

# How Do Brand Awareness and Inovation Influence Purchasing Decisions

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Submitted : 10-05-2023, Accepted : 13-06-2023, Published : 15-07-2023

## Abstract

In order to improve consumer purchase decisions, this study attempts to investigate if brand awareness can moderate promotional activities, product quality, and product innovation. The study was carried out at PT Dharma Satya Nusantara, a new wood product craftsman company. Causal associative method in quantitative research. Purposive sampling was used in the questionnaire-based data gathering process, which had 142 respondents. analysis of data with the Smart PLS 3.0 software. The study's findings demonstrate that while brand awareness is a moderating variable, there is insufficient data to support its ability to regulate marketing campaigns, product innovation, and quality in order to influence customer purchase decisions. Nonetheless, it has been demonstrated that brand awareness can predict consumer purchasing decisions more accurately than other factors. By strengthening brand recognition as a predictor, boosting promotional activities, and enhancing product quality, the study's findings aid in efforts to enhance purchasing decisions.

**Keywords:** Innovation, Decision to Buy, Awareness of Brand, Product Quality, and Promotion

## Introduction

Whether constructed of wood, bamboo, or synthetic materials, furniture is a category of household equipment that includes tables, chairs, cabinets, and other items that serve as storage spaces as well as places to sleep, sit, and unwind (Anam, 2023). Situated in Perumnas, Teluk Jambe Surabaya, Kayu Jamus is a community-based furniture handicraft enterprise legally registered under PT Dharma Satya Nusantara. It manufactures hardwood tables and chairs. Since its founding in 1990, this company has had a somewhat dynamic and erratic turnover. Numerous initiatives are taken to boost jamus wood sales, such as holding promotional events, enhancing the quality of the product, developing consumer-pleasing innovations, and raising product brand recognition to encourage sales. A highly competitive timber price war has resulted from the lack of standardized government or community regulation of timber market

prices, coupled with the wide range of timber brands available. This has an impact on customer acquisition challenges, particularly for wood craftsmen who are just starting out in business.

Consumer purchase decisions are influenced by a product's brand recognition. Products with little brand awareness encourage consumers to select from a wide range of options, which leads them to select high-quality products. Thus, choosing a product will be quicker if customers are familiar with the brand of a given item. Increasing a product's brand awareness is one of the ways businesses may stand out from the competition and win business. Furthermore, brand awareness can mitigate the impact of price wars, meaning that consumers are more likely to choose a product with strong brand awareness even if its price is greater (Rahayu, 2022).

A strategic solution to overcome product marketing issues is required for the startup business to be able to survive, grow, and be sustainable in order to turn a profit. This is because of the problems that arise in the wood product startup business, particularly for Jamus Wood Product Startup Business, which has not had stable sales. As a result, the primary goal of this research must be to thoroughly investigate, using PT Dharma Satya Nusantara's jamus wood product line as a case study, whether brand awareness of a product can mitigate the impact of promotion, product quality, and innovation on consumer purchasing decisions. Thus, it is anticipated that the study's findings would offer tactical suggestions for boosting sales of products made of jamus wood.

## **Literatur Riview**

### **Purchase Selection**

When making a purchase, a consumer must first identify the issue of what they need and want, then research, assess, and decide what to buy. This process ensures that the consumer receives the goods or services they need to satisfy their needs and desires and finds a solution to any problems with the product. Rahayu (2022).

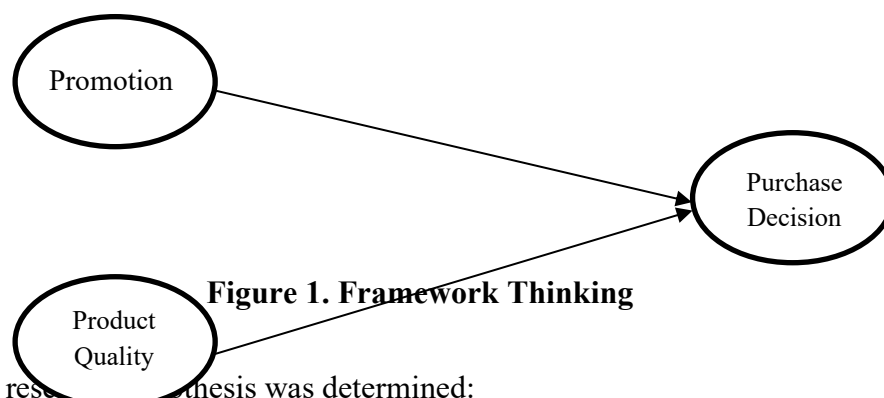
### Awareness of Brands

The ability of consumers to recollect the features, qualities, and uniqueness of a specific product is known as brand awareness. A marketing objective is to raise brand recognition since it has the power to persuade consumers to prefer, choose, purchase, and utilize particular brands of goods. A company's level of success can be determined by its brand awareness (Nurhayati, 2022).

### Creativity

Innovation is a creative concept that is implemented into a product that has applications for other people (Rahayu et al., 2023), 2023). Innovation is an update of the previous product, becoming fresher and more attractive. In order to address customer issues, product innovation is founded on the requirements, preferences, and satisfaction of the consumer. To promote innovation, creativity is necessary, and product innovation should adhere to current market trends.

In order to enhance customer purchases and expand marketing outreach, it is recommended that products align with societal trends (Anam, 2022). Structure of Thought The researcher creates a research framework based on theoretical studies and pre-empirical observation to determine the signs of the issues that arise in the object under study:



**Figure 1. Framework Thinking**

The following research synthesis was determined:

H1: A purchasing choice is significantly influenced by promotion.

H2: The impact of promotion on purchase decisions is mitigated by brand awareness.

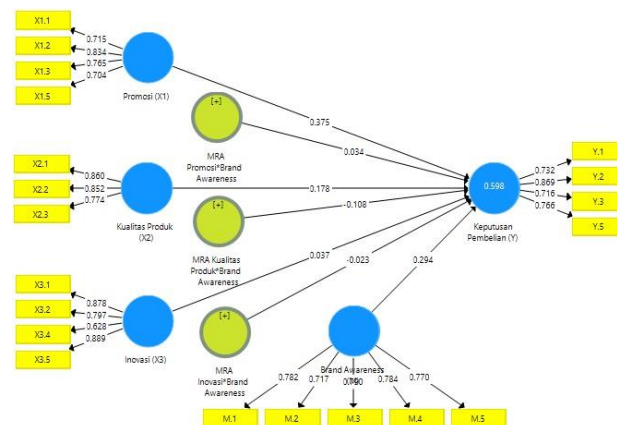
## **Methods**

This study employs a causal technique, associative approach, and quantitative method. exploratory research is the type of research. The research was carried out in West Surabaya's PT Dharma Satya Nusantara. This business manufactures and distributes wooden tables and chairs as part of its furniture business. Because Jamus Wood Products is a start-up with unstable revenues due to fierce market competition, research on the company was done. Purposive sampling, a nonprobability sampling technique, was utilized in the sample process. Respondents were chosen based on their purchase history of Jamus wood items. There were 142 samples in the research sample. Direct distribution of a questionnaire using a Likert scale ranging from 1 to 5 was employed as the research instrument.

5, which were given out directly to respondents via Google Forms or questionnaire sheets following customer orders and product delivery. Both descriptive and inferential statistics are used in data analysis approaches. Path analysis is used in the analysis approach, and the Smart PLS 3.0 application is used for data processing tools.

## **Results and Discussion**

A questionnaire consisting of up to 25 statements on a Likert scale ranging from 1 to 5 was completed by 142 participants in the study. There are no missing data points in the information provided by respondents. The answer's lowest possible value When the standard deviation value is less than the mean (average) value, it indicates that there are no extreme or outlier data, indicating that the data are appropriate for additional research.



**Figure 2. PLS Logarithm Output**

It can be concluded that the questionnaire items or statements on each variable, namely the promotion variable, product quality, innovation, brand awareness, and purchasing decisions, have been able to produce convergent valid respondents' answers based on the PLS Logarithm output above, where the loading factor value of each latent variable indicator shows  $> 0.6$ . variables have the ability to generate responses from respondents that are convergently valid, including promotion variables, product quality, innovation, brand awareness, and purchasing decisions.

The findings of the research instrument validity test, which indicate that the statements or question items on the questionnaire have the ability to generate convergent, valid respondent answer data, are supported by the Average Variance Extracted (AVE) value in the validity and reliability test results, which indicates that in each latent variable  $> 0.50$ .

Each latent variable's Cronbach's Alpha value is more than 0.6, indicating that either the study questionnaire's itemized questions or statements were able to elicit dependable responses from respondents, or that the respondents' responses were dependable. give responses from respondents that are trustworthy or consistent (Imam Ghazali, 2015). Since the Composite Reliability score is greater than Cronbach's Alpha, it can be said that the statements or questions in the questionnaire result in internally consistent responses. Furthermore, if the Composite Reliability score is greater than 0.60, it may be said that the questionnaire's questions and statements can elicit consistent or dependable responses (Imam Ghazali, 2015).

Table 1. Determination Test

|                   | R Square | R Square Ajusted |
|-------------------|----------|------------------|
| Purchase Decision | 0.598    | 0.578            |

According to the determination test results, the exogenous factors are better able to explain changes in variations in the endogenous variables the greater the R Square value (Prastowo, 2021). According to the developed model, the purchasing decision variable's R Square value is 0.598. This indicates that the exogenous variables of promotion and purchase choice all have an equal impact on the purchasing decision variable's variance. The exogenous factors of promotion, product quality, innovation, and brand awareness all have a simultaneous influence on the purchasing decision variable (59.8%). The remaining 40.2% of the influence originates from variables outside the study (100%-59.8%).

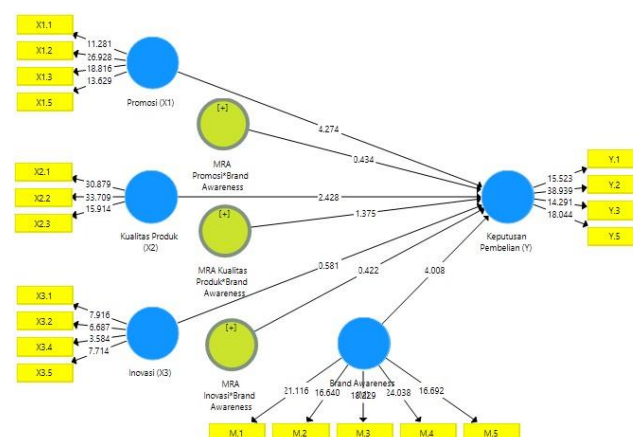


Figure 3. Output Bootstrapping

1. The effect of promotional variables on purchasing decisions showed a positive relationship direction, with an original sample value of 0.375 and a t statistic value of  $4.274 > Z_{score} 1.96$ , indicating that the promotion variable has an effect on purchasing decisions. The  $H_{a1}$  hypothesis test results were accepted, and  $H_{01}$  was rejected, indicating that the promotion of jamus wood products has a significant positive effect on purchasing decisions, with an average increase of 37.5 percent in changes in purchasing decisions for jamus wood products for every unit increase in promotion. This study supports the findings of pertinent research by Harapanku

et al. (2020), who studied furniture manufacturer CV Defmel Leilem. Their findings demonstrate the beneficial impact of promotion on consumer choices. The two study results reinforce the idea that more product promotion efforts are required in order to influence consumer purchase decisions.

2. The results of the interaction between promotion and brand awareness (Promotion \* Brand Awareness) on purchasing decisions show how brand awareness modifies the influence of promotion on decisions to buy. The original sample value of 0.034 was found to be positive. The t statistic value of  $0.434 < Z\text{Score } 1.96$  indicates that there is no effect, and the P value of  $0.664 > 0.05$  indicates that it is not significant. Therefore, the Ha2 hypothesis test results are rejected, and the H02 hypothesis is accepted. This means that the effect of jamus wood product promotion on purchasing decisions is not moderated by brand awareness. In contrast, studies by Irfanudin et al., (2022) demonstrate that brand awareness and promotion have a key role in influencing purchasing decisions. Thus, it makes sense that the moderating variable in this study, brand awareness, only functions as a predictor variable in the relationship model.

## Conclusion

Businesses need to be mindful of wood marketing initiatives if they want to see a rise in the purchase of jamus wood products. The study's findings support this, showing that a one-unit increase in jamus wood advertising can, on average, dramatically enhance the change in consumers' decisions to buy jamus wood items by 37.5%. The variety of promotions, specifically focusing on target consumers with the highest potential and buying interest (high potential), should be taken into consideration in the promotional activities of jamus wood products. Promotion is done regularly, paying attention to how often promotions are run at key moments. This means that promotions are updated whenever target consumers are more easily located. Additionally, promotions for jamus wood products are presented in an eye-catching and innovative way, ensuring that consumers are aware of the features and advantages of the products. When conducting promotional campaigns, businesses also consider how best to

employ promotional media to ensure that the campaigns are precisely what they want to be. The current state of information technology, which allows users to access social media at all times, may be taken into account while planning promotional campaigns on social media.

This study demonstrates that an average of 17.8% more purchasing decisions can result from every unit increase in jamus wood product quality. Product quality is, in part, the second most important factor in influencing consumers' decisions to buy jamus wood items, after promotional efforts. In order to increase the quality of jamus wood products, the company should make sure that they perform for a predetermined amount of time in accordance with customer needs and desires, having informed them of the features and advantages of the product during product promotion. Products that are kept up to date in terms of quality also meet the established and communicated to consumers criteria and possess robustness, longevity, and an economical product life. Product quality's impact on shifts in purchase decisions cannot be much mitigated by jamus wood product brand recognition. The study's jamus wood product innovation is insufficient to demonstrate that innovation affects shifts in customer purchase decisions. Furthermore, brand awareness is powerless to mitigate the impact of product innovation on consumer choice. Thus, it can be said that buyers are not concerned with jamus wood products' degree of originality. However, marketing campaigns and product quality have a greater overall influence on consumers' decisions to buy jamus wood items.

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