

The Influence of Digital Marketing and Brand Awareness on Forming the Branding Image of Technology Companies

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Abstract

The advancement of technology serves as a pivotal force driving transformation across diverse sectors, with technology companies assuming a central role in this evolution. The dynamic landscape of the digital age has significantly impacted technology firms, influencing the global business environment and shaping how companies operate, innovate, and interact with their clientele. The establishment and reinforcement of a brand image hold immense importance, influencing customers' purchasing decisions and fostering loyalty. For technology companies, the pivotal role of digital marketing and brand awareness in crafting their brand image cannot be overstated, allowing them to adapt to technological advancements and changing consumer preferences. The significance of brand awareness in molding consumer perceptions is crucial, where trust and understanding of the brand emerge as critical success factors. An optimal level of brand awareness contributes to the company's recognition as a prominent player in the industry, enhances customer loyalty, and provides a competitive edge. Within the context of this discourse, the primary aim of this study is to explore the influence of digital marketing and brand awareness on shaping the brand image of technology companies. This research employs a quantitative method utilizing a questionnaire approach supported by descriptive and causal methodologies. The assessment in this study involves the utilization of a Likert scale, capturing responses to statements gathered from 75 respondents. The sampling technique applied is the data analysis technique using Partial Least Squares. The findings of this research establish a correlation between digital marketing and brand awareness in shaping the branding image of technology companies.

Keywords: Digital Marketing, Brand Awareness, Branding Image, Consumer Behavior

Introduction

Technological development has become a key driver of transformation in various sectors, and technology companies play a central role in realizing this progress. The digital age's ever-changing landscape has profoundly influenced technology firms, shaping the global business environment and establishing how companies function, innovate, and engage with their customers. Entering the era of the 5.0 revolution, these technology companies are increasingly aware of the importance of implementing digital marketing strategies and increasing brand awareness to form a strong brand image in the ever-evolving era of globalization and digital transformation. According to "Brand Marketing: The Art of Branding" (Sunday Ade Sitorus et al., 2020), brand image is a reevaluation of all perceptions associated with a brand. This evaluation is based on the information and prior experiences of the brand's consumers or customers. Brand image is a picture and perception that customers have of a company. Building and strengthening a brand image is very important because it can influence customers' decisions to buy goods and their loyalty.

Digital marketing and brand awareness are vitally important for technology companies in developing their brand image, as they allow adaptation to technological advancements and shifts in consumer demand. Digital marketing involves utilizing digital platforms and channels such as websites and mobile applications to promote products or services, with a focus on online-centered outreach and engagement efforts. It is frequently referred to as digital marketing (Andy Prasetyo Wati, 2020: 11). Using various digital platforms, digital marketing plays a critical role in shaping brand image. As defined by Aaker (2020), brand awareness

refers to the extent to which consumers are able to recognize or recall a particular brand when it is presented next to rival brands within a given product category. Employing advanced digital marketing techniques and enhancing brand awareness empower companies to forge a robust and favorable brand image in the minds of consumers. This strategy enables them to distinguish themselves from competitors and establish enduring, sustainable relationships with customers over the long term. Therefore, a thorough understanding of the interrelationship between digital marketing and brand awareness in the context of technology companies is essential to succeed in an increasingly competitive marketplace.

The importance of brand awareness in shaping consumer perceptions of a company cannot be overstated. In this context, the level of trust and understanding of the brand becomes a critical success factor. An optimal level of brand awareness contributes to the company's recognition as a key player in the industry, increases customer loyalty and provides a competitive advantage. Within the scope of this discussion, the purpose of this study is to investigate the impact of digital marketing and brand awareness on shaping technology companies' brand image.

Literature Review / Materials

A. Digital Marketing

Digital marketing can be defined as a form of marketing that uses existing online platforms to reach target consumers (Adhyaksa Auliya et al., 2023a). This activity is used by entrepreneurs to increase online media in the market because they have the advantage of being more affordable and efficient in reaching a wider group of potential consumers than traditional marketing and can provide more and comprehensive information than traditional media channels (Kevin & Purnama Sari, 2018).

The statement made by Ryan in (Suci & Salsabilla, 2020) regarding digital marketing highlights several dimensions, especially in the context of advertising. Websites are recognized as a vital link between the Internet and real life, becoming a key element in online marketing strategies that interact directly with consumers. Search Engine Optimization (SEO) is highlighted as an important part that manages the content search process of websites, ensuring easy access for users looking for relevant information. The passage discusses various digital marketing techniques. It highlights paid search advertising, commonly referred to as pay-per-click (PPC) advertising, allowing marketers to purchase positions on search engine results pages corresponding to chosen keywords. Another strategy highlighted is affiliate marketing and forming strategic partnerships, where businesses collaborate to promote each other's products or services. Finally, online public relations (online PR) approaches are mentioned, such as distributing press releases, using syndicated news feeds (RSS), and leveraging blogs to build a positive brand image and establish the company as a trusted expert in its industry.

B. Brand Awareness

Consumers' ability to recognize or recall a brand from memory when it is presented or positioned alongside other brands in a specific product category is associated with brand awareness. In other words, it signifies the extent to which consumers can identify or bring to mind a brand when positioned among competitive offerings in a defined product space. Kotler, Keller, Brady, Goodman, and Hansen in (Lovely Pomalaa et al., 2018) present various aspects used as dimensions in measuring brand awareness, including brand recall, or how strongly a brand can be remembered and is in consumers' minds, then brand recognition, or how strongly consumers' memory recognizes a brand, then purchase decision, or consumers' interest in including brands or products in consumer choices, and finally consumption, or purchases made by consumers because the brand or product is top of mind.

The brand awareness hierarchy proposed by Durianto, Sugiarto, & Budiman in Aaker (2020) found four levels to determine the right brand strategy, sorted from highest to lowest. First, there is the Top of Mind level, where the brand is mentioned or appears first in the minds of consumers. Second, there is Brand Recall, which includes the consumer's ability to recall the brand unaided, for example through TV, print or online media. Thirdly, there is the level of Brand Recognition, which is the minimum level of awareness at which brand recognition can reappear after aided recall. Finally, the Unaware of Brand level, where consumers are completely unaware or unfamiliar with a particular brand.

C. Brand Image

According to Amellia and Pradana (2023), brand image refers to the associations and beliefs consumers have regarding specific brands. A product can attain brand status if consumers perceive that it provides functional benefits, fulfilling its practical purpose (functional brand). Additionally, if the product elicits the symbolic associations and imagery that consumers find appealing (brand image), it strengthens its brand identity. Finally, when consumers have positive experiences and interactions with the product, forming emotional connections to it (experiential brand), this further cultivates its brand equity.

According to Schiffman & Kanuk in (Nandan A Hidayat & M. Arif Hasan, 2018), the factors that influence brand image include product quality as the most important factor, followed by trust, ease of use, price, and the brand image itself. Quality reflects the quality of the product offered, while trust refers to people's perception of the product, adding a dimension of reliability to the brand image. The usability factor highlights the functions of the product that enrich the consumer's perception of the brand. Price, as the fourth factor, not only affects the cost of purchase, but also influences the long-term image of the brand. Finally, the brand image itself includes views, agreements and information that give a subjective dimension to consumer perceptions.

Framework

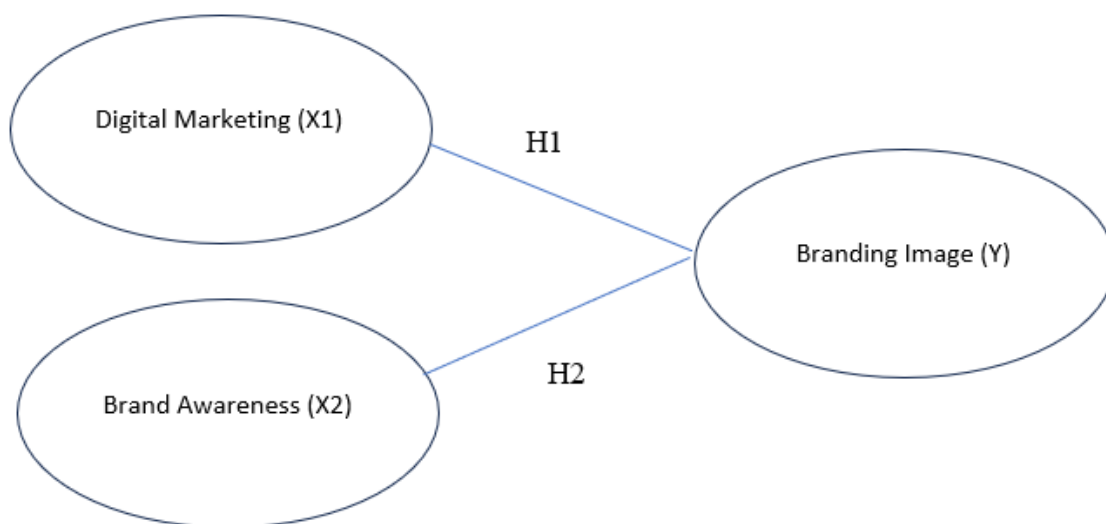


Image 1. Framework

H1: Digital Marketing has a positive effect on the building of Branding Image

H2: Brand Awareness has a positive effect on the building of Branding Image

Methods

This research applies a quantitative method approach supported by descriptive and causal approaches. The evaluation in this study was conducted through the use of a Likert scale. This measurement refers to the responses to statements collected from 75 respondents. The sampling technique applied is the data analysis technique using Partial Least.

Results

Validity Test

Table No. (1) Outer Loading

	X1	X2	Y
X1.1	0,892		
X1.2	0,841		
X1.3	0,888		

X1.4	0,802		
X1.5	0,877		
X2.1		0,845	
X2.2		0,882	
X2.3		0,882	
X2.4		0,913	
Y1			0,884
Y2			0,867
Y3			0,909
Y4			0,846
Y5			0,903

An indicator is declared valid as a variable measure if it has a loading factor of more than 0.7, Ghozali & Latan in (Anita, 2018). Based on Table 1, each indicator of each variable has an outer loading value above 0.70, which indicates that all indicators of each variable are valid to reflect the measurement of each variable.

Reliability Test

Table No. (2) Reliability Test

	Cronbach's Alpha	CR	AVE
X1 (Digital Marketing)	0,912	0,935	0,741
X2 (Brand Awareness)	0,904	0,933	0,776
Y (Branding Image)	0,929	0,946	0,778

A Cronbach's Alpha value equal to or greater than 0.6 is required for a reliable evaluation. The Cronbach's Alpha value is used to assess instrument reliability, with a value less than 0.5 indicating low reliability, 0.5-0.7 indicating moderate reliability, 0.7-0.9 indicating high reliability, and a value greater than 0.9 indicating excellent reliability (Taherdoost, 2018). Validation from Table 2 underscores that the Cronbach's Alpha exceeds 0.6, confirming the alignment of research data with the required Cronbach's Alpha standard. Demonstrating elevated and reliable outcomes, the composite reliability value for each variable exceeds 0.8. Referring to Chin's study in 1998 as cited in Latan and Ghozali (Anita, 2018), a composite reliability value (pc) surpassing 0.8 indicates high reliability, while a value exceeding 0.6 is considered quite reliable. The data in Table 2 indicates that the composite reliability values surpass 0.8 for each variable, affirming high reliability or reliability. Following the advice of Ghozali and Latan as cited in Anita (2018), it is recommended that the Average Variance Extracted (AVE) value exceed 0.50 to ensure a satisfactory level of discriminant validity. Every construct in the research model has an AVE value greater than 0.5, confirming its eligibility for discriminant validity.

Discriminant Validity Test

Table No. (3) Discriminant Validity Test

	X1	X2	Y
X1.1	0,892	0,641	0,726
X1.2	0,841	0,559	0,677
X1.3	0,888	0,519	0,709
X1.4	0,802	0,545	0,599
X1.5	0,877	0,577	0,750
X2.1	0,508	0,845	0,638
X2.2	0,612	0,882	0,702
X2.3	0,550	0,882	0,742
X2.4	0,647	0,913	0,784

Y1	0,684	0,751	0,884
Y2	0,683	0,642	0,867
Y3	0,706	0,740	0,909
Y4	0,703	0,721	0,846
Y5	0,778	0,743	0,903

Based on Table 3, each measurement item has a higher correlation with variables that correlate with other variables. Overall, each item correlates more with the variable it measures, or the discriminant validity test is met.

R Square

Table No. (4) R Square

	R Square	R Square Adjusted
Y (Branding Image)	0,794	0,788

According to Table 4, the R-Square value is 0.794. This value indicates that the combined influence of digital marketing and brand awareness can explain 79% of the variance in the branding image variable. Other variables not considered in this study are likely to influence the remaining 21%. Consequently, the model, embodied by digital marketing and brand awareness, explains a noteworthy portion of the variability observed in the branding image variable.

Hypothesis Testing

Table 5. Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	T Statistics (O/STDEV)	P Values
Digital Marketing (X1) -> Branding Image (Y)	0,475	0,471	5,878	0,000
Brand Awareness (X2) -> Branding Image (Y)	0,503	0,505	6,689	0,000

Based on the data above, the resulting P-values show results of less than 0.05, which can be explained in the following way:

1. With a P-value of 0.000, the variable X1 (digital marketing) has a positive impact on Y (branding image). This value is significant because it is less than 0.05, indicating a meaningful relationship between X1 and Y. With a positive coefficient of 0.475, it can be concluded that X1 has a significant positive influence on Y. As a result, the first hypothesis is supported.
2. With a P-value of 0.000, the variable X2 (brand awareness) has a positive impact on Y (branding image). This P-value is considered significant because it is less than 0.05, indicating a meaningful relationship between X2 and Y. With a positive coefficient of 0.503, it can be stated that X2 has a significant positive influence on Y. As a result, the second hypothesis is adopted.

Results & Discussion

A. The Effect of Digital Marketing on Branding Image

The hypothesis testing outcomes indicate that the digital marketing variable (X1) has a substantial affirmative association with and effect on the development of brand image (Y). The very low P-values of 0.000 indicate a strong significance, lower than the 0.05 threshold, confirming the significant relationship between X1 and Y. With a positive value of 0.475, these findings confirm that the digital marketing planning process can have a significant impact on the formation of brand image in technology firms. A comparable study titled "The Effect of Digital Marketing on Brand Image at PT. Central Global Network" reveals, upon examining the results of the hypothesis test (F test), that the digital marketing variables exhibit a positive and significant impact on the branding image variables.

B. The Effect of Brand Awareness on Branding Image

B In light of the results obtained from hypothesis testing, it can be deduced that the brand awareness variable (X2) exerts a positive influence on the formation of brand image (Y). P values of 0.000 indicate a

high level of significance, with a value below 0.05 indicating a significant relationship between X2 and Y. With a positive value of 0.503, it can be suggested that X2 has a significant positive relationship with Y. Hence, in the course of shaping a branding image, there is concurrent research that reinforces the presented conclusion, as evidenced by the study titled "The Effect of Brand Awareness, Perceived Quality, and Brand Image on Brand Loyalty in Generation Y in Indonesia." The outcomes of the research, determined through path analysis of direct influence, highlight that brand awareness stands out as the variable exerting the most substantial impact on brand image, recording a significant value of 0.430. Therefore, based on this investigation, the presence of brand awareness indeed exerts a positive and significant influence on branding image.

Conclusion & Suggestion

1. Conclusion

The findings from the study on System Technology Companies indicate a noteworthy and positive correlation between digital marketing efforts and both brand image and awareness. This reinforces the overarching conclusion that the integration of digital marketing strategies and the elevation of brand awareness are pivotal factors in cultivating a positive brand image for technology companies.

2. Suggestion

This study recommends business owners to maximize their usage of digital marketing and raise brand awareness in order to develop a more positive brand image. Companies are expected to overcome competition, retain clients, and achieve long-term success in a dynamic business period by developing a favorable branding image.

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