2020; Ismanto et al., 2023). In this context, micro, small, and medium enterprises (MSMEs) play a strategic role as they are the primary providers of destination value through culinary products, crafts, souvenirs, and cultural artifacts. In Indonesia, MSMEs dominate the economic structure, comprising approximately 64.2 million business units and contributing more than 61% to the gross domestic product, while absorbing a significant portion of the national workforce (DJPb Kemenkeu, 2024). Consistently, the tourism sector is also showing a strong recovery trend, reflected in the increase in foreign tourist visits, which reached 1.24 million in December 2024 (BPS, 2025). This condition indicates a significant demand base for MSME products in tourist destinations.

Trust-Based Business Leadership has arisen as a significant theoretical framework in modern management literature, highlighting the importance of leadership in fostering credibility, transparency, and relational trust among stakeholders. This leadership paradigm is based on relational leadership theories, social exchange principles, and trust signaling, indicating that leaders affect stakeholder behavior by regularly exhibiting integrity, competence, and alignment of values. In market contexts marked by uncertainty and information asymmetry, such as tourist markets, trust serves as a vital mechanism that mitigates perceived risk and influences consumer decision-making. In this context, company executives are tasked with controlling operational performance and creating reliable brand signals that influence consumer perceptions and enhance enduring customer relationships. Thus, trust-based leadership approaches are crucial for organizations aiming to establish durable competitive advantages in experience-oriented tourist industries.

The need of Trust-Based Business Leadership is especially critical for MSMEs functioning in tourist locations. In contrast to major organizations, MSMEs mostly depend on relational credibility, cultural authenticity, and reputation to recruit and retain clientele. In tourist environments, visitors often assess local items with little information, rendering trust signals such as brand reputation, genuine identity, and consistent product quality crucial to their purchase choices. Leadership strategies in MSMEs are essential in influencing the communication of trust via branding, storytelling, and service experiences integrated into the cultural narrative of the location. By merging trust-centric leadership with strategic brand management, MSME leaders can elevate local goods into significant representations of destination identity and quality assurance. This viewpoint emphasizes that enhancing the competitiveness of MSMEs in tourism destinations requires leadership strategies that deliberately foster trust among producers, visitors, and the wider tourism ecosystem.

Branding in the digital environment has its own unique dynamics that need to be understood in order to choose effective branding tactics and strategies (Mandler et al., 2021; Siddiqui et al., 2021; Dash et al., 2021). Effective brand management creates an identity for products and services and differentiates them from their main competitors (Chigora et al., 2024; Sánchez Garza et al., 2024; Efendi et al., 2023). Typical regional souvenir MSME products at the Lake Toba Samosir tourist destination are goods or products produced by MSMEs that reflect the richness of local culture and heritage. However, the current market share of these superior MSME products has declined due to a decrease in public purchasing interest in these products (Jatmiko et al., 2021). The primary challenges faced by destination MSMEs stem from information asymmetry and quality uncertainty. Tourists generally have limited time and information to assess the authenticity, quality, and consistency of products (Le & Le, 2020; Armutcu et al., 2023). In such circumstances, brands should function as a risk-reducing mechanism and a guarantee of reliability. However, many MSMEs in tourist destinations still face fundamental weaknesses in three key branding dimensions: an undifferentiated brand identity, inconsistent brand credibility, and a brand image that has not yet been firmly established in the minds of tourists.

Brand identity constitutes a fundamental symbolic mechanism through which consumers align themselves with a brand, particularly in tourism contexts where consumption reflects personal values and experiential meaning (Graham & Wilder, 2020). In experience-based MSME products, a well-defined brand identity enables emotional attachment and self-expression, thereby strengthening purchase intentions (Parkinson et al., 2016; Mao et al., 2020). However, its effectiveness depends on the nature of consumption; when utilitarian considerations such as price and functionality dominate, the influence of identity tends to diminish (Foroudi et al., 2020; Ghodeswar, 2008). This indicates that brand identity becomes more relevant in contexts rich in symbolic and experiential value, such as tourism destinations, where trust-based leadership can strategically embed cultural meaning into branding (Jin et al., 2019; Butarbutar et al., 2024).

Brand credibility, in contrast, represents a more cognitively grounded mechanism that reduces uncertainty and perceived risk, which are particularly salient in tourism and service-based MSMEs where product quality cannot be fully assessed prior to consumption. The presence of credible signals such as consistent quality, reliability, and honest communication enhances consumer confidence and supports faster decision-making (Kong et al., 2021; Rather et al., 2018). Nevertheless, the influence of credibility is contingent upon contextual conditions. When consumers possess strong prior experience or are driven by short-term incentives, its direct effect on purchase decisions may weaken (Martín-Consuegra et al., 2018). Consequently, brand credibility often operates indirectly by reinforcing trust and perceived value, highlighting the central role of trust-based business leadership in maintaining credibility as a strategic asset (Ainsworth & Ballantine, 2017; Mandler et al., 2021).

Meanwhile, brand image reflects the cumulative perception formed through consumer interactions, experiences, and communicated brand values, making it a proximate determinant of purchase decisions in tourism-based MSMEs. A positive and culturally resonant brand image simplifies evaluation processes and increases the likelihood of consumer choice (Chigora et al., 2024; Girsang et al., 2024). However, its influence is not isolated, as situational factors such as social recommendations and product accessibility can moderate its effect (Matikiti-Manyevere et al., 2020; Ramesh et al., 2019). This suggests that brand image is more accurately understood as the outcome of interactions between brand identity and brand credibility, both of which are shaped by leadership practices that prioritize trust, authenticity, and consistency in local MSME branding strategies.

Based on these conditions, a significant empirical and theoretical gap exists, particularly in the lack of quantitative research examining the simultaneous influence of brand identity, brand credibility, and brand image on purchasing decisions for local MSME products in a destination context. This study aims to fill this gap by developing a predictive model focused on MSME product branding within tourist destinations. Theoretically, this study deepens understanding of the role of brands as risk-reducing, meaning-forming, and association-accumulating devices that work together in tourists' purchasing decisions. Empirically, this study aims to assess the extent to which these three branding dimensions predict purchase decisions of local MSME products in Lake Toba.

LITERATURE REVIEW

Theoretical Framework

This research's theoretical framework integrates the theory of planned behavior (TPB) and brand signaling theory to explain the strengthening of local MSME product purchasing decisions at tourist destinations (Han et al., 2010). TPB views purchasing decisions as the result of behavioral intentions shaped by attitudes toward the product, subjective norms, and perceived behavioral control. In the tourism context, these three determinants are influenced by travel experiences, limited information, and situational social pressures, resulting in a rapid and perception-based decision-making process. On the other hand, Brand Signaling Theory posits that brands serve as credibility signals, functioning to reduce information asymmetry between MSME producers and tourists, who are temporary consumers. Brand credibility, quality consistency, and brand identity clarity act as trust signals that influence risk evaluation and purchase confidence. Some studies find that brand signals have a direct influence on purchasing decisions, while others suggest that consumer attitudes or beliefs mediate these influences. On the TPB side, tourism research often ignores the role of brands as sources of attitude formation and perceived control, thus partially explaining purchase intentions (Han et al., 2010). This theoretical gap highlights the need for a model that integrates psychological mechanisms with market signals. This research offers conceptual novelty by positioning brand signaling as a structural antecedent within the TPB framework, where brand signals shape attitudes, reinforce social norms, and reduce perceived uncertainty. This integration deepens the TPB within the context of tourism information asymmetry. It extends brand signaling theory to the realm of destination-based MSMEs, resulting in a more comprehensive understanding of tourist purchasing decisions.

Trust-Based Business Leadership

Trust-Based Business Leadership is a way of leading in which business people generate value by always being honest, competent, open, and caring about their stakeholders. This lowers uncertainty and builds trust amongst people (Islam et al., 2021). The theoretical underpinnings are based on social exchange theory, stakeholder theory, and relational leadership (Bhattacharyya, 2006). These theories say that trust grows when leaders keep their commitments, do what they say they will do, and share values over time. Recent research published in prominent international journals indicates that ethical, authentic, responsible, and entrepreneurial leadership enhances trust development, employee commitment, innovation, and organizational performance, particularly in service-oriented and tourism contexts characterized by elevated risk, intangibility, and information asymmetry (Islam et al., 2021). In the fields of tourism and hospitality, trust has been shown to mediate the influence of leadership on agility, inventive behavior, and extra-role performance, so affirming that leadership functions not just via control but also by credibility and the quality of relationships (Tajeddini & Martin, 2020). This viewpoint is particularly pertinent for MSMEs in tourism locales, as tourists frequently assess local products with insufficient information; thus, leadership-driven trust signals such as genuine branding, consistent quality, and culturally informed communication emerge as essential strategies for enhancing credibility, destination reputation, and enduring purchasing choices.

The Relationship Between Brand Identity and Purchase Decision

Brand identity is a unique brand association that shows a promise to consumers (Jin et al., 2019; Haidiani et al., 2022; Vuong & Bui, 2023). Building a brand identity that is accepted or not in the minds of the public depends on how the owner packages the concept (Ross & Harradine, 2011; Butarbutar et al., 2023). To express brand identity can be done through its products, its services (Graham & Wilder, 2020), or several tagline words or slogans that describe the vision, mission, and characteristics of the product (Mao et al., 2020). The success of businesspeople in attracting attention by conveying a strong brand character or identity that is acceptable to many people will result in informed purchasing decisions (Dash et al., 2021; Vacas de Carvalho et al., 2020). The results of several previous studies show that brand identity has a significant positive influence on purchasing decisions (Ghodeswar, 2008; Ross & Harradine, 2011). However, empirical findings show significant variations in influence on purchase decisions, depending on the industry context and consumer characteristics. Several studies have found a direct and significant influence of brand identity on purchasing decisions through the mechanisms of self-identification and consumer emotional attachment (Parkinson et al., 2016; Dash et al., 2021). In the context of experience-based products, brand identity serves as a symbol that enables consumers to project their self-value and social affiliation, thereby influencing their preferences and purchasing choices. Conversely, other studies show that the influence of brand identity is weakened or insignificant when consumers are more oriented towards price or utilitarian value, particularly in low-involvement product segments (Foroudi et al., 2020; Haidiani et al., 2022). This inconsistency suggests that brand identity does not always serve as a universal determinant of purchasing decisions. Recent research has begun to shift the focus from a linear relationship to a more contextual and relational approach. Several studies confirm that the influence of brand identity on purchase

decisions is often indirect, mediated by brand trust, brand image, or perceived authenticity (Iglesias et al., 2020; Japutra & Molinillo, 2019; Vuong & Bui, 2023). However, research on MSMEs and tourism is still dominated by partial models that separate brand identity from the context of destination experiences and local cultural meanings. The research gap lies in the lack of understanding of how brand identity functions as a symbolic mechanism in temporary, experiential purchasing situations, such as tourist destinations. Therefore, based on several previous studies, the following hypothesis is developed:

H₁: Brand identity influences purchase decisions

The Relationship Between Brand Credibility and Purchase Decisions

Brand credibility is defined as trust in the product positioning information contained in a brand that consistently delivers what is promised by the brand (Siddiqui et al., 2021; Sutia et al., 2023). Brand credibility is recognized as trust in the characteristics of the status of goods/services contained in a brand by relying on readiness, as well as the company's ability to deliver what they promise (Sheeraz et al., 2016). If credibility is associated with a business brand or if the brand is used as a source of reliability, it is described as brand credibility (Chin et al., 2019; Abu Zayyad et al., 2021; Baek & King, 2011). In accordance with brand signaling theory, the concept of brand credibility is an important factor in shaping consumer behavior as well as driving purchasing behavior (Shams et al., 2017; Jeng, 2016). Previous research results indicate that brand credibility has a significant positive influence on purchasing decisions (Martín-Consuegra et al., 2018; Kong et al., 2021). However, research findings show an inconsistent pattern. Several studies have found that brand credibility has a direct impact on purchasing decisions through risk reduction mechanisms and increased consumer cognitive trust (Nofiwaty et al., 2020). In the context of services and tourism, brand credibility has proven crucial because consumers often cannot evaluate product quality before consumption, thus relying heavily on brand signals for purchasing decisions (Bakator et al., 2018). Conversely, other research suggests that the influence of brand credibility becomes insignificant when consumers have strong direct experience or when price and short-term promotional factors are more dominant (Martín-Consuegra et al., 2018). Recent studies have begun to emphasize that the relationship between brand credibility and purchase decisions is contextual and often mediated by psychological variables such as brand trust, perceived value, and brand attitude (Chin et al., 2019); Sheeraz et al., 2016). However, most research still focuses on large brands and established markets, while studies on MSMEs, especially in the context of tourism destinations, remain limited and fragmented. This research gap underscores the need for further investigation into how brand credibility serves as a collective trust signal, influenced by social, cultural, and destination image contexts. Therefore, based on several previous studies, the following hypotheses are developed:

H₂: Brand credibility influences purchase decisions

The Relationship Between Brand Image and Purchase Decision

Brand image is an idea, belief, or impression of a brand in the minds of consumers that arises from experiences in using a company's products or services (Matikiti-Manyevera et al., 2020; Ramesh et al., 2019; Mao et al., 2020). A positive brand image is the basis for building a strong brand (Majeed et al., 2021). Consumer attitudes and actions are greatly influenced by the brand image itself (Shukla, 2011; Sánchez Garza et al., 2024). Brand image is formed from long-term consumer perceptions, which are consistent, so that a positive brand image is not easy to form (Chigora et al., 2024; Girsang et al., 2024). The more information consumers receive and the more experience they have using a company's products or services, the more the company's brand image will increase in their minds (Hanika et al., 2023; Nagar & Rana, 2015). The results of several previous studies show that brand image has a significant positive influence on purchasing decisions (Kazmi & Mehmood, 2016). Several studies have found a significant direct influence, especially when brand image is built through associations of quality, uniqueness, and emotional experiences (Diamantopoulos et al., 2011; Suryani et al., 2022). In the context of services and tourism, brand image is often a key determinant because consumers cannot objectively evaluate quality before consumption, so purchasing decisions are heavily influenced by initial perceptions and impressions (Fornari et al., 2016). Conversely, other studies have shown that the influence of brand image can weaken when functional factors such as price, availability, or social recommendations are more dominant, particularly for low-involvement products (Ainsworth & Ballantine, 2017). Recent research tends to position brand image as a relational construct that operates indirectly through brand attitude, perceived value, and brand trust (Sánchez Garza et al., 2024; Chigora et al., 2024; Majeed et al., 2021). This approach suggests that brand image is not merely the result of communication, but rather a dynamic accumulation of experiences. However, most studies still focus on large brands and established market contexts. Research on MSMEs, particularly in the context of tourism destinations and culture-based products, remains limited and often overlooks the role of destination experiences in shaping brand image. This research gap requires the development of a more contextual model to understand how brand image interacts with tourism experiences in

shaping consumer purchasing decisions. Therefore, based on several previous studies, the following hypotheses are developed:

H₃: Brand image influences purchase decisions

METHODOLOGY

Research Design

This research utilizes a library and field research technique, using a quantitative approach. Surveys are the main way to obtain data (Turner, 2020). The survey was conducted in 2024 in the Lake Toba Samosir tourist spot in North Sumatra, Indonesia. A standardized questionnaire was developed to assess visitors' opinions of brand identification, brand credibility, brand image, and their purchase choices related to local MSME goods. Lake Toba Samosir was chosen as the study location due to its status as a premier tourist destination in Indonesia and its considerable potential for the development of traditional regional MSME goods. The region also contains a wide variety of MSME items, such as food, crafts, and souvenirs. This makes it a good place to study how people buy things while they are on vacation.

Sample and Data Collection

The participants in this research are tourists visiting the Lake Toba Samosir area, who might be interested in buying characteristic MSME items from the area. These visitors include both local and foreign tourists who come to Lake Toba Samosir for fun, vacation, or other tourist activities. The study sample will be randomly chosen from this group of people. The people who may be included are tourists who are at least 18 years old and have bought typical regional MSME items while they were there. A statistical method that takes into account the required degree of confidence and margin of error will be used to figure out the sample size. The research sample shall include an adequate number of respondents to reflect the diversity of characteristics among visitors to the Lake Toba Samosir tourism attraction pertinent to the study's aims. Hair et al. (2019), says that if you don't know how many people are in the population, you may figure out the sample size by multiplying the number of indicators in one construct by 5 to 10. This study employs 18 indicators derived from four established variable dimensions, yielding a total of $18 \times 10 = 180$ research samples. Data collection in this research used observational techniques, including direct field observations and documentation obtained from secondary data sources, including documents and structured interviews done via a questionnaire. Table 1 shows further information on the demographics of the people who took part in the study.

Table 1. Description of Research Respondents

Category	Detail	Amount	Percentage (%)
Gender	Men	94	52.22
	Woman	86	47.78
Age (years)	< 25	38	21.11
	26 - 35	52	28.89
	36 - 45	50	27.78
	46 - 55	30	16.67
	> 55	10	5.55
Level of education	Senior High School	126	70
	Diploma	14	7.78
	Bachelor	30	16.67
	Masters	10	5.55
Employment Status	Students	35	19.44
	Government employees	50	27.78
	Private sector employee	45	25
	Self-employed	30	16.67
	Other	20	11.11
Income/month (Millions)	< 2 Million	30	16.67
	2-5 Million	75	41.67
	5-10 Million	55	30.55
	> 10 Million	20	11.11
Types of MSME products that have been purchased	Typical regional food/drinks	86	47.78
	Handicrafts/Souvenirs	30	16.67
	Fashion (ulos, accessories)	54	30
	Other Products	10	5.55

Source: data processing results (2025)

Based on Table 1, the gender composition shows a relatively balanced distribution, with 94 male respondents (52.22%) and 86 female respondents (47.78%). In terms of age, the majority of respondents fall within the productive age range, with the 26–35 age group comprising 52 respondents (28.89%) and the 36–45 age group including 50 respondents (27.78%). The age group under 25 years also shows a fairly significant proportion, namely 38 respondents (21.11%), while respondents aged 46–55 years and over 55 years each numbered 30 people (16.67%) and 10 people (5.55%), respectively. This age distribution reflects the representation of consumers from various stages of the life cycle, with a dominance of the productive age group, which generally has higher purchasing power and consumption activity.

In terms of education level, the majority of respondents had a high school education background, namely 126 people (70%). Respondents with a Bachelor's degree numbered 30 people (16.67%), followed by Diploma graduates with 14 people (7.78%) and Master's graduates with 10 people (5.55%). This composition shows that respondents come from diverse educational backgrounds, with a predominance of secondary education, which represents the general characteristics of MSME product consumers in tourist destinations. In terms of employment status, respondents were predominantly civil servants, with 50 people (27.78%), followed by private employees with 45 people (25%), and students with 35 people (19.44%). Meanwhile, respondents with self-employed status numbered 30 people (16.67%), and other job categories numbered 20 people (11.11%). This diversity of employment status indicates the heterogeneity of the respondents' socio-economic backgrounds.

Based on monthly income levels, the majority of respondents have an income between 2–5 million rupiah per month, namely 75 people (41.67%). Respondents with an income of 5–10 million rupiah numbered 55 people (30.55%), while the groups with incomes below 2 million rupiah and above 10 million rupiah included 30 people (16.67%) and 20 people (11.11%), respectively. This distribution indicates that most respondents are in the middle-income group, which is a potential market segment for typical regional MSME products. In terms of the types of MSME products purchased, the majority of respondents (86 people, 47.78%) have purchased typical regional food or beverage products. Furthermore, fashion products such as ulos and accessories were purchased by 54 respondents (30%), followed by handicrafts or souvenirs by 30 respondents (16.67%), and other products by 10 respondents (5.55%). This pattern suggests that culinary and culture-based products with local roots have a strong appeal to consumers in tourist destination areas.

Measurement Instruments

The operational definitions of the variables in this study were developed to ensure conceptual clarity and measurable boundaries for each construct, facilitating systematic analysis. Each variable is grounded in established theories and prior studies, then translated into context-relevant indicators for tourism MSMEs. As presented in Table 2, these definitions ensure alignment between theoretical constructs and empirical measurement, thereby enhancing the validity and reliability of the model.

Table 2. Operational Definitions of Research Variables

Variables	Code	Item	Source
Brand Credibility	BC1	<i>Trustworthiness</i>	(Abu Zayyad et al., 2021; Sheeraz et al., 2016)
	BC2	<i>Expertise</i>	
	BC3	<i>Attractiveness</i>	
	BC4	<i>Consistency</i>	
Brand Identity	BI1	<i>Brand as Organization</i>	(Graham & Wilder, 2020; Ross & Harradine, 2011)
	BI2	<i>Brand as Product</i>	
	BI3	<i>Brand as Person</i>	
	BI4	<i>Brand as Symbol</i>	
Brand Image	BM1	<i>Brand Strength</i>	(Chigora et al., 2024; (Sánchez Garza et al., 2024)
	BM2	<i>Brand Favorability</i>	
	BM3	<i>Brand Uniqueness</i>	
	BM4	<i>Brand Experience</i>	
	BM5	<i>Brand Evaluation</i>	
Purchase Decision	PI1	<i>Transactional</i>	(Martín-Consuegra et al., 2018; Majeed et al., 2021)
	PI2	<i>Referential</i>	
	PI3	<i>Preferential</i>	
	PI4	<i>Explorative</i>	
	PI5	<i>Willingness</i>	

Source: developed by the authors based on prior literature (2025).

Based on Table 2 The brand credibility variable indicates the extent of customer belief in the brand's dependability and capacity to provide its promised value. This construct is implemented via the characteristics of trustworthiness, expertise, attractiveness, and consistency, which together include customer impressions of the brand's integrity, professional competence, symbolic allure, and reliable performance over time. Brand credibility serves as a quality indicator that reduces ambiguity and perceived risk in purchase choices. Brand identity delineates the strategic significance formulated and conveyed by the brand via four primary perspectives, brand as organization, brand as product, brand as person, and brand as symbol. The four elements represent fundamental principles, operational traits, brand identity, and symbolism that distinguish MSME goods from their rivals within the realm of tourist destinations. Brand image is a compilation of customers' cognitive connections with a brand, developed via recurrent encounters and assessments. This concept is assessed by brand strength, preference, distinctiveness, brand experience, and overall appraisal, which together represent consumers' cognitive and emotional reactions. Purchase choices delineate customers' intents and behavioral inclinations about acquisitions, manifested via transactional, referential, preferred, exploratory characteristics, and the propensity to buy local MSME goods.

Conceptual Framework

The choice to buy local MSME goods in tourist spots is a complicated one that depends on how visitors understand the brand and how they feel about the risks involved in using the goods. This study's theoretical approach encompasses signaling theory and brand equity theory, together elucidating the impact of brand identity, credibility, and image on cognitive and emotional evaluations prior to a purchasing choice (Sheeraz et al., 2016; Mandler et al., 2021; Graham & Wilder, 2020). In the setting of Lake Toba, the transient nature of encounters and significant perceptual ambiguity provide brand signals a crucial tool in influencing customer decisions. Brand identity signifies the symbolic significance, distinctiveness, and authenticity of local goods, as shown by international research (Vuong & Bui, 2023; Foroudi et al., 2020). However, its direct impact on purchase choices remains inconclusive, particularly for MSMEs in emerging tourism locations. This lack of consistency shows that there has to be intermediate variables. Brand credibility serves as an indicator of dependability that mitigates risk and fosters trust, while brand image embodies the aggregation of brand associations that operate as a fundamental cognitive process influencing purchase behavior. Consequently, Figure 1 demonstrates presents an integrative model that situates brand identity as a strategic precursor influencing brand credibility and brand image, with brand image serving as a crucial mediator in enhancing purchase choices for local MSME products.

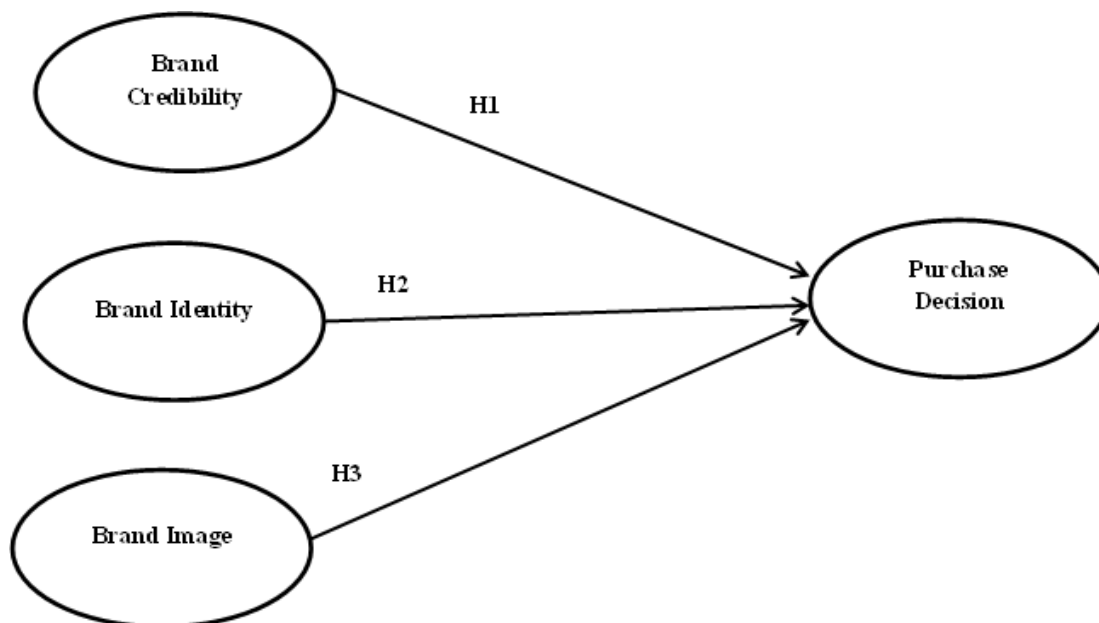


Figure 1 Conceptual Research Model

Data Analysis

This research used Partial Least Squares-based Structural Equation Modeling (PLS-SEM) as its data analysis approach. This approach is a multivariate analysis technique that combines factor analysis and regression analysis to investigate the relationships among variables within a research model (Hair et al., 2019). PLS-SEM specifically allows for the assessment of the link between indicators as manifest variables and

constructs as latent variables by testing the measurement model, as well as the analysis of relationships between latent variables via the structural model. This method is useful for looking at complicated research models that use more than one construct and indicator at the same time (Hair et al., 2019). Additionally, PLS-SEM enables researchers to evaluate causal links across variables concurrently, rendering it appropriate for characterizing phenomena that include multidimensional interactions at the person, organizational, and situational context levels.

RESULTS

Measurement Model Assessment

The Partial Least Squares–Structural Equation Modeling (PLS-SEM) methodology for measuring Model Assessment evaluates the quality of measuring instruments prior to examining the structural links among latent components. This assessment involves analyzing the reliability and validity of conceptions in both reflective and formative measuring modes. In the reflective model, indicator reliability is established by an expected outer loading value above 0.70, while construct reliability is assessed by Composite Reliability and Cronbach's Alpha, with a minimum criterion of 0.70. The Average Variance Extracted (AVE) metric was used to assess convergent validity (Hair et al., 2019). This score must exceed 0.50, indicating that the construct can account for more than half of the variation of its indicators. We used the Fornell–Larcker criterion and cross-loading values to assess discriminant validity. As shown in Figure 2, the measurement model demonstrates adequate reliability and validity, meeting all required criteria for PLS-SEM analysis. These results confirm that the constructs are empirically sound and suitable for further examination, thereby justifying progression to the structural model assessment within the Trust-Based Business Leadership framework for tourism MSMEs.

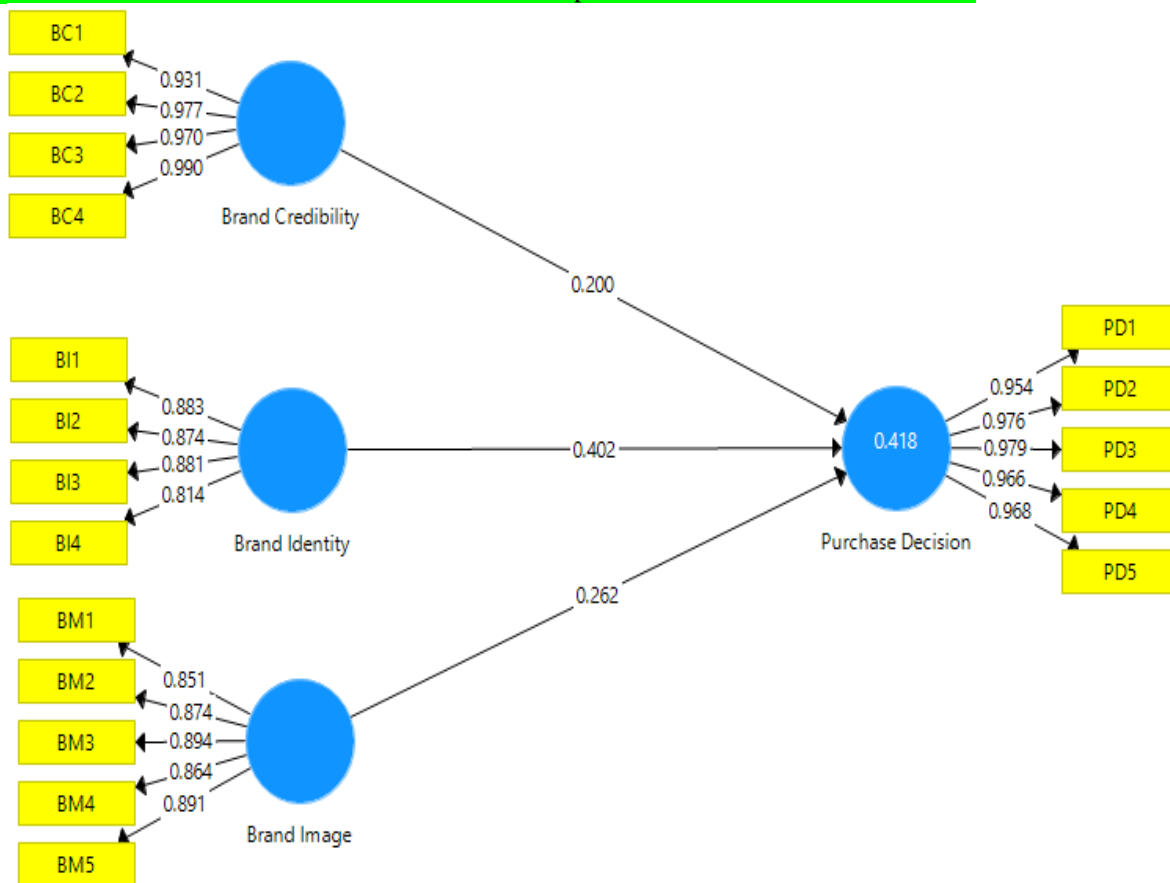


Figure 2 Measurement model analysis

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

The findings of the measurement model analysis performed to check the reliability and validity of the research constructs are shown in Table 3. Factor loadings, Cronbach's alpha, composite reliability (CR), and average variance extracted (AVE) are all important indicators that are used in the assessment. The findings show that all of the indicators satisfy the suggested standards. The factor loadings are over 0.70, and the CR and Cronbach's alpha values are also above 0.70, which shows that the data is very consistent. Also, the AVE values are higher than 0.50, which shows that the convergent validity is good. These results show that the measurement model is statistically sound and may be used for further structural model analysis that looks at how the study variables are related to each other.

Table 3. Measurement Model Analysis

Construct/item	Code	Outer Loadings	Cronbach's Alpha	CR	AVE
Brand Credibility			0.977	0.983	0.935
Trustworthiness	BC1	0.931			
Expertise	BC2	0.977			
Attractiveness	BC3	0.970			
Consistency	BC4	0.990			
Brand Identity			0.886	0.921	0.745
Brand as Organization	BI1	0.833			
Brand as Product	BI2	0.874			
Brand as Person	BI3	0.881			
Brand as Symbol	BI4	0.814			
Brand Image			0.923	0.942	0.765
Brand Strength	BM1	0.851			
Brand Favorability	BM2	0.874			
Brand Uniqueness	BM3	0.894			
Brand Experience	BM4	0.864			
Brand Evaluation	BM4	0.891			
Purchase Decision			0.984	0.987	0.938
Transactional	PD1	0.954			
Referential	PD2	0.976			
Preferential	PD3	0.979			
Explorative	PD4	0.966			
Willingness	PD5	0.968			

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

As shown in Table 3, all of the study designs have high-quality measurements, according to the data processing findings. With AVE of 0.935, Cronbach's Alpha and Composite Reliability values over 0.97, and substantial outer loadings on all indicators, Brand Credibility demonstrates convergent validity and extremely high reliability. With Cronbach's Alpha values over 0.88, Composite Reliability beyond 0.92, and AVE above 0.74, it is clear that Brand Identity and Brand Image fulfill the reliability and validity requirements. This means that the construct can properly explain the indicator variation. Additionally, all indicators have very strong outer loadings, and the Purchase Decision shows very high internal consistency with Cronbach's Alpha values of 0.984 and an AVE of 0.938. In conclusion, the results show that the research tool is trustworthy, legitimate, and appropriate for future studies; furthermore, it provides a thorough and humanistic representation of phenomena related to consumer behavior.

As presented in Table 4, the results of the discriminant validity test using the Fornell–Larcker criteria confirm that all constructs meet the required thresholds. The square root of the AVE for brand credibility, brand identity, brand image, and purchase decision exceeds their inter-construct correlations, indicating strong discriminant validity. This demonstrates that each construct more accurately represents its underlying concept than its associations with other variables.

Table 4. Discriminant Validity: Fornell-Larcker Criterion

	Brand Credibility	Brand Identity	Brand Image	Purchase Decision
Brand Credibility	0.967			
Brand Identity	0.555	0.863		
Brand Image	0.099	0.229	0.875	
Purchase Decision	0.449	0.573	0.374	0.969

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

Thus, there is no conceptual overlap between latent variables, so that the uniqueness and independence of each construct are maintained. Humanistically, these results reflect that respondents' perceptions of brand credibility, brand identity, brand image, and purchase decisions are formed through different, yet complementary, experiences and assessments. Therefore, the measurement model is declared to have good discriminant validity and is suitable for use in further structural analysis.

Inner Model Measurement

In the SEM-PLS approach, the inner model assessment is conducted to examine the structural relationships among the latent constructs in the research model. This evaluation focuses on the coefficient of determination (R^2) to determine how well the independent variables explain the variance of the dependent variable. The R^2 value reflects the predictive accuracy of the model, indicating the proportion of variance in the endogenous construct that can be explained by the exogenous constructs. According to established guidelines, R^2 values of 0.19, 0.33, and 0.67 represent weak, moderate, and substantial explanatory power, respectively (Sarstedt et al., 2023). The results of the inner model evaluation are presented in Table 5, which reports the R^2 values indicating how strongly brand credibility, brand identification, and brand image collectively explain consumer purchase decisions in the context of trust-based business leadership of local MSMEs in tourism destinations. These figures provide an indication of the model's predictive capability and the strength of the relationships proposed in the study.

Table 5. Coefficient of Determination Result R2

Notes	R-Square	R-Square Adjusted
Purchase Decision	0.418	0.408

Note: R -squared = coefficient of determination; R -squared Adjusted = squared corrected; R -squared for the number of predictors.

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

The determination coefficient test shows that the Purchase Decision variable has an R-Square value of 0.418 and an Adjusted R-Square value of 0.408. This conclusion shows that the independent variables in the study model can explain 41.8% of the differences in purchase choices. The remaining 58.2% are due to factors that are not in the model. The Adjusted R-Square value is quite close to the R-Square value. This means that the model is accurate and not biased since it uses a lot of predictor variables. In terms of ideas and people, these findings show that deciding what to buy is a complicated process. The elements analyzed are important, but personal experience, social context, and other situational dynamics may still have an effect. The structural model, therefore, has modest explanatory efficacy and is appropriate for further examination.

In Partial Least Squares Structural Equation Modeling (PLS-SEM), the F-square (f^2) test is used to evaluate the effect size of each exogenous construct on the endogenous variable in the structural model. While path coefficient tests indicate whether a relationship is statistically significant, the f^2 statistic explains the magnitude of the contribution of each predictor to the model's explanatory power (Sarstedt et al., 2023). The value is calculated by comparing the R^2 of the model when a specific predictor is included and when it is excluded. Thus, the numerical values represent the extent to which each construct contributes to explaining the variance of the dependent variable. According to commonly accepted criteria, f^2 values of 0.02, 0.15, and 0.35 indicate small, medium, and large effect sizes, respectively. Table 6 presents the results of the f^2 analysis, showing the relative effect sizes of brand credibility, brand identification, and brand image in explaining consumer purchase decisions within the structural model of trust-based business leadership in local MSMEs operating in tourism destinations.

Table 6. F-Square Value

	Purchase Decision
Brand Credibility	0.047
Brand Identity	0.183
Brand Image	0.111

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

The results of subsequent data analysis (see Table 6), related to the effect size (F-Square), show that each independent variable makes a distinct contribution to the purchase decision. Brand Credibility has an F-Square value of 0.047, indicating a small but significant influence in explaining variations in purchasing decisions. Brand Identity shows an F-Square value of 0.183, indicating a moderate influence; thus, its role is relatively more dominant in shaping consumer purchasing decisions. Meanwhile, Brand Image has an F-Square value of 0.111, reflecting a small to nearly moderate influence. Humanistically, these findings suggest that a single factor does not determine purchasing decisions, but rather that they result from the simultaneous interaction of consumer perceptions of credibility, identity, and brand image. Thus, despite their varying levels of contribution, all variables still play a crucial role in building a comprehensive understanding of consumer behavior.

Hypothesis Testing

In the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach, hypothesis testing is conducted to examine the strength and direction of the causal relationships among the latent constructs proposed

in the structural model. The testing procedure uses a bootstrapping technique with a sufficient number of subsamples to obtain stable parameter estimates. The statistical significance of each relationship is evaluated based on the path coefficient, t-statistic, and p-value. At a 5% significance level, a t-statistic greater than 1.96 and a p-value lower than 0.05 indicate that the relationship between constructs is statistically significant. The path coefficient values represent the magnitude and direction of the influence of each predictor variable on the dependent variable. The detailed results of this hypothesis testing are presented in Table 7, which reports the path coefficients, t-statistics, and p-values for the relationships between brand credibility, brand identification, brand image, and consumer purchase decisions in the context of trust-based business leadership of local MSMEs in tourism destinations.

Table 7. Hypotheses Test

Hypothesis	Coefficient	Standard Deviation	t-count	P-Value	Conclusion
Brand Credibility >> Purchase Decision (H ₁)	0.200	0.074	2,701	0.007	Accepted
Brand Identity >> Purchase Decision (H ₂)	0.402	0.068	5,882	0.000	Accepted
Brand Image >> Purchase Decision (H ₃)	0.262	0.046	5,645	0.000	Accepted

Note: t-count = T-statistic; p-value = probability value.

Source: Results obtained from PLS-SEM analysis using SmartPLS software (2025).

The results of the hypothesis testing (see Table 7) indicate that all tested relationships have a positive and significant influence on Purchase Decision. Brand Credibility is proven to have a significant influence on purchasing decisions with a coefficient of 0.200, a t-value of 2.701, and a p-value of 0.007, indicating that the level of consumer trust in the brand plays a significant role in driving purchasing decisions. Brand identity has the most decisive influence, with a coefficient of 0.402, supported by a t-value of 5.882 and a p-value of 0.000, thus confirming that the clarity and consistency of brand identity are dominant factors in shaping consumer choices. Furthermore, Brand Image also has a significant influence with a coefficient of 0.262, a t-value of 5.645, and a p-value of 0.000, reflecting the importance of a positive brand image in strengthening purchasing intentions and decisions. In general, these findings demonstrate that consumer decisions are shaped by interrelated rational and emotional processes, where trust, identity, and brand image collectively contribute to a meaningful experience in the decision-making process.

DISCUSSION

The results of this research demonstrate that brand identity has a crucial role in shaping buying choices for regionally unique MSME goods in tourist areas. This outcome corroborates the assertions of (Parkinson et al., 2016), who assert that brand identity serves as a strategic framework for brands to convey their fundamental values, significance, and uniqueness. The findings align with Pamungkas & Pramesti (2021), assertion that a distinct brand identity enhances customer connection and affects purchase behavior. Foroudi et al. (2020), research on tourism and local product markets shows that strong identity-based branding makes products more genuine and makes consumers more interested in them. Likewise, research conducted by Haidiani et al. (2022), substantiates that identity-based branding assists companies in constructing symbolic significance around their goods. Nonetheless, the results somewhat contradict studies demonstrating that practical product features may prevail in consumer decision-making within souvenir marketplaces, suggesting that in culturally rooted tourist environments like Lake Toba, symbolic brand identification has a more pivotal role.

The research substantiates that brand credibility substantially affects visitors' buying choices, corroborating the theories stated by (Mandler et al., 2021), who define brand credibility as a signal that mitigates consumer uncertainty and perceived risk. Their research shows that trustworthy brands provide customers confidence in the quality and dependability of their products, which makes it easier for them to make decisions in new marketplaces. These results align with Chin et al. (2019), which emphasizes the impact of credible signals on market behavior in the presence of information asymmetry. Previous empirical research conducted by Martín-Consuegra et al. (2018), corroborates that credibility bolsters customer trust and fortifies brand assessments. In the case of tourism, the findings substantiate the notion that trust-based signals are especially significant, since tourists generally had no past experience with local items. However, previous research indicates that price discounts or impulsive buying behaviors may diminish the influence of trustworthiness in short-term purchase choices (Jiménez-Barreto et al., 2020). The above results underscore that in tourism-oriented MSME marketplaces, credibility persists as a vital long-term trust mechanism influencing customer decisions.

Finally, the results show that brand image has a big effect on buying decisions. This backs up the consumer perception framework put forth by (Agmeka et al., 2019), who say that brand image reflects the emotional connections and meanings that people have with brands. Prior studies conducted by Diamantopoulos et al. (2011), indicate that favorable brand impressions enhance customer preferences and loyalty. Studies in

destination marketing literature show that brand image and destination image are commonly linked in tourist settings. The current results affirm that MSME goods in tourist locations serve not only as economic commodities but also as experience emblems embodying local culture and vacation memories (Sawaftah et al., 2020). However, brand image alone is unable to influence purchasing behavior without the backing of credibility and identity. The research shows that sustainable buying choices come from the combined effects of brand identity, brand credibility, and brand image. This shows how important trust-based brand management techniques are for tourism-based small and medium-sized businesses.

CONCLUSIONS

This research delineates numerous notable empirical trends that elucidate purchase choices for regional MSME items in the Lake Toba Samosir tourist area. The results indicate that brand identity, brand credibility, and brand image function as synergistic factors affecting visitors' purchase choices. Brand identification stands up as the most significant element, suggesting that customers perceive MSME goods via both functional characteristics and the symbolic connotations linked to cultural identity, tourist experiences, and confidence in local product quality. The findings support a holistic view of branding, illustrating that successful MSME brand management merges cognitive components (identification and credibility) with emotional perceptions (brand image), which together influence trust-driven customer choices. This research enhances marketing and leadership literature by emphasizing that trust-oriented branding tactics are crucial for bolstering the competitiveness of tourism-based MSMEs.

Notwithstanding these advances, many limits must be recognized. The research is based on cross-sectional survey data obtained from travelers visiting a specific tourism site, thus limiting the generalizability of the results to other cultural or geographic settings. The study emphasizes three principal branding elements and fails to include other possible factors influencing trust-based purchase behavior, including tourist experience, digital involvement, or perceptions of service quality. Third, the use of self-reported survey data may engender response bias, since respondents' views and intentions may not accurately represent their actual purchase behavior. These limitations suggest that the findings must be understood within the particular context of tourism-oriented MSMEs and should prompt further empirical confirmation in more extensive contexts.

Subsequent study need to enhance the analytical framework by integrating supplementary factors pertinent to trust-oriented company leadership, including leadership-influenced branding strategies, stakeholder engagement, and the development of consumer trust within tourist ecosystems. Longitudinal research and cross-destination comparisons would facilitate the examination of the evolution of trust and brand perceptions over time across various tourist markets. Mixed-method techniques that combine qualitative observations with quantitative modeling might enhance the understanding of the socio-cultural narratives influencing customer trust and purchase behavior. The results underscore the significance of leadership-driven branding strategies that prioritize genuine brand identification, uniform product quality, and culturally rooted narratives. Policymakers and tourism stakeholders should therefore assist MSMEs via comprehensive programs that include branding mentoring, trust-enhancing certification systems, and destination-oriented marketing tactics to bolster sustainable tourism growth and enhance local economic value creation.

Author Contributions

Conceptualisation: NB, CYS, JY, RN, AS; data curation: NB, CYS, JY, RN, AS; formal analysis: NB, JY, RN, AS; investigations: NB, CYS, JY, RN, AS; methodology: NB, CYS, JY, RN, AS; project administration: NB, JY, RN; supervision: NB, JY, RN; validation: NB, CYS, JY, RN, AS; visualization: NB, CYS, JY, RN; writing – original draft: NB, CYS, JY, RN, AS; writing – review & editing: NB, CYS, JY, RN, AS

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Conflicts of Interest

The authors declare that they have no conflict of interest.

Data Availability Statement

The data supporting the findings of this study were processed and analyzed using Smart-PLS software. The raw dataset underlying this research is publicly available and can be accessed through the institutional repository at the following link provided by the authors.

AI Statement

We only employed AI technologies to a little extent when we wrote this paper. AI was simply used to make the English in the text clearer, more grammatically correct, and easier to read. AI-assisted techniques were also utilized to improve the way statistical findings were presented and understood in the tables. This was done to make them clearer and more consistent. Artificial intelligence was not used in the study design, data collecting, data processing, statistical analysis, or the creation of empirical findings. The authors are fully responsible for any analyses, interpretations, and findings.

Informed Consent Statement

All participants in this research provided informed consent. Before data collection, participants were apprised of the research objectives, methodologies, and their rights, including the choice to participate voluntarily and the right to withdraw at any moment. All subjects granted written permission, and their identity and confidentiality were rigorously maintained throughout the study procedure. The research was performed in compliance with ethical standards and obtained ethical clearance from Sekolah Tinggi Ilmu Ekonomi Sultan Agung.

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APPENDIX

Questionnaire Form

1: Strongly Disagree	2: Disagree	3: Neutral	4: Agree	5: Strongly Agree
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No.	Variable Dimensions	Questions	Answers (Likert Scale)				
			1	2	3	4	5
1	Brand Credibility (Trustworthiness)	This local MSME product is produced with safe and quality ingredients.					
2	Brand Credibility (Trustworthiness)	The information provided by MSMEs regarding products can always be trusted.					
3	Brand Credibility (Expertise)	MSMEs have expertise in producing good-quality products.					
4	Brand Credibility (Expertise)	The products produced demonstrate the high level of skill and innovation of MSME actors.					
5	Brand Credibility (Attractiveness)	This MSME product has a design or appearance that caught my attention.					
6	Brand Credibility (Attractiveness)	The product packaging appears professional and aesthetically pleasing.					
7	Brand Credibility (Consistency)	The products I buy consistently maintain the same high quality over time.					
8	Brand Credibility (Consistency)	The service provided by MSMEs is always consistent, every time I interact with them.					
9	Brand Identity (Brand as Organization)	MSMEs as organizations are capable of maintaining their brand reputation.					
10	Brand Identity (Brand as Organization)	This brand represents the professionalism and good values of the organization behind it.					
11	Brand Identity (Brand as Organization)	The organization that manages this brand is responsible for customer satisfaction.					
12	Brand Identity (Brand as Product)	The products offered by this brand consistently meet the highest standards of quality.					
13	Brand Identity (Brand as Product)	The product's characteristics make this brand easy for me to recognize and remember.					
14	Brand Identity (Brand as Product)	The products from this brand meet my needs and preferences as a customer.					
15	Brand Identity (Brand as Person)	This brand has a friendly and approachable personality.					
16	Brand Identity (Brand as Person)	This brand is like a friend I can trust to fulfill my needs.					
17	Brand Identity (Brand as Person)	The character of this brand feels familiar and makes me comfortable continuing to interact with it.					
18	Brand Identity (Brand as Symbol)	This brand's logo, colors, and symbols are memorable and have special meaning to me.					
19	Brand Identity (Brand as Symbol)	This brand boasts a distinctive visual identity that sets it apart from others.					
20	Brand Identity (Brand as Symbol)	This brand symbol represents the cultural values and distinctive identity of the region, making it more attractive and competitive in the market.					
21	Brand Image (Brand Strength)	I recognize the brand of this MSME product without needing to examine the label in detail.					
22	Brand Image (Brand Strength)	This brand has a strong influence among similar products.					
23	Brand Image (Brand Strength)	The strength of this brand helps me in making purchasing decisions.					
24	Brand Image (Brand Favorability)	I prefer this UMKM product brand over other brands.					
25	Brand Image (Brand Favorability)	I have had a positive perception of this brand since I first encountered it.					
26	Brand Image (Brand Favorability)	I recommend this brand to others because of the good impression I had.					
27	Brand Image (Brand Uniqueness)	This product brand has a uniqueness that sets it apart from other brands in the market.					

28	Brand Image (Brand Uniqueness)	This brand identity reflects the local cultural characteristics that caught my attention.
29	Brand Image (Brand Uniqueness)	I bought this product because of the uniqueness of the brand, which is not found in similar products.
30	Brand Image (Brand Experience)	I had a pleasant experience using products from this brand.
31	Brand Image (Brand Experience)	My interactions with this brand (both through products and services) have been very satisfying.
32	Brand Image (Brand Experience)	Every time I buy a product from this brand, I am getting more value.
33	Brand Image (Brand Evaluation)	Overall, I rate this brand as superior.
34	Brand Image (Brand Evaluation)	I rate the quality, price, and benefits of the products from this brand positively.
35	Brand Image (Brand Evaluation)	This brand meets my expectations in terms of reputation, design, and reliability.
36	Purchasing Decision (Transactional)	I have made transactions to purchase this MSME product both directly and online.
37	Purchasing Decision (Transactional)	I buy this product because of the ease of the transaction process it offers.
38	Purchasing Decision (Referential)	I got to know this MSME product through recommendations from friends, family, or people close to me.
39	Purchasing Decision (Referential)	I am more confident in buying this product because many people recommend it.
40	Purchasing Decision (Preferential)	I prefer this UMKM brand over other similar product brands.
41	Purchasing Decision (Preferential)	This product is my top choice when purchasing regional specialty items.
42	Purchasing Decision (Explorative)	I am interested in trying new products from this MSME brand.
43	Purchasing Decision (Explorative)	I often explore various product variants or innovations from this brand.
44	Purchasing Decision (Willingness)	I am willing to pay more for this MSME product if the quality is comparable.
45	Purchasing Decision (Willingness)	I am more than happy to recommend this product to others.

Note: *The questionnaire is provided to the respondent as shown in the previous table and in the same order, excluding the “Variable Dimensions” column, which is included here for clarification purposes only.

Bukti konfirmasi copyediting dan sign agreement (02 April 2026)

The screenshot shows a Gmail interface with the following elements:

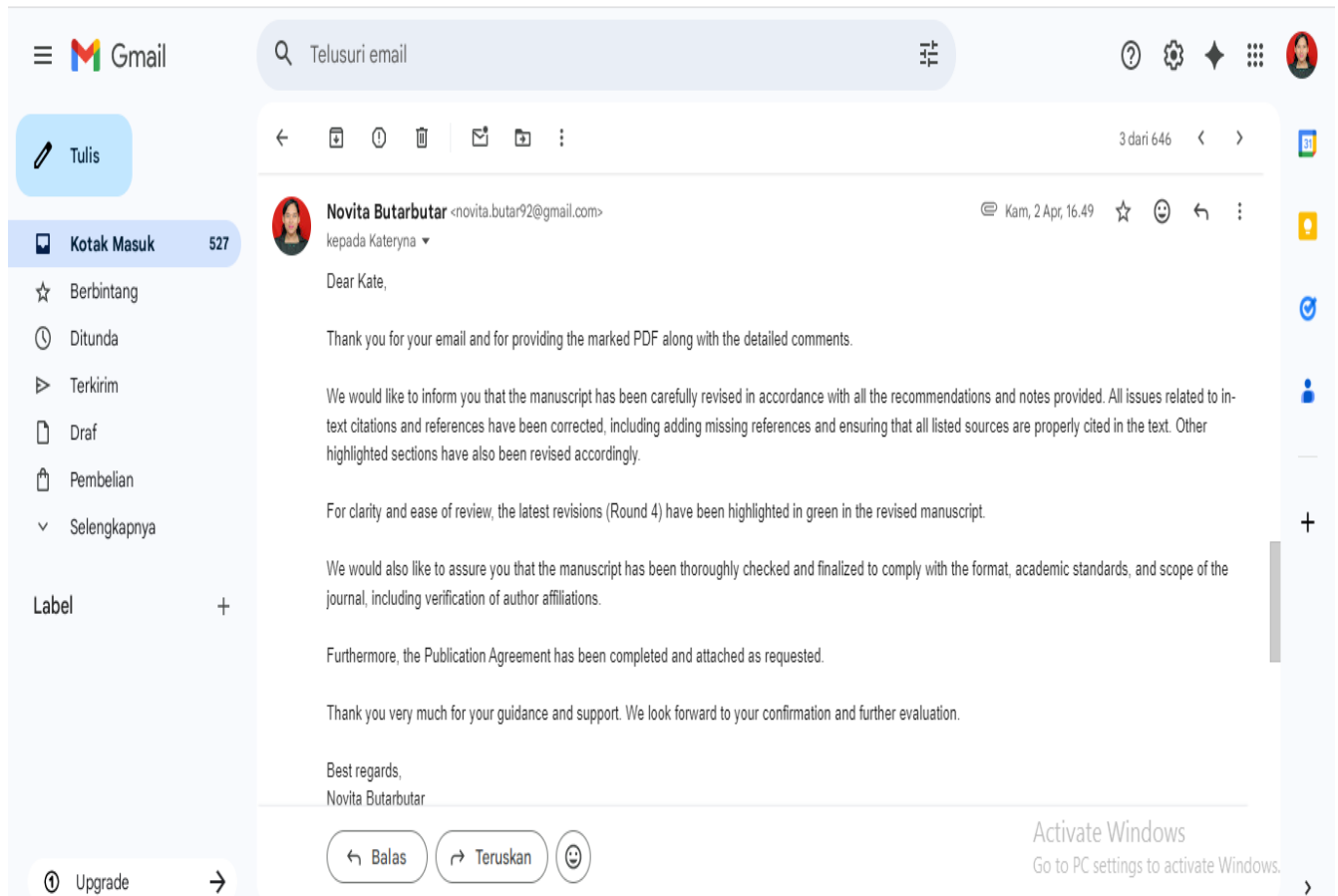
- Header:** Gmail logo, search bar "Telusuri email", and utility icons (help, settings, dark mode, grid, profile).
- Left Sidebar:** "Tulis" button, "Kotak Masuk 527" (Inbox 527), and a list of folders: "Berbintang", "Ditunda", "Terkirim", "Draf", "Pembelian", "Selengkapnya", and "Label +".
- Email Content:**
 - From:** Kateryna Lushchyc (K) kepada saya
 - Date:** Kam, 2 Apr, 01.02
 - Text:**

Dear Professor Novita Butarbutar,
Hope you are fine!
See attached pdf of your paper.
There are some places marked with color which are necessary to edit.
Blue color in text - you cite the source but there is no this source in references
Yellow in references - these sources are not cited in the text of the article.
Some other yellow marks are clear for you to edit.

Please edit the paper and send us back as soon as possible.
Besides check the whole paper and affiliations and sign agreement

Regards
Kate
 - Footer:** "Balas" (Reply), "Teruskan" (Forward), and a smiley face icon.
- Bottom Right:** "Unread" button and a Windows watermark: "Activate Windows. Go to PC settings to activate Windows."

Bukti konfirmasi signed the agreement (02 April 2026)



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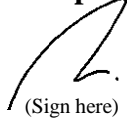
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