

THE INFLUENCE OF DIGITAL MARKETING ON PURCHASE INTENTION WITH BRAND AWARENESS AS A MEDIATING VARIABLE

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Abstract- This study examines the relationship of digital marketing to purchase intention, and the relationship of digital marketing to purchase intention mediated by brand awareness. The digital marketing variable has 4 indicators, namely information recombination, accessibility, navigation interaction, and speed. The next variable, namely brand awareness, has 4 variables, which are brand familiarity, knowing or having heard of the brand, brand knowledge, and advertising. The last variable, namely purchase intention, has 3 indicators, namely interest, presence, and information. In this study, researchers used a purposive sampling technique to collect respondent, the population used was Ciputra University Surabaya students from class 2018 and 2019 majoring in International Business Management, in total there are 213 respondents collected as the sample. In this study, it was found that digital marketing on purchase intention is insignificant, meanwhile the mediating relationship between brand awareness and digital marketing and purchase intention is significant. This study can clarify the inconsistency from various previous studies related to the relationship of digital marketing and purchase intention. In this study, significant results were found if the mediating variable which is brand awareness was added to the relationship between digital marketing and purchase intention variables.

Keywords: *Digital marketing, Brand awareness, Purchase intention, Agenda Setting*

1. Introduction

The digital era has a big impact on companies, especially the dissemination of information and marketing. This can be developed into a digital marketing technique that has a strategic function to increase brand awareness of a brand. According to MarketingCharts.com (2017), the effective implementation of digital marketing strategies in 2018 is social media marketing as much as 18%. This is reinforced data by Wearesocial.com (2020) which states that Indonesia occupies the 3rd position in the world's social media growth. Furthermore, by Wearesocial.com (2021), Indonesian social media users who are most exposed to advertising are women and men aged 18-34 years. According to Nawaz & Kaldeen (2020), digital marketing, especially on social media, plays a role in increasing buying interest. According to Febriyantorito (2020), digital media to build brand awareness affects purchase intention. Therefore, this study further looks at the relationship between digital marketing to buying interest and alleged brand awareness to have a role in the relationship between digital marketing and purchase intention in creating a positive relationship.

2. Literature Review

2.1 Previous Research

Research by Nur Syakirah Ahmad, Rosidah Musa & Mior Harris Mior Harun (2016) said that content creation on digital media can be a medium for distributing brand or product information. Pulizzi (2013) explains that digital marketing must be able to provide information and knowledge about products to customers. According to Kotler & Keller (2016), brand awareness can influence consumer interest in making purchases on a product. By Ho, Chiu, Chen, & Papazafeiropoulou (2015) explained that mass media, internet media, and social media are important factors to increase brand awareness.

2.2 Theoretical Foundation

2.2.1 Digital Marketing

Digital marketing is one of the effective marketing communication techniques in disseminating product information to consumers that aims to distribute value and consistency in marketing content to reach the desired target audience (Koiso-Kanttila, 2004).

2.2.2 Brand Awareness

Brand awareness is an encouragement of buying interest due knowledge about products, services or even a brand (Kotler & Keller, 2016). According to Hutter et al. (2013), brand awareness can be created through any medium, the goal is to make consumers feel closer and familiar to the brand.

2.2.3 Purchase Intention

According to Foster *et al.*, (2019), purchase intention is the desire to buy a product or service, which has the possibility of making purchase actions in the future, with a thought process that shapes perception.

3. Research Framework

3.1 Analysis Model

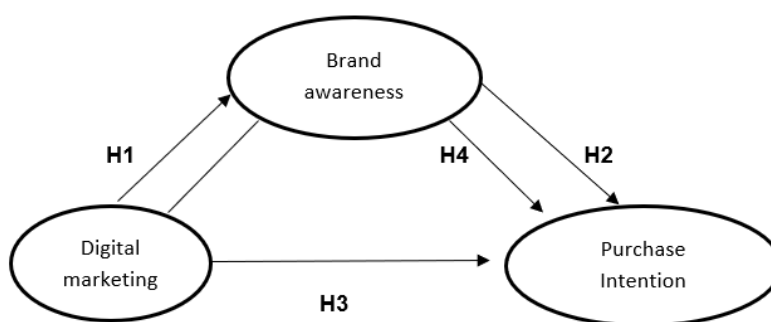


Figure 3.1 Thinking Outline
Source: Data processed by researchers

3.2 Hypothesis

H1: Digital marketing affects Brand Awareness.

H2: Brand awareness affects Purchase Intention.

H3: Digital Marketing affects Purchase Intention.

H4: Brand Awareness can mediate the relationship between Digital Marketing and Purchase Intention.

4. Research Methods

4.1 Types of Research, Samples, and Data Collection

This research used quantitative methods. The research population is Ciputra University Surabaya students, majoring in International Business Management class of 2018 & 2019 totaling 803 active students. The research sample used purposive sampling techniques with several arbitrary methods with characteristics by undergraduate students of Ciputra University Surabaya, majoring in International Business Management class of 2018 & 2019 who used social media Youtube, Whatsapp, & Instagram. This type of research data is primary obtained by distributing questionnaires. The research measuring instruments uses a Likert scale of 1-5.

4.2 Variables and Operational Definitions

Table 4.1 Operational Definitions of Variables

Variable	Conceptual Definition	Indicator	Operational Definition	Scale	Source
Digital Marketing	Digital marketing is one of the effective marketing communication techniques in disseminating product information to consumers that aims to distribute value and consistency in marketing content to reach the desired target audience. (Koiso-Kanttila, 2004)	1. Information recombination 2. Accessibility 3. Navigation interaction 4. Speed	1. Various information in marketing content that is well conveyed will attract consumer interest in a brand 2. Content in marketing that is easily accessible will be better in attracting consumer interest 3. Content in digital marketing content that is easy to understand will be better at increasing consumer interest 4. Marketing content on a product or brand that spreads quickly will be better at attracting consumer interest	Interval	(Koiso-Kanttila, 2004)
Brand Awareness	Brand awareness is an encouragement of buying interest due to knowledge about products, services or even a brand (Kotler & Keller, 2016)	1. Brand familiarity 2. Knowing or ever heard of the brand 3. Brand knowledge 4. Advertisement	1. It would be better if consumers are familiar with the brand or product first before buying 2. A product or brand that has been heard or known before will be more attractive 3. If you already have knowledge about the product or brand, it will attract more attention to consumers 4. Advertising exposure is important in increasing attention to a product or brand	Interval	Van den Driest, Sthanunathan & Weed, (2016)
Purchase Intention	Buying interest is the desire to buy a product or service, which has the possibility to make a buying action in the future, with a thought process that shapes perception. (Foster <i>et al.</i> , 2019)	1. Interest 2. Attending 3. Information	1. Consumers' feelings towards a brand affect their buying interest in that brand's products 2. It will be more interesting when you see the products that a brand markets directly when you want to buy 3. Having additional information on a particular	Interval	Karman (2015)

			product will create a greater feeling of buying		
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Source: Data processed by researchers (2020).

The research analysis used descriptive statistical methods and Structural Equation Modeling (SEM) consisting of Inner and Outer Model.

5. Results and Discussion

5.1 Analysis

5.1.1 Respondents Characteristics

Questionnaires to undergraduate students of Ciputra University Surabaya batch 2018 and 2019 who returned and filled in as many as 213 respondents, so that the number was used for analysis. The majority of students in 2019 amounted to 108 or 51%. The age of the majority of respondents ranged from 21-24 years at 107 or 50.2%.

5.1.2 Descriptive Statistics

The mean value of the digital marketing variable of 4,112 is categorized as high, so if marketing is less attractive, it will not attract the attention or interest of the intended consumers. The mean value of the brand awareness variable of 3,957 is categorized as high, so that if a certain product or brand that has been previously recognized, it will increase attention and attract more consumers. The mean value of the variable purchase intention of 2,660 which is categorized as high.

5.1.3 Outer Model

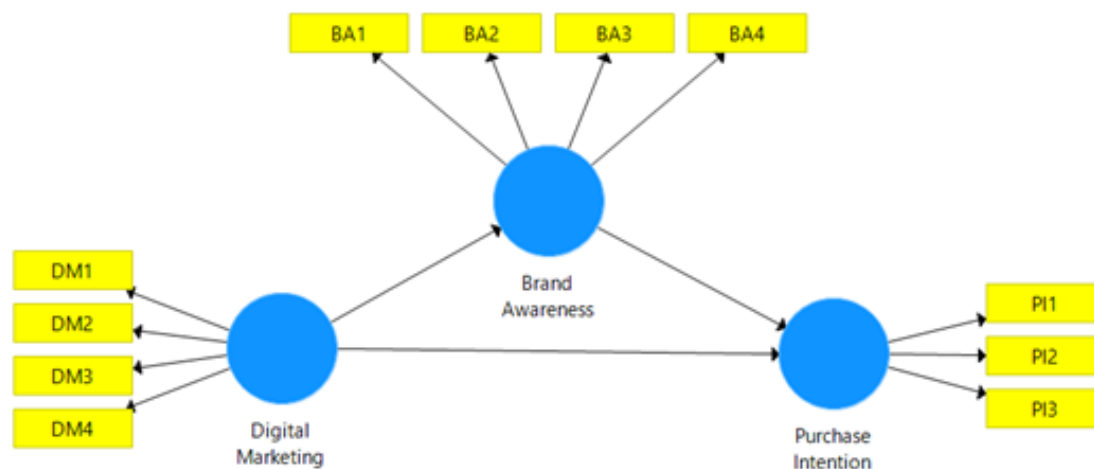


Figure 5.1 Path Diagram

Source: Data processed by researchers (2022)

1. Discriminant Validity

Discriminant validity testing can be seen through the cross loading table as follows:

Table 5.1 Cross Loading

Variable	Digital Marketing	Brand Awareness	Purchase Intention
DM1	0.837	0.600	0.415
DM2	0.797	0.594	0.413
DM3	0.862	0.694	0.365
DM4	0.864	0.691	0.398
BA1	0.745	0.834	0.415
BA2	0.694	0.888	0.453
BA3	0.626	0.889	0.442
BA4	0.601	0.869	0.562
PI1	0.457	0.515	0.911
PI2	0.425	0.503	0.912
PI3	0.400	0.443	0.899

Source: Data processed by researchers (2022)

The results show that, the loading factor value on the intended construct is higher than the loading factor of other constructs, so that all indicators are declared to meet the assumptions.

2. Convergent Validity

Testing the convergent values can be seen through AVE and composite reliability values as follows:

Tabel 5.2 Outer Loading, AVE, & Composite Reliability

Variable	Indicator	Outer Loading	AVE	Composite Reliability
Digital Marketing	DM1	0.837	0.706	0.906
	DM2	0.797		
	DM3	0.862		
	DM4	0.864		
Brand Awareness	BA1	0.834	0.757	0.926
	BA2	0.888		
	BA3	0.889		
	BA4	0.869		
Purchase Intention	PI1	0.911	0.824	0.933
	PI2	0.912		
	PI3	0.899		

Source: Data processed by researchers (2022)

The results show that the AVE value is > 0.5 so that the indicators have met the requirements and criteria. The loading factor value also meets the validity criteria, which has a value of > 0.7 .

3. Composite Reliability

Table 5.2 shows that each variable has met the composite consistent criteria because it has a value of more than 0.7, so it is concluded that all variable values are consistent.

5.1.4 Inner Model

1. R-Square

Table 5.3 R - Square

Variable	R Square
Brand Awareness	0.591
Purchase Intention	0.298

Source: Data processed by researchers (2022)

Based on Table 5.3 it can be concluded that:

- Digital marketing variables can explain the brand awareness variable by 59.1%.

- b. The brand awareness variable can explain the purchase intention variable by 29.8%.

2. Q-Square Predictive Relevance

Tabel 5.4 Predictive Relevance

Variable	SSO	SSE	Q ² (=1-SSE/SSO)
Digital Marketing	852.000	852.000	
Brand Awareness	852.000	477.831	0.439
Purchase Intention	639.000	487.321	0.237

Source: Data processed by researchers (2022)

The results show that, the model has good predictive relevance because the Q-square value is greater than 0.

3. F-Square Test

Table 5.5 F – square

Variable	Digital Marketing	Brand Awareness	Purchase Intention
Digital Marketing		1.444	0.012
Brand Awareness			0.107
Purchase Intention			

Source: Data processed by researchers (2022)

The digital marketing variable on brand awareness has a large level of predictive relevance because it has a value of $1.444 > 0.35$. The digital marketing variable on purchase intention produces a very small level because it has a value of $0.012 < 0.02$. The brand awareness variable on purchase intention has a relatively small level because it has a value of 0.107 above 0.02 and below 0.15.

4. Model Fit

Table 5.6 Model Fit

	Saturated Model	Estimated Model
SRMR	0,066	0,066
d_ ULS	0,285	0,285
d_ G	0,205	0,205
Chi-Square	256,395	256,395
NFI	0,845	0,845

Source: Data processed by researchers (2022)

The results of testing the fit model test obtained a value of SRMR of 0.06 smaller than 0.10 or 0.8, meaning that the model can be said to be appropriate. The NFI value of 0.845 is close enough to 1, meaning the model is said to be good. Based on these two reference values, this research model can be said to be fit.

5. T-test

Table 5.7 T test

Variable	T Statistics (O/STDEV)	Original Sample (O)
Brand Awareness (Y1) -> Purchase Intention	4.468	0.428
Digital Marketing (X1) -> Brand Awareness	18.698	0.769
Digital Marketing (X1) -> Purchase Intention	1.424	0.143
Digital Marketing -> Brand Awareness -> Purchase Intention	4.648	0.329

Source: Data processed by researchers (2022)

Based on Table 5.7 of the Original Sample section shows that, each research hypothesis has a positive relationship direction because the resulting values are all positive. Based on the T Statistics value, the results obtained, namely brand awareness of purchase intention and digital marketing to brand awareness have a significant relationship because they produce a value higher than 1.96. Digital marketing has an insignificant relationship to purchase intention because the resulting value is lower than 1.96. The relationship of digital

marketing mediation variables on brand awareness and purchase intention has significant results because the resulting value is higher than 1.96.

5.2 Discussion

5.2.1 Hypothesis Testing 1: Digital Marketing Affects Brand Awareness

The results show that, digital marketing affects brand awareness so that the first hypothesis can be accepted. The use of good and efficient digital marketing will increase brand awareness to the public through digital media marketing content. Digital marketing indicators get descriptive statistical results in high categories, especially in the Information indicators. Therefore, respondents agree that the information contained in digital marketing is very important and also prioritizes knowledge.

5.2.2 Hypothesis Testing 2: Brand Awareness Affects Purchase Intention

The results show that brand awareness has a significant effect on purchase intention so that the second hypothesis is accepted. Brand awareness can support people to be more interested in a particular product or brand, especially if the information is interesting and positive. Brand awareness indicators get descriptive statistics in high categories, especially on brand familiarity indicators. That means respondents agree that if they have recognized a certain brand, it will be more attractive to consumers.

5.2.3 Hypothesis 3 Testing: Digital Marketing Affects Purchase Intention

The results show that digital marketing has no significant effect on purchase intention so that the third hypothesis is not accepted. Some previous studies have also stated that digital marketing and purchase intention are not significant. The use of digital media can indeed increase sales of products or services, but the elements of information presentation, sense of presence, and attention are the main ones to generate purchase intention (Karman, 2015 and Pažeraitė & Repovienė, 2018).

5.2.4 Hypothesis Testing 4: Brand Awareness Can Mediate the Relationship Between Digital Marketing and Purchase Intention

The results show that brand awareness mediates positively between digital marketing and purchase intention so that the fourth hypothesis is accepted. The role of brand awareness is to increase information that will be embedded in the minds of the public regarding certain brands or products. Therefore, one of the indicators of purchase intention is information and the role of digital marketing collaborate as a medium that provides a sense of product presence for consumers.

5.3 Managerial Implications

This study shows the results of R-Square digital marketing variables that explain brand awareness as much as 59.1%. That means that digital marketing is better used to increase brand awareness first than directly targeting buying intention. Therefore, the brand awareness variable can bridge the relationship between digital marketing and purchase intention. In another result, the R-Square value of the brand awareness variable can only explain purchase intention by 29.8%. That means that this relationship significantly affects purchase intention, but there are other variables that can affect purchase intention that are not in this study. Furthermore, digital marketing is needed in increasing brand awareness, because one of the indicators, namely advertising, is closely related to digital marketing in this era.

The relationship between digital marketing and purchase intention is not because digital marketing is only able to reach two indicators of purchase intention, namely interest and information. The application of the results of research on businesses or companies first requires advertising efforts using digital marketing, but not with the aim of directly inviting consumers to buy. Digital marketing acts as a medium to convey information and knowledge related to the brand or product to be advertised, after successfully increasing the knowledge and information in the minds of consumers, this has indirectly affected the indicators of purchase intention described earlier, thus the application can function in accordance with the results of this study.

6. Conclusion and Sugestions

6.1 Conclusion

1. Digital Marketing has a significant positive effect on Brand Awareness.
2. Brand Awareness has a positive and significant effect on Purchase Intention.
3. Digital Marketing has a positive insignificant effect on Purchase Intention.
4. Brand Awareness positively mediates the relationship between Digital Marketing and Purchase Intention.

6.2 Suggestion

6.2.1 Practical suggestions

For businesses or companies, it is recommended not only to focus on advertising on digital media, but must pay attention to the content of the advertisement so that people can understand the related products advertised, so that it will indirectly increase the knowledge of the brand or product.

6.2.2 Academic suggestions

Further research is suggested to expand the scope of variables that mediate the relationship between digital marketing and purchase intention such as brand equity, customer engagement, or specific to certain digital media platforms that can affect purchase intention. Further research is also expected to reach a wider number of samples in order to have better and complete variations.

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