Marketing Strategy to Increase Brand Awareness: A Study Case on Digital Loan Application

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ABSTRACT: Indonesia's fintech industry has continued to experience rapid growth and will emerge as a key participant in the country's financial sector by 2022-2023. Fintech is an abbreviation for financial technology, which refers to the use of technology to improve the efficacy of financial systems and provide financial services. Indonesia is an ideal environment for the growth of fintech companies due to its large population and swiftly expanding middle class. The widespread adoption of smartphones and internet access has contributed to the expansion of fintech in the nation. The Financial Services Authority (OJK) has implemented measures to promote innovation, safeguard consumers, and maintain financial stability. These rules have facilitated the operation of fintech firms and attracted investment. In Indonesia, mobile payment solutions are one of the fastest-growing areas of fintech. In banking industries, technology is beginning to transform the banking process from traditional banking to digital banking, in which consumers must deliver through innovative technologies such as mobile and internet banking (Abbasi & Weigand, 2017). This issue may be remedied by the emergence of fintech lending. This was bolstered by the high mobile subscription and internet penetration rates relative to Indonesia's population, which subsequently presented a tremendous opportunity for fintech lending platforms.

KEYWORDS: Brand Awareness, Banking Product, Digital Loan Application, Financial Technology, SEM-PLS

INTRODUCTION

Indonesia's fintech industry has continued to experience significant development and will become a key player in the nation's financial sector by 2022 -2023. Fintech, an abbreviation for financial technology, refers to use of technology to enhance the efficiency of financial systems and deliver financial services. With its large population and rapidly expanding middle class, Indonesia is an ideal environment for fintech companies to flourish. The pervasive adoption of smartphones and internet access has contributed to the expansion of fintech in the country. The Financial Services Authority (OJK) has implemented measures to foster innovation, defend consumers, and maintain financial stability. These regulations have facilitated the operation of fintech companies and attracted investment. Mobile payment solutions are a significant area of fintech growth in Indonesia. In banking industries, technology is starting to change the banking process, from traditional banking to digital banking, where customers need to deliver through innovative technologies like mobile banking and internet banking (Abbasi & Weigand, 2017). The emergence of fintech lending offers a potential remedy to this issue. This was further supported by the high mobile subscription and internet penetration rates relative to the population of Indonesia, which consequently presented a vast opportunity for fintech lending platforms.

LITERATURE REVIEW

By developing a comprehensive marketing campaign, utilizing various digital channels, leveraging partnerships,offering promotion and implementing data-driven marketing techniques,the bank can effectively promote digital loan application to its target audience, raise awareness, and drive adoption of digital loan applications.

A. Brand Awareness

Brand awareness is a brand's ability to appear in consumers' minds when they think about certain products and how easily these products appear in the mind of consumers.
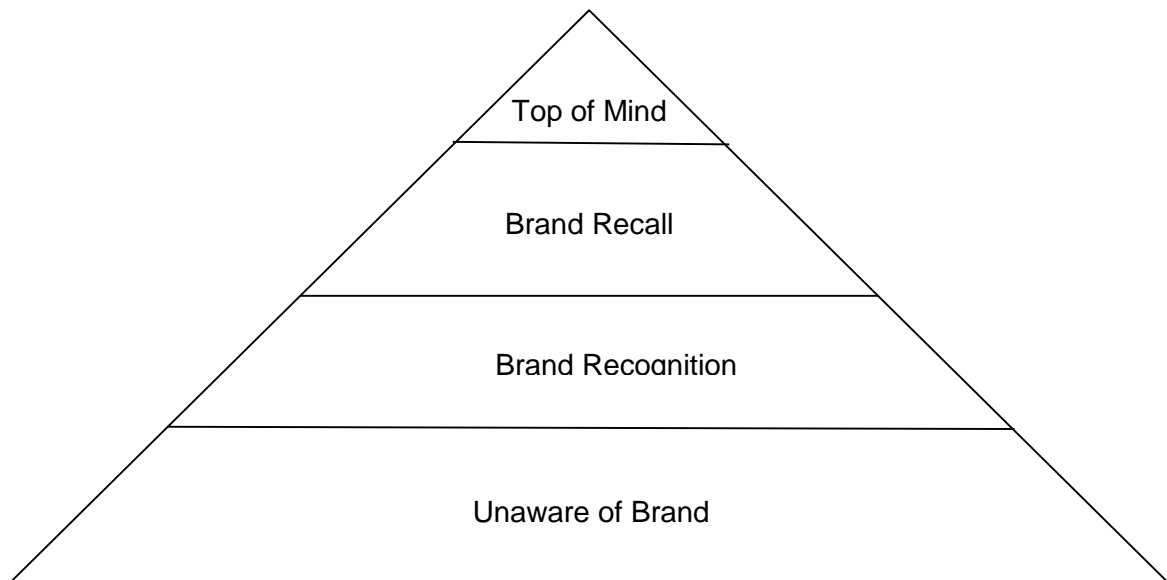
Figure 1. Online use Financial Services

At the peak of brand awareness, brand recognition is minimal. Brand recognition occurs when a brand reappears after being upgraded through aided recall. According to Darmadi Durianto et al. in the book Strategy to Conquer the Market through Research on Equity and Brand Behavior (2004), brand recall increases brand returns without assistance. It is called without aid because consumers do not need help remembering the brand.

B. Advertising

Advertising is a potent instrument that enables business and organization to promote their goods, services or ideas to a specific audience. it entails the creation of persuasive and compelling communications distributed via multiple channels, including television, radio, print media, online platform and social media. To increase the potential exposure to the customers, advertising is the most commonly used by the brand. From the definition, advertising refers to paid business summary messages distributed through numerous media channels to influence customers perception (Aaker, 1996). From all the previous research regarding advertising, this can be concluded that based on its function as the first source of information. Advertising plays an essential role in brand awareness as it affects the potential customers that will help from a positive attitude, which further affect the attractiveness toward the organization. Thus it formed the hypothesis for this research.

H1: Advertising positively affects brand awareness

C. Publicity

Publicity is non-personal communication delivered through editorial media that the organization does not pay for regarding the information about a product or service (Camaeron, 1994). It is widespread use of publicity increases the impact of the customers' awareness as the customers are exposed actively and passively daily. One of the components of brand equity is brand awareness, which is the foundation for building brand equity. On the other hand, it is also mentioned that publicity aims to raise brand awareness of an individual, product or service and capture the audience's attention (Pacis et al., 2022). Thus it result in the hypothesis for this research

H2: Publicity positively affect brand awareness

D. Word of Mouth

Word of mouth usually involves no intermediaries, private intermediaries, or private intermediaries, or private intermediaries (e.g., friends or relatives) informally generated by people thought to have no commercial interest in promoting the services. As a result, everyone can become the source of the service's information, including friends, family, acquaintances or even strangers. WoM provides more credibility to information because the more credible the source, the more persuasive it will be

in changing the attitude, which makes it has positive effect on the brand. in this term the previous study of the impect of WoM and the potential customers and awareness of the brand resulted in the hypothesis for this research.

H3: Word of Mouth positively influences brand awareness

E. Sponsorship

Sponsorship to communicate an organization's message and enhance the image of the product or services to the target audience (Javalgi et al., 2021). Sponsorship is undertaken in various fields, including sports, culture and ecology (Batt et al., 2021). A previous study also found that attending sponsored event instills a favorable image that promotes the brand and company image (Kashive & Khanna, 2017)

H4: Sponsorship positively affect brand awareness

F. Consumer Analysis

An essential component of consumer analysis is the study and comprehension of a target market's characteristics, behaviors, and preferences. By conducting a thorough analysis of consumers, businesses gain valuable insights regarding consumer demographics, psychographics, requirements, motivations, and purchasing behaviors. This information facilitates the development of effective marketing strategies, the customization of products and services to meet consumer demands, and the creation of personalized experiences. Consumer analysis enables organizations to make informed decisions, anticipate market trends, identify growth opportunities, and cultivate strong customer relationships. It enables businesses to engage with their target audience on a deeper level and provide consumers with relevant value. As the Bank partnership model is the product of this research, Digital loan application is a potential client. This customer analysis is being conducted to determine the level of consumer awareness regarding digital application and the consumer's perception of BankI's efforts to increase consumer awareness.

From the theory explained above, the proposed conceptual framework for this research can be formulated in the figure. this studi will analyze the effect of advertising, publicity, word of mouth and sponsorship on brand awareness.
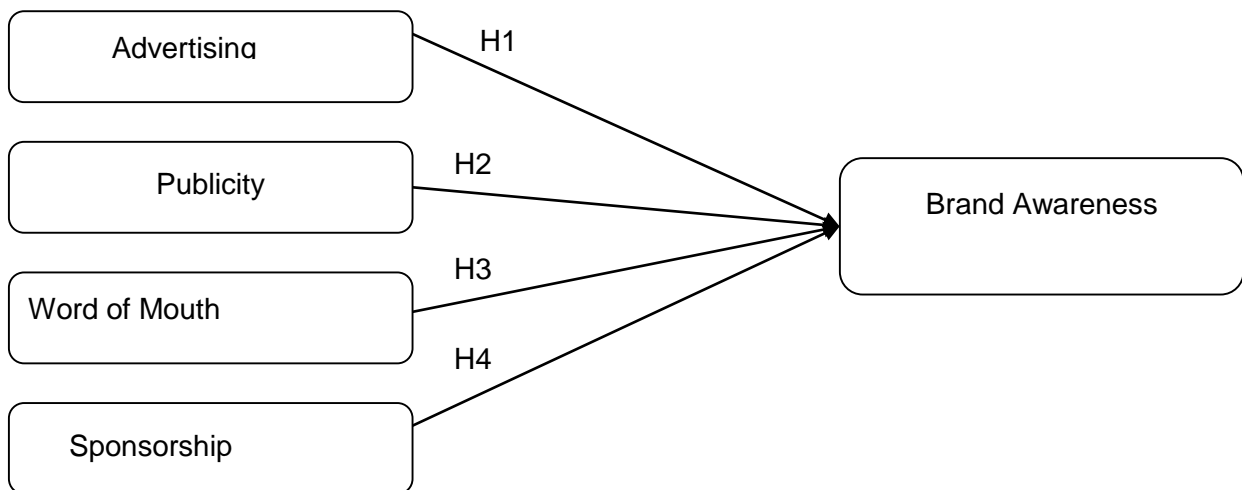

Figure 2. Conceptual Framework

RESEARCH METHODS

This research can be categorized as explanatory research, focusing on studying the problem to explain the relationship or link variable. This research explores factors influencing the potential awareness of digital loan application. This research was conducted using a mixed-method design: mixing research methods (Lewis & Saunders, 2012).The methodology for this research using quantitative methods is collecting and analyzing numerical data. SmartPLS software analyzes the relationship between indicators

and constructs using data collected from questionnaires. Before data processing, the data needs to be converted into a comma-delimited format to be readable by SmartPLS. There are several steps in analyzing the result of PLS-SEM: First is to create a PLS-SEM result of a structural model.

The random sampling method will ude data collection as a probability distribution. the data collection method used in this research:

1. Surveys

   Primary data is obtained directly from sources of first parties, such as data from first parties and respondents through surveys. The primary data needed in this research to analyze the business issue are the purchase funnel, customer journey, and service blueprint. The data collection for primary data is through surveys in the form of questionnaires. The list of questions is distributed by mail, online, or in person, and respondents fill it out themselves.

2. Literature Study

   Secondary data is obtained through intermediary channels. Secondary data is derived from records, historical reports/archives, or primary data and is typically presented in tables and graphs. The data collection method for these data will be a review of the relevant literature. Secondary data from articles, journals, reports, books, the Internet, and other relevant sources supported this research.

ANALYSIS & RESULT

This chapter will mainly discuss the results that were analyzed with PLS-SEM. the analysis will cover the characteristic of the participants, the evaluation of the outer measurement model, and the evaluation of the inner measurement model

RESPONDENT CHARACTERISTICS

The Criteria of sample in this research are as follows: Men or Women. between 21- 35 and are an indonesian citizen. Through the survey conducted according to the sample criteria, this research has gathered the responses of 158 participants. The majority are men (n= 95 60.1%). The majority of the respondents are aged between 21 -25 years old (n=67, 40.9%). The majority of respondents are mainly from West Java(n= 68, 43%). Most of the participant occupations are Private employees (n= 70, 44,9%). The average expenses each month respondent in range are more than 3 million rupiahs (n= 81, 51,6%). The questionnaire used closed format questions that were measured using a 1-5 Likert scale. The data collected 158 respondent for this research
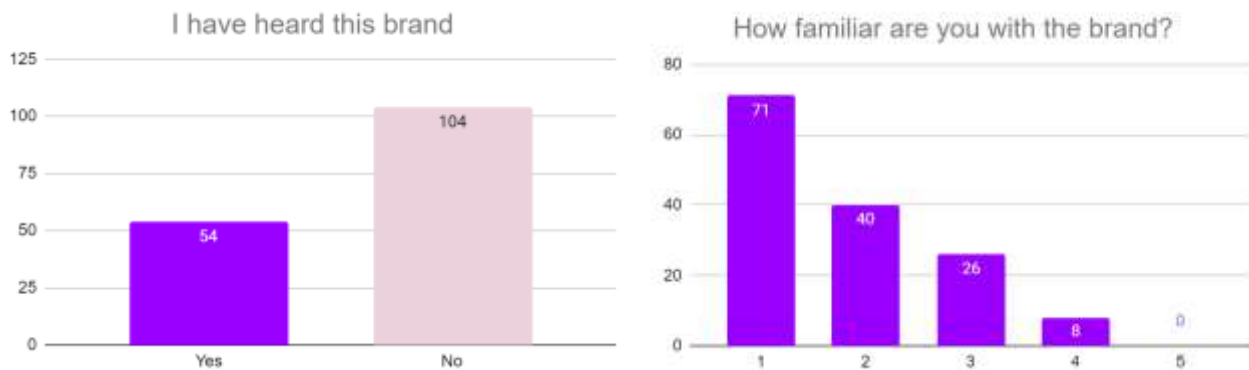

Figure 3. Brand Recognition Survey

In order to determine brand recognition, the questionnaire asked, "Have you ever heard of this brand before?" Figure's first query result reveals that 104 respondents have not heard of the digital loan application. The other question asked is "How familiar are you with the brand?" Seventy-one respondents, or 49 percent, firmly disagree that they are familiar with the brand, indicating that they need to be truly informed about the brand.

"In the past year, how often have you listened to people talk about the brand?". The figure depicts the results of respondents' familiarity with the brand. Seventy-one respondents, or 49 percent, firmly disagree that they are familiar with the brand, indicating that they need to be truly informed about the brand.
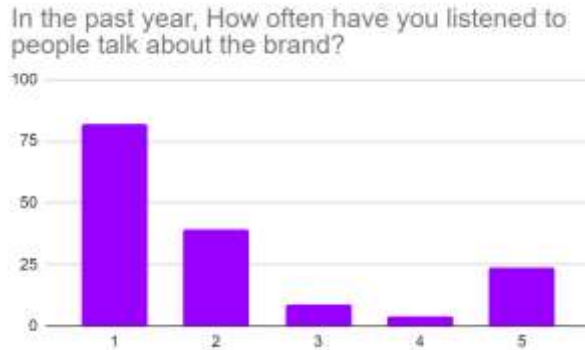
Figure 4. Brand Recognition Survey

The last question about how often respondents listened to people talking about the brand within one last year in Fig In response to the final query regarding how frequently respondents listened to people talking about the brand within the past year, 82 strongly disagreed, and 39 disagreed. It indicates that % of respondents disagree that they frequently heard people discussing the brand within the past year. The remaining 5.7% of respondents are neutral, and 2.5% concur, while 24 strongly agree that they frequently heard others discussing the brand within the past year. Strong disagreement is the greatest rating compared to neutral and strong disagreement.

RESULT OF QUALITATIVE DATA ANALYSIS

Using SmartPLS software, the relationship between indicators and constructs is analyzed using data collected from questionnaires. There are several stages involved in analyzing PLS-SEM results: First, construct a PLS path model as illustrated
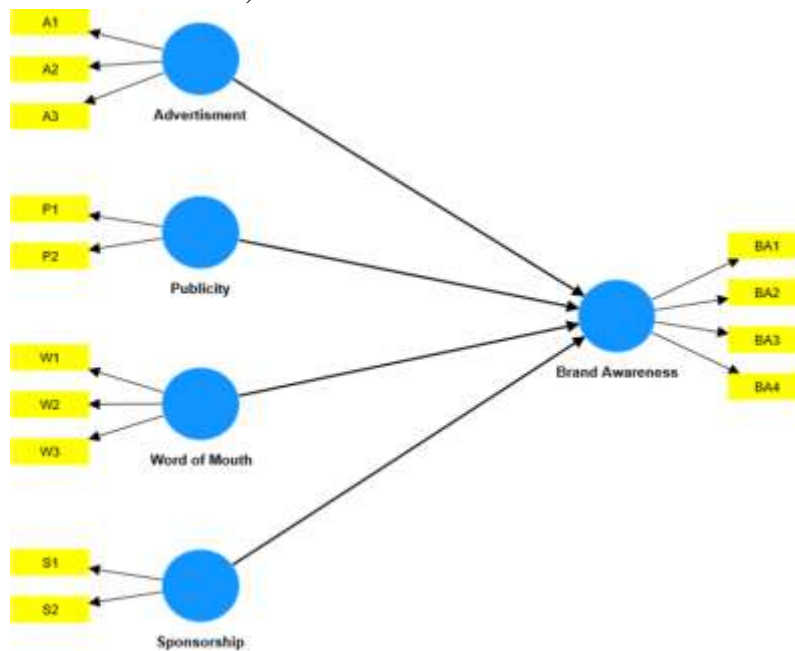
OUTER MODEL (MEASUREMENT MODEL)

Figure 5 Path Model SmartPLS

The evaluation of reflective measurement models includes checking for reliability and validity. This consists of several evaluation measures.

1. *Internal Consistency Reliability (Cronbach Alpha & Composite Reliability)*

Table 1. Internal Consistency Reliability

	Cronbach's Alpha	rho_A	Composite Relia
Advertising	0.879	0.882	0.806
Brand Awareness	0.864	0.869	0.787
Publicity	0.919	0.923	0.925
Sponsorship	0.951	0.986	0.953
Word-of-Mouth	0.975	0.981	0.953

The Cronbach alpha value and composite reliability value are greater than 0.7, indicating that the data have a high level of internal consistency. Consequently, there is evidence confirming the data construct's dependability.

2. *Convergent Validity*

Table 2. Convergent Validity

	Advertisement	Brand Awareness	Publicity	Sponsorship	Word of Mouth
A1	0.866				
A2	0.894				
A3	0.933				
BA1		0.845			
BA2		0.942			
BA3		0.871			
P1			0.965		
P2			0.959		
S1				0.981	
S2				0.971	
W1					0.968
W2					0.983
W3					0.977

The high value in outer loadings means that the linked indicators have much in common and are well represented by the construct. Each indicator's outer loading must be statistically significant or have a value of 0.708 or higher (Ringle et al., 2014)

3. Discriminant Validity

Table 3. Discriminant Validity

	Advertisement	Brand Awareness	Publicity	Sponsorship	Word of Mouth
A1	0.866	0.302	0.559	0.468	0.509
A2	0.894	0.297	0.580	0.687	0.713
A3	0.933	0.322	0.598	0.702	0.740
BA1	0.341	0.845	0.492	0.286	0.289
BA2	0.304	0.942	0.495	0.246	0.277
BA3	0.258	0.871	0.425	0.214	0.216
P1	0.642	0.532	0.965	0.528	0.539
P2	0.598	0.493	0.959	0.509	0.533
S1	0.633	0.303	0.548	0.981	0.827
S2	0.689	0.243	0.499	0.971	0.816
W1	0.725	0.278	0.559	0.832	0.968
W2	0.695	0.313	0.554	0.820	0.983
W3	0.717	0.274	0.518	0.814	0.977

Cross-loadings compare the outer loadings of each construct; the criterion is that the outer loadings of a specific construct must be larger than those of all other constructs. All outer loadings from each structure are greater than those from other structures. All outer loadings from each chart value meet the specified criteria.

4. Fornell-Lacker

Table 4. Fornell-Lacker

	Advertising	Brand Awareness	Publicity	Sponsorship	Word of mouth
Advertising	0.898				
Brand Awareness	0.342	0.887			
Publicity	0.645	0.533	0.962		
Sponsorship	0.691	0.282	0.539	0.976	
Word of mouth	0.729	0.297	0.557	0.842	0.976

The diagonal value must be greater than all correlation values in the rows and columns. Overall, the fact that the square root AVE in the table is greater than other latent variable correlations provides evidence for the construct's discriminant validity, since the latent variables in the structural model share more variance with its indicators than with another latent variable.

INNER MODEL (STRUCTURAL MODEL)

1. *Collinearity Assessment*

Table 5. Collinearity Assessment

	Brand Awareness
Advertisement	2.660
Brand Awareness	
Publicity	1.772
Sponsorship	3.606
Word of Mouth	4.024

According to the table's data, the VIF value of each latent variable is less than 5.00. There are indications that the data lack multicollinearity. The result demonstrates that the independent variables are independent of one another.

2. *Significant of Path Coefficient*

Table 6. Significance of Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Value	Finding
H1: Advertising → Brand Awareness	-0.002	0.001	0.072	0.030	0.004	H1 supported
H2: Publicity → Brand Awareness	0.536	0.538	0.066	8.146	0.000	H2 supported
H3: Sponsorship → Brand Awareness	-0.016	-0.016	0.055	0.286	0.775	H3 not supported
H4: Word-of-Mouth → Brand Awareness	0.013	0.008	0.058	0.220	0.826	H4 not supported

The t value and p value indicate that advertising and publicity have a positive relationship with brand awareness; therefore, the hypothesis is supported. The relationship between sponsorship and word of mouth and brand awareness is not positive.

3. *Coefficient of Determination R^2*

Table 7. R^2

	R square	R Square Adjusted
Brand Awareness	0.287	0.269

The R square value is 0.287, which indicates that advertising, publicity, word-of-mouth, and sponsorship account for 0.269% of the variance in the endogenous variable brand awareness. Thus, the R-squared value is considered to be moderate.

CONCLUSION & RECOMMENDATIONS

The company should establish a business and marketing strategy to increase potential customers' brand recognition. To increase brand awareness, the company may consider advertising, publicity, word-of-mouth, and sponsorship, among other strategies. Based

on quantitative research indicating a positive response, the business can enhance its advertising and public relations. As brand awareness is affected by the sponsorship, the company has the opportunity to develop the sponsorship. To increase potential driver-partners' exposure to information about the digital loan application, the company may intend to utilize advertising across multiple media platforms. The company can then use publicity techniques to introduce the digital loan application in order to generate media coverage of the application's positive aspects. The business can then become a sponsor for events as the new media to introduce the digital loan application to prospective new consumers. However, there are limitations to the proposed strategy, as it concentrates solely on marketing and business strategy without further cost estimation.

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