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The Effect of Digital Marketing on Interest in Buying Indihome Products with the Role of Brand Image as an Intervening Variable

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Abstract

This study examines the effect of digital marketing on purchase intention of IndiHome products, with brand image as an intervening variable. This study contributes to understanding the effectiveness of digital marketing strategies in increasing customer purchase intention and strengthening brand image. This research uses the Partial Least Squares-Structural Equation Modeling (PLS-SEM) method with a quantitative approach. Data were collected through questionnaires distributed to 100 IndiHome customers in Palangka Raya. The results showed that digital marketing has a positive and significant effect on purchase intention, both directly and indirectly through improving brand image. These findings emphasize the importance of an effective digital marketing strategy in shaping brand image and driving customer purchasing decisions. The implications of this research can help PT Telkom in optimizing marketing strategies to increase IndiHome's competitiveness in the telecommunications industry.

Keywords: Digital Marketing, Purchase Intention, Brand Image

1. Background

The growth of internet users in Indonesia continues to increase significantly every year. Based on a report from the Indonesian Internet Service Providers Association (APJII), the number of internet users in Indonesia has reached 221 million people by 2024[1]. This development opens up great opportunities for companies to utilize digital channels to reach consumers more effectively, including in the telecommunications sector such as PT Telkom's IndiHome product.

IndiHome as one of the flagship internet service products from PT Telkom Indonesia is a clear example of the implementation of digital marketing strategies in the telecommunications sector. With a wide target market and increasingly fierce competition in the field of home internet services, IndiHome needs to optimize various digital channels such as social media, paid advertising campaigns, and official websites to increase reach while strengthening brand image in the minds of consumers. Therefore, it is important to analyze how IndiHome's digital marketing can shape a good brand image and ultimately influence consumer buying interest.

In today's digital era, digital marketing plays a central role in business strategy. Digital marketing is defined as the utilization of digital media, such as social media and online platforms, to promote products, reach wider consumers, and increase business interaction and profits [2]. Digital marketing is an important element in a company's marketing strategy in this digital era. Through the use of digital platforms and technology, companies can reach a wider target audience, build strong brand awareness, increase conversions and sales, and better measure campaign results.

Companies have an assessment of digital marketing, regarding the benefits that can be obtained by companies and also convenience for consumers. In addition to the benefits obtained by companies regarding digital marketing, namely helping companies minimize the marketing burden because companies only use online media in promoting their products, consumers also have the advantage that consumers do not need to leave the house to see the products they are looking for [3]. Digital marketing is a part of marketing that uses digital media to advertise products or

services that aim to reach potential buyers and increase sales [4]. This strategy allows companies to interact directly with consumers through various media such as social media, email marketing, websites, and digital advertising.

Previous research, The influence of Digital Marketing on consumer buying interest in Mooda Outfit [5]. The results of this study indicate that there is a significant positive influence between Digital Marketing and Purchase Intention at Mooda Outfit.

One of the main objectives of digital marketing is to form a positive perception of the brand. A positive brand image significantly affects customer satisfaction, and that satisfaction then drives the formation of customer loyalty to the brand [6]. Brand image is the consumer's perception of the brand formed through experiences, associations, and communications received by consumers [7]. Brand image is a form of brand identity for a product offered to customers, which can differentiate the product from competitors' products [8].

In line with that, buying interest is an attitude of humans which includes consumer behavior which translates into an attitude of consuming and is a response to the form of consideration of whether a purchase will be made or not [9]. Purchase interest is a psychological symptom that affects consumer behavior, which can be interpreted as a behavior that shows pleasure in something that causes the person to try his best to get it [10]. Purchase interest is the psychological tendency of individuals to buy a product after going through the process of evaluating and perceiving brands [11].

Purchase interest is not only influenced by internal consumer factors, but also by brand equity and marketing strategies implemented by companies [12]. They stated that a deep understanding of consumer buying interest can help companies design more effective marketing strategies. Online marketing strategies have a positive influence on consumer buying interest [13]. Their research shows that the use of digital media in promoting products can significantly increase consumer buying interest.

Several previous studies have shown a relationship between digital marketing and purchase intention with brand image as an intervening variable. Perceived quality and brand image have a significant effect on the purchase intention of iPhone consumers [14]. Meanwhile, digital marketing and brand image simultaneously influence purchasing decisions [15].

The effectiveness of digital marketing is not only measured by the reach of the message, but also by its ability to form a positive image and encourage purchasing decisions from consumers. Thus, digital marketing, brand image, and purchase intention are closely related concepts. The effectiveness of digital marketing is not only measured by the reach of the message, but also by its ability to form a positive image and encourage purchasing decisions from consumers.

However, there are still gaps in research related to the effect of digital marketing on purchase intention in the context of telecommunications services, especially on IndiHome products. Therefore, this study was conducted to fill this gap by empirically analyzing how digital marketing affects IndiHome consumers' purchase intention, both directly and through the mediating role of brand image. This research is expected to make theoretical and practical contributions in the development of PT Telkom Indonesia's digital marketing strategy to increase the competitiveness of IndiHome products in the telecommunications industry.

2. Research Methods

This research uses a quantitative approach with the Partial Least Squares-Structural Equation Modeling (PLS-SEM) method. This technique was chosen because it is able to analyze the relationship between complex latent variables, including intervening variables such as brand image. The population in this study were IndiHome customers in Palangka Raya City. Sampling was carried out using purposive sampling technique, with a total of 100 respondents who met the criteria as active IndiHome customers and had been exposed to digital marketing activities from IndiHome, either through social media, digital advertising, or other digital platforms.

The data collection instrument was a questionnaire distributed online, using a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree). Likert is a scale used to measure the opinions, attitudes, or perceptions of a person or group of people about a social phenomenon [16]. The questionnaire was prepared based on indicators of digital marketing variables, brand image, and purchase intention which have been adapted from previous research. Data analysis was carried out using SmartPLS software. Model testing includes evaluation of the measurement model (outer model) and structural model (inner model). The outer model is used to test the validity and reliability of constructs, while the inner model is used to test the relationship between variables and the significance of direct and indirect influence paths.

Test the role of intervening variables using the mediation effect test with the Variance Accounted For (VAF) approach to determine whether brand image has a role as a partial or full mediator in the relationship between digital marketing and purchase intention. The conceptual framework is described as follows:

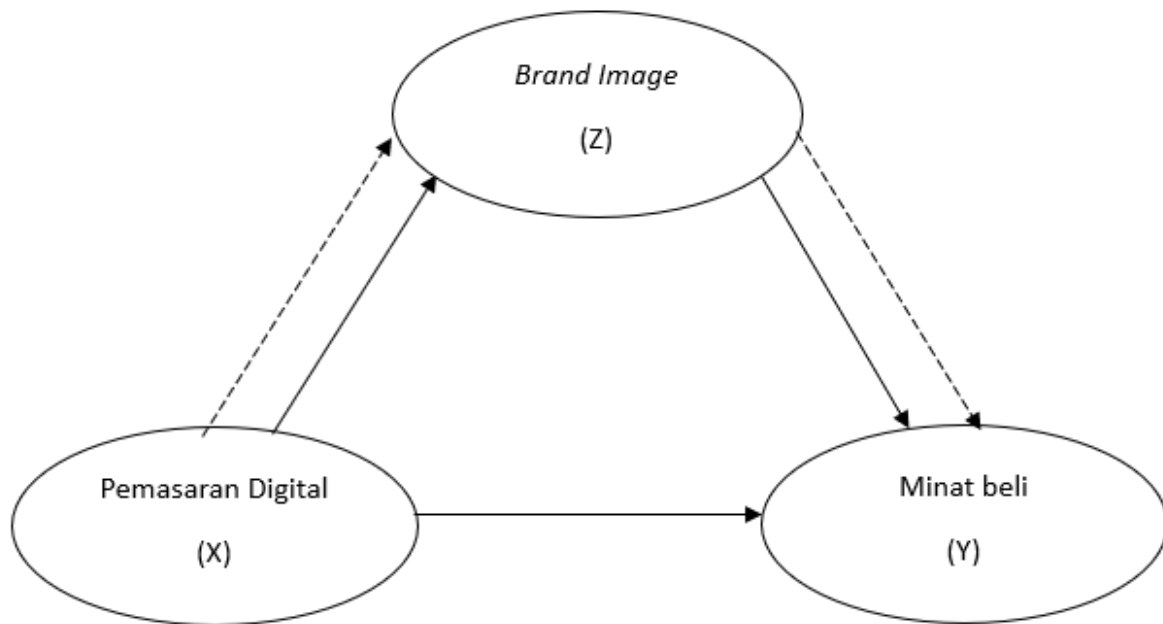
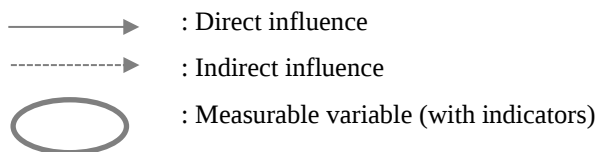


Figure 1. Conceptual Framework

Description:



Hypothesis:

H1: Digital marketing has a positive and significant effect on buying interest in Indihome products.

H2: Digital marketing has a positive and significant effect on the Brand Image of Indihome products.

H3: Brand Image has a positive and significant effect on Purchase Intention for Indihome products.

H4: Digital Marketing has an indirect effect on Purchase Intention for Indihome products with Brand Image as an intervening variable.

3. Results and Discussion

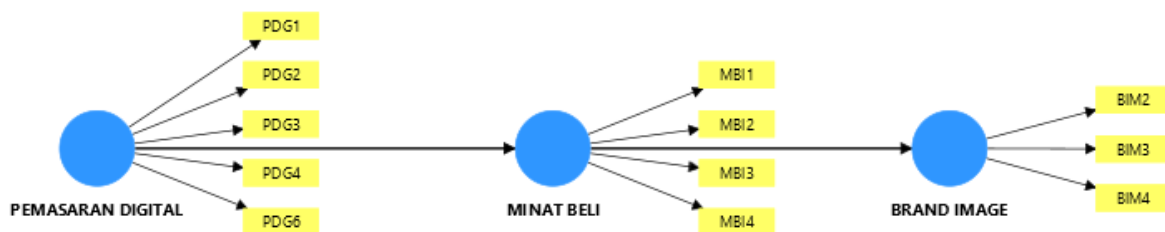


Figure 2. Factor Loading

To determine the validity and reliability of indicators, the outer model is first measured. Indicators will be eliminated if the correlation value is less than 0.7 and the loading factor must be more than 0.7. Based on the test results that we can see in table 1, each indicator has a value of more than 0.7 except MBI4. However, for research in the early stages of developing a measurement scale, a loading value of 0.50 to 0.60 is considered sufficient.

Table 1. Outer Loading

Variables	Indicator	Outer Loading
Digital Marketing (X)	PDG1	0.764
	PDG2	0.822
	PDG3	0.815
	PDG4	0.827
	PDG6	0.859
Purchase Intention (Y)	MBI1	0.793
	MBI2	0.826
	MBI3	0.867
	MBI4	0.626
Brand Image (Z)	BIM2	0.896
	BIM3	0.919
	BIM4	0.890

Next is to examine the construct validity and reliability values of each variable. If these validity and reliability constructs have a criterion of more than 0.6, then the model is considered to have a good construction.

Table 2. Construct Reliability and Validity

Variables	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Digital Marketing	0.876	0.884	0.910	0.669
Purchase Intention	0.783	0.781	0.862	0.614
Brand Image	0.885	0.896	0.929	0.812

From the results of data processing, the validity and reliability in table 2 above have a value of more than 0.6, so it can be concluded that the indicators used in this study are consistent in measuring latent variables.

Table 3. Value of R Square

Variables	R-square
Purchase Intention (Y)	0.636
Brand Image (Z)	0.360

To assess the expected relationship between hidden variables or structural models, the next step is to check the R-square value. The R-square test results contained in table 3 show the R-square value for the Purchase Intention (Y) variable is 0.636 or 63%, while the R-square value for the Brand Image (Z) variable is 0.360 or 36%. This means that 63.6% of the variability in purchase intention can be explained by the independent variables in the model, the remaining 36.4% is influenced by other factors outside the model. With a value close to 0.67, this indicates that the model has a fairly strong influence in explaining buying interest.

Then 36.0% of the variability in brand image can be explained by the independent variables in the model, the remaining 64.0% is influenced by other variables outside the model. This falls into the medium category, which means that the model has a fairly good influence, but there are still many other factors that contribute to brand image.

Table 4. Hypothesis Test

Hypothesis	Relationships	Original Sample	T statistics	P values	Results
1	Digital Marketing - > Purchase Intention	0.600	7.612	0.000	Accepted
2	Digital Marketing - > Brand Image	0.478	6.278	0.000	Accepted
3	Purchase Intention - > Brand Image	0.798	20.076	0.000	Accepted
4	Digital Marketing - > Purchase Intention -> Brand Image	0.478	6.278	0.000	Accepted

Based on table 4 above, all tested hypotheses are accepted with a significant p value (0.000), indicating a strong positive relationship between digital marketing, purchase intention, and brand image. In the mediation (intervening) analysis, the Variance Accounted For (VAF) method is used to determine whether brand image acts as a full or partial mediator in the relationship between digital marketing and purchase intention.

VAF formula:

$$\text{VAF} = \text{Indirect Effect} : \text{Total Effect} \times 100\% \quad (1)$$

$$\text{VAF} = 0.478 : 0.798 \times 100\%$$

$$\text{VAF} = 59.90\%$$

Since VAF = 59.90%, this means that brand image has a role as a partial mediator between digital marketing and purchase intention.

The Effect of Digital Marketing on Purchase Intention

Based on the results of hypothesis testing, it is found that Digital Marketing has a positive effect on Purchase Intention with Original Sample value = 0.600, T-statistic = 7.612, and P-value = 0.000. Because the T-statistic > 1.96 and P-value < 0.05, the hypothesis is accepted, which means that the relationship between digital marketing and purchase intention is significant and positive. These results indicate that the more effective the digital marketing strategy implemented, the higher the customer's purchase intention for IndiHome products. In this context, digital marketing includes various aspects such as digital advertising, social media, search engine optimization (SEO), content marketing, and personalization of the customer experience in the digital world.

The Effect of Digital Marketing on Brand Image

The results showed that digital marketing has a positive effect on brand image, as evidenced by the T-statistic value = 6.278 and P-value = 0.000. This means that an effective digital marketing strategy can improve IndiHome's brand image. In other words, the more optimized digital marketing is implemented, the better the brand image of IndiHome products in the eyes of consumers.

The Effect of Purchase Intention on Brand Image

Purchase Intention has a positive effect on brand image (Original Sample = 0.798, T-statistic = 20.076, P-value = 0.000). Hypothesis accepted. This means that the higher the customer's purchase intention, the better the brand image of Indihome products.

The Effect of Digital Marketing on Purchase Intention Through Brand Image

The results show that digital marketing positively influences consumer purchase intention through increasing brand image. This means that an effective digital marketing strategy can improve the brand image of Indihome products, which in turn encourages their interest in buying the product or service.

4. Conclusion

Based on the results of research conducted on IndiHome PT Telkom in Palangka Raya City, it can be concluded that digital marketing has a positive influence on customer buying interest through increased brand awareness. Digital marketing strategies implemented by IndiHome, such as promotions through social media, paid advertising, and interactive marketing programs, have proven to be able to increase brand awareness among customers. This increase in brand awareness then has an impact on increasing public buying interest in IndiHome services. This research shows that digital marketing plays an important role in increasing customer buying interest in IndiHome services in Palangka Raya City. With the right marketing strategy, people get to know and understand IndiHome services, which then encourages them to subscribe. In addition, digital marketing is also proven to strengthen IndiHome's brand image. When people have a positive perception of the brand and its services, their trust in IndiHome increases, resulting in increased purchase intention. Brand image is the factor that connects digital marketing with purchase intention, which means that an effective digital marketing strategy not only influences customer decisions directly, but also through the formation of a strong and positive IndiHome brand image. The researcher provides recommendations for steps that can be implemented by PT Telkom in Palangka Raya City to increase the effectiveness of digital marketing and attract more customers such as: Increase presence on digital platforms, develop innovative brand image campaigns, increase the attractiveness of services for potential customers, and conduct periodic evaluations of the effectiveness of digital marketing. This research has limitations in scope, which only focuses on IndiHome customers in Palangka Raya City. Other factors such as competitors, broader market conditions, and psychological aspects of customers have not been analyzed in depth. In addition, this study only uses the variables of digital marketing, brand image, and purchase intention, so it does not include other factors that might influence customer decisions. Future research is recommended to expand the scope of the study area in order to get more representative results. In addition, adding variables such as customer satisfaction, loyalty, and service quality can provide more comprehensive insights into the factors that influence purchasing decisions for IndiHome services. The use of qualitative research methods can also help dig deeper into the customer experience of the digital marketing strategy being implemented.

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