

# EXPLORATION OF OWNED MEDIA'S DIGITAL MARKETING COMMUNICATION ON CONSUMER RESPONSE: CASE STUDY IN SHARIA BUSINESS UNITS PT XYZ FINANCE INDONESIA TBK

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## ABSTRACT

*For a small business unit that has just emerged will require learning in all operations including learning about the marketing patterns applied. This research was conducted to get an understanding of how small business units use communication media in their digital marketing communications to effect on consumer response.*

*This study is a qualitative study with a case study approach to answer how communication media influence consumer responses and find out what most appropriate model or theory to be used that fit in to the research object. This study adopted The an Interactive Model of Research Design from Maxwell (2013) which connected five main components; goals, conceptual frameworks, research questions, methods, and validity as interactive approaches in research.*

*The results of this study found that different communication media have an influence on consumer responses at different levels. So, the strategy in choosing communication media requires clarity on the desired consumer response.*

**Keywords:** Marketing communication; AIDA Model; Owned Media; Financing; New Business Unit.

## INTRODUCTION

PT XYZ Tbk. (XYZ) was founded in 1982 as one of the finance companies in Indonesia and became the first finance company to list its shares on the Jakarta Stock Exchange and Surabaya Stock Exchange. XYZ's financing consists of financing for motor vehicles, heavy equipment, trucks and machinery, houses and shop houses and the procurement of goods and services. XYZ pioneered the Sharia Business Unit (UUS) in August 2017 and was officially approved by the Financial Services Authority (OJK) in February 2018 with the initial product being marketed as "MyABC" as Umrah financing and MyCDE as halal tourism financing in March 2018.

Indonesia is dominated by a Muslim population, so it has a large potential market for Umrah financing products. An increase in the number of Umrah pilgrims in Indonesia also occurred in 2016 which reached more than 800 thousand people (Ministry of Foreign Affairs of the Republic of Indonesia, 2017). In July 2017, the number of Umrah pilgrims from Indonesia was the second largest in the world with a total of 875,958 people (Hajj Affairs Office, 2017).

In Indonesia, there are only 37 finance companies that already have a sharia financing business license, there are 3 companies that are already in the form of sharia companies and 34 companies that are still in the form of sharia business units (PT. XYZ, 2017). XYZ as a sharia company has a more specific customer segment, there are internet users as part of a digital marketing channel in its marketing communications. The digital marketing channels

used by XYZ are paid media (Google Ads, Facebook Ads) and owned media (website, Facebook, Instagram, WhatsApp, email, telephone).

Based on the preliminary data gathering research conducted at XYZ, the targets to be achieved in marketing have not been met and are still far from expected. The average sales obtained within six months in a row only reached 4.93% of the target.

## **LITERATURE REVIEW**

Various factors can affect the marketing aspect, one of which is the media used in marketing. In this research, the exploration is carried out only on the use of owned media by XYZ considering that owned media is a media that can be controlled by XYZ as a whole and becomes a more efficient media. The objective of this exploration is to see how owned media affects consumer response because the purchase of a product is the final form of consumer response expected by the company in the marketing process.

### **Marketing**

Marketing is the process by which companies create value for customers and build strong customer relationships to capture value from customers in return (Armstrong & Kotler, 2015). Marketing is a management process that is responsible for identifying, anticipating and satisfying customer demands profitably (The Chartered Institute of Marketing, 2015). Marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large (The American Marketing Association, 2013).

Direct marketing is the use of channels that can connect with consumers directly to reach and send marketing messages for goods/services to customers without using intermediaries (Kotler & Keller, 2016). Direct Marketing uses a number of channels that can reach a prospective audience directly, such as postal mail, email, telemarketing, websites and mobile devices. Digital marketing is the practice of promoting products and services in innovative ways, using database-based distribution channels to reach consumers and customers in a timely, personally relevant and cost-effective manner known in theory and practice as digital marketing (Wsi, 2013). Digital marketing is a general term for targeted, scalable and interactive marketing of goods/services using digital technology to reach and convert customer prospects into customers and keep them. Marketing communication is a means used by companies to inform, persuade and remind consumers, directly or indirectly, about the products and brands that the company sells and represent the voice of the company and its brands, where companies can build dialogue and build relationships with consumers (Kotler & Keller, 2003). 2016). Various types of marketing communications, such as advertising, sales promotion, events and experiences, public relations and publicity, direct marketing, interactive marketing, word-of-mouth marketing and personal selling.

### **Owned Media**

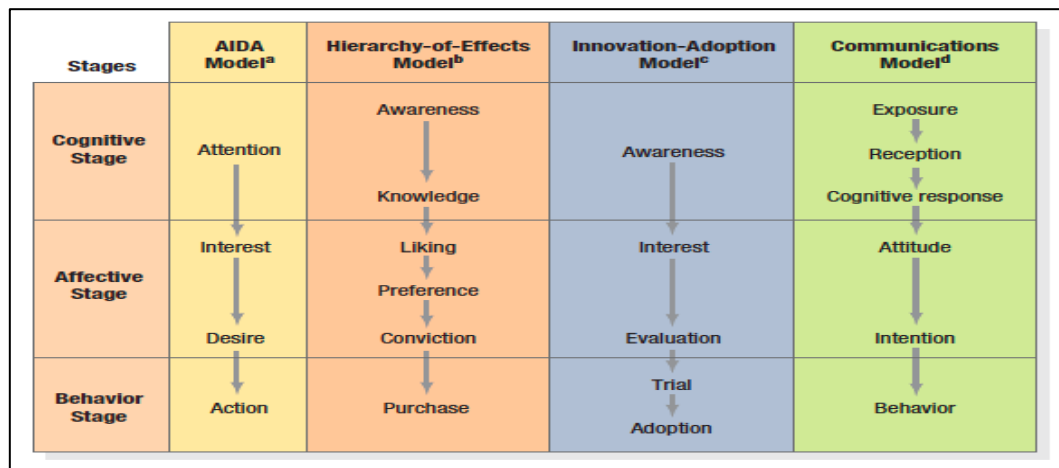
Owned media is a communication medium owned by a party/organization/company to directly convey the message to be conveyed to target consumers with the aim of engaging consumers with positive content, attracting consumers to convey content to others and training Customer Relationship Management (CRM) with the ultimate goal of trying to increase sales, both initial purchases and retention. Owned media used by XYZ for sharia products/services in digital marketing, there are:

1. Website: digital marketing media that is able to influence consumer response (Sun, Cárdenas, & Harrill, 2015) with visitors requiring a trigger to visit the website while surfing the internet (Lagrosen, 2005).

2. Social Media (Facebook, Instagram, etc): digital communication media that has intensely become a social presence by developing customer engagement at the cognitive, emotional and behavioral levels, thus providing a positive impact on customer experience (Pongpaew, et al., 2017).
3. WhatsApp: a personal mobile chat application that has been transformed into one of the marketing communication media used by various companies (Modak & Mupepi, 2017) and interesting content through WhatsApp has the potential to become viral which can have a positive effect on cognitive (Fouad, 2017).
4. Email: a marketing medium for sending offers, catalogs, documents and other marketing attributes where email is an economical and effective marketing medium (Hartemo, 2016) and the tendency of advertising responses via email depends on the presence or absence of incentives given to readers (Leung & Tsu, 2019).
5. Telephone: telemarketing is carried out to attract consumers' attention to marketing campaigns (Danaher & Rossiter, 2011) and is used as a telephone call to prospects or existing customers to make offers by telephone, arrange appointments and others effectively to convey clear information so that they can influence potential consumers to make purchases (Geetika, et al., 2012).

### Attention, Interest, Desire and Action (AIDA)

In accordance with the objectives of the exploration carried out, the form of consumer response is adjusted to the theory of marketing and owned media that can shape the consumer response. Response Hierarchy Models describe the response to communication for the intended target (Kotler & Keller, 2016). All Response Hierarchy Models assume that buyers have passed the cognitive, affective and behavioral stages with the target audience of marketing communications will do three things regarding the product being marketed, there are studying the product (learn), feeling the product (feel) and acting on the product (do). What is meant by acting in this case is to buy the product.



**Figure 1. Response Hierarchy Models**

Source: Marketing Management (Kotler & Keller, 2016)

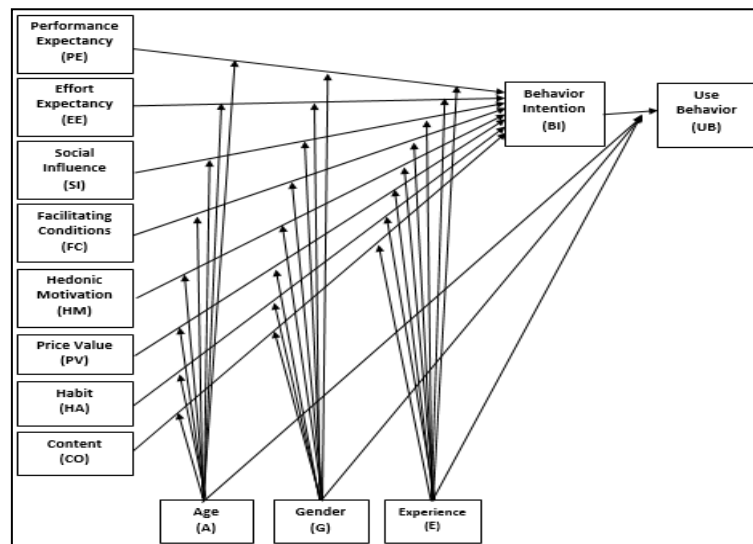
AIDA was created by E. St. Elmo Lewis in 1898 pioneered and adopted it to describe the customer response line/response in advertising (Kotler, et al., 2017). The AIDA stages are how the initial process is in attracting potential consumers to the products/services offered (attention), potential consumers become interested (interest) and have a strong desire (desire)

for the products/services (interest), so they try to get the products/services offered. as a decision (action) (Gharibi, et al., 2012). Every step must be considered to determine the speed of consumers in making purchasing decisions for a product/service (Hadiyati, 2016).

AIDA has different levels for its application to internet services that are used for target marketing (Ashcroft & Hoey, 2001), there are:

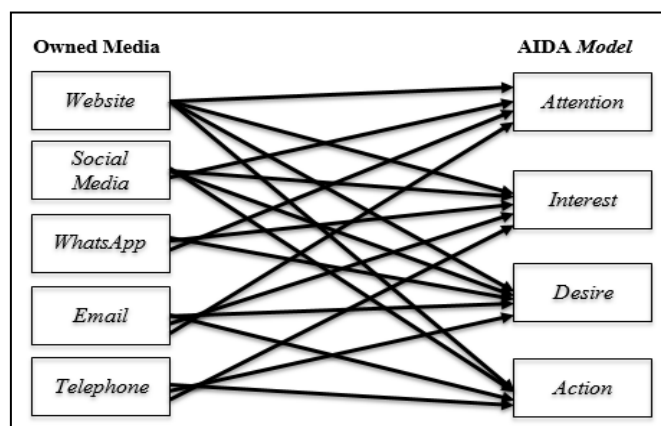
1. Cognitive is when the marketer must attract the attention of the target marketing and be the first step in the communication process where consumers need to know the existence of a product / service.
2. Affective is when the marketing target is stimulated to have an interest in the product/service offered with various benefits to direct the marketing target to the desire to obtain the product/service, so that the marketing target tries to find out more about what is offered.
3. Behavior is when the target marketing will act to be able to obtain or buy the product/service offered.

## MODEL FRAMEWORK



**Figure 2. Model Framework Application AB of Card Cellular A of XYZ**

The formation of a framework of thought in this research is an illustration of the summary of the literature review and a review of various previous studies. The framework is described as follows:



**Figure 3. Research Framework**

## METHODS

This study is a qualitative study with a case study approach. Exploration activities carried out by adopting the research model The an Interactive Model of Research Design from J.A. Maxwell as follows:

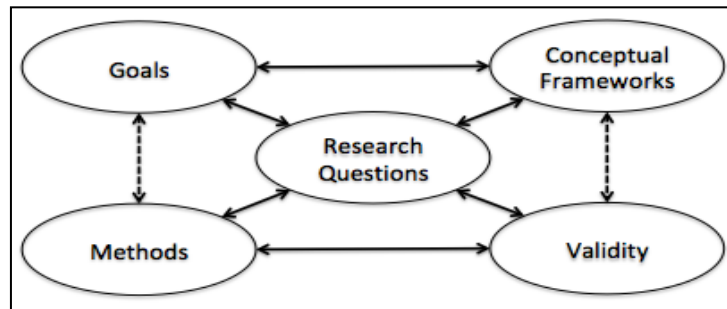


Figure 4. The an Interactive Model of Research Design

Source: Qualitative Research Design: An Interactive Approach (Maxwell, 2013)

This research is influenced by five main components, there are goals, conceptual frameworks, research questions, methods and validity as well as other factors, such as availability of resources, research skills, ethical standards and others. (Indrawati, 2018). In collecting data, the researcher used several main tools/instruments, there are observation, depth interview, conversation and word association. The approach taken for data processing can be maintained and tested for validity by using a triangulation approach consisting of methods, data sources and theories as well as maintaining the consistency of the methods used so that data reliability is maintained.

The adoption of data analysis techniques in qualitative research (Schutt, 2012) are as follows:

1. Data collection and data documentation,
2. Organizing/categorizing data into concepts,
3. Connecting data to see how one concept affects other concepts,
4. Legitimacy, there are evaluating alternative explanations, disconfirming evidence and looking for negative cases,
5. Submission of findings.

## RESULT AND ANALYSIS

### Website

The factors found on the website that can influence the response are dominant, there are:

1. Design:
  - a. Placement or layout of content, menus, tool bars and features for ease of use of the website
  - b. Display size
  - c. Composition of colors and images that match the theme
  - d. Text and logos/symbols used on all substance on the website, including content, menus, tool bars, and features
2. Information content. Information that is clear, concise, interesting and appropriate and relevant to the target visitor.
3. Accessibility:
  - a. Page loading speed
  - b. Flexible for access in various platforms (mobile and desktop)

- c. Security
  - 4. Interaction facilities. For example, web chat, chat box, etc.
  - 5. External influences. The influence given by external parties contained on the website such as testimonials, justifications or ratings or can be seen from trusted external parties who work with website owners.
  - 6. Extra benefits and privileges. For example, promotion, discount, gimmick, etc.
- The factors contained on the website that affect AIDA according to the stages, there are:
- 1. Attention. There are no statements from all sources that indicate the website can affect attention.
  - 2. Interest. The factors that can influence are as follows:
    - a. Design (83% respondents)
    - b. Information content (100% respondents)
    - c. Accessibility (66% respondents)
    - d. Extra benefits and privileges (75% respondents)
  - 3. Desire. The factors that can influence are as follows:
    - a. Information content (59% respondents)
    - b. Accessibility (59% respondents)
    - c. External influences (59% respondents)
  - 4. Action. The factors that can influence are as follows:
    - a. Design (66% respondents)
    - b. Information content (66% respondents)
    - c. Accessibility (66% respondents)
    - d. Interaction facilities

## **Social Media**

In this study it was found that social media only affects the interest stage. There is no indication that attention can be formed from social media, because visitors need triggers and reasons in advance to visit a brand's social media. There was also no indication that desire and action could be formed through social media, especially on this Umrah financing product, because visitors felt that the stages of desire and action were more formed through the website and/or personal communication with XYZ through face-to-face communication, WhatsApp and telephone.

Stages of interest can be formed through social media with several factors, there are:

- 1. Social presence (70% respondents):
  - a. Frequency of presence on social media
  - b. How much time is invested in being present on social media
- 2. Visual content (100% respondents)
- 3. Information quality (100% responden):
  - a. Up to date
  - b. Clear, concise and in accordance with the target audience
  - c. Interesting grammar
- 4. Interactivity (70% respondents). This includes the willingness and ability of XYZ to interact in providing responses and real time responses.
- 5. Extra benefits and privileges (75% respondents). How much additional benefits can be provided beyond the benefits of the product itself.

## **WhatsApp**

In this study, it was not found that Whatsapp affects attention and interest. Marketing messages received from unknown numbers will tend to be considered as spam messages, so influencing consumers at the attention and interest stage becomes difficult through



WhatsApp, especially for Umrah financing products. A personal approach through WhatsApp can have an impact on the desire and action stages of consumers.

Factors that affect desire and action, there are:

1. Desire:
  - a. Attractive content (80% respondents)
  - b. Trusted source of messages (90% respondents)
  - c. Personalization (80% respondents)
  - d. Recognition of the sender (90% respondents)
  - e. WhatsApp features (70% respondents)
2. Action:
  - a. Attractive content (70% respondents)
  - b. Trusted source of messages (80% respondents)
  - c. Personalization (70% respondents)
  - d. Recognition of the sender (80% respondents)
  - e. WhatsApp features (80% respondents)

### **Telephone**

XYZ only uses the telephone as an inbound call to explain the product, so in this study it is only found that potential customers who contact XYZ by telephone are at least in the interest phase. Prospective consumers must have had previous attention and interest through other media before making phone calls to XYZ. Inbound calls that enter XYZ do not even reach the offer delivery process that can determine whether potential customers will respond as the initial phase of desire from potential consumers or not. When potential customers have expressed their willingness to accept offers when communicating by telephone, other media are needed to continue the process of sending offers to potential customers, such as through WhatsApp and email. Personal touch via telephone is still needed to strengthen the desire of potential consumers for offers, because there are some potential consumers who are actually more comfortable communicating by telephone to obtain more convincing information before deciding to take action.

Telephone only affects desire with factors that influence it, there are:

1. Personal Approach
2. Information Quality
3. Product Knowledge

### **Email**

In this study it was found that the use of email to attract attention is no longer effective, because consumers tend to perceive email marketing as spam. However, it is still effective to conduct correspondence related to product explanations up to the process of applying for Umrah financing from consumers via email to several consumers.

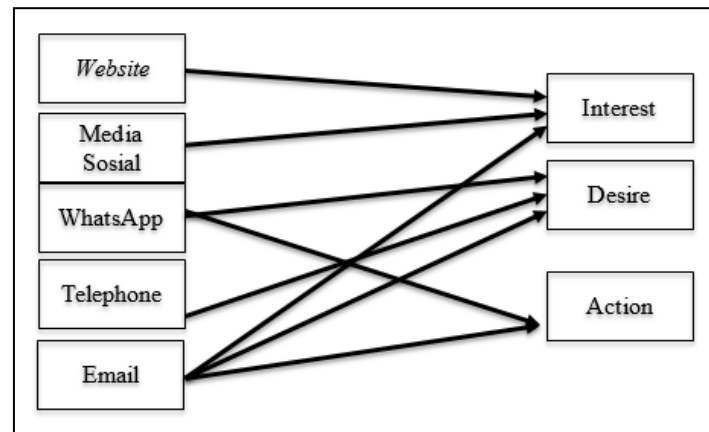
The factors that influence the interest, desire and action that are formed via email, there are:

1. Interest
  - a. Content (100% respondents)
  - b. Benefits (80% respondents)
  - c. Information quality (100% respondents)
2. Desire
  - a. Recognition of the sender (70% respondents)
  - b. Content (70% respondents)
  - c. Benefits (80% respondents)
  - d. Information quality (90% respondents)

- e. Flexibility (80% respondents)
- 3. Action
  - a. Information quality (80% respondents)
  - b. Flexibility (80% respondents)

## CONCLUSION AND RECOMMENCATION

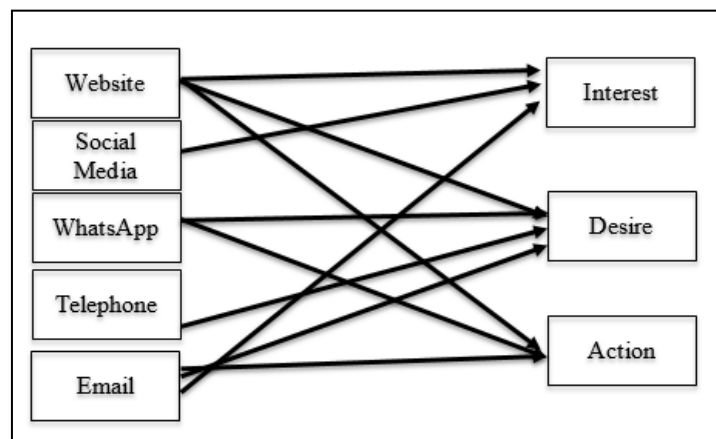
The results of this study as a whole conclude that the objectives that XYZ wants to achieve by using a combination of various owned media to influence consumer responses have the right reasons. This is because the tendency of each media in influencing consumer responses is different in each response stage. If we describe the goals that XYZ wants to achieve in the use of owned media, they are as follows:



**Figure 4. XYZ Owned Media Practice Model for Consumer Response (AIDA)**

Source: Data Processing

The results of studies on various media used by XYZ to influence consumer responses can be described as follows:



**Figure 5. Owned Media Affecting AIDA Research Results Model**

Source: Data Processing

There is no significant difference between the objectives and the results of the research on the influence of owned media in XYZ. XYZ only needs to optimize the use of the website so that it can influence consumers from the interest stage to the action on one media. More in-depth research is needed on how owned media can optimally influence consumer response, especially in the context of attention. This will be very useful considering the use of owned media is the best solution for marketing efficiency.



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