



## The Effect of Online Advertisement on Purchase Intention Mediated by Brand Attitude (Study at Pt Akr Land Kawanua Emerald City Manado)

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**Abstract:** The property sector in the country is starting to improve to face the pressure of Covid 19 in 2022. Indonesia's economy in the first quarter of 2022 against the first quarter of 2021 grew by 5.01% (y-on-y). The results of the Bank Indonesia Residential Property Price Survey (SHPR) indicate that residential property prices in the primary market will increase in the first quarter of 2022 on an annual basis. The highest IHPR growth occurred in Manado City (5.07%, yoy), followed by Yogyakarta (4.00%, yoy) and Pontianak (3.97%, yoy). Sales of primary residential property in the first quarter of 2022 on an annual basis were observed to improve, even though house sales were still experiencing a contraction. The level of property sales that is starting to stabilize is a challenge for property business people not only in Indonesia but also in several regions. With competition between property developer companies, consumers are really selective in making purchasing decisions. AKR Land Kawanua Emerald City is one of the well-known property developer brands in Manado City which is the object of this research. The purpose of this study is to analyze the effect of online advertisement on purchase intention through brand attitude. The population in the study was 371 homeowners in Kawanua Emerald City Manado and the samples in the study were 50 samples. Collecting data in research using questionnaires and in data processing using SmartPLS30. The results of this study explain that online advertisement has a significant effect on Purchase Intention. Online advertisement has no significant effect on brand attitude. Brand attitude has a positive and significant effect on Purchase Intention. Online advertisement has a significant positive effect on purchase intention through brand attitude.

**Keywords:** online advertisement, brand attitude, purchase intention.

### INTRODUCTION

The property sector in the country is starting to improve to face the pressure of Covid 19 in 2022. In the midst of quite heavy challenges due to the impact of the Covid pandemic, there is one hopeful opportunity for improvement in the industrial sector, especially property. Indonesia's economy in the first quarter of 2022 against the first quarter of 2021 grew by 5.01% (y-on-y). From the production side, the Transportation and Warehousing Business Field experienced the highest growth of 15.79%.

Meanwhile, from the expense side, the Goods and Services Export Component experienced the highest growth of 16.22%. Indonesia's economy in the first quarter of 2022 compared to the previous quarter experienced a growth contraction of 0.96% (q-to-q). From the production side, the deepest growth contraction occurred in the Health Services and Social Activities Business Field of 16.54%. From the expenditure side, The Government Consumption Expenditure (PK-P) component experienced the deepest growth contraction of 50.54%. (BI, 2022).

The results of the Bank Indonesia Residential Property Price Survey (SHPR) indicate that residential property prices in the primary market will increase in the first quarter of 2022 on an annual basis. The increase in IHPR was driven by all types of houses. The highest IHPR growth occurred in Manado City (5.07%, yoy), followed by Yogyakarta (4.00%, yoy) and Pontianak (3.97%, yoy). This increase was recorded at 1.77% (yoy), higher than 1.47% (yoy) in the previous quarter, as well as compared to 1.35% (yoy) in Quarter I-2021. When viewed per house type, the small, medium and large types each grew by 2.01% (yoy), 2.18% (yoy) and 1.11% (yoy), higher than 1.99% (yoy), 1.48% (yoy), and 0.93% (yoy) in the previous quarter. When viewed on a quarterly basis, price increases also occurred. The PPI in the first quarter of 2022 also recorded an increase of 0.68% (qtq), higher than 0.29% (qtq) in the fourth quarter of 2021. This increase in growth was driven by an increase in prices for small and medium types, which grew by 0.54% (qtq) and 1.10% (qtq) respectively, higher than 0.17% (qtq) and 0.38% (qtq) in quarter IV-2021. The increase in IHPR growth in the first quarter of 2022 was driven by price adjustments made by developers since the beginning of the year by implementing Government-borne Value Added Tax (PPN DTP) incentives even though the amount of DTP VAT was reduced compared to 2021. This price increase is also in line with consumer housing cost inflation.

Sales of primary residential property in the first quarter of 2022 were observed to improve on an annual basis, although house sales still contracted by -10.11% (yoy), better than the contraction of -11.60 (yoy) in the previous quarter. Improved sales development in the first quarter of 2022 was driven by improved sales of the large type which grew by 4.01% (yoy) and improvement in sales of the small house type of -8.27% (yoy) which previously experienced a deeper contraction of -23, 79% (yoy). Meanwhile, sales of medium-sized housing types in the first quarter of 2022 were recorded at -18.28% (yoy), or decreased compared to sales in the fourth quarter of 2021. Respondents said that the sales of primary residential property were not yet optimal due to several factors, including: i) Increase in the price of building materials (22.14% of respondents' answers), ii) Licensing/bureaucratic issues (14.40%), iii) Mortgage interest rates (11.70%), iv) High proportion of down payment in mortgage applications (12.33%), and v) Taxation (8.62 %). (SHPR Quarterly 1, 2022).

The level of property sales that is starting to stabilize is a challenge for property business people not only in Indonesia but also in several regions. With competition between property developer companies, consumers are really selective in making purchasing decisions. Customers decide to buy a house because they are faced with a need. Besides that, the house is one of the long-term investment instruments that people are most interested in because in the minds of the people, house prices always go up and become more expensive in the future.

More and more companies are getting involved in the property business, including in Manado, several large developers have made expansions to expand the market network for their products, which were originally only concentrated in the Java region, but have now spread to the regions. DPD REI North Sulawesi noted, in the last three years, a number of large developers from Jakarta have started to enter Manado City. For example, Lippo Group launched Monaco Bay and Holland Village Manado. Other developers that have also entered Manado are Sinar Mas Land, Ciputra Group, and AKR Land.

For consumers buying a house is not an easy and simple affair. Consumers cannot suddenly decide to buy, without heeding many considerations. When buying a house, consumers will be faced with many considerations, such as the price of the house, which of course must be adjusted to their purchasing power, the location, namely how easy access and the direction of development of the area will be, the type and availability of available facilities, building quality, environmental conditions,

house design and there are many other considerations.

Property business people must be able to concoct strategies in marketing their property products, one of which is currently trending, namely the use of online advertisements in advertising. The media that are often used are social media, websites, forum sites, and e-commerce sites. Data from the number of active social media users in Indonesia reached 191 million people in January 2022. That number increased by 12.35% compared to the previous year. Based on the "We Are Social" report, the number of active social media users in Indonesia was 191 million people in January 2022. That number has increased by 12.35% compared to the previous year of 170 million people. This figure is certain to continue to increase along with the ease of access to information through the use of smart phones. The activity that they did 59.7% was searching or opening online service sites such as m-banking, travel and e-commerce.

Kotler and Armstrong (2012) state that online marketing is the fastest growing form of direct marketing. Many companies choose online marketing as the fastest and easiest promotional medium. One way for a product to remain an option for a consumer also depends on the brand's attitude towards consumers. Consumers like or dislike the brand and consumer evaluation of the brand. To achieve brand loyalty, the company is very dependent on its ability to manage the factors that influence brand loyalty, including brand attitude. Attitudes towards a brand are related to consumer preferences and overall evaluation of a brand, which describes their likes and dislikes (Solomon, 2014). Brand attitude is considered as a marker of behavioral intention. Brand attitude has a significant influence on purchase intention because brand attitude is the most important determinant of purchase intention. Considering the Theory of Reasoned Action (TRA), Till and Busler (2000), observed that attitude towards performing a behavior is a significant predictor of purchase intention. Further studies show that purchase intention is high if the consumer's attitude towards the brand is favorable (Till and Busler, 2000). Till and Busler (2000), argue that the higher the consumer's attitude towards a particular product or brand, the greater the influence on their behavior regardless of the direction of influence. Chetioui et al. (2020), in his research revealed the results that brand attitude has a positive effect on purchase intention. More about Chetioui et al. (2020); Huang et al. (2011) said that a positive brand attitude influences consumer priority towards the brand and positively influences purchase intention. This is because increasing consumer ratings of a brand can improve brand attitudes and encourage consumer purchase intentions. Angelica's research (2020) shows that there is a significant influence from social media, Electronic Word of Mouth and brand attitudes on consumer purchase intentions. Of the three variables, the one that most influences purchase intention is the brand attitude variable. Furthermore, according to Schivinski & Dabrowski (2014), User-generated social media communications have a positive influence on brand equity and brand attitudes, whereas company-generated social media communications only influence brand attitudes. Balakrishnan, Dahnil, & Yi (2014) show that online marketing communications, especially electronic word of mouth, online communities and online advertisements, are effective in promoting brand loyalty and product purchase intention through company websites and social media platforms. Both brand equity and brand attitude are proven to have a positive effect on purchase intention. Based on this background, the authors feel it is important to know the effect of Online Advertisement, on Purchase Intention directly, as well as the influence of Online Advertisement on Purchase Intention through Brand Attitude at PT AKR Land Kawanua Emerald City Manado.

### **Research purposes**

This research was conducted with the following objectives:

1. Knowing and analyzing the effect of online advertising on Brand Attitude of Kawanua Emerald City Manado Consumers.
2. Knowing and analyzing the effect of advertising on Purchase Intention of Kawanua Emerald City Manado Consumers.
3. Knowing and analyzing the effect of Brand Attitude on Purchase Intention of Kawanua Emerald City Manado Consumers.

## LITERATURE REVIEW

### Advertising

Advertising according to Philip Kotler (2008), advertising is all paid forms of non-personal presentation and promotion of ideas, goods, or services by certain sponsors.

### Online Advertising

According to Kotler and Armstrong, (2013) online marketing describes a company's efforts to market products and services, as well as build relationships with customers via the internet.

### Brands

Brand According to Kotler and Armstrong (2001), the notion of a brand (brand) is a name, term, design symbol, or a combination thereof which is useful for identifying a product or service produced by a company and for differentiating it from competitors' products. Aaker (1996) defines a brand as a distinguishing name and/or symbol (a logo, stamp, packaging) with the intention of identifying the goods or services of a seller or a particular group of sellers, thereby differentiating them from goods and services produced by other sellers. competitors.

### Brand Attitudes

According to Wijaya (2011, p. 21) "Brand Attitude is more of an attitude or behavior of brand communication and interaction with consumers that influences the brand image".

### Purchase Intentions

According to Schiffman and Kanuk (2008) purchasing decisions are the selection of two or more alternative choices. In this case the choice of product alternatives to be selected must be available to someone when making a purchasing decision. If the consumer has two choices between buying or not, it means that person is in a position to make a decision on a product.

### Previous Research

Ghassemi and Vosta (2014) investigated the influence of traditional media advertising on customer attitudes towards brands and purchase intentions. The results of structural equation modeling show that traditional media and social media have a significant influence on brand attitude. However, the effect of traditional advertising is less than that of social media. Furthermore, brand attitude has a significant impact on purchase intention.

Schivinski and Dabrowski (2014) investigated 504 Facebook users to observe the impact of company-generated and user-generated social media communications (UG) on brand equity (BE), brand attitude (BA) and purchase intention (PI) using a standardized online survey across the globe. Poland. This study shows that user-generated social media communications have a positive effect on brand equity and brand attitudes, while company-generated social media communications only influence brand attitudes. Both brand equity and brand attitude are proven to have a positive effect on purchase intention.

Balakrishnan, Dahnil and Yi (2014) show that online marketing communications especially EWOM, online communities and online advertising are effective in promoting brand loyalty and product purchase intention through company websites and social media platforms. These findings show marketing managers that social media marketing media has become an important marketing tool to reach the emerging younger generation of consumers.

### hypothesis

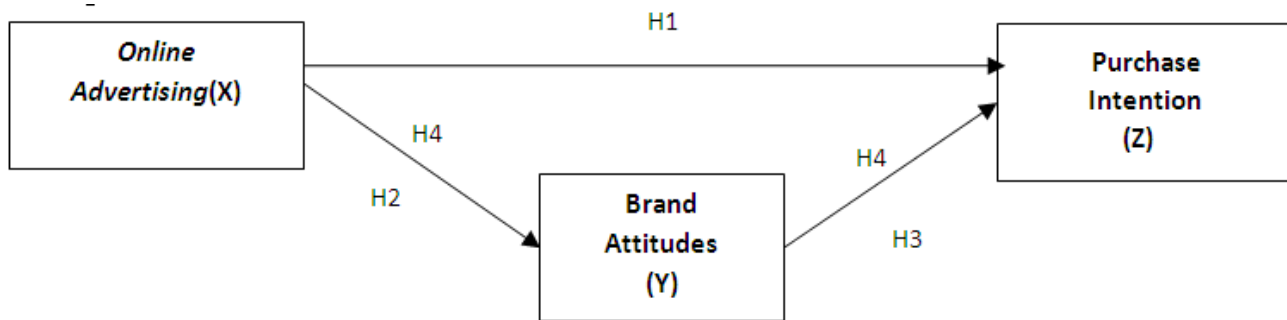
H1: On line *Advertisements* positive and significant effect on Purchase Intention.

H<sub>2</sub>: *Online Advertising* positive and significant effect on Brand Attitude.

H3: *Brand Attitudes* positive and significant effect on Purchase Intention.

H4: *Online Advertising* has a positive and significant effect on Purchase Intention through mediation of Brand Attitude

### Conceptual framework



**Figure 1. Conceptual Framework**

Source: Field Study, 2022

## RESEARCH METHODS

### Research Approach

This research is a research using a quantitative approach. Quantitative research aims to show the relationships and influences between variables, test theories, and seek generalizations that have predictive value. In this research, it was conducted to determine the effect of Online Advertising, both directly and indirectly on Purchase Intention, mediated by Brand Attitude.

### Population, Sample Size, and Sampling Technique

The population in this study was 317 house owners in Kawanua Emerald City housing. The sample is part of the number and characteristics of that population. Because the distribution of population locations is in one area, the sampling technique used in this study is saturated sampling (census), where the entire population is the research sample. While from the entire sample/population the amount of data (questionnaire) that can be analyzed is 50 samples/respondents.

### Data collection technique

In this study, the primary data collection method was carried out using a survey method using a questionnaire, while secondary data was collected using documentation techniques.

### Data analysis technique

Instrument testing in this study was carried out with smart PLS.

## RESEARCH RESULTS AND DISCUSSION

### Research result

The Structural Model Test was obtained using SmartPLS 3.0 by testing Bootstrapping. The confidence level used is 95% with an inaccuracy limit of ( $\alpha$ ) = 5%, where the t-statistic value used is 1.96. The following are the results of the Structural Model Test research: (Table 1)

**Table 1. Path Coefficient**

Variable	Original Sample (O)	sample Means (M)	standard Deviation s (STDEV)	T Statistics ( O/STDEV )	P Values
Online Advertising -> Purchase Intentions	0.539	0.548	0.076	7,051	0.000**
Online					

<b>Advertising -&gt; Brand Attitudes</b>	0.043	0.037	0.087	0.512	0.607
<b>Brand Attitude -&gt; Purchase Intentions</b>	0.667	0.674	0.068	9,953	0.000**

Source: Data Processing, 2022

**Table 2. Specific Indirect Effects**

<b>Variable</b>	<b>Original Sample (O)</b>	<b>Sample Means (M)</b>	<b>Standard Deviations (STDEV)</b>	<b>T Statistics ( O/STDEV V )</b>	<b>P Values</b>
<b>Online Advertisements -&gt; Brands attitude &gt;Purchase Intention</b>	0.361	0.370	0.069	5.193	0.000**

Source: Data Processing, 2022

Based on table 2 it can be concluded that the hypothesis of the Structural Test Model is as follows:

1. There is a significant influence between Online Advertisement (X) on Purchase Intention (Z) in Kawanua Emerald City Manado (:  $7.051 > 1.96 = H_0$  is rejected, then  $H_a$  is accepted).
2. There is no significant effect between Online Advertisement (X) on Brand Attitude (Y) in Kawanua Emerald City Manado Perfect ( $0.512 < 1.96 = H_0$  is accepted, then  $H_a$  is rejected).
3. There is a significant influence between Brand Attitude (Y) and Purchase Intention (Z) in Kawanua Emerald City Manado ( $9.953 > 1.96 = H_0$  is rejected, then  $H_a$  is accepted).
4. There is a significant influence between Online Advertisement (X2) through Brand Attitude (Y) on Purchase Intention (Z) in Kawanua Emerald City Manado Perfect ( $5.193 > 1.96 = H_0$  is rejected, then  $H_a$  is accepted).

## Discussion

### Effect of Online Advertisement on Purchase Intention

The results of this study indicate that the online advertisement variable has a positive and significant effect on the Purchase Intention variable. The results of this study are in line with previous research which states that there is a significant effect between online advertisements on purchase intention. This research is in line with the research conducted by Balakrishnan, Dahnil, & Yi (2014) where the research shows that online advertising can influence purchase intention.

This study reveals that online advertisements have a significant effect on purchase intention. So when a customer decides to buy a house, the potential customer is influenced by AKR Kawanua Emerald City's online advertisements posted on Instagram and buying and selling sites. Consumers tend to see advertisements offered by developers and make purchases of housing products. Advertising materials that are usually related to buying a house are free of VAT, discounts on down payment and available bonuses and facilities.

### The Influence of Online Advertisement on Brand Attitude

The results of the study show that the Online Advertisement variable has no significant effect on the Brand Attitude variable. The results of this study are not in line with Ghassemi and Vosta (2014) which show that social media, including online advertisements, has a significant influence on brand attitude.

### **Effect of Brand Attitude on Purchase Intention**

The results of the study show that the Brand Attitude variable has a positive and significant influence on the Purchase Intention variable. So the higher the Brand Attitude of AKR Kawanua Emerald City Manado, the higher the purchase intention, namely purchase intention. These results confirm several previous studies which stated that consumers who have a positive brand attitude will have a higher desire to buy a product (Jin and Gu Suh, 2005, Leonidou, Leonidou and Kvasova, 2010, Sallam and Wahid, 2012, Mintatoya, 2015). , Mohd Suki, 2016, and Taute, et al., 2017).

### **Effect of Online Advertisement on Purchase Intention through Brand Attitude**

The results of the study show that the Online Advertisement variable has a positive and significant influence on Purchase Intention through Brand Attitude.

### **Conclusion**

Based on the results of the research and discussion it can be concluded the following points:

1. *Online advertisement* significant positive effect on Purchase Intention
2. *Online advertisement* no significant effect on Brand Attitude
3. *Brand Attitude* significant positive effect on Purchase Intention
4. *Online advertisement* significant positive effect on Purchase Intention through Brand

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