

Implementation of Digital Advertising Through Shopping Promotions and Festivals: Are they Effective?

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Abstract. Digital advertising in marketplace has gain more attention from Indonesian consumer for past year. The Nationwide Online Shopping Day and shopping celebrations were being the busiest days 3-5 times than in normal days. This wonder demonstrates that shopper conduct is heavily affected by limited time exercises. With the background of the increasing phenomenon of online shopping among Indonesian consumers when there is a festival or national online shopping day, this study tries to find out the percentage of digital advertising affect consumer carried out by the marketplace, how effective is the implementation of these ads in Indonesia, especially the city of Bandung using quantitative descriptive methods, samples taken by this research are consumer online shop in Bandung from past year of 2019. Result shown that the exchange esteem during these occasions was higher than the day by day normal affect by digital ads and affect intention to buy Target achievement and comparison between total costs and coverage obtained, digital advertising on special days such as national online shopping days and other discount festivals have effectively increased consumer buying interest in the city of Bandung.

1. Introduction

Along with technological developments, the era of the digital advertising has finally entered Indonesian market marked by the presence of mobile technology, access unlimited internet, as well as technology used in the digital economy process [1]. Discussing about digital advertising, at this time we are not just talk about promotional activities itself. But more than that, currently, advertising can be used for various purposes such as image marketing, political marketing, as well as government interests which are directly and not related to the problem of developing relations with the community. Where the total population of Indonesia is currently at 267 million people. In the end, it becomes a potential for the advertising business (advertising), that increase promotional company budget. Strengthen with the fact of Indonesia's digital ad spending increase of 26% higher than 2018. This provides that in the future companies or personalities will prefer to carry out branding activities using digital media. Media online is more attractive than traditional media for three reasons [2]. First, is because internet consumption has more control over it consumers who feel it, second is because of one-on-one communication and last because there is possibility of a two-way interaction between consumers and online providers. Online marketing are more measurable, both in reaching the target market, also in personalization, proven being the cheapest promotion ever that create a positive word

of mouth between audience. The effectiveness of online marketing impact to interest to visit shopping malls in Bandung, result shown digital marketing through the website, Instagram social network and tripadvisor reviews & ratings effectively increased the consumer interest to visits. Online marketing is quite an essentials source that proven effectively increased consumer behavior in interest to buy the online product. The digital advertising raising companies saving and maximize results. Company can minimize marketing cost with mobile marketing. Shopback, an independent marketing research consultant stated that during 2017-2018 consumer behavior in online spending during Harbolnas festive (a nationwide online shopping festival) are increased as much as 67,4%, mostly in fashion product. The Indonesian harbolnas shopping festival has also contributed to the shifting in Indonesian consumers behavior. The data shows that 37.9 percent of consumers have been shopping on e-commerce for more than three years. Only 13 percent have shopped online for less than 1(one) year. Advertising spending in Indonesia was IDR 40.7 trillion, 6% of that spending are digital advertising. In year of 2018, most of the digital spending runs to the mobile platform. Going forward, the potential of digital advertising spending will continue growing due to the increasing number of smartphone users in Indonesia. The question are the used of digital advertising in promoting national shopping day or festival effectively affect intention to buy in marketplace?. These researches aim to describe the effectivity of implementation digital ads in Indonesia specially in Bandung, West Java Region [3].

The transactions carried out using the internet media are now over often referred to as E-Commerce or Electronic Commerce [4]. There are various types of advertising models on the internet that can be used by companies, namely in the form of banners, pop-up advertising, sponsorships, hyperlinks, and websites, however although internet advertising is an effective tool to reach an audience size, it is important for the company to keep making it more effective "Online advertising is effective if it's able to generate an immediate response from customers ", which means effective online advertising is advertising that can give a direct response from consumers [5]. There are several forms of online advertising [6]: 1) Display Advertising, Is a form of advertising that displays visual objects such as for example text, logos, photos, images, and even video be on the right, left, above, or below the website display. 2) Classified Ad, these ads are also called classified ads, namely promotions in the form of advertisements lined up on a website specifically for installation advertisements or specifically for business people to advertise products or his services. 3) Search Advertising, this form of marketing is to try to promote website by increasing visibility in engine result pages searchers (SERPs) 4. Media or Video Ads are types of advertisements that are targeted at content videos that are most widely used today are using YouTube, or website-a website that is specifically for advertising video. Ministry of Communication and Informatics Human Resources Research and Development Agency Aptika and IKP Research and Development Center (2019) release data about trend digital ads in Indonesia, from past year through the e-commerce platform, there are many cultural products and creativity of local Indonesian people who are being traded. Not only that, but technology digital is also used to build a usable digital platform to promote Indonesian tourism. Information patterns show a huge increment in item buys at major occasions/celebrations with extraordinary offers. Intention to buy can be utilized to test the usage of another dissemination channel to assist directors with deciding if the idea merits further turn of events and choose which geographic business sectors and customer sections to focus through the channel [7]. Their significance lies in the way that expectations are viewed as the key indicator of genuine conduct ; in this way, their examination is absolutely critical for the achievement of any on the web retailer. This examination proposes to buy aims as the key variable to be researched. The build happens at the pre-buy stage furthermore, catches the inspirational angles that influence client conduct [8]. To foresee purchaser conduct, it is important to know the perspectives, appraisals, and inner elements that at last produce the buy aim [9]. In this exploration, online buy aim is perceived as how much a purchaser is eager to purchase an item through an online store [10-14].

Intention to buy has been concentrated in different promoting fields other than customary buying in physical stores, for example, green showcasing, extravagance brands and items, B2B exchanges, and ultimately, on the web buy. Measuring effectiveness implementation in digital advertising. To measure effectiveness online advertisers we identified several elements/factors It is important for banner ads to

increase their CTR (Click-Through Rates) or the level of click namely: a) Bold colors b) Top of page placement c). Animation d) Call to action e) Limited frequency of exposure [15]. Measuring the result in consumer intention to buy using AISAS model, AISAS is a model of online consumer behavior developed by Dentsu Group which is an advertising company largest in the world established in Japan. This AISAS model is considered feasible to explain consumer behavior more accurately than models previously. AISAS itself is formed from Attention, Interest, Search, Action and Share [16]. In essence, first, Dentsu's IMC approach is based on studies deep into the ideas that come from consumers. Second, not only focus on the reach and frequency of delivery of messages to the target audience (quantity) but also involving consumers (quality). Third, strategy communication is geared towards creating scenarios that lead consumers to voluntarily seek information about products, buy products, and then spread positive word-of-mouth to other consumers. Fourth, communication must look at the point of connection between consumers and brands [17] (see Figure 1).



Figure 1. The AISAS model by Dentsu which is formed from Attention, Interest, Search, Action and Share.

Consumer behavior is the study of how individuals, groups, and organizations choose, buy, uses, and how the goods, services, ideas, or experiences are for satisfying their needs and wants [18]. Consumer behavior is a dynamic interaction between effect, cognition, behavior, and the environment in which humans make exchanges or transactions in their life [19]. Based on the two opinions of the experts above, it can be concluded that consumer behavior will change from time to time according to which thought (cognitive), felt (affective), and what is done (conative) by consumer.

2. Method

Descriptive research is research that uses observation, interviews, or a questionnaire about the current situation, regarding the subject that we are thorough. Through questionnaires and so on we collect data to test hypothesis or answer a question. Through this descriptive research researchers will describe what actually happened about the current situation which is being researched. The research method is basically are scientific characteristics for obtaining data with purposes and uses certain. The method used in the quantitative approach. The research approach in this thesis uses an approach quantitative research. Quantitative research methods are defined as methods of research based on the philosophy of positivism, used to research the population or certain samples, data collection using research instruments, data analysis is quantitative/statistical in nature, with the aim of proposing a hypothesis which have been set. This quantitative approach is used by researchers for measure the level of effectiveness in the influence of digital advertising in intention to buy. Hypothesis for this research: digital advertising effectively effects on consumer intention to buy online [20]. In quantitative research, data analysis techniques is an activity after data from all respondents or other data sources collected [21]. Activities in data analysis are grouping data based on variables and types of respondents, tabulating data based on variables of all respondents, presenting data for each variable studied, did calculations to answer the problem formulation, and perform calculations for test the hypotheses that have been proposed. To find out a high relationship or low between the two variables

based on the R-value (correlation coefficient), is used interpretation or interpretation of numbers [22, 23]. The population of this research are online consumer from West Java province that concentrated in Bandung, amounting to 8,670,501 people, and the samples taken from Bandung online consumer as much as 59% of West Java Province, which indirectly indicates that Bandung is a contributor most online shopping actors (Central Statistics Bureau of West Java Province, 2019). The number of sample mesures by Slovin's.

$$n = \frac{N}{N \cdot d^2 + 1}$$

Information :

- n = Number of samples (respondents in the study)
- N = Total population
- d2 = Set precision (in this study, set precision by 10%)

Based on the Slovin formula, the sample size can be measured as follows:

$n = 5.115.596 / (5.115.596 \cdot 0,1^2) + 1 = 51156,96 = 99,96$ rounded to 100 online consumer in Bandung City. The samplings method are simple random sampling taken in online community shopper in East Bandung, data taken from March-end of June 2020. Data run by SPSS software. Hypothesis testing use path analysis.

3. Results and Discussion

The total number of purchaser's part taking in online business celebrations added to boosting the quantities of exchanges and made a yearend shopping binge. The most elevated number of exchanges, recorded on December 12, was 5.3 occasions higher than the everyday normal exchange. On this day, ladies bought more than men (see Figures 2 and 3). Buys made by ladies is 5.8 occasions higher contrasted with typical days, while men's' buys expanded by 4.7 occasions.

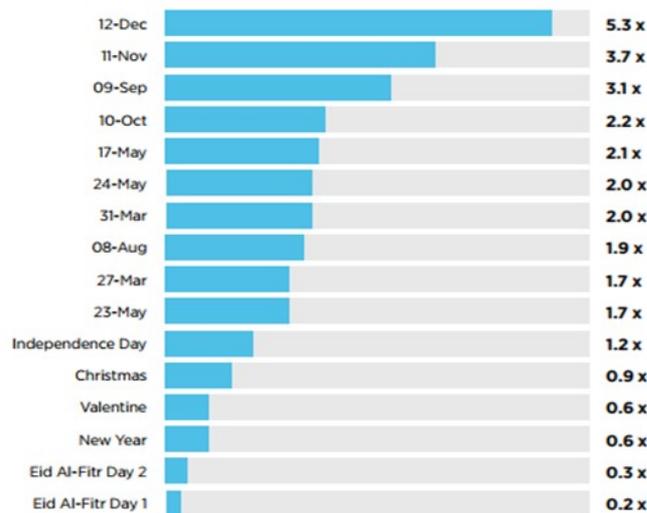


Figure 2. Exchange Volume on Extraordinary Shopping Days Contrasted with Normal Day by Day Exchange Volume

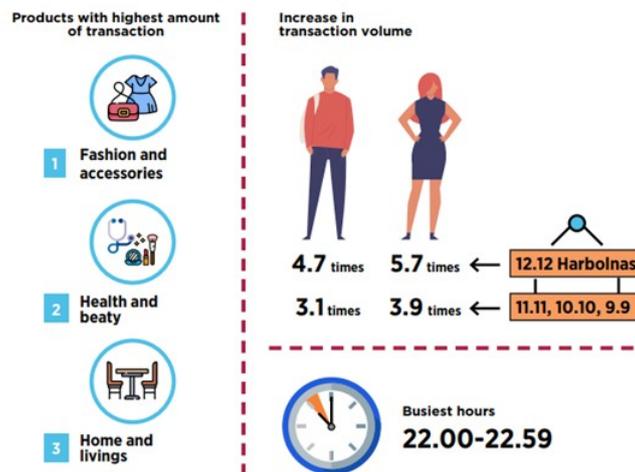


Figure 3. Top Items, Hours, And Exchange Volume During Unique Web Based Shopping Days

During the days when countless exchanges happened, the smash hit items were style and its frill, and medical care and magnificence items. These classifications alone record for half of the aggregate exchanges. Because of different limits, the normal exchange an incentive on Cross country Online Shopping Day was lower than that on significant occasions like Christmas and Eid al Fitri (see figure 2) The exchange esteem during these occasions was 45% higher than the day by day normal. There is a probability that on these occasions, buyers will in general think about the quality furthermore, brand of the items however favor items with enormous limits during cross country web-based shopping days. Data trends show a significant increase in product purchases at major events/festivals with special offers. By comparing transaction data on these dates, we see that online shopping events are effectively boosting e-commerce transaction volume. The number of transactions also increased before Eid Al Fitr or during the month of Ramadhan. See Tables 1 and 2 below:

Table 1. R² (Customer Intention to Buy Online / 1):

R ²	F	Pr>F	R ² (Bootstrap)	Standard error	Critical ratio (CR)	Lower bound (95%)	Upper bound (95%)
0.4620	84.1469	0.0000	0.4680	0.0537	8.6026	0.3099	0.5745

Source: Data Run By SPSS Software, 2020

Table 2. Path Coefficients

Latent variable	value	Standard error	t	Pr> t	Lower bound (95%)	Upper bound (95%)
Bold colors	0.2015	0.0642	3.1373	0.0018	0.3715	0.0372
Top of page placement	0.1923	0.0515	3.7327	0.0002	0.0664	0.3114
Animation	0.0768	0.0554	3.3877	0.0060	0.2525	0.0423
Call to action	0.7166	0.0457	3.6881	0.0000	0.5756	0.8452

Source: Data Run By SPSS Software, 2020

From data above in Tables 1 and 2, the t table was 1,96 for sample as much as 100 consumers who buy online in Bandung city, sample taken by slovin measurement, the criteria for accept the hypothesis are t count greater than t table and probability value lower than 0.05 means there is significance

influence variable independent to variable dependent. The hypothesis in this research are accepted because all of dimension from digital advertising have probability value lower than 0,05 and t test are greater than 1,96. This means digital advertising on national online shopping day effectively affect intention to buy product online in Bandung city as much as 46,20 %.

4. Conclusion

From this research it can be concluded that online marketing is effective in increasing consumer behavior to purchase online, as much as 46,20 % consumer in East Bandung willing to shopping online in festival promotion due to public holiday or national shopping day called in Indonesian as Harbolnas. This result also strengthen research result that 39% consumer are agree that online marketing are more effectively affect their behavior to shop online, the difference only that in this research the number of consumer who agree that digital advertising are effectively affect intention to buy are higher as much as 7,2% in year 2020, mostly consumer shopping due to online festival promotion. This situation also can be related to Indonesian consumer habitual or behavior during national holiday or festival that almost them categorized as impulsive buyer. For futher innovation this research can be develop into in depth research with adding new variables and larger samples for increase the accuracy.

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