

Digital marketing's impact on Central Borneo consumers' propensity to buy via increased brand recognition The Regional National Crafts Council's Souvenir

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Abstract

The objective of this investigation is to ascertain. The Impact of Digital Marketing on Consumer Purchasing Decisions through Brand Awareness at Central Borneo Dekranasda Souvenirs. This research employs a quantitative methodology, utilizing a sample size of 100 respondents. The data collection in this research employed a questionnaire that utilized a Likert scale. The research utilizes primary and secondary data sources. The investigation was carried out utilizing the Partial Least Square (PLS) analysis method. The research findings indicate that Digital Marketing has a noteworthy and positive impact on Purchasing Decisions and Brand Awareness at Central Borneo Souvenir Dekranasda. Additionally, Brand Awareness also has a positive and significant influence on Purchasing Decisions at Central Borneo Souvenir Dekranasda. Furthermore, Digital Marketing has a positive and significant influence on Purchasing Decisions by means of Brand Awareness at Central Borneo Souvenir Dekranasda.

Keyword: Digital Marketing, Brand Awareness, and Purchasing Decisions.

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1. INTRODUCTION

The process of business expansion in the era of globalization has experienced significant growth and intensified rivalry, necessitating that every organization possess a keen awareness of consumer demands. Competitive companies effectively utilize technology in their marketing strategies to promote their products. Enhancing individuals' buying capacity significantly impacts the growth of a company's operations.

To confront escalating competition, organizations must diligently consider the demands and preferences of consumers to facilitate a purchasing choice. The purchasing decision is the phase of the decision-making process in which customers actively acquire products (Muthiah & Setiawan, 2019). Digital marketing is a significant determinant of purchasing decisions. Digital marketing involves utilizing digital or internet technology to promote products or services through online channels such as websites, email, databases, digital TV, and other cutting-edge developments. The utilization of various online platforms such as blogs, feed podcasts, and social networks is intended to enhance marketing efforts and foster the establishment and growth of relationships with consumers (Yacub & Mustajab, 2020). Brand awareness is another influential aspect in purchase decisions. Brand awareness is crucial in influencing purchasing decisions by creating brand associations. A product with a buoyant brand image aids in marketing efforts. Brand awareness refers to customers' capacity to identify and recall brands in various contexts (Fenetta & Keni, 2020).

The Central Borneo Souvenir Dekranasda is a hub for high-quality handicrafts and culinary specialities in Central Kalimantan. These items are created by small and medium industry operators supported by the Regional National Crafts Council (Dekranasda). Central Borneo Souvenir Dekranasda promotes its items through both online and offline channels. The products are advertised online through Instagram, Facebook, and the TokokaltengBerkah.com website. Offline Central Borneo Souvenir Dekranasda organized events and collaborated with multiple entities in Central Kalimantan. However, it is undeniable that numerous competitors also offer comparable products. The Central Borneo Souvenir Dekranasda party must continue innovating in product development and marketing strategies.

2. LITERATURE REVIEW

Digital Marketing

Digital marketing uses the internet and other interactive technologies to create and connect dialogue between companies and consumers who have been identified with the marketing concept and are digitally empowered by aligning information technology and marketing (Harto et al., 2021). By providing all the needs and desires of prospective customers, prospective customers can also find and get product information only by exploring cyberspace to facilitate the search process. Digital marketing is a company business form that forms preferences and markets its products with measurable money targets through digital technology (Aisy, 2021). As for digital marketing indicators, according to (Romadlon et al., 2020), namely information coordination, trade, community, information content, and communication.

Brand Awareness

Brand awareness or brand awareness was created and improved by increasing brand intimacy through repeated exposure so that consumers feel familiar with the brand (Muthiah & Setiawan, 2019). Brand awareness is the ability of consumers to remember a brand and what makes it different from other brands. Brand awareness is the ability of consumers to recognize and remember a brand, including names, images, logos, and slogans that these brands have used to promote products (Maganti, 2020). The brand awareness indicators are recalled, known (recognition), purchase, and consumption (Sari et al., 2021).

Buying decision

Purchasing decisions are one of the stages in the purchasing decision process before post-purchase behaviour. When entering the previous purchase decision stage, consumers have been faced with several options, so at this stage, consumers will take action to decide to buy products based on the specified choices. Purchasing decisions are influenced by marketing stimuli consisting of products, prices, distribution, and promotion. Purchasing decisions are the stages of customer evaluation, forming preferences between brands and choices and shaping the intention to buy the most preferred brands (Tanady & Fuad, 2020). The purchasing decision is the buyer's decision on the product you want to buy (Ekasari & Mandasari, 2021). Purchase decision indicators include stability to buy after knowing product information, deciding to buy because it is the most preferred brand, buying according to needs, and buying because of recommendations from others (Pertwi et al., 2023).

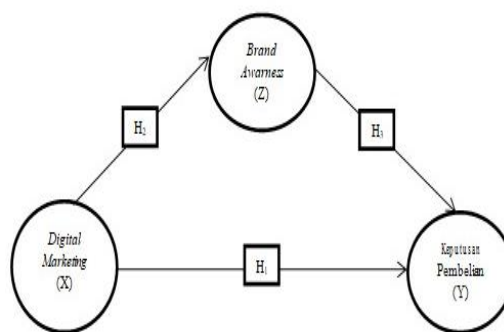


Figure 1. The framework of the research concept framework

H1: Digital marketing affects the purchasing decision at Central Borneo Souvenir Dekranasda

H2: Digital marketing affects brand awareness at Central Borneo Souvenir Dekranasda

H3: Brand awareness affects the purchasing decision at Central Borneo Souvenir Dekranasda

H4: Digital marketing affects the purchasing decision through brand awareness at Central Borneo Souvenir Dekranasda

3. METHOD

The type of research used is quantitative research. Quantitative research methods can be interpreted as research methods based on a philosophy of positivism, used to examine specific populations and samples, data collection using research instruments, and data analysis is quantitative or statistical, intending to test the hypotheses set (Sugiyono, 2017). In this study, the data sources used are primary data and secondary data. The primary data of this study is the answers to the respondents of Central Borneo Souvenir Dekranasda to the questionnaire distributed by the author. Secondary data in this study were obtained from books, journals, theses, the internet relating to the problem of variables taken, and the central Borneo Souvenir Dekranasda company data. The population in this study was consumers or buyers in Central Borneo Souvenir Dekranasda. The sample in this study consisted of 100 respondents, and non-probability sampling techniques were used with the purposive sampling category. Non-probability sampling is a sample patching technique that does not provide the same opportunity/opportunity for each element or member of the population to be selected as a sample (Sugiyono, 2017). The sampling criteria in this study are: (1) Have bought a Central Borneo Souvenir Dekranasda product at least once and (2) at least 17 years old.

Table 1. Variable operational definitions

Variable	Defence	Indikator
Digital Marketing (X)	According to Aisy (2021), digital marketing is a form of company business that forms preferences and markets products with measurable money targets through digital technology.	1 Coordination of information. 2 Commerce (commerce). 3 Community (Community). 4 Content (content). 5 Communications
Brand Awareness (Z)	According to Febrian (2018), Brand Awareness is the brand's ability to appear in consumers' minds when they think about specific products and how easy it is for the product to appear.	1 Remember (recall). 2 Known (recognition). 3 Purchase (purchase). 4 Consumption.
Purchase Decision (Y)	According to Aisy (2021), a Purchase decision is a condition where consumers want to buy a brand that they like through several stages of recognizing the problem, looking for product information, evaluating, making purchases, taking action after making a purchase and feeling the impact of the purchase is called As a purchase decision.	1 Stability to buy after finding out product information. 2 Decide to buy because of the most preferred brand. 3 But it is because it follows the wishes and needs. 4 Buy because it gets a recommendation from others.

Source: Processed (2023)

4. RESULT AND DISCUSSION

Variable descriptive analysis

Descriptive variables in this study illustrate the responses of respondents measured through a questionnaire with a Likert scale consisting of 5 alternative answers—score 5 for the highest score and 1 for the lowest value.

Table 2. The average perception of respondents

Variable	Mean
Digital Marketing	3,63
Brand Awareness	3,40
Purchase decisions	3,51

Source: Processed Primary Data (2023)

Using a sample of 100 people, the results of descriptive statistical research can be explained based on their perception of all the variables studied. The independent digital marketing variable has an average score of 3.63 in the agreement category. Based on these results, it can be stated that digital marketing is one of the considerations consumers consider when buying products from Central Borneo Souvenir Dekranasda. Mediation, the brand awareness variable, has an average score of 3.40 with the agreement category. Based on these results, it can be stated that brand awareness is one of the considerations consumers consider when buying products from Central Borneo Souvenir Dekranasda. The more consumers know and remember a brand, the opportunity to decide to purchase products will be even higher.

The dependent variable is a purchasing decision with an average score of 3.51 in the agreement category. Based on these results, it can be stated that the purchasing decision means that respondents agreed before making decisions. Respondents will do information searches, determine the most preferred brand, buy according to needs, and get recommendations from others to buy a product.

Measurement model (outer model)

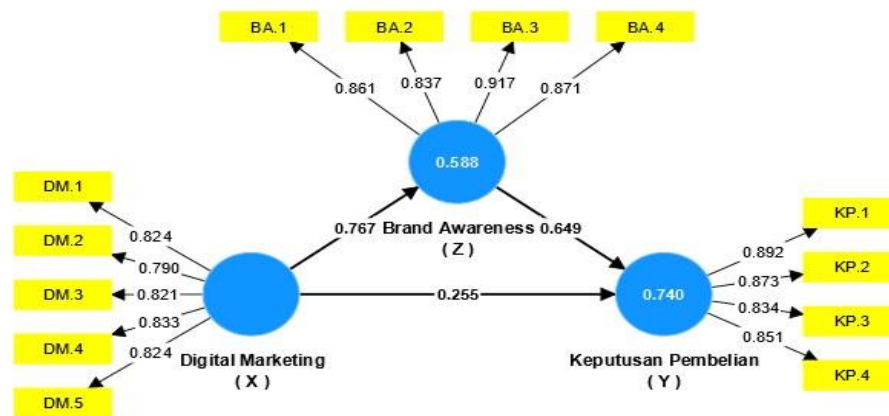


Figure 2. Outer Model

Based on Figure 2, it can be seen that the outer model test results obtained the outer loading above 0.70. All values in the variable have met the criteria, so further analysis can be carried out.

Convergent validity test

Table 3. Outer Loading

	Brand Awareness (Z)	Digital Marketing (X)	Purchase Decisions (Y)
BA.1	0,861		
BA.2	0,837		
BA.3	0,917		
BA.4	0,871		
DM.1		0,824	
DM.2		0,790	
DM.3		0,821	
DM.4		0,833	
DM.5		0,824	
KP.1			0,892
KP.2			0,873
KP.3			0,834
KP.4			0,851

Source: PLS 4.0 Cover Results Processed (2023)

The loading factor value of each indicator must be > 0.70. Table 3 shows that all indicators in each variable have an outer loading value > 0.70 (Cheah et al., 2020). So that it can be declared feasible or valid for use in this study and used for further analysis.

Validity Test in the Criminal

Table 4. Discriminant validity

	Brand Awareness (Z)	Digital Marketing (X)	Purchase decisions (Y)
BA.1	0,861	0,655	0,710
BA.2	0,837	0,666	0,725
BA.3	0,917	0,651	0,739
BA.4	0,871	0,699	0,768
DM.1	0,548	0,824	0,550
DM.2	0,596	0,790	0,550
DM.3	0,764	0,821	0,759
DM.4	0,586	0,833	0,639
DM.5	0,600	0,824	0,532
KP.1	0,755	0,706	0,892
KP.2	0,794	0,684	0,873

KP.3	0,658	0,555	0,834
KP.4	0,698	0,641	0,851

Source: PLS 4.0 Cover Results Processed (2023)

An indicator is declared to meet the discriminant validity requirements if the variable's cross-loading indicator is the largest compared to other variables. Based on Table 4, it can be seen that the cross-loading value of each indicator is greater than the indicator value of different variables. It can be concluded that the indicators used in this study reflect each variable well.

Reliability test

The reliability test is carried out to test the governance or confidence of the measuring device from data. This test can be seen from composite reliability. A reliable composite evaluation is done by seeing the value of Cronbach's Alpha and Composite Reliability. The variable is declared reliable if Cronbach's Alpha value > 0.60 and Composite Reliability > 0.70.

Table 5. Composite Reliability and Cronbach's Alpha

	Cronbach's Alpha	Composite Reliability
Brand Awareness (Z)	0,894	0,927
Digital Marketing (X)	0,878	0,910
Buying decision (Y)	0,886	0,921

Source: PLS 4.0 Cover Results Processed (2023)

Based on Table 5, it can be seen that all reliable constructs have a Cronbach's Alpha value > 0.60 and composite reliability > 0.70.

Structural Model Test (Inner Model)

The structural or Inner models aim to predict the relationship between latent variables. Furthermore, the inner model in PLS is evaluated using R² for the dependent variable, the coefficient path value (a path that describes the strength of bonds between variables) for the significance test between variables in the inner model (structural model) (Cheah et al., 2020). The R² value measures the level of alteration of independent variable changes to the dependent variable.

Table 6. R-Square

	R-square
Brand Awareness (Z)	0,588
Purchase Decision (Y)	0,740

Source: PLS 4.0 Cover Results Processed (2023)

Table 7 shows that the R-Square Variable Purchase Decision (Y) obtains a value of 0.740, which means that the digital marketing variable and brand awareness have a moderate influence on the purchase decision variable.

Table 7. Path coefficients

	Path coefficients
Digital Marketing (X) → Purchase Decision (Y)	0,649
Digital Marketing (X) → Brand Awareness (Z)	0,767
Brand Awareness (Z) → Purchase Decision (Y)	0,255

Source: PLS 4.0 Cover Results Processed (2023)

Evaluation of Path Coefficients is used to show how much the independent variable influences the dependent variable, the independent variable on the intervening variable, and the intervening variable on the dependent variable. Based on Table 7, the most significant path coefficient value is shown on the influence of digital marketing on brand awareness, which is 0.767 or 76.7%. Then, the influence of digital marketing on purchasing decisions is 0.649 or 64.9 %, while the smallest value is the effect of brand awareness on the purchase decision of 0.255 or 25.5 %. It can be concluded that the value of path coefficients shows a positive direction because all the values are above 0 (Hair et al., 2019).

Hypothesis testing

Hypothesis testing is used to determine whether a hypothesis is accepted or rejected by looking at the value of the results of statistics or tcount and p-values. Hypothesis Testing This study was conducted with the help of SmartPLS 4 software. Hypothesis tests were obtained by comparing the tcount and ttable values. The research hypothesis can be declared accepted if the t-count value > t-table (1,660) and p-value < 0.05. T-table values are obtained from the formula:

$$Df = n - k$$

DF = 100-3
DF = 97

Table 8. T-Statistic and P-Values

Hipotesis	Pengaruh	Original Sample	T- Statistics	P-Values	Hasil
H ₁	Digital Marketing for Purchasing Decisions	0,649	2,370	0,018	Diterima
H ₂	Digital Marketing for Brand Awareness	0,764	17,456	0,000	Diterima
H ₃	Brand Awareness Against Purchase Decisions	0.255	6,617	0,000	Diterima
H ₄	Digital marketing on purchasing decisions through brand awareness	0,498	6,457	0,000	Diterima

Source: PLS 4.0 Cover Results Processed (2023)

Based on Table 9, it can be seen that the four proposed hypotheses have a tcount ttable value (1,660). And p-value value <0.05.

The influence of digital marketing on buyer decisions

The findings of the academic study indicate that digital marketing exerts a positive and substantial impact on consumer purchasing decisions. This is demonstrated via T-Statistics/Calculation and P-Values, specifically with a Tcount of 2,370 and a Ttable of 1,660. The p-value of 0.018 is less than the significance level of 0.05. Furthermore, the responses provided by participants to each statement on digital marketing indicators have an average mean value of 3.63, falling inside the agreement category. These responses have a role in influencing the purchase choice at Central Borneo Souvenir Dekranasda. The results of the discussion indicate that the first hypothesis of this study has been confirmed, suggesting that digital marketing variables have a favourable and significant impact on purchasing decisions at Central Borneo Souvenir Dekranasda. The study findings indicated that digital marketing positively and substantially impacted purchasing decisions (Aliyah & Santoso, 2023; Hidayah & Suryawardana, 2018; Mahendra et al., 2022).

The influence of digital marketing on brand awareness

The findings of the study conducted by academics indicate that digital marketing has a beneficial and substantial impact on brand awareness. This is demonstrated by the T-Statistics/Calculation and P-Values, namely with a Tcount of 17,456 and a Ttable of 1,660. The P-value is less than 0.05. Furthermore, the responses provided by participants in each statement regarding digital marketing indicators have a mean value of 3.63, indicating agreement and impact on the brand awareness of Central Borneo Souvenir Dekranasda. The discussion results indicate that the second hypothesis in this study was accepted, suggesting that digital marketing factors have a favourable and significant impact on brand recognition at Central Borneo Souvenir Dekranasda. The findings of this study were corroborated by prior research undertaken by (Cahyanta et al., 2022; Kinanti & Imran, 2021; Rumapea & Putra, 2022). The findings indicated that POITIF significantly impacted brand awareness, as did the digital marketing variable.

The effect of brand awareness on purchasing decisions

The researcher's findings demonstrated a strong and statistically significant correlation between brand awareness and purchasing decisions. This is shown by the T-Statistics/Calculation and P-Values, namely with a t-count of 6.617 and a ttable of 1.660. The P-value is less than 0.05. Furthermore, the responses provided by participants about the brand awareness indicators significantly influence the purchasing decision at Central Borneo Souvenir Dekranasda. These responses have an average mean value of 3.40, falling inside the agreement category. The results of the debate indicate that the third hypothesis in this study was accepted, suggesting that the variable of brand awareness had a positive and significant impact on purchase decisions at Central Borneo Souvenir Dekranasda. The findings of this study were corroborated by prior studies undertaken by (Alfiana et al., 2023; Basuki et al., 2023; Setyawati et al., 2022). The study revealed that brand awareness positively and substantially impacts purchasing decisions.

The influence of digital marketing on purchasing decisions through brand awareness

The research findings indicate a solid and meaningful correlation between digital marketing and purchasing decisions, specifically through brand awareness. This is demonstrated by utilizing T-Statistics/Calculation and P-Values, specifically with a Tcount of 6.457 and a Ttable of 1.660. The P-value is less than 0.05. Furthermore, the respondents' answers to each item regarding digital indicators and brand

awareness significantly impacted their buying decisions, with an average mean value of 3.63 in the Agree category for Digital Marketing and Brand Awareness. 3.40 Establish Consensus on Category and Purchase Decisions 3.51 is inside the Agree category. The discussion results indicate that the fourth hypothesis in this study has been confirmed, suggesting that digital marketing impacts purchasing decisions through brand awareness at Central Borneo Souvenir Dekranasda.

5. CONCLUSION

Based on the data analysis reported in the previous chapter, it can be inferred that Digital Marketing has a favorable and significant impact on purchasing decisions through brand awareness at Central Borneo Souvenir Dekranasda. Enhancing the marketing process through digital marketing directly correlates to an improved level of brand recognition, which then impacts customer purchase choices.

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