

Article

# Brand strengthening of the local wisdom “traditional drink arak—Bali” to support tourism in Indonesia

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**Abstract:** Arak is the name given to the alcoholic fermented beverage in Bali. With a total of 422 unique product varieties registered annually, Bali Province is the primary producer of Arak in Indonesia, as mentioned by the FDA. The main producer of Arak in Indonesia is Bali Province, which consistently registers a total of 422 distinct product varieties each year. Balinese arak, as a traditional local commodity, is ingested to provide body warmth prior to physical exertion and possesses a delicate flavor. It is frequently offered during religious rituals. The legality of this beverage, despite its alcohol content, is established by Bali Governor Regulation Number 1 of 2020, which pertains to the management of Balinese fermented and/or distilled drinks. The aim of this study is to analyze the challenges in enhancing the brand and legality of Balinese Arak as a representation of traditional and indigenous Balinese knowledge in the fields of tourism and hospitality. Objects of this qualitative study were the villages of North and East Duda in Karangasem Regency in Bali Province. The data was gathered by conducting comprehensive interviews with 18 stakeholders, including Arak artisans, the Head of the Duda Villages, the director of the distributor company, and managers of Village-Owned Enterprises (BUMDES). They are responsible for producing, packaging, and distributing the products as local brand stuff. The research findings indicate that government stakeholders, business organizations, MSMEs, and social and religious communities collectively contribute significantly to enhancing the brand and legality of Balinese Arak as a local wisdom product that benefits the tourism and hospitality industries. The implications of this research offer stakeholders and MSMEs guidance on how to innovate and ensure the legality of Balinese local wisdom products.

**Keywords:** strengthening; brand; legality; MSME; local wisdom products

## 1. Introduction

Balinese arak is a traditional alcoholic beverage with a long history, originating from the time of the Hindu kingdoms and being handed down through generations. According to Pasma [1], an Indian historian, in his book “Indian Religion,” offering liquor is a ritual in Hinduism that is performed to appease the gods and ancestors in heaven. This practice has been a part of Hinduism since its origin in India. The Balinese people, particularly in villages with cold natural conditions, continue to strongly uphold this cultural heritage that has been transmitted across generations. Consuming wine is a customary practice that serves to increase body temperature. Parents in Bali-Indonesia occasionally utilize Arak, a type of alcoholic beverage, as a liquid ingredient to enhance the effectiveness of the spice scrub, commonly known as

Boreh, in promoting overall bodily well-being. In addition to Arak, there is another traditional beverage known as Brem, which is produced through fermentation of sweet cassava. These two alcoholic beverages are used in religious rituals and typically imbibed by the Balinese population to generate bodily warmth.

The alcohol content of Arak and Brem found in Bali ranges from 35% to 45%. These beverages are produced by local home industries and can be purchased at small stalls. The proficiency demonstrated by artisans in Balinese villages in the production of Balinese arak yields substantial economic advantages for village communities, particularly in the context of tourism in Bali. The original source of raw material for producing Balinese Arak was Nira water (saps) extracted from palm trees and Lontar trees. Currently, it is undergoing further development through the utilization of grapes and snake fruit as primary ingredients in the production of arak. When compared to wine production from other countries, Balinese Arak is of equal quality to various categories of internationally renowned alcoholic beverages.

This study collected data from two villages, specifically Duda Timur Village and Duda Utara Village, located in the Selat District of Karangasem Regency. According to the data provided by the Department of Industry and Trade and UMKM, there are approximately six (6) artisans in Duda Utara Village and seventeen (17) artisans in Duda Timur Village. Based on the findings from interviews conducted with twelve (12) craftsmen and two (2) community leaders of Duda Village, it can be elucidated that the craftsmen possess a considerable production capacity and four (4) production and distributor managers. Furthermore, the availability of raw materials is plentiful. However, the marketing of their products remains limited. According to the regulations of the Indonesian Food and Drug Supervisory Agency (BPOM-Indonesia), the craftsmen have failed to satisfy the production quality criteria. The alcohol content of the artisans' arak ranges from 30% to 40%, which is quite high. Therefore, it is considered hazardous to public health to consume it without any restrictions. The lack of comprehensive understanding and expertise among craftspeople in managing this beverage has led to controversy, which in turn has affected legal matters and reduced community revenue. Security personnel frequently intercept craftsmen who sell arak to customers, confiscating their arak and depriving them of all income.

In order to address this challenge, the government implemented the Bali Governor Regulation (Governor Regulation No. 1 of 2020), which governs the production and distribution of Balinese fermented and/or distilled beverages. This legislation effectively controls the manufacturing process, particularly the alcohol content, by prohibiting the use of chemicals. The product packaging conforms to the prescribed quality standards (SNI), and the marketing and distribution channels are controlled to avoid uncontrolled circulation. The technical purpose of this regulatory initiative is to protect the interests of consumers and producers, guaranteeing their safe operations and the supply of products that provide appropriate benefits to all parties concerned.

Balinese Arak requires a unique brand and packaging that can establish trust among consumers. As of now, Arak lacks recognition among both domestic and international consumers. To date, Balinese Arak has been unable to effectively cater to the fast-expanding hotel industry in Bali. In order to ensure the seamless functioning of the legal, operational, and marketing aspects of this product, it is imperative to exert

efforts toward enhancing the Balinese Arak brand. The controversy escalated as religious authorities presented divergent perspectives. The Balinese Arak has garnered significant media attention due to its complex role in preserving cultural heritage, potentially harming both older and younger generations. This study aims to investigate the constructive effects of enhancing the brand and legality of Balinese Arak on MSMEs, thereby facilitating the global export market for the Balinese Arak brand and bolstering the tourism industry. This impact extends beyond the domestic market to encompass the international markets, aiming to strengthen the tourism industry. What strategies should stakeholders employ to enhance the strength of the Balinese Arak brand and expand its market presence, particularly in the hotel industry?

## **2. Literature review and theory**

### **2.1. Literature review**

In 2022, the Minister of Education and Culture, Research, and Technology officially recognized Balinese Arak as an Intangible Cultural Heritage (WBTb). This designation was made based on the Decree (SK) of the Minister of Education, Culture, Research, and Technology of the Republic of Indonesia Number 414/P/2022, which specifically identifies Indonesia's intangible cultural heritage for the year 2022, as outlined by Wibana [2]. The classification of Balinese Arak as a Geographical Indication (GI) in Indonesia has prompted the Governor of Bali, Kotler [3], to mandate that hospitality establishments in Bali. Hotels, restaurants, and tourism businesses should be able to offer Balinese Arak as an authentic local beverage for tourists. Artisans and entrepreneurs are urged to enhance the quality, packaging, and branding of their products by incorporating Balinese script in order to bolster the preservation and promotion of Balinese culture. Adhering to standardized production processes, implementing strategic marketing techniques, and maintaining strict quality control measures can ensure robust competition at local, national, and international levels.

Arak is a traditional beverage produced through the fermentation of natural substances like Nira, which is the juice extracted from coconut trees or sugar palm trees. This drink holds significant cultural and economic importance for the Balinese community, according to Pranatayana [4] and Kumaresan [5]. Bali has a long-standing tradition of incorporating this beverage into social gatherings and religious ceremonies for many centuries, according to Sugiarta [6] and Putra [7]. This customary beverage is employed in religious rituals and festivities as a tribute to the deities and forefathers. The history of Arak in Bali is closely intertwined with the traditional manufacturing techniques that have been handed down through generations, showcasing the local expertise in sustainable resource management. Arak production has traditionally been closely tied to the local economy in numerous villages in Bali. The involvement of the local community, particularly in East Duda village, in the production of local Arak has significantly enhanced the economic status of the community; it was in line with the research of Saragi [8]. The Arak industry plays a significant role in generating income for farming families residing in rural villages, according to Santika [9]. From a cultural standpoint, Arak serves not only as a beverage but also as a representation of communal solidarity and cohesion. Arak is utilized in a multitude of social gatherings

and customary rituals, underscoring its significance as a fundamental element of Balinese culture, as explained by Putra [7] and Pradnyandita [10].

There have been multiple alterations to the regulations governing the manufacturing and dissemination of Arak in Bali. Previously, the Arak industry encountered legal obstacles as a result of stringent regulations pertaining to the manufacturing and distribution of alcoholic beverages. Recently, the Indonesian government, particularly the Bali regional government, has shown increased interest in legalizing Arak as a cultural heritage product, as explained by Pradnyandita [10] and Sudarsono [11]. This encompasses the implementation of more adaptable regulations pertaining to the production, distribution, and sale of Arak, with the aim of bolstering the local industry and promoting tourism.

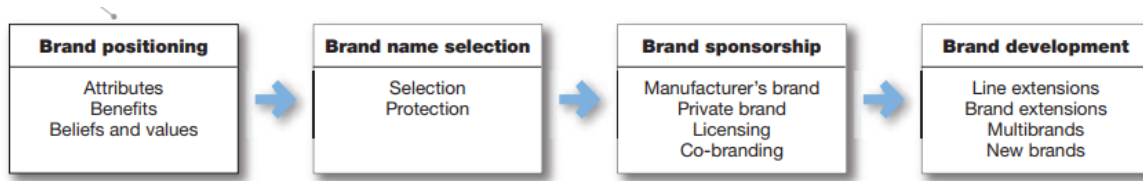
The process of establishing and enhancing the reputation of the Balinese Arak brand encounters various obstacles, including legal concerns and competition within the market, as explained by Pranatayana [12] and Syartanti [13]. A major obstacle in the Balinese Arak industry is the matter of legality, licensing, standardization, and taxes, which can impede business growth, as explained by Bramanta [14] and Bismantara [15]. The lack of legal clarity poses challenges for Arak producers seeking to access broader markets, both domestically and internationally. The unfavorable perception of alcoholic beverages within certain segments of Indonesian society, shaped by social and religious values, poses a challenge in the promotion of Balinese Arak. Conversely, the negative perception of alcohol consumption can restrict the market and pose challenges in promoting Arak as a cultural and tourist commodity.

The alcoholic beverage market is highly competitive, facing strong competition from both local and international brands. Bali Arak faces competition from other products that may possess greater resources for marketing, distribution, and product development. Preserving a distinct identity while contending with well-established brands poses a significant challenge. Therefore, Balinese Arak producers must guarantee that the production process remains genuine and of superior quality in order to uphold their reputation and gain the trust of consumers.

## 2.2. Branding theory

Successful branding strategies employed by both domestic and international brands can offer valuable insights for enhancing the reputation of the Balinese Arak brand. Effective positioning enables products to differentiate themselves in the market. In the case of Balinese Arak, it can employ a comparable branding strategy for its beverage by highlighting its authenticity, historical significance, and high production standards Sudarsono [11].

Branding theory explains that brand imaging presents challenging decisions for marketers, as explained by Kotler [2]. **Figure 1** explains that key brand strategy decisions involve brand placement, brand name selection, brand sponsorship, and brand development. This brand placement must be clear at one of these levels.



**Figure 1.** Major brand strategic decision [12].

An effective marketing strategy is crucial for establishing a brand, and Balinese Arak utilizes the historical and traditional aspects of its production process as a central element in its marketing efforts. According to Putra [7], Balinese Arak can leverage compelling narratives surrounding cultural heritage and traditional manufacturing methods to captivate consumer attention. Furthermore, engaging in cooperation with various stakeholders, such as the government, local communities, and the tourism industry, has the potential to enhance the reputation, perception, and exposure of the brand and its products, according to Karta [16]. Research conducted by Kumaresan [5] stated that according to the paradigm of brand awareness, the Balinese Arak products now available in the market lack a robust brand identity. Statement of Kumaresan [5] asserts that brand awareness exerts a significant impact on customer decision-making and intentions to make future purchases. Brand theory [1], as presented in Harcourt H [17], presents the stages of brand awareness at the brand level in a hierarchical manner: 1) unaware brand, 2) brand recognition, 3) brand recall, and 4) top-of-mind brand. This phase of brand development can serve as a definitive framework for constructing and enhancing product brands. We categorize Balinese Arak as a highly genuine and well-preserved indigenous knowledge product through the lens of endogenous goods. According to Setyawati's research [18], heritage and commitment to quality are factors in the appeal of indigenous products. Research has demonstrated that sincerity does not influence the appeal of indigenous Batik products.

### 3. Methodology

Studies conducted on alcoholic beverage brands, such as Arak, often concentrate on narrow viewpoints and tend to generate significant results and positive conclusions. This research involved extracting data from multiple sources, revealing several inconsistencies that required a comprehensive and cohesive solution. Each participant assigns their own individual interpretation to each variable that functions as an indicator in the study. The present study utilizes a qualitative research methodology, specifically employing in-depth interviews with key informants, document analysis, and field observations to examine the manufacturing process, distribution, and legal obligations linked to alcoholic beverage products. The primary participants in this study consist of 18 key informants, as shown in **Table 1** below:

**Table 1.** List of key informans Balinese arak.

No.	Profession	Amount
1	Balinese Arak Craftmans	9 person
2	Head of MSME Karangasem Regency	1 person
3	Government staff of Karangasem Regency	4 person
4	Head of Duda Villages and staff	2 person
5	Manager & staff of CV Dukuh Lestari (Arak's Factory with licency)	2 person

Sources: Personal Data (2024).

The informants are exclusively male and female respondents, aged between 30 and 57 years old, who have over a decade of experience in Arak production and have been actively involved in empowering the craftmans. We conducted interviews and focus group discussions at each stakeholder site to gather data, document the Arak creation process, and conduct a qualitative analysis. Each key informant's information is extracted and analysed for verification by other relevant parties. The qualitative study of this research yields three distinct findings: enhancing and strengthening the local brand of Balinese Arak from a government, MSME, and socio-religious standpoint.

## 4. Results and discussion

This research aims to investigate the diverse challenges that emerge in the process of enhancing and strengthening the Balinese Arak brand. This is significant because it has a concurrent influence on the economy, tourism, and sustainable development of Balinese society. The discussion approach aims to enhance the Balinese Arak brand, considering three perspectives: the government's interests, societal interests, and the business and religious sociological aspects.

### 4.1. Strengthening local product brands from a government perspective in Bali

In this scenario, the government assumes the role of compiling regulations and overseeing the legal and administrative aspects of life in the province of Bali. Since the designation of Balinese Arak as an Intangible Cultural Heritage (WBTb) in 2022, the government has started focusing on the development and preservation of local cultural elements. As Pasma explained [1], during the WBTb determination session, the Head of the Bali Provincial Culture Service emphasized the significance of designating nine (9) Balinese cultural heritages as WBTb with national coverage. One of these skills is the expertise in producing Balinese Arak, a form of local/traditional knowledge that holds significant potential for further development. The community sustains itself through the production of arak, which serves as a primary source of income for both daily consumption and religious purposes. The Bali Arak product has been designated as WBTb, along with eight other cultural heritage products. This designation ensures that the product is nationally protected and recognized.

The nine Balinese products included in WBTb are classified into three categories based on specific skills (traditional craft skills, including 1) Balinese Arak, 2) Uyah

Amed, 3) Jaja Laklak, 4) Sate Lilit, and 5) Serombotan), knowledge skills, and behavioral habits related to the universe, including 6) Balinese Lontar, a collection of knowledge and expertise on customs, rites, and celebrations. 7) Ida Bhataras Sakti's Pemijilan Sakti Ngerta Gumi, 8) Mejaran-jaranan, and 9) Berko Performances are different forms of performing arts skills.

Given its influence on individuals' well-being, safeguarding this commodity falls under the jurisdiction of the government. One of the government's initiatives in this regard is the enactment of Bali Governor Regulation Number 1 of 2020, which focuses on the management of Balinese fermented and/or distilled beverages, according to Koster [19]. This regulation stipulates that measures are being taken to safeguard cultural assets that have contributed to the economic and welfare well-being of community members. The sustainability of this Arak product is ensured through a well-executed production process, meticulous ingredient selection, consistent production outcomes, effective branding strategies, and expert packaging. By establishing effective distribution channels and ensuring compliance with distribution permits, taxes, and customs duties, Arak production can yield substantial advantages. Ministerial Regulation No. 1 of 2020 provides protection, legal recognition, and, most importantly, a valid permit for the distribution of Balinese Arak. This protection encourages Arak producers to engage in new forms of creativity, such as innovating in flavor options (aroma), branding packaging, ensuring hygiene and sanitation, and providing sustainable guarantees.



(a)



(b)

**Figure 2. (a) Arak Bali as Souvenirs; (b) Launching of Arak Days.**

Source 1: Pasma [1] Governor of Bali Proclaims Bali Arak as a G20's Souvenir.

Source 2: Udiana [20] Launching of Arak Poleng in East Duda Village-Karangasem.

As shown in **Figure 2a**, the Governor Koster [19] identified several Balinese Arak brands that met the criteria for selection as gifts for delegates from Bali during the G20 Nations Conference. The tourism officials, together with Mr. I Gede Pawana, the Head of East Duda Village, and Mr. Rudy Halim, the Main Director of PT. Ratnajaya, formally introduced Arak Poleng in East Duda Village, situated in Karangasem Regency. The slogan underscores that Balinese Arak is designed to be health-promoting rather than to provoke intoxication. The government's protection simultaneously provides beneficial results for the welfare of Arak artisans and ensures the preservation, development, and conservation of ancestral cultural heritage. By adopting strategies to protect and improve its cultural legacy and complying with rigorous rules, Balinese Arak has effectively increased its brand worth. A study

undertaken by Karta [21] has revealed that branding is of paramount importance in augmenting the brand equity or image of a product. Not only is Balinese Arak a memento for the delegates attending the G-20 Conference, but this beverage is also being manufactured and served more frequently in luxury hotels in Bali. As shown in **Figure 2b**, Balinese Arak Day is formally observed on 29 January 2023. The popularity of Balinese Arak among tourists yields a favorable influence on the advancement of indigenous knowledge products. Balinese Arak products have established a robust brand identity by virtue of their legality, enabling their sale to international tourists. These results are also in line with the study by Setyawati [18]. On locally produced local wisdom with high authenticity.

#### **4.2. Strengthening local product brands from a business and msme perspective**

The art of Arak production has been a longstanding tradition among the Balinese people, tracing its origins to the prosperous period of the Hindu kingdoms in Bali. Primary ingredients used in the production of Balinese Arak in East Duda Village include Snake Fruit's Arak, Palm Tree's Arak, Lontar Tree's Arak, and Cashew Nut's Arak. East Duda Village features vast and agriculturally productive areas specifically designed for growing Salak, Palm, Palmyra, and Cashew crops. Additional improvements are necessary for the manufacturing of arak from this specific plant. The notion of manufacturing Arak using the basic components identified above appeared to be well received by Arak artisans from East Duda Village and other traditional Arak craftsmen living in Kubu District. During an interview with Mr. Pawana, the Head of East Duda Village in 2023, it was disclosed that the Arak artisans in the village originally exclusively catered to the local populace and had not yet expanded their operations into the tourism sector. Gubernatorial Regulation Number 1 of 2020 provides safeguards for domestic products in the fermented drinks sector within the regulatory framework. Moreover, the Representative of Duda Timur Village of Cooperation in 2023 names BUMDES. East Duda Village explained that the wide range of Arak products made by skilled craftsmen, which include various essential elements and varied results, increases the attractiveness of this Arak for professional packaging and commercial purposes. Operating under this assumption, the craftsmen were consolidated into a unified Arak cooperative, which was subsequently named Arak Poleng. Poleng is a chromatic term denoting the amalgamation of black and white hues.

In an interview conducted in East Duda Village in 2023, Mr. Lobar, a seasoned veteran of the Arak distilling industry for 25 years, disclosed that he has been the proprietor and operator of four Arak distilling business units in the same village. As Mr. Lobar [22], who emphasized the Arak business's difficult nature and its potential for high profitability but also the significant risks associated with non-compliance with legal obligations, highlighted both of these factors. Nonetheless, the enactment of Gubernatorial Regulation No. 1 of 2020 has afforded all craftsmen an enhanced sense of security.

Based on the results obtained from field observations and interviews, it has been determined that a solitary Arak distillation unit, which uses Nira, Enau, or Lontar trees



as the primary biomass, has a production capacity of 160 liters. This unit has the capacity to manufacture 24 liters of arak with a 30% alcohol concentration. Before undergoing branding, this genuine Arak was directly packaged and sold to consumers at a price of IDR 30,000 per 600 ML (Meli Liter). By ensuring the availability of essential raw materials and maintaining a continuous production process, a single Arak distillery unit has the potential to generate a monthly revenue in the hundreds of millions. Yet, there are occasions when climatic factors, such as rainfall and the existence of young Enau trees, hinder craftsmen from extracting Nira from these trees. In remote areas such as Lombok and Java, the resulting Arak is distributed and sold independently, without any affiliation with a particular brand. Furthermore, a small number of non-luxury hotels also acquire this Arak product, albeit in restricted amounts, exclusively as an unbranded Home Industry (IRT) product. According to Lobar [22], he created his own brand, named Brand Jhonson, as a direct response to the demand for Arak in cocktail mixes at small hotels.

Based on commercial calculations, the Arak artisans and their network of Nira suppliers, situated in different villages in Karangasem Regency, have a favorable prospect to improve their products. The presence of the village cooperation bureau (BUMDES) responsible for regulating the legality of Arak products greatly assists and protects the community in improving their production results. For instance, in East Duda, BUMDES packages and labels a range of Arak products that were previously priced at Rp. 30,000 per 600 ML. Nevertheless, the selling price has grown two-fold to Rp. 90,000. Customers who buy arak from village-owned businesses (BUMDES) don't worry about the merchants detaining them. The authorities received notification as a result of the acquisition of a relatively limited amount at a substantial cost. Upon the launch, Arak Poleng's diverse brands manufactured at Pasraman Mulat Sarira in East Duda Village were introduced to tourism stakeholders, allowing them to enter new and wider markets while adhering to legal requirements and improving quality control. Exploratory initiatives have been undertaken to introduce Arak Poleng products to twenty high-end hotels, and overall, these hotels have shown interest.

The government supports these craftsmen in meeting higher production and distribution standards while they are operating as MSMEs or household business units with the lowest level of business permits. The director of PT Ratnajaya Halim R. [23] announced in an interview with *Lintasakrawalanews* in 2023 that his company is prepared to process the community's traditional Arak in order to enhance its hygiene and quality. The company also plans to package the product with more secure branding, enabling it to be sold in a broader market, both domestically and internationally.

PT Ratnajaya acts as an intermediary that links Arak MSMEs and assists them in maintaining their commercial activities. To fulfill the criteria for overseeing and managing the alcoholic beverage sector, which include obtaining a business license and adhering to production quality standards outlined in Minister of Industry Regulation Number 17 of 2019, one can establish a partnership with PT Ratnajaya. The classification of Bali Arak as a raw material is stipulated in Article 7 of Gubernatorial Regulation Number 1 of 2020. Subsequently, it is allocated via cooperatives to major producers who hold Industrial Business Permits, as outlined in Minister of Trade Regulation Number 20.M-DAG/PER/4/2014. Furthermore,

Regulation 14/2016, issued by the Head of the Food and Drug Supervisory Agency, regulates the distribution of the product to ensure that it does not have any adverse impacts on society.

The Arak Poleng product, produced by PT Ratnajaya, is subjected to distillation to remove methanol, yielding three unique flavor variations: salad, cashew, and sugar palm. The introduction of Arak Poleng's new product broadens PT Ratnajaya's product portfolio. Formerly, their product range consisted solely of Infinity Absolut Arak, a blend of Arak Lontar and Baccarac Cashew Apple obtained from Arak artisans in Juntal Kubu village, Karangasem Regency. The craftsmen employ distillation technology to reprocess all the raw materials for Arak, generating Arak of superior quality with a unique brand that is ready for placement in the international market. The quality of the Arak produced by PT Ratnajaya is equivalent to that of imported Arak from different countries. Adhering to this method will result in an increased, guaranteed, and legally in line selling price of Balinese arak. Implementing professional management by expert personnel improves the Bali Arak brand and ensures the welfare of Arak craftsmen in Bali. The objective of Micro, Small, and Medium Enterprises (MSMEs) to attain upward mobility is accomplished by the collaboration between major multinational firms and MSMEs, leading to enduring benefits for the local craft community in the village and also differentiate them with others. This study corroborates the findings of Karta [16,24], which indicate that stakeholders play a significant role in enhancing brands.

The Balinese Arak brand is primarily enhanced through the implementation of foreign brand branding methodologies in this specific context. Adhering to Sudarsono's [11] perspective, robust market control can be attained by adopting a beverage brand strategy that emphasizes excellence, genuineness, and historical prominence. According to a study conducted from the viewpoint of Micro, Small, and Medium Enterprises (MSMEs), the Balinese Arak brand is currently either unknown or in the stage of brand recognition, as explained by Aaker [25]. Under these circumstances, it is necessary to make more focused and rigorous efforts to enhance the brand recognition of this product, positioning it as a top-tier brand in the minds of consumers, as explained by Harcourt [17]. Furthermore, the findings of Setyawati [18] indicate that Balinese Arak, an indigenous product with significant authentic worth, warrants simultaneous efforts to enhance its authenticity. It's in line with the brand theory strategy by Kotler [3].

### **4.3. Controversies from a socio-religious perspective in society**

Optimal coordination of the Arak Poleng launch is expected to result in positive outcomes for all parties involved. Including the community, micro, small, and medium enterprises (MSMEs), artisans, government, academics, and the media. Within our nation, which adheres strictly to the principles of religious truth and sacred scriptures, there exist contrasting viewpoints between religious authorities and leaders of the social community. Clarifying the difference between focus and locus is essential for obtaining a meaningful answer about the granting of a distribution permit for alcoholic beverages and its resulting consequences, such as alcohol-induced unconsciousness.

A researcher, Gunardi [26], asserts that ethanol is the sole form of alcohol that is permissible for human consumption. The fermentation process employed to generate this specific type of ethanol involves the utilization of yeast, sugar, and starch. Nevertheless, it is crucial to acknowledge that methanol and isopropanol, which are distinct forms of ethanol, harbor significant toxicity and should be avoided from consumption. According to Koster [19], as the Governor of Bali, he is committed to continuously promoting, directing, improving, and supervising Balinese Arak in order to ensure its recognition as the world's 7th most prestigious spirit drink. This study provides clarification that world spirits, classified as category C, have an alcohol content ranging from 25% to 45% and are manufactured by the process of distillation. The first among the seven top-tier spirits is Irish Whisky, characterized by a 40% alcohol concentration. (2) This is a variant of rum derived from West India, characterized by a 40% alcohol content. Molasses is derived from the fermented juice of sugar cane. Produced in the Netherlands, this gin has an alcohol content of 40%. Distilled from the fruit of the Juniper tree. An alcohol content of 35% in vodka is sourced from Russia. Tequila, with a 33% alcohol content, is predominantly derived from Mexico. The alcohol content of this brandy is 35%, and it is manufactured in the Netherlands using grape distillates. 7) Balinese Arak, widely referred to as BARAK, is produced in Indonesia using coconut juice, palm, snake fruits, and lontar. Its alcohol content typically falls between 35% and 40%.

Spiritual and societal analysts interpret this statement not as an indication of advancement but rather as a warning signal for the future of the nation's future generations. Paiketan Krama Bali delivered a formal rejection by means of an open letter, referencing particular passages from the sacred scripture, notably Manu Smerti Chapter 9 verse 225. This passage expressly prohibits the ingestion of alcohol, especially to the point of causing loss of consciousness or intoxication. Inadequate understanding of the rules pertaining to alcohol consumption has adverse consequences on the frequency of criminal behavior in society.

Moreover, Lobar [22] further elucidated that the retail of alcoholic beverages is available to the general populace. Given its reasonable pricing, individuals can afford to buy it. Under the imperative of achieving successful sales, it is not uncommon for the distribution/sales distribution of Arak to refrain from specifying a target market.

To safeguard their traditional Arak-making expertise, it is imperative for the government and MSMEs to receive extensive support through inclusive education and oversight that engages all sectors of society, including families, legal authorities, educational institutions, and teachers. Integrating the vision and mission of safeguarding cultural heritage into every lesson is of utmost importance, in addition to providing education on the benefits and drawbacks of consuming alcoholic beverages. This will augment the understanding of Balinese Arak among the younger generation.

Owing to the enforcement of government regulations and the scrutiny of legal elements by legal and business experts, including MSMEs, the administration of Balinese Arak has become more focused. The research conducted by Putra [7] and Prodjosantoso [27]. indicates that Balinese Arak has the potential to successfully captivate consumers by using a captivating storyline focused on cultural heritage and traditional fabrication techniques. Furthermore, it is imperative to maintain and stay committed to improving the prominence and willingness to accept the product by

guaranteeing the active participation, contribution, and collaboration of stakeholders, including the government, local communities, and the tourism sector.

## 5. Conclusion

Based on the aforementioned writing, it can be inferred that the stakeholders's (government, MSME, and social community) efforts to enhance and strengthen the Balinese Arak brand are suitable. Similarly, the endeavors to introduce the Balinese Arak brand to the hospitality industries and global export market have had a favorable influence on artisans and micro, small, and medium enterprises (MSMEs) in the villages. Sustainable production, adherence to standard production quality, and the development of reputable brands all have a significant impact on the elevation of MSMEs in producing export-standard products. To ensure the accomplishment of the aforementioned objectives, it is imperative to prioritize the monitoring and supervision of third parties as stakeholders, considering legal, social, and religious perspectives. This is crucial in order to prevent any potential risks or negative effects of alcoholic beverages on the younger generation. The involvement of these three stakeholders significantly contributes to the preservation and long-term viability of Balinese Arak as a valuable local indigenous product in supporting the hospitality industries.

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