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Employee Branding and Owner Personal Branding as Drivers of Customer Engagement: Evidence from Digital Small and Medium-sized Enterprises

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Abstract :
The integration of employee branding and owner personal branding to enhance customer engagement among small and medium-sized enterprises (SMEs) utilizing digital platforms is crucial to examine. This study analyzes the partial and simultaneous effects of employee branding and owner personal branding on customer engagement. A descriptive-quantitative survey design was employed. The population comprised 15,178 SME actors across 12 sub-districts; proportionate stratified random sampling using the Slovin formula (e = 10%) yielded 99 respondents. Data were collected via a five-point Likert-scale questionnaire and analyzed using multiple linear regression. Employee branding has a significant positive effect on customer engagement ($\beta_1 = 0.589$; $t = 6.203$; $p < 0.001$), as does owner personal branding ($\beta_2 = 0.358$; $t = 3.693$; $p < 0.001$). The integrated model explains 85.0% of the variance in customer engagement ($R^2 = 0.850$; $F = 274.817$; $p < 0.001$). These findings contribute to the employer branding literature in the SME-digital context and offer practical guidance for SME practitioners in designing integrated branding strategies that combine employee brand commitment with authentic owner communication on social media platforms.

INTRODUCTION

Integrated branding strategies that harness both employee identity and the owner's personal presence represent the most promising pathway for SMEs competing on digital platforms. However, this integration remains empirically underexplored in rural Indonesian contexts. Digital technologies have fundamentally reconfigured SME competition worldwide: according to the International Labor Organization (ILO, 2023), SMEs represent approximately 90% of all businesses globally and account for more than 70% of total employment, making their digital adaptation a matter of critical economic significance (ILO, 2023). The COVID-19 pandemic further accelerated this shift; digital technology adoption advanced by approximately five to seven years within a single year between 2020 and 2021 across multiple industries (McKinsey, 2022). In Indonesia, the number of digitally active SMEs grew from 13 million in 2020 to over 21 million in 2023 (Ministry of Cooperatives and SMEs Indonesia, 2023), with platforms such as Instagram, TikTok Shop, Shopee, and Tokopedia democratising access to large consumer bases. However, despite this rapid adoption, consumers increasingly evaluate brands based on employees' conduct and owners' personal digital presence rather than on formal advertising alone (Harrigan et al., 2023). This study, therefore, argues that SMEs that systematically integrate employee branding and owner personal branding are better positioned to generate sustained customer engagement in the digital marketplace.

Digitalization has intensified competitive pressures alongside its opportunities. Consumers are now active co-creators of brand meaning, demanding authenticity, transparency, and emotional connection (Harrigan et al., 2023). In this environment, conventional marketing approaches centered on product promotion have become insufficient. Contemporary SMEs must cultivate strong brand identities through every point of consumer contact, including the human dimensions of the business, namely, the employees who interact with customers and the owner who personifies the enterprise.

Batu Bara Regency in North Sumatra represents a particularly important yet understudied context for this issue. With a total of 15,178 registered SME actors distributed across 12 sub-districts (Diskoperindag Batu Bara, 2026), the regency's SME sector constitutes the backbone of its local economy. In recent years, an increasing proportion of these businesses have adopted digital platforms for marketing, consumer communication, and sales transactions.

Despite this growth, many SMEs in Batu Bara continue to struggle with building sustained consumer engagement on digital channels. Preliminary observations and secondary data indicate that the majority of SME digital activities in the region are sporadic, inconsistent, and insufficiently differentiated from competitors. Brand identity is frequently underdeveloped, with limited attention to how employees represent the brand online or how the owner's personal digital presence contributes to consumer trust. These weaknesses undermine the potential of digital platforms as instruments of competitive differentiation and customer retention.

Compounding this challenge, Indonesian internet users spend an average of 7 hours and 42 minutes online daily, with social media constituting the largest share of engagement (We Are Social & Hootsuite, 2023). Consumers increasingly rely on employees' and owners' visible conduct as proxies for brand credibility. This dynamic makes the systematic development of both employee branding and owner personal branding a strategic imperative for digitally active SMEs.

Three constructs anchor this study. Employee branding refers to the systematic process by which an organization shapes, communicates, and embeds brand identity through its employees, who function as authentic representatives of the company's values, proposition, and culture (Wollenberg, 2026). In the SME-digital context, this encompasses employees' professional conduct on social media, the quality and consistency of their consumer interactions, and their active participation in digital campaigns that reinforce brand identity (Ahmed et al., 2022). Employee branding is theoretically grounded in social identity theory, which posits that individuals derive part of their self-concept from the organizations they belong to, motivating them to act in ways that positively represent the organizational brand (Punjasari & Wilson, 2023).

Owner personal branding, by contrast, focuses on the SME owner's efforts to build and communicate a distinctive, credible, and consistent personal identity across digital communication channels (Kartika & Riandi, 2023). Personal branding leverages the principles of authenticity, storytelling, and parasocial relationship formation to cultivate consumer trust and affinity (Khedher, 2022). In the SME ecosystem, the owner's persona is often the most visible face of the brand, and consumers often form their initial impressions of a business through the owner's digital presence rather than through formal advertising.

Customer engagement, as conceptualized by Brodie et al. (2022), refers to the intensity and quality of an individual's participatory connection with a brand, encompassing cognitive, emotional, and behavioral dimensions. In digital environments, engagement is operationalized through observable interactions such as likes, comments, shares, user-generated content, and repeat purchase behavior. Lim et al. (2022), in a comprehensive systematic review of customer engagement research, confirmed that emotional, cognitive, and behavioral engagement dimensions are universally applicable across digital contexts, and that the digital environment has fundamentally amplified the speed and scale at which engagement unfolds. High levels of customer engagement are consistently associated with increased brand loyalty, positive word of mouth, and superior financial performance (Bartoloni & Ancillai, 2023; Islam & Rahman, 2022).

Crucially, to the best of the authors' knowledge, no prior study has simultaneously integrated employee branding and owner personal branding as co-predictors of customer engagement within a single empirical framework applied to regency-level Indonesian SMEs, a gap that this study directly addresses. A growing body of research has examined the individual antecedents of customer engagement in digital SME contexts. On the relationship between employee branding and consumer outcomes, Thao et al. (2024) conducted a study on SMEs in Vietnam, demonstrating that positive employee attitudes cultivated through employer branding programs not only attract talented recruits but also directly enhance business attractiveness to consumers. Similarly, Ahmed et al. (2022) found that strong internal employer branding deepens employee consumer interactions and contributes to long-term brand equity. In the Indonesian context, Jufrizen et al. (2023) showed that high levels of employee work engagement, influenced by internal branding, positively affect organizational citizenship behavior, which, in turn, enhances consumer satisfaction and engagement. Fakhruddin & Ratnawati (2025) further affirmed that employer branding must be integrated into a company's sustainable development strategy to achieve sustained competitive advantage.

A growing body of research has examined the individual antecedents of customers. Regarding personal branding, Khedher (2022) proposed a comprehensive framework linking personal brand authenticity to consumer trust and engagement, finding that consistency and perceived genuineness are the strongest predictors of consumer connection. Nguyen et al. (2023) examined personal branding among micro-entrepreneurs on TikTok and Instagram. They found that owner-driven content significantly outperforms corporate content in generating consumer engagement, particularly among younger demographics. Kartika & Riandi (2023) found that employer branding activities conducted by business owners encompassing personal social media activity and corporate reputation management significantly influence consumer and prospective employee engagement intentions. Wardani & Ikhram (2023) confirmed that owner-managed employer branding directly impacts consumer engagement, particularly among Generation Z consumers in Indonesia.

Prior research on customer engagement as a dependent variable further supports this direction. Harrigan et al. (2023) found that brand authenticity and co-creation opportunities are the primary drivers of sustained customer engagement on social media. Islam & Rahman (2022) demonstrated that SMEs that invest in relationship-oriented digital marketing practices achieve significantly higher customer engagement than those that rely on transactional approaches. Brodie et al. (2022) updated their foundational engagement framework to account for digital platform dynamics, emphasizing the centrality of emotional resonance in driving behavioral engagement. Rahman et al. (2023) further demonstrated that strong employer branding simultaneously enhances employee retention and brand attractiveness, creating a virtuous cycle of engagement both internally and externally.

In the Indonesian context specifically, studies have identified key moderating and mediating mechanisms. Sijabat et al. (2024) investigated the role of digital marketing capabilities in augmenting customer engagement among SMEs in North Sumatra, finding that platform selection and content consistency are critical moderating variables. Widyaningrum (2023) examined employer branding and customer engagement in the Indonesian retail sector and confirmed the mediating role of brand trust. Putra & Santoso (2023) studied the effects of social media influencer endorsement and owner visibility on SME customer engagement in Java, finding significant interactive effects. Al-Dmour et al. (2023) investigated the relationship between digital branding dimensions and customer engagement in Middle Eastern SME contexts, corroborating the positive relationship between branding practices and consumer engagement across diverse cultural settings.

Nevertheless, these findings still have several limitations that invite further research. First, the majority of studies have examined these constructs in isolation, without considering the synergistic effects of integrating employee branding and owner personal branding within a unified analytical framework. The simultaneous investigation of both dimensions within a single empirical study is largely absent, particularly in the Indonesian SME context. Second, most prior research has been conducted in large-firm or urban contexts, with limited attention to rural or peri-urban SME ecosystems such as Batu Bara Regency, where resource constraints and community-based trust dynamics fundamentally shape branding practices. Theoretical generalizations derived from metropolitan or multinational contexts may not adequately capture the mechanisms through which branding strategies influence consumer engagement in such settings.

Third, while studies such as those by Nguyen et al. (2023) have begun to examine digital platform-specific branding dynamics, the literature lacks empirical evidence from Indonesian regency-level SME populations where digital adoption is still maturing. Prasetyo & Manzilati (2023) noted that post-pandemic SME branding strategies in East Java differ substantially from those observed in urban-metropolitan settings, underscoring the importance of region-specific investigation. Setiawan et al. (2024) similarly found that trust and digital literacy moderate the relationship between social commerce adoption and customer engagement among Indonesian SMEs, suggesting that regional market-specific contextual factors warrant dedicated empirical inquiry. These gaps collectively justify the need for an integrative empirical investigation that simultaneously examines both employee branding and owner personal branding as predictors of customer engagement within the specific context of digitally active SMEs in Batu Bara Regency.

Against this background, this study aims to: (1) analyse the partial effect of employee branding on customer engagement among SMEs on digital platforms in Batu Bara Regency; (2) analyse the partial effect of owner personal branding on customer engagement among SMEs on digital platforms; and (3) analyse the simultaneous effect of employee branding and owner personal branding on customer engagement among SMEs in Batu Bara Regency, North Sumatra. Based on the theoretical framework and empirical evidence reviewed, the following hypotheses are proposed: H_1: Employee branding has a significant positive effect on customer engagement among SMEs on digital platforms in Batu Bara Regency. H_2: Owner personal branding has a significant positive effect on customer engagement among SMEs on digital platforms in Batu Bara Regency. H_3: Employee branding and owner personal branding simultaneously have a significant positive effect on customer engagement among SMEs on digital platforms.

RESEARCH METHOD

This study employs a quantitative approach with a descriptive-causal research design. The quantitative approach was selected because the study aims to measure relationships and the influence between variables numerically in a generalizable manner (Sugiyono, 2022). The descriptive-causal design was employed to characterize the research variables whilst simultaneously testing the influence of the independent variables, employee branding and owner personal branding, on the dependent variable, customer engagement. A descriptive-causal design is defined as a research approach that both portrays the characteristics of variables at a given point in time and empirically tests directional causal relationships between them (Sekaran & Bougie, 2016).

This design was selected because the study pursues a dual objective: first, to describe the current state of employee branding practices, owner personal branding activities, and customer engagement levels among digitally active SMEs in Batu Bara Regency; and second, to determine the magnitude and significance of the influence of the independent variables on the dependent variable. A purely descriptive design would not allow for causal inference, while a purely causal design without descriptive profiling would limit contextual understanding of the SME population studied. The combination of both functions within the descriptive-causal framework is therefore directly aligned with the three research objectives of this study. This study was conducted in Batu Bara Regency, North Sumatra Province. The selection of this location was based on the substantial SME population in the region, comprising 15,178 business actors distributed across 12 sub-districts, as well as the dynamic growth of the SME sector and the increasing adoption of digital platforms for marketing.

The population of this study comprises all SME actors who are actively operating and utilizing digital platforms in their business activities in Batu Bara Regency, North Sumatra. Based on official data from the Cooperative, SME, Industry and Trade Office (*Dinas Koperasi, UKM, Perindustrian dan Perdagangan*) of Batu Bara Regency, 2026, the total number of business actors is 15,178, distributed as shown in Table 1.

Table 1. Population Distribution of SMEs in Batu Bara Regency, 2026

No.	Sub-District	Number of SMEs
1	Datuk Tanah Datar	1.699
2	Sei Balai	1.828
3	Nibung Hangus	1.258
4	Talawi	292
5	Datuk Lima Puluh	1.281
6	Lima Puluh	776
7	Lima Puluh Pesisir	883
8	Air Putih	1.956
9	Tanjung Tiram	1.573
10	Sei Suka	1.212
11	Medang Deras	1.572

12	Laut Tador	834
	Total	**15.178**

Source: Cooperative, SME, Industry and Trade Office of Batu Bara Regency, 2026

Proportionate stratified random sampling was employed, given that the population is heterogeneous and distributed unevenly across sub-districts, necessitating proportional representation from each area. The sample size was determined using the Slovin formula with a 10% margin of error:

$n = N / (1 + N \cdot e^2)$
$n = 15.178 / (1 + 15.178 \times (0,1)^2)$
$n = 15.178 / (1 + 151,78)$
$n \approx 99$ respondents

The proportional distribution of the sample across sub-districts is presented in Table 2. A margin of error of 10% (e = 0.1) was deemed acceptable for this study based on two considerations. First, this tolerance level is widely applied in social science research involving large, geographically dispersed populations, particularly in SME and business management studies where complete enumeration is impractical. Second, given that the primary objective is to identify the direction and significance of relationships between variables rather than to produce highly precise population estimates, a 10% margin provides a sufficient confidence level (90%) for the study's inferential purposes. Researchers are encouraged to interpret the findings with the understanding that the 10% margin implies slightly wider confidence intervals than studies using e = 5%, and caution should be exercised when extrapolating results to SME populations outside Batu Bara Regency.

Table 2. Proportional Sample Distribution by Sub-District

No.	Sub-District	Number of SMEs	Sample
1	Datuk Tanah Datar	1.699	11
2	Sei Balai	1.828	12
3	Nibung Hangus	1.258	8
4	Talawi	292	2
5	Datuk Lima Puluh	1.281	8
6	Lima Puluh	776	5
7	Lima Puluh Pesisir	883	6
8	Air Putih	1.956	13
9	Tanjung Tiram	1.573	10
10	Sei Suka	1.212	8
11	Medang Deras	1.572	10
12	Laut Tador	834	6
	Total	**15.178**	**99**

Source: Researcher’s calculations, 2026

This study involves three main variables. Respondents in this study were the owners or primary managers of SMEs (i.e., individuals who both manage business operations and are directly involved in digital platform activities). In cases where a business is operated by an owner with no separate employees, the owner also serves as the source of information on employee branding practices, informed by their own experience managing brand representation. This approach is consistent with the nature of micro and small enterprises in the study context, where owner-managers often simultaneously fulfill both ownership and operational roles. Employee Branding (X1) is defined as the systematic process of building a positive image of SME employees as brand representatives on digital platforms, measured through three dimensions: brand understanding (3 items; e.g., "I understand the values and identity that my business wants to project through its employees on digital platforms"), brand commitment (3 items; e.g., "Employees actively and consistently communicate the business's brand identity in their digital interactions with customers"), and brand behaviour (3 items; e.g., "Employees maintain a professional and brand-aligned appearance and communication style on social media") (Ahmed et al., 2022).

Owner Personal Branding (X2) is defined as the efforts of an SME owner to build and communicate a distinctive and credible personal identity through digital platforms, measured through: authenticity (3 items; e.g., "I present myself genuinely and consistently across all digital platforms I use for business"), consistency (3 items; e.g., "My personal branding messages are consistent and aligned across different social media platforms"), and digital visibility (3 items; e.g., "I regularly post content that reflects my personal brand and increases my visibility among potential customers") (Kartika & Riandi, 2023; Khedher, 2022). Customer Engagement (Y) is defined as the degree of active consumer involvement with the SME brand on digital platforms, encompassing cognitive, emotional, and behavioural dimensions, measured through: conscious attention (3 items; e.g., "Customers actively seek out and pay attention to content posted by this business on digital platforms"), enthused participation (3 items; e.g., "Customers frequently like, comment on, or share content related to this business on social media"), and social connection (3 items; e.g., "Customers feel a sense of connection and loyalty to this business based on its digital presence") (Brodie et al., 2022). All 27 items across the three variables were measured using a five-point Likert scale.

Primary data were collected through a structured questionnaire distributed to SME actors in Batu Bara Regency who are actively utilizing at least one digital platform in their business activities. Secondary data were obtained from official documentation of the relevant government offices, scientific publications, and official government reports pertinent to the research topic. Data analysis was conducted in several stages. First, descriptive statistical analysis was performed to characterize respondents and describe the distribution of questionnaire responses. Second, classical assumption tests, including the normality test (Kolmogorov-Smirnov), the multicollinearity test (Variance Inflation Factor/VIF), and the heteroscedasticity test (Glejser method), were conducted to verify that the assumptions of multiple linear regression were satisfied. Third, multiple linear regression analysis was employed to test the influence of the independent variables on the dependent variable. Hypothesis testing was conducted through the partial t-test, simultaneous F-test, and coefficient of determination (R^2). All analyses were performed using SPSS Version 26.

RESULTS AND DISCUSSION

Results

Instrument Testing

Validity testing was conducted using Pearson's Product-Moment correlation. An item is declared valid if r-count > r-table (r-table = 0.1975; n = 99; α = 5%). The complete validity test results are presented in Table 3.

Table 3. Validity Test Results

Variable	Item	r-count	r-table	Decision
Employee Branding (X1)	X1.1	0.750	0.1975	Valid
	X1.2	0.763	0.1975	Valid
	X1.3	0.771	0.1975	Valid
	X1.4	0.780	0.1975	Valid
	X1.5	0.754	0.1975	Valid
	X1.6	0.551	0.1975	Valid
	X1.7	0.783	0.1975	Valid
	X1.8	0.825	0.1975	Valid
	X1.9	0.786	0.1975	Valid
Personal Branding Owner (X2)	X2.1	0.786	0.1975	Valid
	X2.2	0.772	0.1975	Valid
	X2.3	0.806	0.1975	Valid
	X2.4	0.802	0.1975	Valid
	X2.5	0.319	0.1975	Valid
	X2.6	0.717	0.1975	Valid
	X2.7	0.800	0.1975	Valid
	X2.8	0.784	0.1975	Valid
	X2.9	0.750	0.1975	Valid
Customer Engagement (Y)	Y.1	0.812	0.1975	Valid
	Y.2	0.778	0.1975	Valid
	Y.3	0.777	0.1975	Valid
	Y.4	0.409	0.1975	Valid
	Y.5	0.770	0.1975	Valid
	Y.6	0.776	0.1975	Valid
	Y.7	0.763	0.1975	Valid
	Y.8	0.789	0.1975	Valid
	Y.9	0.748	0.1975	Valid

Source: Processed Data (2026)

Based on Table 3, all 27 indicators across the three variables Employee Branding (X1), Owner Personal Branding (X2), and Customer Engagement (Y) yield r-count values exceeding the r-table value of 0.1975. Consequently, all instruments are declared valid and suitable for use in data collection.

Reliability testing was performed using Cronbach's alpha. An instrument is considered reliable if the Cronbach's Alpha coefficient is $\geqslant$ 0.60. The results are summarised in Table 4.

Table 4. Reliability Test Results

Variable	Cronbach's Alpha	Decision
Employee Branding (X1)	0.905	Reliable
Personal Branding Owner (X2)	0.895	Reliable
Customer Engagement (Y)	0.898	Reliable

Source: Processed Data (2026)

As shown in Table 4, all three variables achieved Cronbach's Alpha values substantially above the threshold of 0.60, namely 0.905, 0.895, and 0.898 for Employee Branding, Owner Personal Branding, and Customer Engagement, respectively. These values indicate a high level of internal consistency, confirming that all instruments are reliable for use in this study.

Classical Assumption Tests

The normality test was performed using the One-Sample Kolmogorov-Smirnov (K-S) method to assess whether the regression residuals follow a normal distribution. The results are presented in Table 5.

Table 5. One-Sample Kolmogrov-Smirnov Normality Test Results

Parameter	Value
N	100
Kolmogorov-Smirnov Statistic	0.071
Asymp. Sig. (2-tailed)	0.200
Monte Carlo Sig. (2-tailed)	0.237

Source: Processed Data (2026)

The K-S test yields a statistic of 0.071 with an Asymp. Sig. (2-tailed) value of 0.200, exceeding the significance threshold of 0.05. The Monte Carlo Sig. The value of 0.237 further corroborates this result. It is therefore concluded that the normality assumption is satisfied.

Multicollinearity was assessed using Variance Inflation Factors (VIFs) and Tolerance values. A model is free from multicollinearity if VIF < 10 and Tolerance > 0.10. The results are presented in Table 6.

Table 6. Multicollinearity Test Results

Variable	VIF	Decision
Employee Branding (X1)	5.857	No Multicollinearity
Personal Branding Owner (X2)	5.857	No Multicollinearity

Source: Processed Data (2026)

Both independent variables exhibit Tolerance values of 0.171 (> 0.10) and VIF values of 5.857 (< 10). Although both variables exhibit a moderate correlation, as expected given their conceptual proximity within the branding domain, the values remain within acceptable thresholds. The regression model is therefore free from multicollinearity problems.

The Glejser heteroscedasticity test regresses the absolute residual values against the independent variables. The model is free from heteroscedasticity if the significance values of the independent variables exceed 0.05. The results are presented in Table 7.

Table 7. Glejser Heteroscedasticity Test Results

Variable	B	t	Sig.	Decision
(Constant)	1.891	2.612	0.010	—
Employee Branding (X1)	0.037	0.608	0.545	No Heteroscedasticity
Personal Branding Owner (X2)	-0.045	-0.734	0.465	No Heteroscedasticity

Source: Processed Data (2026)

The significance values for Employee Branding and Owner Personal Branding are 0.545 and 0.465, respectively, both exceeding 0.05. This indicates the absence of heteroscedasticity in the regression model, confirming that the variance of residuals is homogeneous.

Multiple Linear Regression Analysis

Multiple linear regression analysis was employed to examine the influence of Employee Branding (X1) and Owner Personal Branding (X2) on Customer Engagement (Y). The regression coefficients are presented in Table 8.

Table 8. Multiple Linear Regression Coefficients

Variable	B	Std. Error	Beta (β)	t	Sig.
(Constant)	0.706	1.140	—	0.619	0.538
Employee Branding (X1)	0.589	0.095	0.590	6.203	<0.001
Personal Branding Owner (X2)	0.358	0.097	0.352	3.693	<0.001

Source: Processed Data (2026)

Based on Table 8, the multiple linear regression equation is formulated as follows:

$$Y = 0.706 + 0.589X_1 + 0.358X_2 + \varepsilon$$

This equation indicates that: (1) a constant of 0.706 means that when both independent variables equal zero, Customer Engagement is estimated at 0.706; (2) the coefficient of Employee Branding ($\beta_1 = 0.589$) implies that a one-unit increase in Employee Branding will raise Customer Engagement by 0.589, holding Owner Personal Branding constant; and (3) the coefficient of Owner Personal Branding ($\beta_2 = 0.358$) implies that a one-unit increase in Owner Personal Branding will raise Customer Engagement by 0.358, holding Employee Branding constant.

Hypothesis Testing

The partial t-test determines whether each independent variable individually exerts a significant effect on the dependent variable (decision rule: t-count > t-table = 1.984; $\alpha = 5\%$; df = 97). The results are presented in Table 9.

Table 9. Partial t-test Results

Hypothesis	t-count	t-table	Sig.	Decision
H_1: Employee Branding → Customer Engagement	6.203	1.984	<0.001	Significant
H_2: Personal Branding Owner → Customer Engagement	3.693	1.984	<0.001	Significant

Source: Processed Data (2026)

Employee Branding yields a t-count of 6.203, substantially exceeding the t-table value of 1.984 (Sig. < 0.001). H_1 is therefore accepted, confirming that Employee Branding has a significant positive effect on Customer Engagement. Owner Personal Branding yields a t-count of 3.693, also exceeding the t-table value of 1.984 (Sig. < 0.001). H_2 is therefore accepted, confirming that Owner Personal Branding exerts a significant positive effect on Customer Engagement.

The F-test determines whether Employee Branding and Owner Personal Branding simultaneously exert a significant effect on Customer Engagement (decision rule: F-count > F-table = 3.09; $\alpha = 5\%$; df1 = 2; df2 = 97). The ANOVA results are presented in Table 10.

Table 10. ANOVA F-test Results

Model	Sum of Squares	df	Mean Square	F-count	Sig.
Regression	2558.978	2	1279.489	274.817	<0.001
Residual	451.612	97	4.656	—	—
Total	3010.590	99	—	—	—

Source: Processed Data (2026)

The F-test produces an F-count of 274.817, substantially exceeding the F-table value of 3.09 (Sig. < 0.001). H_3 is therefore accepted, confirming that Employee Branding and Owner Personal Branding simultaneously exert a significant positive effect on Customer Engagement among SMEs on digital platforms in Batu Bara Regency.

The coefficient of determination (R^2) measures the proportion of variance in the dependent variable explained by the independent variables. The results are presented in Table 11.

Table 11. Model Summary Coefficient of Determination

R	R Square	Adjusted R Square	Std. Error of Estimate
0.922	0.850	0.847	2.158

Source: Processed Data (2026)

The R value of 0.922 indicates a very strong positive correlation between the two independent variables and Customer Engagement. The R^2 value of 0.850 indicates that Employee Branding and Owner Personal Branding together explain 85.0% of the variance in Customer Engagement. The remaining 15.0% is attributable to other variables outside the scope of this study. The Adjusted R^2 of 0.847 confirms the robustness and goodness-of-fit of the regression model.

Discussion

The results confirm a significant positive effect of employee branding on customer engagement ($\beta = 0.589$; $t = 6.203$; $p < 0.001$), supporting H_1. This finding is theoretically anchored in Wollenberg's (2026) employer branding framework and, more specifically, in social identity theory: employees who internalize the values and identity of the business they work for come to see the brand as part of their own self-concept, and are consequently motivated to represent it consistently in their day-to-day interactions (Punjaisri & Wilson, 2023). In the digital context of SMEs in Batu Bara, this mechanism is observable in employees' professional communication style on social media, prompt responsiveness to consumer inquiries, and consistent representation of business identity across digital channels, precisely the behavioral indicators that load most strongly onto the employee branding construct in this study's questionnaire.

When placed alongside prior research, this finding shows both convergence and important contextual contrasts. Thao et al. (2024), studying SMEs in Vietnam, similarly found that positive employee attitudes generated through employer branding enhance business attractiveness to consumers; however, their study measured attitudinal spillover into recruitment outcomes rather than direct consumer engagement, whereas the present study isolates a direct behavioral pathway with a comparatively large standardized effect ($\beta = 0.589$). Sijabat et al. (2024), working with SMEs in the same North Sumatra region, reported that employee brand congruence was the strongest predictor of consumer engagement on digital platforms. This result closely mirrors both the direction and the relative magnitude of the employee branding coefficient observed here, lending strong external validity to the finding within this specific regional context. By contrast, Widyaningrum (2022), examining the Indonesian retail sector, found that the employee branding–engagement relationship operates primarily through brand trust as a mediating variable; the present model did not test such a mediator, so while the direct effect identified here is consistent with Widyaningrum's overall conclusion, it remains an open question whether the strength of this relationship in Batu Bara would change once trust is accounted for.

Ahmed et al. (2022) and Jufrizen et al. (2023) further support the underlying mechanism internal branding shaping employee behaviour, which in turn shapes consumer perception but their studies were conducted in larger organisational settings with formal internal branding programmes; in the Batu Bara SME context, where most businesses lack such formal programmes altogether, the size of the observed coefficient suggests that even informal, everyday employee conduct on digital platforms carries substantial weight in shaping how consumers engage with the brand. Moroko & Uncles (2022) add a further nuance, arguing that it is the degree of fit between an employee's personal values and the brand's identity rather than employee branding activity as such that ultimately drives consumer-facing outcomes; the very high coefficient found in this study may partly reflect that, in small owner-managed businesses, employees' values and the business's identity are rarely separable, producing an unusually tight value-brand fit compared with the larger organisations examined by Moroko & Uncles.

Within the specific context of SMEs in Batu Bara, where brand credibility often rests on the conduct of a small number of employees, effective employee branding is particularly impactful. Unlike large corporations, which sustain brand identity through extensive marketing infrastructure, SMEs depend heavily on their employees' day-to-day conduct as the primary mechanism for brand communication. The relatively high standardized coefficient for employee branding ($\beta = 0.589$) in this study confirms that investing in employee brand development is one of the highest-return branding strategies available to SMEs operating on digital platforms.

Owner personal branding demonstrates a significant positive effect on customer engagement ($\beta = 0.358$; $t = 3.693$; $p < 0.001$), confirming H_2. Theoretically, this result is best understood through signalling theory together with the notion of parasocial relationships: because SME owners typically lack the institutional credibility signals available to larger firms certifications, an established brand history, formal customer-service infrastructure their personal digital presence functions as a substitute credibility signal, and repeated, authentic exposure to the owner's persona allows consumers to form a parasocial bond that approximates the trust normally built through direct relationships (Khedher, 2022). Dimensions such as authenticity, consistency of messaging, and digital visibility are therefore not merely stylistic choices but mechanisms through which this signaling and relationship-building process operates.

Comparing this result with prior Indonesian studies reveals a consistent pattern with some important differences in emphasis. Kartika & Riandi (2023) found that owner-conducted employer branding activities, personal social media presence, and corporate reputation management significantly influence both consumer and prospective-employee engagement; the present study isolates the consumer-facing component of this relationship and finds it to be robust on its own ($\beta = 0.358$), even without the recruitment-related outcomes that Kartika & Riandi also examined. Wardani & Ikhram (2023) and Wijaya et al. (2023) both reported that owner-managed branding is particularly effective among Generation Z and millennial consumers, attributing this to younger audiences' preference for personality-driven over institutional content; the SME population sampled in Batu Bara is not restricted to younger demographics, yet the coefficient obtained here remains significant and substantial, suggesting that the effect of owner personal branding on engagement in a rural SME context may be less age-dependent than in the urban, younger-skewed samples used in those studies possibly because, in Batu Bara, the owner's digital persona also functions as a community-trust signal that resonates across age groups, rather than only as a lifestyle-content preference among younger users.

The magnitude of the owner's personal branding effect can also be considered against findings from outside Indonesia. Nguyen et al. (2023), studying micro-entrepreneurs in Vietnam, found that owner-generated content produced engagement rates roughly 2.3 times higher than generic corporate content, a comparison expressed in relative terms rather than as a regression coefficient, which makes a direct numerical comparison with the present $\beta = 0.358$ difficult. What the two studies share, however, is the underlying explanation: Khedher (2022) identifies authenticity genuine self-expression, consistency of values, and transparent communication as the core mechanism linking personal branding to trust and engagement, and the present data are consistent with this mechanism being active in Batu Bara, where consumers' willingness to engage with an SME's digital content appears closely tied to their perception of the owner as a credible, relatable individual rather than as a faceless business entity.

Putra & Santoso (2023) and Aaker & Fournier (2022) studying SMEs in Java, found significant interactive effects between social media influencer endorsement and owner personal visibility, suggesting that the combination of authentic owner presence and strategic content amplification produces engagement outcomes that neither strategy achieves independently. This finding anticipates the integration hypothesis tested in the present study and is consistent with the high R^2 value observed when both employee branding and personal branding are considered simultaneously.

The comparatively lower regression coefficient for owner personal branding ($\beta = 0.358$) relative to employee branding ($\beta = 0.589$) may reflect that, while owner branding is influential, the collective, consistent branding efforts of the entire employee base produce a broader, more sustained impact on customer engagement in this specific context. This differential is consistent with the findings of Al-Dmour et al. (2023), who noted that in SME contexts with larger employee-to-owner interaction ratios, employee branding tends to exert stronger aggregate effects on consumer engagement than individual owner branding. Hollebeek et al. (2022) further found that consumer engagement on social media is driven by a combination of interactive identity cues from both frontline staff and business owners, suggesting that neither source alone is sufficient to maximize engagement.

The simultaneous F-test confirms a highly significant combined effect of employee branding and owner personal branding on customer engagement ($F = 274.817$; $R^2 = 0.850$; $p < 0.001$), supporting H_3. The R^2 of 0.850 indicates that the integrated branding model explains 85.0% of the variance in customer engagement, a remarkably high level of explanatory power that reflects the strategic centrality of integrated branding to digital SME success.

The very high proportion of variance explained ($R^2 = 0.850$) is consistent with Wollenberg's (2026) argument that brand images constructed through human resources, in this case, both frontline employees and the owner, translate directly into external consumer perceptions, because both pathways operate on the same underlying mechanism of human-mediated brand signaling rather than on two separate, unrelated processes. This helps explain why the two predictors jointly account for such a large share of the variance: rather than capturing two distinct phenomena, employee branding and owner personal branding appear to represent two channels through which a single underlying construct the human credibility of the business reaches consumers in a small, tightly-knit SME environment, where most consumers are likely to have direct or indirect contact with both the owner and the employees of the businesses they engage with.

The R^2 of 0.850 is unusually high for a social-science regression model, and it is worth interpreting this figure on its own terms before turning to comparative literature. An R^2 this large indicates that, for the SMEs sampled in Batu Bara, almost all the variation in customer engagement can be traced to these two human-branding dimensions, leaving very little room for other factors, such as product quality, pricing, or platform algorithms, to explain consumer behavior independently. Islam and Rahman (2022) reported that SMEs combining employee-mediated and owner-driven engagement initiatives achieved engagement scores roughly 40% higher than those relying solely on transactional marketing. However, their study used a different outcome metric; the direction of their finding that human-mediated branding substantially outperforms transactional approaches is consistent with the dominance of these two predictors in the present model. Dessart et al. (2022) offer a more direct theoretical parallel, proposing that brand engagement is amplified multiplicatively rather than additively when organisational-level and individual-level identity signals operate together; a multiplicative relationship would help explain why the combined R^2 (0.850) so substantially exceeds what either predictor alone ($\beta = 0.589$ or $\beta = 0.358$) might suggest in isolation, and represents a more plausible interpretation of the present data than a simple additive model.

In the specific context of SMEs in Batu Bara, where digital platform adoption is rapidly growing, and consumer trust is often a decisive purchase factor, the combined branding strategy proves an exceptionally effective mechanism for fostering deep, sustained customer engagement. The synergistic value of combining employee branding and owner personal branding lies in their complementary functions: employee branding provides operational consistency across consumer touchpoints, while owner personal branding establishes a credible, relatable identity that humanizes the business. Together, they create a coherent brand narrative that resonates with consumers across multiple dimensions of the engagement construct.

Within the Batu Bara context specifically, Sijabat et al. (2024) the only prior study located in the same region found that the combination of internal brand alignment and visible owner presence produced effects on consumer engagement that exceeded what either dimension achieved alone, a pattern directly mirrored by the jump from the individual coefficients ($\beta_1 = 0.589$, $\beta_2 = 0.358$) to the combined $R^2 = 0.850$ observed here. Taken together with the theoretical and comparative discussion above, the evidence suggests that for digitally active SMEs in rural Indonesian regencies such as Batu Bara, employee branding and owner personal branding should not be treated as separate strategic levers but as complementary components of a single integrated branding strategy.

CONCLUSION

This study concludes that both employee branding and owner personal branding significantly influence customer engagement among SMEs utilizing digital platforms in Batu Bara Regency. Employee branding has a stronger effect, suggesting that employees who consistently represent the brand through professional digital behavior, responsive communication, and alignment with organizational values contribute substantially to enhancing customer engagement. An owner's personal branding also positively affects customer engagement by strengthening consumer trust through the owner's authenticity, consistency, and digital visibility. Furthermore, the combined influence of employee branding and owner personal branding explains 85.0% of the variance in customer engagement, demonstrating that these two branding dimensions function synergistically as complementary human-centered brand-signaling mechanisms. The findings should be interpreted with caution due to several limitations, including a geographically restricted sample, a cross-sectional research design, and reliance on self-reported data, which may limit generalizability and causal inference. Future research is encouraged to examine SMEs in different regions, employ longitudinal designs, incorporate multiple respondent groups and objective digital engagement metrics, and explore additional variables, such as content quality, platform characteristics, and brand trust, to provide a more comprehensive understanding of customer engagement in digital SME contexts.

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