MARKETING OF LOCAL BRANDS: HOW SUPPORTING NATIONAL PRODUCTION BUILDS TRUST

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Abstract. The article focuses on the analysis of marketing strategies employed by local brands in the context of supporting national production and building consumer trust. The aim of the study is to identify the factors that contribute to the development of local brands in the furniture industry, with particular attention given to the influence of governmental and municipal initiatives on marketing strategy. Methodology and methods: the study applied general scientific methods of cognition, including analysis and synthesis, induction and deduction, a systems approach, comparative analysis, modeling, and generalization. The research findings demonstrate that the marketing of local brands is based on an integrated application of key management theories – namely, the resource-based view of the firm, the marketing mix theory, and institutional theory. All of these approaches emphasize innovation, digitalization of processes, environmental orientation, and the integration of circular economy principles. These processes are especially prominent in the furniture sector, where the adaptation of products to market challenges through sustainability and digital solutions becomes a prerequisite for creating a sustainable competitive advantage. The study shows that these theoretical foundations support the development of a strategic vision for local brands as responsible market players. It was found that the strategic growth of local brands is unattainable without a focus on social responsibility and sustainability, which are increasingly seen not as optional but as societal expectations. The research illustrates that a brand's active involvement in community life, support for local initiatives, and contributions to territorial development foster an emotional connection with consumers, grounded in consumer ethnocentrism. This generates added value for the brand, which begins to be associated not only with the product itself but also with identity, community, and national values. The role of the state as a strategic partner was also examined, highlighting its provision of essential infrastructural, financial, and regulatory support. Mechanisms such as subsidies, the development of local governance, environmental initiatives, and the simplification of bureaucratic procedures are shown to be critical in ensuring the sustainable development of local producers, particularly in the context of global competition. The practical significance of the study lies in substantiating effective approaches to the strategic development of local brands as components of economic stability and social integration.

Keywords: local brand, marketing, sustainability, consumer ethnocentrism, furniture industry.

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Introduction

Today, the issue of identity has become highly relevant in a globalized world where countries compete not only through economic indicators but also through cultural recognition, authenticity, and the ability to preserve their distinctiveness amid growing uniformity. This is especially evident in the United States – a country where the diversity of communities, cultures, and local initiatives provides a unique foundation for economic growth and social cohesion. Within this context, support for not just national but specifically local producers becomes critically important. A local brand is not only about the product itself; it is about the place, the community, and the people behind it. It reflects the regional economy, which thrives when businesses are embedded in their local environment and aligned with its values and needs.

The discussion goes beyond marketing or managerial approaches. It points to a new paradigm of national strategy, where local businesses are viewed as key players in building sustainable and inclusive economic development. Small and medium-sized enterprises are not only capable of creating jobs but also of generating social capital, supporting community initiatives, and strengthening social bonds. Therefore, the role of the state extends beyond conventional economic policy – it must act as a partner and facilitator in the development of local brands.

Against this backdrop, it is crucial to understand which tools of government support can effectively strengthen the position of local producers. As practice shows, targeted policies focused on financial inclusion, digitalization, simplification of procedures, investment in sustainable development, and environmental responsibility can turn a local brand into a driver of regional growth. This is not just a hypothesis – it is a strategic direction that calls for scholarly reflection, a systematic approach, and effective implementation.

Literature Review. The issue of developing marketing strategies for local brands and the impact of national policy on supporting production and building trust in these brands remains underexplored in academic literature. However, some works address specific aspects of this topic, particularly those related to the development of local brands and a separate body of literature focusing on the kitchen furniture industry, which is the direct subject of this study.

For instance, significant contributions to the study of government influence on small and medium-sized business development have been made by scholars such as B.A. Adobas et al. [1], who analyze the effectiveness of government interventions in SME development. J. Crawford et al. [3] conducted a systematic review of financial instruments used by governments from 2000 to 2021, with a focus on loans and guarantees for SMEs. Similarly, V. Prasannath et al. [8] explored how government support policies influence entrepreneurial orientation and the performance of small enterprises. Branding in the context of globalization and local positioning was examined by T. Mandler et al. [5], while F.A. Mutia [6] addressed the role of consumer ethnocentrism in shaping perceptions of brand quality and image, which is essential for building trust in local producers.

In the context of industrial production and the furniture sector, the study by H. Yang et al. [11] is of particular interest, as it emphasizes the export competitiveness of Chinese furniture manufacturers. At the same time, kitchen furniture market analytics in the U.S. [10] provides insights into global trends, particularly regarding the adaptation to shifts in demand and consumer preferences.

The research also utilized expert literature, including articles from contemporary online publications that examine current aspects of government policy on small business support and local branding, particularly from platforms such as SSRN, Springer, and Grand View Research.

Despite the presence of individual studies on the subject, there is a notable lack of a systematic interdisciplinary approach to analysis. Therefore, using general scientific methods of cognition, key government policy measures aimed at encouraging the development of local brands have been summarized and systematized.

The purpose of the article is to identify the factors that contribute to the development of local brands in the furniture industry, particularly through governmental and municipal initiatives.

Results

Branding is the art of crafting a unique and authentic identity that resonates deeply with people's emotions, values, and aspirations, allowing even small initiatives to evolve into global standards. There are several approaches to defining the concept of local brand marketing. The first views a local brand as an idea tied to a specific locality – its living conditions and business environment. The "One Village, One Product" initiative reflects this idea by promoting locally produced goods to stimulate regional development and preserve cultural heritage [5]. This approach effectively combines global outreach with local authenticity, applying strategies that maintain cultural relevance while attracting international markets. Local branding has become a critically important tool in a globalized world where countries, much like corporations, must shape and promote unique identities to remain competitive on the international stage.

Another approach focuses more on business as part of a territorial and community identity. In this context, products gain trust through their authenticity and alignment with contemporary trends such as sustainability and ethical consumption. Core strategies include storytelling, certification, adherence to high quality standards, partnerships with distributors, and the use of digital marketing to enhance trust and scalability. This holistic approach not only contributes to preserving cultural heritage but also strengthens the local economy, presenting it as a model of effective globalization [6]. Alhassan (2024) sees local brands as cultural ambassadors that represent national values and uniqueness while fostering economic growth and instilling pride among the population. Local brands can significantly enhance the national brand architecture by acting as sub-brands that reflect regional diversity and cultural heritage. A well-coordinated sub-brand strategy allows businesses to promote local uniqueness within a unified national brand, reinforcing both domestic pride and global competitiveness.

Consumer ethnocentrism plays a vital role in shaping attitudes toward local brands. This means that local consumers often favor these brands not only for economic reasons but also out of a sense of loyalty and identity associated with supporting products that reflect their culture and community values [6].

When considering the furniture sector as a representative of local business, it holds substantial importance for economic development in the United States. First, according to market research, this sector is growing at nearly 1% annually and is projected to reach a value of USD 40,26 billion by 2025 [10]. Second, the furniture industry creates jobs (thus expanding the national tax base), builds a skilled workforce, and contributes to the development of both physical and institutional infrastructure [11]. The operations of these enterprises also generate foreign currency earnings and encourage investment in a range of related sectors of the national economy.

In academic discourse, theories of local branding are largely based on general management theories, which enable a systematic study of how micro, small, and medium enterprises function, develop their marketing strategies, interact with institutions, and manage resources effectively. In the context of local brand development, the most relevant are the resource-based theory of the firm, the marketing mix theory, and institutional theory. A brief overview of these theories is provided in Table 1.

Table 1. Key management theories in the context of local brands

Name of theory	Summary	Relevance for local brands
Resource-based view (RBV)	Focuses on a firm's internal resources as the source of competitive advantage.	Highlights the importance of access to finance and human capital; suitable for assessing sustainable growth potential.
Marketing mix theory	Management of the 4Ps (product, price, place, promotion) as a key to market effectiveness.	Enables analysis of marketing challenges, positioning strategies, and branding for small businesses in a dynamic environment.
Institutional theory	Emphasizes the role of public policy, regulatory frameworks, and the social environment in business.	Stresses the importance of government support, legal frameworks, and local governance in the development of local brands.

Note: systematized by the author based on the study by Nimfa D.T., Latiff A.S.A., Wahab S.A. [7]

Based on key management theories – the resource-based view (RBV), the marketing mix theory, and institutional theory – it is possible to outline several internal directions of local branding that stem directly from enterprise management practices. These concepts gain particular significance amid the rapid transformations of the furniture market, especially for kitchen furniture manufacturers. In a context where globalization, digitalization, environmental challenges, and cultural competition are reshaping the rules of the game, local kitchen furniture brands must seek new strategic orientations that allow them not merely to survive but to grow dynamically.

The first and undoubtedly fundamental direction of development is innovation and knowledge management. Within the logic of RBV, this implies that unique knowledge, design solutions, and technological practices become resources that competitors cannot replicate. For the kitchen furniture industry, innovation is no longer a supplementary advantage – it is a condition for competitiveness. This includes the development of modular and customizable kitchen systems that meet the diverse demands of modern households and commercial clients alike. Innovation in a kitchen furniture brand means the ability to rapidly update the product range in response to changing consumer lifestyles, interior trends, and technological possibilities, providing local manufacturers with a sustainable competitive advantage both domestically and internationally [10].

The second key direction is the digitalization of marketing and production processes, which lies at the core of modern marketing thinking. Digital technologies permeate all stages of consumer interaction – from 3D kitchen visualizations and online configurators to analytics of customer preferences and AI-based personalized recommendations. In the kitchen furniture sector, this enables not only the marketing of standard solutions but also the design of tailor-made kitchens that meet individual aesthetic and functional requirements. These solutions are actively promoted through virtual showrooms, targeted digital advertising, and social media engagement, where local brands have the opportunity to establish close and sustained relationships with their audiences. Ultimately, digitalization opens new sales channels, accelerates customer decision-making, and reduces logistical and demonstration-related costs [10].

The third direction of local branding development is environmental orientation and the adoption of circular economy principles, driven both by internal resource logic (RBV) and external environmental demands (institutional theory). Kitchen furniture is generally expected to be durable, safe, and environmentally responsible. In this context, the ability to design furniture that is easy to repair, recycle, or upgrade becomes a strategic asset. Circular design principles, as discussed by Gennari F., help minimize environmental impact and foster consumer trust by aligning with broader ecological values. This approach not only ensures compliance with environmental legislation but also cultivates emotional loyalty among customers who identify with responsible consumption practices [4].

The fourth direction is sustainable development and social responsibility, extending beyond production processes. Kitchen furniture manufacturers, particularly those embedded in local contexts, can serve as key social actors. Adherence to environmental standards, provision of safe working conditions, support for regional suppliers, and collaboration with educational institutions all contribute to a trust-based ecosystem in which the brand becomes an integral part of the social infrastructure. In the kitchen furniture market, these practices are increasingly valued by consumers and institutional buyers, influencing long-term purchasing decisions [7].

The final but equally important direction is investment in territorial development and support for the local community. Kitchen furniture production is not only an economic activity but also a form of regional identity and cultural presence. Enterprises that engage with local communities, initiate educational and social projects, support design education, or host public events contribute to the positive image of both the brand and the locality. This strategy positions the brand as a regional ambassador, enhancing territorial attractiveness to investors and generating added value that cannot be replicated outside the local context [4].

In general, the development of a local furniture brand is a multidimensional strategy that encompasses not only the product but also the culture of production, customer engagement, environmental responsibility, and the social role of business. Therefore, the integrated application of these theoretical approaches provides the foundation for building practical development models for MSMEs and increasing the global competitiveness of local brands.

Despite the significant contribution of the sector to national economic development, the global furniture market has recently undergone substantial changes, including in the United States. Furniture manufacturers worldwide face difficulties in accessing target markets due to intense competition from more affordable and technologically advanced producers in countries such as China and Vietnam. Over the past decade, China has consistently accounted for nearly one-third of global furniture exports [11]. At the same time, 80% of global furniture production has been concentrated in China, the United States, and the United Kingdom, providing these countries with significant economic advantages. China alone has accounted for 40% of global output, making it the leading furniture producer and exporter.

The U.S. furniture market is currently saturated with imported goods from key trade partners, including China, Germany, the U.S. (re-imports), and the United Kingdom. Local furniture producers are struggling to sell their products due to the high volume of imports and the competitive edge of imported goods. Consumers often do not find locally made products appealing, which hinders their market promotion.

In this context, as emphasized by Adobas et al. [1], government intervention is essential for the development of local brands, particularly micro, small, and medium enterprises, by providing the necessary support and infrastructure for them to compete both domestically and regionally. Policies that promote innovation, access to finance, and market entry opportunities allow local brands to grow, which in turn stimulates community development and economic resilience.

The role of the state in the development of local brands is crucial, as it possesses a wide array of tools and mechanisms capable of fostering their growth, strengthening their market position, and integrating them into the national economic system. Through financial, institutional, regulatory, and informational support, the government can create a favorable environment for the development of MSMEs, which form the backbone of local branding. The main directions of such support are presented in Table 2.

Table 2 – Government support directions for the development of local brands

Direction of government support	Description	Specific examples / measures	Sources
Financial support and subsidies	Providing enterprises with access to funding for marketing strategies, innovation, and market expansion.	Financial aid programs; marketing subsidies; concessional loans.	Prasannath et al., 2024
Promotion of financial inclusion	Expanding local producers' access to banking services and financial resources in remote or underserved areas.	Financial inclusion initiatives for rural regions.	Reyes-Garcia et al., 2024
Simplification of bureaucratic procedures	Reducing administrative burden and barriers to accessing government assistance.	Elimination of complex application procedures for grants and support programs.	Crawford et al., 2024
Improvement of local financial management	Rational management of local government budgets to direct funds toward supporting local producers.	Ensuring transparent use of local budgets to finance marketing initiatives.	Crawford et al., 2024
Support for sustainable development of local business	Integration of environmental, social, and economic principles into government policy for local businesses.	Encouragement for the development of business models aligned with sustainability.	Nimfa et al., 2021
Implementation of circular economy models	Promoting resource-efficient production through material reuse and waste minimization.	Development of policy frameworks for integrating circularity principles into local production.	Gennari, 2023

Based on the conducted analysis, it can be concluded that the state can significantly accelerate the development of local brands through the effective use of such mechanisms as financial support, promotion of financial inclusion, streamlining of bureaucratic procedures, development of innovation support infrastructure, and implementation of sustainability principles. These measures, in turn, contribute to regional growth, the activation of socio-economic development, the reduction of disparities between urban and rural areas, higher employment levels, and the creation of a competitive national brand.

Conclusions

Thus, the marketing of local brands is primarily based on fundamental management theories that provide the scientific foundation for the strategic development of businesses. These include the resource-based view of the firm, the marketing mix theory, and institutional theory, each emphasizing distinct but interconnected aspects of managerial decision-making. At the core of these theories are innovation-driven growth, digitalization of production and marketing processes, environmental orientation, and the implementation of circular economy principles. These components gain practical relevance in the furniture industry, particularly in the kitchen furniture segment, as they enable not only product adaptation to market realities but also the building of long-term competitive advantage.

The development of local business is impossible without a focus on social responsibility and the principles of sustainable development, which are increasingly viewed not just as societal expectations but as elements of strategic thinking. When a brand takes an active role in community life, supports local initiatives, and invests in territorial development, it gains emotional and social support. This is what theory defines as consumer ethnocentrism. Consumers are increasingly choosing brands not only based on price or quality, but on the values they represent. In this regard, local brands have the advantage – they support the community and become part of its identity.

At the same time, the market situation, especially in the U.S. where a significant share of products are imported, creates serious challenges for local producers. This is why the state's role in promoting the marketing development of local brands is strategic. The government has all the necessary tools – from subsidies and financial inclusion to the simplification of bureaucratic procedures and the development of local governance. Particularly important are the support of environmental initiatives for small businesses and the implementation of circular economy principles, which can turn local furniture companies into sustainable players not only in the domestic but also in the international market.

In conclusion, the integrated application of theoretical approaches and practical support tools enables local brands to unlock their internal potential, establish a sustainable market presence, and build a brand that is trusted, supported, and associated with quality, community, and national values.

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