Maximizing Online Marketing Strategy with Digital Advertising

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ABSTRACT

The growth of the internet is altering business practices, notably those in retail establishments where company models use electronic commerce to handle transactions. This study's goal is to investigate the best practices for online advertising implementation and capturing consumer interest in purchasing. Additionally, this study used a descriptive survey method with verification. With a sample size of 96 customers, the population in this study consists of Lazada users in the city of Bandung. The results demonstrate that the use of online advertising has a direct influence on customers' intent to purchase through the Lazada website. The rapid development of information technology has had an impact on community in supporting various business activities, both large and small, so that they can be widely recognized global. The most obvious impact is that apart from being known, it can also increase sales volume and profit. Digital Marketing is one of the marketing media that has a huge impact. With using digital marketing in this case is social media, especially in every e-commerce application to increase sales, especially in the era of globalization social media affects so sales volume has increased rapidly compared to the old way of selling. Digital marketing is seen as the best media as the most effective means of promotion and efficiently and able to increase sales volume significantly.

Keywords: Marketing Strategy, Digital Advertising, Innovation or Creativity

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1. INTRODUCTION

The growth of the internet altered business practices, particularly those in the retail industry, where the business model it uses to provide a service digitally is known as e-commerce [1]. Online trading increased in Indonesia 78% annually in 2018, according to
the 2018 PPRO study, outpacing Mexico 59%, the Philippines 51%, Colombia 45%, and the United Arab Emirates (UAE) 33% 2018.

Compared to 2015, when it was just IDR 200 trillion, the transaction value at online trading in Indonesia in 2018 was Rp 1,850 trillion, an increase of 9 time [2].

According to trending business in 2019, the three categories of e-commerce that are most prevalent in Indonesia are B2B (Business to Business), B2C (Business to Consumer), and C2C (Consumer to Consumer) [3]. Six well-known online markets in Indonesia currently dominate the state of e-commerce and online marketplaces: Blibli, Jd.id, Lazada (B2C), and Bukalapak, Shopee, and Tokopedia (C2C) [4]. Each has benefits over the others when compared, according to consumer trust in a number of different areas [[5]]. Serviced are product guarantees, high-quality services, and system efficacy [6]. It became increasingly difficult to distinguish between B2C and C2C e-commerce categories when an official store was included on a C2C marketplace [7]. B2C marketplaces, however, can maximize excellence in providing a customer experience through service quality, as demonstrated by Lazada's eLogistics, which independently offers on-demand services for one-day delivery and accepts a variety of payment options, including cash-on-delivery (dailysocial, 2019) Along with the advances produced by e-commerce companies, change the framework for growth [8]. In order to make purchasing and selling online using smartphone devices more convenient, Indonesia's online shopping market is similar to the number of individuals with credit cards, bank accounts, and internet users [9]. Indonesians are more enthusiastic Shop online using shopping applications (dailysocial, 2019) [10]. It forces retailers to spend a lot of money on advertising and promotion to draw customers. Results from Adstensity's ad spending marketplace’s monitoring of television ads up until December 16th, 2018 totaled IDR 4.97 trillion (Pertiwi, 2018) [11].

The market for television advertising has grown in size as a result of public spending trends during the offline to online shift and the perception of television as an efficient medium with a consumption habit that is comparatively high, to achieve the lower middle class (dailysocial, 2019) for the entirety of Southeast Asia [12]. Lazada led all online marketplaces in terms of traffic in 2018 and held a 25% market share in e-commerce, followed by Shopee, Tokopedia, and Bukalapak. Up till the end of 2018, in Indonesia Lazada and Tokopedia are the two most popular marketplace applications [13]. 2018 (Fenalose) Lazada, with 58.2 million monthly visitors, is only in fourth place for the Indonesian market through the end of 2018 [14]. Two local marketplace applications, Tokopedia (168 million users per month) and Bukalapak, are in the top two spots (116 million people per month) [15]. Shopee, with 67.6 million monthly visitors, is in third place [16]. 2019 (iprice insight). The purpose of this study is to investigate how consumers might realize their buying interests through the "Adoption of advertising in online environments [17]." Online shoppers from the Lazada website served as the research sample [18].

2. LITERATURE REVIEW

A. Online Marketing

Activities related to sales, advertising, promotion, and pricing are included in marketing [19]. Any business that promotes a good or service using Internet media or the network "www" is said to be engaging in internet marketing, often known as e-marketing or online marketing [20]. A website Marketing is a communication activity that uses the Internet and other media [21]. Online marketing presents a wealth of opportunities for this business, which is evolving and will require ongoing strategy development in the future. Kotler and Armstrong (2011) define online marketing as initiatives to market goods and services and create customer relationships online, which may be translated as initiatives to market goods and services and create consumer relationships online. Kotler and Armstrong (2011) define online marketing as initiatives to market goods and services and create customer relationships online [22], which may be translated as initiatives to market goods and services and create consumer relationships online. A large public network...
(internet) comprising networks linking computer network users from all over the world to one another and serving as a significant information storage facility is also revealed by Kotler and Armstrong (2011) [23]. E-commerce, sometimes referred to as online marketing, is the word used to describe the sale of products and services through the internet [24].

The two main types of items purchased online are clothing and computers. Security is one of the reasons why they favor cash on delivery (COD) or transfer payments made through ATMs [25].

An organization can use self-service methods while marketing online [26]. This issue indicates that a company may serve customers without using human resources and can scale back on telephone infrastructure and services [27].

According to Kotler & Armstrong (2011), there are two viewpoints on businesses that engage in internet marketing: the brick company and click. It indicates that the business does business through both traditional (offline) and digital (internet) methods [28]. These are businesses that solely do transactions online. A brick and mortar business are one that only exists in the actual world outside of that.

General internet marketing activities embracing or centering around topics that are relevant to product production crafting marketing language or copywriting, soliciting, or purchasing. Web design activities (web design), banner advertising, company promotions through information search engines (search engines), email (e-mail), email advertising, affiliate marketing (affiliate marketing), interactive advertising (interactive advertising), and others are typically included in this internet marketing.

B. Online Advertising

Advertising is an information medium that is created in a way to draw in audiences, be unique, and have features that are definite and convincing so that audiences are willingly persuaded to behave in the way the advertiser desire. Advertising is a method of communication used to inform and persuade an audience to make a purchasing choice regarding a good or service, in this example, potential consumers (Haider & Shakib, 2017).

Advertising is any sort of non-personal, sponsor-funded presentation and promotion of ideas, products, or services. According to Kotler and Keller (2016), advertising encompasses any non-personal presentations and promotions of concepts, products, or services by the sponsor for a fee.

Ship (2003) also highlighted that advertising as a method of persuasion is not directly based on information about the benefits of a product, but rather is prepared in a way that induces a person to engage in an activity or make a purchase by emitting a joyful, mind-altering experience. Television, radio, newspapers, and magazines have long since dominated the advertising medium. However, in modern times, online advertising has taken the lead in advertising endeavors and efforts (Kotler and Armstrong, 2010). According to Aksa & Kartini’s (2015) research, internet advertising is typically found on websites developed by businesses that target the activity. Promotion, then the online advertisements that show up as long as internet users have a notion of them. This is connected to how the adverts appear and are designed, which can create a positive impression of internet advertising. However, the positioning of online advertising in terms of layout merits consideration because it irritates internet users. Then, according to Wei, Jerome, and Shan (2010), "the internet is a network of internationally connected computers that provides businesses with pricey and practical instruments for advertising and consumer communication. The term “internet advertising” applies to this. The internet is a vital component in marketing. Many Company websites are handled by the marketing department. The Internet has a profound effect on how businesses interact with their clients and forge relationships with them."
C. Consumer Buying Interest

Purchase intention is the desire to make a purchase of a good or service with the expectation of receiving some sort of benefit from it. People who are interested in something will have the desire or power to engage in a sequence of activities to approach or get the item. Interest is tied to something personal as well as related to attitudes. One type of consumer behavior is the desire or interest to purchase a good or service. Potential consumers, also known as consumers who haven’t made a purchase yet but are likely to do so in the future or prospective purchasers, are the consumer form of interest in making a purchase. Consumer buying interest, according to Kotler and Keller (2016), is a consumer behavior in which consumers have strong urges to select, utilize, and consume or even covet a product that offered. Next, Schiffman and Kanuk (2010) demonstrated that a consumer’s buying interest may be characterized as a satisfaction with the thing expressed by payment or sacrifice. However, Kotler, Bowen, and Makens (2014) point out that a number of factors, including the following, shape customer buying interest. That is:

A. The degree of the negative features that others hold against the alternative that the consumer loves and the willingness of the consumer to follow others will determine how much the attitude of others reduces their liking for that alternative.

B. Unexpected circumstances may influence how consumers feel about making purchases in the future. It relies on how confident consumers are in their ability to decide whether or not to purchase a product. Consumers can make the following five sub-purchase decisions to carry out their purchase intentions: Brand decisions, Supplier decisions, Quantity decisions, Timing decisions, and Payment method decisions.

Additionally, according to Schiffman and Kanuk (2004:25), customer interest in making a purchase can be sparked by external stimuli, understanding of a need, recognition of a product, and appraisal of alternatives. Social and cultural variables, as well as effort marketing, make up this external effect. The marketing communications mix is under issue in terms of marketing activities. Kotler and Keller state the following (2016), Advertising, sales promotion, events and experiences, community relations and publicity, direct marketing, marketing interactive, word of mouth marketing, and personal selling are the eight different types of marketing communication mix. Seock & Bailey (2007) claim that a strong brand image is necessary to pique customers’ interest in making purchases. According to Kotler and Keller (2016), buying behavior is impacted by four factors: (culture, subculture, and social classes), social roles, families, and reference groups also status), Personal (age and life cycle stage, employment and financial condition, character and self-concept, way of life and values), (Motivation, perception, learning, emotions, memory) Psychological [29]. According to Ferdinand (2006), consumer purchasing behavior may be quantified in terms of buying interest:

Transcational interest, or the propensity for someone to purchase a good; interest referential, or the propensity of a person to recommend things to others; demonstrating preference for someone’s principal product, or preferential interest. If anything happens to the preference product, this preference can be updated; as for Exploratory Interests, which depicts the behavior of someone who Always seeking information about items of interest and looking for more data that bolsters the pros of the product.

3. METHOD

Cross-sectional study design is being used in this investigation. Data for this study were gathered in January 2019. research technique sampling (sample) Purposive sampling was used, using Bandung Lazada users as the population [30]. The sample for this study consisted of internet users who were at least 18 years old. 96 Lazada consumers were chosen as a sample in this study, which employed a large number of samples. Regression and analysis of correlation are used to determine the link between this variable and other factors.
The survey approach was employed in this study. One such growing online shopping
destination in Asia is Lazada. Online purchasing has grown more popular in the Philippines
as a result of ongoing e-commerce advances (Maala et al, 2018). As a result, thanks to web
advertising, anyone may find out about us and the products we sell. The execution of an
advertising campaign cannot be separated from The objective is to aid in a product’s
successful marketing so that sales and earnings can rise. Advertising will have an impact
on consumer interest in purchasing; otherwise, the business would have difficulty attracting
new clients. Therefore, the assumption is made that the use of internet advertising can affect
client interest in making purchases.

A model for the following study may be created based on the preceding description
of the link between online advertising and customer interest in online purchases:

4. RESULTS AND DISCUSSION

After learning about the variables studied by Lazada customers in the city of
Bandung from the results of the descriptive analysis that was done, a verification analysis
was then conducted on the data that had been obtained with the goal of learning how much
of a significant impact the use of advertising and service delivery in raising interest in
purchases on the online marketplace Lazada. Statistical testing was conducted using SPSS
(Statistical Product and Service Solution) version 23 to determine the extent to which the
implementation of advertising and service delivery increased purchase interest on online
marketplace Lazada in the city of Bandung. However, the data must first be transformed
before being handled with SPSS. Using the use of the MSI software, interval data utilizing
the Successive Method Interval (MSI) (stat97.xla). The results of a regression analysis using
SPSS (Statistical Product and Service Solution) version 23 data processing assistance
yielded the value of the independent variable regression coefficient on the dependent
variable. This regression study seeks to quantify the extent to which the application
variable advertisement (X) has an impact on the buying interest variable (Y). The following
are the outcomes of the data processing that was done:

Table 1. Regression Coefficient

According to the above table, the beta value of the online ad implementation
variable (X) is 0.539, and the beta value of the regression coefficient of the variable the
application of advertising (X1) to interest variables buy (Y) is 0.539, as shown in the
following illustration:
Based on the aforementioned image, it is known that the application of advertising (X1) to interest variables buy (Y) has a value multiple linear regression coefficient of 0.539, and that the value regression from other variables outside the model (error) is 0.097. The analysis’s findings imply that variable advertising implementation With a coefficient value of 0.539, there is a beneficial impact on purchasing interest. It indicates that buying interest will likewise grow by 0.539 if effective advertising is used and all other independent factors are held constant.

The findings of a verification investigation about the impact of ad deployment on purchasing interest on the Bandung-based Lazada online marketplace will next be reviewed. Ad Adoption Effects Against Buying Interests on Lazada in Bandung City’s Online Marketplace. The purchase interest is positively and significantly impacted by application advertising by 0.539. Consequently, purchase intent may be influenced by an application.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.860</td>
<td>110.305</td>
</tr>
<tr>
<td>Penerwhat Advertisement Online</td>
<td>539</td>
<td>632</td>
</tr>
</tbody>
</table>

The findings of this study demonstrate the direct impact of advertising on purchase intention. Research by Gunawan & Dharmayanti (2014) and Herdaningtyas & Iriani supports these findings (2017). This study also revealed a result that the use of online advertising via the internet can have an impact without the use of mediating factors by stating that his research requires a deep attitude component generating interest in online purchasing among customers, Aqsa & Kartini’s (2015) research is refuted. However, this study disproves prior research by Yuniyanto & Siren (2018) that claimed brand familiarity served as a moderating factor in the relationship between online advertising and purchase interest.

5. CONCLUSION

It can be inferred from research on the use of advertising in fulfilling customers’ purchase intentions on Lazada in the city of Bandung that the use of advertising online
has a favorable impact on purchasing interest in the sense that Lazada's online advertising efforts are more effective the more clients are interested in purchasing from them. This study also shown that advertising implementation can affect consumers’ propensity to buy without the need of a mediating factor or moderating, so to speak, if internet advertising is implemented as effectively as feasible, customer buying interest may be generated. It can be concluded from research on the use of advertising in fulfilling customer purchase intentions at Lazada in the city of Bandung that the use of online advertising has a beneficial impact on purchase intention. The study also shows that the implementation of advertising can affect the consumer's tendency to buy without the need for mediating or moderating factors. So, to say, if internet advertising is implemented as effectively as possible, customer buying interest can be generated.

There are many benefits to using online advertising methods especially in this fast-paced digital era in reaching information to everyone. Targeting gives you the ability to display ads to reach people with special interests — that is, those who are interested in your products and services — and show them relevant ads. We can also easily determine the target market the most advantageous benefit of online advertising, is that it can be placed wherever your target market spends its time online. For example, you sell baby equipment and advertise on the Google search engine. You can set your ad to appear on the search results page when people enter the keyword “baby” in a search engine. Advertising on social media is also in principle the same. You can arrange for your ads to appear according to the preferences of these social media users.

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REFERENCE


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