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The Influence of Brand Image, Advertising and Shopping on the Financial Performance of Indonesian Retailers

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KEYWORDS

Financial Performance, Brand Image, Advertising and Promotion Spending, Capital Spending, Top Brand Index (TBI), Return on Assets (ROA), Retail Industry, Indonesia.

ABSTRACT The retail industry in Indonesia is currently undergoing significant and competitive growth, leading businesses to explore effective strategies to enhance their financial performance. This study investigates how brand image, advertising and promotion spending, and capital expenditure investments impact the financial performance of retail companies in Indonesia. Drawing on data from 50 prominent retail firms listed on the Indonesia Stock Exchange (IDX) over the period from 2013 to 2023, a survey method combined with quantitative analysis was employed. Data collection utilized purposive sampling, and multiple linear regression analysis was conducted to assess the relationships between independent variables and Return on Assets (ROA) as the dependent variable. Findings reveal that brand image significantly boosts financial performance, with a 15% rise in ROA for every 10-point improvement in the Top Brand Index (TBI) score. Additionally, increased advertising and promotion spending correlates positively, yielding a 10% rise in ROA with a 20% increase in spending. Meanwhile, capital expenditure shows a moderate positive influence, with a 5% increase in ROA for every 30% investment rise. Ultimately, this study underscores the critical roles of brand image and advertising expenditure in shaping effective business strategies for improving financial performance in Indonesia's retail sector, providing valuable insights for managers and stakeholders.

1. INTRODUCTION

The retail industry in Indonesia has undergone significant transformation, driven by globalization and advances in information technology. In the context of increasingly fierce competition, retail companies are required to adopt innovative strategies to remain relevant and competitive. One of the main challenges faced by retail companies is the mismatch between high brand recognition and unsatisfactory financial performance. For example, PT Matahari Putra Prima Tbk and PT Ramayana Lestari Sentosa Tbk, which despite successfully achieving the top position in the Top Brand Index , experienced financial losses during the 2018-2021 period. Financial performance, as the main indicator of the effectiveness of the strategy implemented, is the main focus in assessing how well a company can maximize shareholder wealth, in accordance with the views of Gitman and Zutter (2015). However, behind this progress, there is a lack of research that directly links marketing activities to financial performance (Anwar, 2020; Delgadillo et al., 2024). Most studies tend to focus on a separate approach between marketing and finance, so a more holistic analysis is needed (Destari et al., 2024; Hasan, 2024). This phenomenon raises an important question: to what extent can a strong brand image contribute to a company's profitability? Further research is needed to explore the complex relationship between marketing and financial performance, and to understand how the right strategy can optimize both aspects, in order to achieve sustainable long-term goals. Thus, retail companies in Indonesia must be able to answer this challenge by integrating marketing and financial approaches more effectively (Pessanha & Soares, 2021), so as not to only rely on brand recognition but also build a strong foundation for growth and financial sustainability (Gerkens & Merkur, 2020; Sparrow et al., 2020) .

The main challenge in this study is to identify other factors that influence the financial performance of retail companies, beyond brand image, with a focus on advertising and promotion spending as an important element in marketing strategy (Mohammad, 2024; Noori, 2019). This study argues that effective advertising spending can strengthen brand image and improve financial performance, in line with the findings of Jensen and Jepsen (2007) who stated that the right investment in advertising can increase brand visibility and drive sales. However, studies by Susilawati (2022) and Molla and Rahaman (2022) show that the effect of advertising and promotion spending on profitability is not always consistent, creating empirical uncertainty that requires further investigation. This study aims to fill the gap by linking marketing and financial aspects more comprehensively (Sawhney, 2018; Suparno, 2023). In addition, this study also seeks to verify that the Top Brand award does not always have a positive impact on financial performance, something that is often assumed in the literature. As a control variable, this study will explore the effect of capital expenditure, which according to Fitri (2014) and Muqaffa (2021) shows mixed test results on profitability. With this approach, it is hoped that the research can provide new insights into the interaction between marketing strategies and financial results and provide more appropriate recommendations for retail companies in formulating effective and sustainable marketing strategies.

This study aims to obtain empirical evidence showing the influence of brand image, advertising and promotion spending, and capital expenditure on the financial performance of retail companies in Indonesia (Quynh, 2019; Yang, 2023). By analyzing data from 50 leading retail companies listed on the Indonesia Stock Exchange, this study is expected to provide an important contribution to the academic literature and at the same time be a practical guide for managers in formulating more effective business strategies. Several previous findings support the importance of these aspects; for example, research by Sinha and Verma (2020) shows that promotional activities can contribute to increased sales and strengthening brand image. On the other hand, research by Susilawati (2022) and Molla and Rahaman (2022) shows that the impact of advertising and promotion spending on company profitability varies depending on the context and strategy implemented.

In other studies conducted by Fitri (2014) and Muqaffa (2021) it was emphasized that capital expenditure can provide varying results on financial performance, indicating the need for a more in-depth analysis. With a more comprehensive approach, it is hoped that the results of this study can answer a number of questions that have not been answered in previous literature, as well as provide a meaningful contribution to business practices in the Indonesian retail sector (Liew et al., 2023; Pessanha & Soares, 2021). The findings are expected to be a reference for various stakeholders in developing integrated marketing and financial strategies, with the ultimate goal of achieving optimal performance amidst increasingly fierce competition.

2. LITERATUR REVIEW

2.1 Resource Based Theory

Resource-based Theory (RBT) emphasizes the importance of a company's internal resources in creating sustainable competitive advantage. RBT, introduced by Barney (1991), defines value as the difference between the maximum price consumers are willing to pay and the cost of production (Peteraf, 1993; Peteraf & Barney, 2003). In the context of marketing, brand equity is considered as one of the important resources that can affect company performance. Köylüoğlu et al. (2021) stated that strong brand equity can increase company value through increased customer loyalty and pricing power.

Marketing capability theory emphasizes a firm's ability to understand and satisfy consumer needs, which ultimately improves business performance (Day, 1994). RBT is widely applied in marketing research to explain how intangible resources, such as brands, contribute to firm profitability (Vorhies & Morgan, 2005; Kozlenkova et al., 2014). The focus on intangible resources becomes more important in the context of increasingly competitive competition, where brand innovation and differentiation are key to success (Fang et al., 2011; Hult & Ketchen, Jr., 2001).

2.2 The Relationship between Brand Image and Financial Performance

Brand image is a consumer's perception of a product's attributes and benefits that are organized in a meaningful way (Aaker, 1991). A strong brand image can provide a competitive advantage, enhance a positive reputation, and reflect effective corporate management (Williams, 2021). Dias & Ryals (2002) emphasize that brands should be viewed as corporate assets that require continuous maintenance and development.

Various studies have examined the relationship between brand image and financial performance. Anees-ur-Rehman et al. (2018) found that brand image has a positive effect on the financial performance of MSMEs in Finland. In contrast, research by Handiyono (2017) in Indonesia showed that brand image is not always significantly positively related to financial performance. Smith and Wright (2004) also found that brand image affects customer loyalty, which in turn increases sales and profitability of the company. Research by Negara et al. (2020) in Indonesia also confirmed the significant effect of brand image on the profitability of logistics companies.

Hypothesis 1: Brand Image influences Financial Performance.

Advertising and promotion are important marketing tools used to convey product messages to the public (Kotler & Armstrong, 2014). This strategy aims to increase brand awareness, increase consumer purchase intentions, and ultimately increase company sales and profitability (Kotler & Keller, 2016). Research by Molla and Rahaman (2022) found that advertising costs affect current financial performance, but not for the following year. Meanwhile, Susilawati (2022) found that promotional costs did not affect the net profit of PT Martina Berto Tbk. Soedorowerdi's (2007) research in East Java showed a positive effect of advertising and promotion on the financial performance of small industries. The difference in these results shows that the effect of advertising and promotion spending on financial performance can vary depending on the context and strategy of the company.

Hypothesis 2: Advertising and Promotion Spending has an effect on Financial Performance.

Capital expenditure is an important investment in fixed assets that aims to increase the company's production capacity and operational efficiency. Decisions regarding capital expenditure are often strategic and have a significant long-term impact on financial performance. Research by Jiang et al. (2006) shows a positive relationship between capital expenditure and the company's future earnings, which confirms the importance of this investment in increasing production capacity and efficiency. In addition, Umami (2015) found that capital expenditure also has a significant positive effect on the company's Return on Assets (ROA). This shows that capital expenditure not only serves to strengthen the operational base but can also directly improve the company's financial performance. In the context of this study, the hypothesis proposed is that capital expenditure affects financial performance (Hendarto et al., 2024; Seraj, 2022). The literature review conducted shows that there are several important elements, such as brand image, advertising and promotion spending, and capital expenditure, which can affect the financial performance of retail companies in Indonesia. Although there are variations in the results of previous studies, this hypothesis aims to understand more deeply how each factor contributes to financial performance. By highlighting the role of marketing and investment strategies in creating value, this study is expected to provide new insights and practical guidance for managers and stakeholders in developing effective and sustainable business strategies (Sidek et al., 2024; Wesseling, 2015). Thus, it is important for companies to consider all these aspects in formulating capital expenditure policies that focus not only on increasing production capacity, but also on strengthening their long-term financial position.

Hypothesis 3: Capital Expenditure has an effect on Financial Performance.

This literature review shows that brand image, advertising and promotion spending, and capital expenditure are important elements that can affect the financial performance of retail companies in Indonesia (Hendarto et al., 2024; Pessanha & Soares, 2021). Although there are variations in the results of previous studies, the hypothesis proposed in this study aims to better understand how each of these factors contributes to financial performance. By highlighting the role of marketing and investment strategies in creating value, this study is expected to provide new insights and practical guidance for managers and stakeholders in developing effective and sustainable business strategies (Costa-Climent et al., 2024; García-Sánchez, 2020b).

3. METHODS

3.1 Research Design and Process

This study uses a quantitative design with a survey approach and statistical analysis (Karami et al., 2021; Kramer et al., 2024). This design was chosen because it is able to provide a comprehensive picture of the relationship between independent and dependent variables objectively. The research process begins with data collection from 50 leading retail companies listed on the Indonesia Stock Exchange (IDX) during the period 2013 to 2023. Data were obtained through purposive sampling techniques, which ensure that the selected sample is representative and relevant to the research objectives in research flowchart.

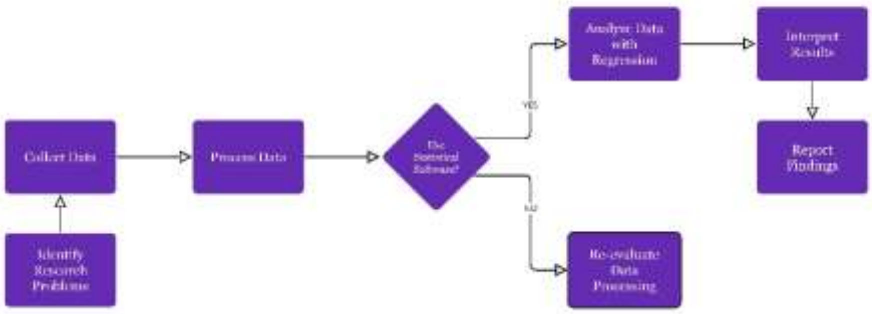

Figure 1 research flowcart

3.2 Population and Sample

The population of this study consists of all retail companies listed on the Indonesia Stock Exchange (IDX) and have received the Top Brand Award from Frontier Group in the period 2018 to 2021. This award reflects recognition of the quality and competitiveness of brands in the market. Thus, this study focuses on companies that not only have good financial performance but also have a strong brand image among consumers. This is important to understand how these factors contribute to their success in the competitive retail industry (Beyari & Garamoun, 2024; G. Liu, 2015).

In determining the sample, the researcher used a purposive sampling technique involving the selection of 50 leading retail companies. This technique was chosen to ensure that the samples taken truly represent the population studied, especially in terms of the availability of complete financial and marketing data. With this approach, it is expected that the results of the study can provide deeper insight into the marketing strategies and financial performance of retail companies (Hendarto et al., 2024), as well as how these two aspects interact to improve their position in the market. This study is expected to provide a significant contribution to the development of business strategies in the retail sector in Indonesia. Table 1 below presents the population and sample in this study.

Table 1: Population and Sample

Company Category	Number of Companies
Public Company	40
Limited Liability Company	10

3.3 Research Instruments

In Table 1, the population and sample will be continuous with the research instrument. In this study, the instrument used is secondary data obtained from the company's annual financial report and Top Brand Index (TBI) data. This secondary data is very important because it provides relevant and reliable information for the analysis carried out. By using the annual financial report, researchers can calculate Return on Assets (ROA) (Rusdiyanto, 2020), which is a ratio that shows how efficiently a company uses its assets to generate profits. ROA is a crucial performance indicator for investors and other stakeholders in assessing the financial health of a company. In addition, TBI data that reflects brand strength is also analyzed to understand how consumer perceptions of brands can affect financial performance. This study aims to analyze the influence of independent variables, which in this case include factors such as brand equity and customer loyalty, on the dependent variable which is ROA (Jia, 2024; Pham, 2024) . With this approach, it is expected to find a significant relationship between brand strength and the company's financial performance, as well as provide deeper insight into effective business strategies. Through this analysis, it is hoped that the results obtained can contribute to the development of brand management theory and practice in existing companies, especially in efforts to increase competitiveness and profitability in an increasingly competitive market. Table 2 below describes the research instruments in this study.

Table 2 Research Instruments

Data Types	Data source
Financial statements	BEI website and official company pages
Top Brand Index	www.topbrand-award.com and Marketing magazine

3.4 Data Collection

In table 2 there are research instruments, then for the research stage, namely the data used in this study is collected systematically from various reliable sources, including public databases and annual reports of companies listed on the Indonesia Stock Exchange (IDX). By relying on these sources, we ensure that the information obtained is not only accurate but also relevant to the context being studied. This data collection process involves several steps, starting from identifying the right sources to verifying the information obtained. Each company's annual report provides an in-depth overview of financial and operational performance, which is essential for a comprehensive analysis (Becker et al., 2024; Gold, 2003). In addition, the use of public databases allows access to broader market statistics and information, providing a better perspective on existing trends. We also apply rigorous analysis methods to ensure that the data collected is reliable and provides meaningful insights. With this approach, we strive to minimize bias and improve the integrity of the study. The results of this data collection and analysis are expected to make a significant contribution to a better understanding of market dynamics and company performance in Indonesia (Chung et al., 2023; Falter & Neville, 2020). The success of this study is highly dependent on the quality of the data used, so that every step in the information collection process is crucial to achieving the desired research objectives. In this case, Table 3 explains the data collection in this study.

Table 3 Data Collection

Data Collection Level	Description
Source Identification	Determining relevant data sources
Data retrieval	Download data from official website
Data Verification	Ensure the data captured is accurate

3.5 Data Analysis Methods

After collecting the data presented in Table 3, the next step is to conduct data analysis aimed at identifying the relationship between several existing variables. In this case, the analysis was carried out using multiple linear regression, which is an appropriate statistical method for evaluating the simultaneous influence of several independent variables on the dependent variable, namely Return on Assets (ROA) (Cai, 2020; Filatov, 2019). The independent variables analyzed include brand image, advertising and promotion spending, and capital expenditure. Before proceeding to the analysis stage, it is important to conduct a classical assumption test to ensure that the regression model built is valid and reliable. The classical assumption test includes several important aspects, such as normality, which ensures that the residuals of the regression model are normally distributed; multicollinearity, which evaluates the existence of an overly strong relationship between independent variables that can affect the coefficient estimate; and heteroscedasticity, which ensures that the residual variables have constant variance across the range of independent variable values (Bunari et al., 2024). By ensuring that all of these assumptions are met, multiple linear regression analysis can be carried out more accurately, providing more reliable results. The results of this analysis are expected to provide valuable insights into how brand image, advertising and promotion spending, and capital expenditure influence each other and contribute to the company's financial performance as measured by ROA (Cai, 2020; Filatov, 2019). With this information, companies can formulate more effective strategies in managing resources and improving overall performance (Camus, 2016; Zhang et al., 2024). The following is presented in table 4 for the data analysis method.

Table 4 Analysis Methods

Data Analysis Level	Description
Normality Test	Ensuring normal data distribution
Multicollinearity Test	Ensure there is no correlation between variables
Heteroscedasticity Test	Ensuring constant error variance

3.6 Validity and Reliability

After data analysis, table 4 shows the results of data validity testing carried out through classical assumption testing in regression analysis. This test aims to ensure that the data used in the study meets the requirements for further analysis. Data validity is very important because it will affect the results and conclusions drawn. In addition, data reliability is also obtained from measuring data consistency during the research period. This consistency shows that the data collected is reliable and reflects the actual conditions.

With good validity and reliability (Wijayanto et al., 2023), this study is expected to provide accurate and accountable results. In the context of regression analysis, classical assumptions such as normality, heteroscedasticity, and multicollinearity must be considered to ensure that the regression model built is not biased and can provide accurate predictions.

The steps for testing classical assumptions are an integral part of the data analysis process. Through these steps, researchers can identify potential problems in the data and make improvements if necessary. Thus, the analysis carried out is not only about calculating numbers, but also considering the quality and reliability of the data to produce valid and useful findings for the development of science (Ozduran & Büyükçoban, 2022; Saltos-Rivas et al., 2021). Validity and reliability data will be presented in table 5 below.

Table 5 Validity and Reliability

Aspect	Testing Methods
Validity	Testing classical assumptions in regression analysis
Reliability	Data consistency from year to year

Through a comprehensive research methodology, it is expected that this study can provide significant contributions in understanding the relationship between marketing strategies and financial performance in the retail industry in Indonesia (Baskaranl, 2020; Beyari & Garamoun, 2024). This study aims to explore how various marketing strategies implemented by retail companies can affect their financial results. By collecting and analyzing relevant data, it is expected that the findings obtained will provide valuable insights for managers in formulating more effective and sustainable business strategies. The results of this study will not only help companies in increasing their competitiveness in the market, but also provide practical guidance for better decision making. This study is expected to be a useful reference for stakeholders in the retail industry to create added value and achieve long-term success. Through a deeper understanding of the relationship between marketing and financial performance, companies are expected to be able to adapt quickly to market changes and consumer needs (Chetthamrongchai, 2020; Pessanha & Soares, 2021).

4.RESULT AND DISCUSSION

4.1 The Influence of Brand Image on Financial Performance

In the context of the competitive retail industry in Indonesia, brand image plays an important role in influencing a company's financial performance. As shown in this study, brand image as measured by the Top Brand Index (TBI) has a significant positive effect on Return on Assets (ROA). Every 10-point increase in TBI results in a 15% increase in ROA.

This finding is in line with research by Smith and Wright (2004) in the United States and Anees-ur-Rehman et al. (2018) in Finland, which shows that a positive brand image can increase customer loyalty and company profitability. The importance of brand image lies not only in the recognition of the brand itself, but also in the positive associations built in the minds of consumers. In a study by Negara et al. (2020) in Indonesia, brand image was found to have a significant influence on the profitability of logistics companies.

This shows that a strong brand can increase consumer trust, which in turn influences purchasing decisions and long-term loyalty. To support research data on the influence of brand image on the financial performance of companies in the retail industry in Indonesia, Figure 1 shows the growth of retail sales from 2011-2023 in Indonesia.

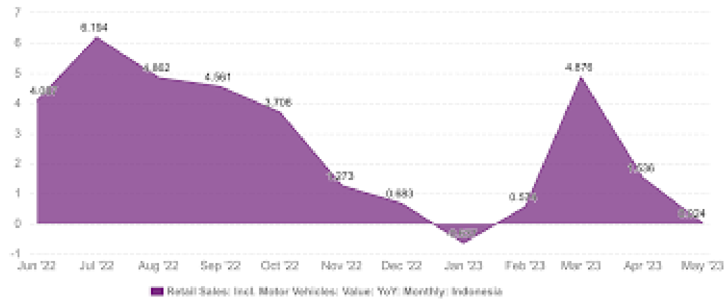

Figure 2 Sumber: Indonesia | Pertumbuhan Penjualan Ritel | 2011 – 2023 | Indikator Ekonomi | CEIC

Figure 1 can provide strong visual support for the argument made in the study on retail sales growth in Indonesia in 2011-2023, and there is a difference with Handiyono's (2017) study which did not find a significant positive relationship between brand image and financial performance. This difference can be caused by contextual factors, such as the type of industry or marketing strategy used. Therefore, managers in retail companies need to continue to monitor and adjust their brand strategies to remain relevant and effective in improving financial performance, as in Table 1 which shows the effect of brand image on financial performance.

Table 1: The Influence of Brand Image on Financial Performance

Variables	Coefficient B	t-count	Say.	Conclusion
TBI	0,167	2,543	0,013	Significant Positive

Table 1 shows a sig of 0.013, which means that the top brand index variable has a positive effect on financial performance, which will then have an impact on fish spending and promotions on financial performance.

4.2 Impact of Advertising and Promotion Spending on Financial Performance

Advertising and promotional spending also plays a significant role in improving the financial performance of retail companies. The results of this study indicate that an increase in advertising and promotional spending by 20% can increase ROA by 10% (Chetthamrongchai, 2020; Pessanha & Soares, 2021). This finding is consistent with research by Elina and Handayani (2021), which found that advertising spending is effective in increasing brand visibility and sales. Meanwhile, research conducted by Ristanty and Ningrum (2021) revealed interesting findings regarding the relationship between advertising and promotional spending and the company's financial performance. Although in general many assume that increasing advertising spending will be directly proportional to increasing financial performance, the results of this study indicate uncertainty. This may be due to variations in the marketing strategies implemented by the companies studied.

In this regard, it is important to understand that not all types of advertising and promotional spending produce the same results. Therefore, companies need to conduct in-depth analysis to determine the strategy that best suits the characteristics and preferences of their target market (Chetthamrongchai, 2020; Ionaşcu, 2020). In addition, choosing the right media and communication channels is also a key factor in determining the effectiveness of advertising spending. By utilizing relevant channels, companies can increase the visibility and appeal of their products, which in turn can drive sales and improve financial performance. Thus, a more strategic and targeted focus on advertising and promotional spending will provide more optimal results for the company (Chi et al., 2022; Pacheco-Velazquez et al., 2024). Table 2 presents data that shows how advertising and promotional spending affects financial performance.

Table 2: Effect of Advertising and Promotion Spending on Financial Performance

Variables	Coefficient B	t-count	Say.	Conclusion
ANP	-1,377	-2,916	0,005	Significant Negative

Table 2 shows the results of the analysis which show that the significance value (sig) of 0.0005 provides a strong indication that the second independent variable, namely advertising and promotion spending (ANP), has a significant influence on the achievement of the dependent variable, namely Return on Assets (ROA). This means that increasing advertising and promotion spending will contribute to improving the company's financial performance as measured by ROA.

This finding is in line with research conducted by Elina and Handayani (2021) which also found that advertising and promotion spending has a positive effect on company performance. This study shows consistency in the results obtained, providing additional evidence that effective marketing strategies can improve financial results. However, the results of this study contradict the findings obtained by Ristanty and Ningrum (2021), which may indicate that there are other factors that influence the different results (Rezvan et al., 2020; Yu et al., 2023). Differences in the research context, methodology used, or characteristics of the companies analyzed could be the reasons behind these inconsistent results.

Thus, it is important to consider the context and other variables that may play a role in influencing the relationship between advertising and promotion spending and ROA. Further research is needed to explore more deeply the factors that may mediate or moderate this relationship, as well as to understand the dynamics that may contribute to the different results among previous studies. The findings on the following variables will be discussed further in the following sub-chapter.

4.3 The Impact of Capital Expenditure on Financial Performance

Investment in capital expenditure (CAPEX) is a key element in the growth strategy of retail companies, with a moderate but significant impact on their financial performance. Recent research shows that a 30% increase in CAPEX investment can result in a 5% increase in Return on Assets (ROA). This suggests that although capital expenditure may not directly increase revenues like marketing strategies, its impact on operational efficiency and production capacity is significant. This finding is in line with previous studies by Umami (2015) and Jiang et al. (2006), which emphasize the importance of investment in fixed assets as a means to improve a company's operational performance. By effectively allocating funds to the purchase and improvement of fixed assets such as new equipment and technology, companies can improve efficiency and productivity, thereby creating a sustainable competitive advantage. Therefore, CAPEX allocation decisions should be carefully considered in a company's financial management strategy.

Investment in capital expenditure is an important strategic step for companies, as it can increase production capacity and operational efficiency. The decision-making process for capital expenditure must be carried out with in-depth analysis, to ensure that every expenditure made will bring profitable returns in the long term. Although capital expenditure may not have the same direct impact as brand image or spending on advertising and promotion, its contribution to building a strong operational foundation is crucial. By allocating resources wisely to capital expenditure, companies can create a sustainable competitive advantage. Therefore, a comprehensive evaluation of all aspects related to this investment must be an integral part of the business strategy (García-Sánchez, 2020a; C. Liu, 2021), so that companies can achieve optimal performance and adapt to dynamic market changes, in which case the effect of capital expenditure on employee performance will be presented in Table 3.

Table 3: Effect of Capital Expenditure on Financial Performance

Variables	Coefficient B	t-count	Say.	Conclusion
CAPEX	0,441	2,111	0,039	Significant Positive

Table 3 shows a significance of 0.039, which means that in this study, the third independent variable analyzed is capital expenditure (CAPEX) , which is proven to have a significant effect on Return on Assets (ROA), as a dependent variable. This finding is consistent with previous studies, such as those conducted by Umami (2015), Jiang et al. (2006), and Haryanto and Retnaningrum (2019). These studies show that capital expenditure contributes positively to the company's financial performance. The effect of capital expenditure on Return on Assets (ROA) can be analyzed from various perspectives. First, capital expenditure is often allocated for investment in fixed assets, such as machinery and infrastructure, which increases the company's efficiency and productivity. With better assets, companies can increase the number of products or services produced, potentially increasing revenue and, ultimately, ROA.

Wisely made capital expenditures can provide a competitive advantage, allowing companies to compete better in a challenging market. However, not all capital expenditures bring positive results. Companies must conduct in-depth analysis to ensure that the investments made will provide the expected returns. If capital expenditures are not managed well or are directed to less profitable sectors, the impact on ROA can be negative. Therefore, effective management in managing capital expenditures is very important. The right investment is not only to meet short-term needs, but also as a long-term strategy to improve the company's financial performance and competitiveness.

This study shows that there are several limitations that need to be considered, especially related to the time and variables used. Data taken from 2018 to 2021 covers the period when the Covid-19 pandemic occurred, which may affect the results of the study. In addition, the focus of the study was only limited to the retail sector, so the results may not be generalizable to other sectors. Nevertheless, this study managed to identify a significant influence of brand image and advertising spending on the financial performance of retail companies (Kwon et al., 2021; G. Liu, 2015). For further research, it is recommended that researchers explore different years and variables to gain a more comprehensive understanding (Darlington & Masson, 2021; Weimer et al., 2023). To add to the following data, here is a list of sample company names and brands in Indonesia.

Table 4 sample company names and brands in Indonesia

No.	Nama Perusahaan	Nama Brand	Kategori Retail
1	PT Matahari Putra Prima Tbk	Hypermart	Hypermarket
2	PT Matahari Department Store Tbk	Matahari	Department store
3	PT Ramayana Lestari Sentosa Tbk	Ramayana	Department store
4	PT Sumber Alfaria Trijaya Tbk	Alfa	Minimarket
5	PT Kimia Farma Tbk	Kimia Farma	Apotek
6	PT Ace Hardware Indonesia Tbk	Ace Hardware	Supermarket perkakas rumah & dekorasi
7	PT Caturkarda Depo Bangunan Tbk	Depo Bangunan	Supermarket bahan bangunan
8	PT Catur Sentosa Adiprana Tbk	Mitra 10	Supermarket bahan bangunan
9	PT Electronic City Indonesia Tbk	Electronic City	Supermarket elektronik
10	PT Erajaya Swasembada Tbk	Erafone	Gerai resmi handphone

11	PT Fast Food Indonesia Tbk	KFC	Restoran cepat saji
12	PT Sarimelati Kencana Tbk	Pizza Hut	Restoran pizza
13	PT Pos Indonesia (Persero)	POS Indonesia	Jasa pengiriman uang non bank
14	PT Medikaloka Hermina Tbk	Hermina	Rumah sakit bersalin
15	PT Prodia Widyahusada Tbk	Prodia	Laboratorium
16	PT Panorama Sentrawisata Tbk	Panorama Tour	Biro perjalanan wisata
17	PT Bayu Buana Tbk	Bayu Buana Tour	Biro perjalanan wisata

Source: Researcher (2022)

5. CONCLUSION

In the face of increasing flood threats exacerbated by rapid urbanization, climate change, and political instability, Jakarta's management operations must evolve to ensure societal resilience. This research underscores the transformative potential of integrating artificial intelligence, political dynamics, and entrepreneurship to tackle these multifaceted challenges effectively. The study reveals that AI significantly enhances flood prediction accuracy, thereby enabling more timely and effective responses to flood risks. The role of entrepreneurship emerges as crucial, offering innovative solutions like app-based flood monitoring and community-driven infrastructure projects that address specific local needs.

However, the research also identifies political instability as a significant barrier to the widespread implementation of these technological and entrepreneurial innovations. This instability often disrupts the continuity of policies and projects, limiting their impact on improving flood resilience. Therefore, the study highlights the urgent need for a collaborative approach involving government entities, the private sector, and local communities. Such partnerships are essential to foster a stable political environment that supports innovation and technology adoption, ultimately enhancing disaster resilience.

Recommendations

1. Strengthening Political Stability: To ensure sustained implementation of flood management strategies, it is crucial to build a stable political framework. This can be achieved through transparent governance, consistent policies, and active engagement with stakeholders at all levels.

2. Promoting AI Adoption: Encouraging the adoption of AI technologies in flood management can significantly improve predictive capabilities and response times. This requires investment in AI research and development, as well as training for local authorities and communities on leveraging these technologies effectively.

3. Encouraging Entrepreneurial Initiatives: Supporting entrepreneurship can drive the development of innovative solutions tailored to local flood management needs. Policies that foster a favorable business environment, provide funding opportunities, and nurture startup ecosystems can accelerate this process.

4. Enhancing Collaborative Efforts: Building partnerships between government, private sector, and community organizations is essential. These collaborations can facilitate knowledge exchange, resource sharing, and the co-creation of solutions that are both effective and sustainable.

5. Investing in Infrastructure: Upgrading and maintaining infrastructure is vital to mitigate flood risks. Investments should focus on both physical infrastructure, such as drainage systems and flood barriers, and digital infrastructure that supports AI applications and data collection.

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