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The Influence Of Digital Advertising And Brand Awareness On Product Sales Of Micro And Medium Enterprise In South Kalimantan

Ahmad Joe Ananda, Ullyia Akbar[1], Tina Lestari[1]

[1]Sekolah Tinggi Ilmu Ekonomi Pancasetia, Indonesia

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CORRESPONDENCE*:
ahmadjoe743@gmail.com

ABSTRACT

This study examines the influence of Digital Advertising and Brand Awareness on Product Sales of Micro, Small, and Medium Enterprises (MSME) in South Kalimantan. Using a quantitative approach with 397 respondents from Banjarmasin and Banjarbaru, statistical analyses (SPSS v27) revealed that both variables significantly impact on Product Sales ($p < 0.05$), with Brand Awareness ($\beta = 0.482$) having a stronger effect than Digital Advertising ($\beta = 0.366$). The findings underscore the importance of consistent branding strategies alongside digital marketing to enhance sales performance in regional markets like South Kalimantan, where consumer decisions heavily rely on Brand Awareness.

Keywords: MSME, Digital Advertising, Brand Awareness, Product Sales, South Kalimantan

ABSTRAK

Penelitian ini menganalisis pengaruh Iklan Digital dan Kesadaran Merek terhadap Penjualan Produk Usaha Mikro, Kecil, dan Menengah (UMKM) di Kalimantan Selatan. Dengan pendekatan kuantitatif terhadap 397 responden dari Banjarmasin dan Banjarbaru, analisis statistik (SPSS v27) menunjukkan kedua variabel berpengaruh signifikan ($p < 0.05$), dengan Kesadaran Merek ($\beta = 0.482$) lebih dominan dibanding Iklan Digital ($\beta = 0.366$). Temuan ini menekankan pentingnya strategi branding konsisten bersama pemasaran digital untuk meningkatkan penjualan di pasar regional seperti Kalimantan Selatan, di mana keputusan konsumen sangat dipengaruhi oleh kesadaran merek.

Kata Kunci: UMKM, Iklan Digital, Kesadaran Merek, Penjualan Produk, Kalimantan Selatan

Introduction

The term "MSME" (Micro, Small, and Medium Enterprise) refers to a category of businesses in Indonesia. According to Act No. 20 of 2008, an MSME is defined as a business entity characterized by its annual sales and asset thresholds, which is owned or managed by an individual or sole proprietor, and is not a foreign corporation. These enterprises drive Indonesia's economy, accounting for over 99% of all businesses and contributing 61% to the GDP Rp9.580 trillion by August 2023 (Yuwono et al., 2024). With 65.5 million MSME nationwide (Kemenko, 2024), they employ 97% of the workforce, underscoring their role in job creation and socioeconomic development.

The development of technology in today's era has fundamentally altered consumer shopping behaviors, shifting preferences toward social media, e-commerce, and online platforms over traditional stores (Nazhif & Nugraha, 2023). This transformation has intensified market competition, with many MSMEs differentiating themselves through price, quality, or product authenticity (Simbolon et al., 2022). To remain competitive, MSME increasingly adopt Digital Advertising—such as social media campaigns and e-commerce promotions—to expand their market reach. These strategies are particularly crucial in regions like Borneo where price-sensitive consumers dominate (Khaerani & Sudarmiatin, 2022).

Brand Awareness, defined as an individual's capacity to recognize and recall a product's brand, plays a vital role in establishing brand equity (Syamsudin et al., 2021). A robust and favorable brand image significantly impacts consumer purchasing decisions and fosters brand loyalty (Zheng, 2023). The more effortlessly consumers can recognize a brand's products, the greater an ability to sway their buying choices (Bhinneka, 2023).

Various effective Digital Advertising strategies, such as the internet, television, and conventional media, can enhance Brand Awareness. In South Kalimantan, trust in brand reliability assumes critical importance given the limited digital literacy among consumers, where localized brand credibility often outweighs aggressive digital campaigns. The visibility of MSME on social media platforms broadens their potential customer base, attracting interest from diverse sources. This aligns with findings in Jakarta (Simbolon et al., 2022) where Instagram-based campaigns boosted brand visibility, though regional markets like South Kalimantan may prioritize platforms like WhatsApp due to localized user preferences. As of 2022, a cooperative service study reported that South Kalimantan had 72,113 registered MSME (Kemenko, 2024).

Method

This study will utilize quantitative research methodologies, employing surveys designed through Google Forms and distributed to micro, small, and medium enterprises (MSME) in South Kalimantan. As noted by Sugiyono in "Metode Penelitian Kuantitatif, Kualitatif, dan R&D" (2019), a quantitative approach relies on numerical data for statistical analysis. This approach has been a standard method for an extended period, often referred to as a conventional method. It is also known as the positivist method, grounded in the principles of positivism.

This methodology is deemed scientific as it adheres to the criteria of science, which include being concrete, empirical, objective, measurable, rational, and systematic. Additionally, this approach, sometimes called the discovery method, facilitates the exploration and advancement of various new sciences and technologies. The term quantitative technique is used to describe this method due to its reliance on statistics for analysis and numerical research data.

This research is designed to explore the relationship between two or more variables through hypothesis testing, as explained by (Ahmad et al., 2024). In Southern Kalimantan, there are a total of 364,628 MSME, according to data from the Ministry of Cooperation and SME in South Kalimantan (Kemenko, 2024). According to Sugiyono (2019) quantitative data represents a positivistic research method, relying on concrete data. This approach utilizes numerical data that can be measured statistically to analyze the issues under investigation and draw conclusions.

The focus of this study is limited to Banjarmasin City and Banjarbaru City, both located in South Kalimantan. Banjarbaru City is having about *10,869* MSME while Banjarmasin has *37,214* MSME, together these two cities account for a total of *47,993* MSME (Kemenko, 2024). To ensure the accuracy of the data collected for this research, the sample size was determined using Slovin's formula $n = \frac{N}{1+Ne^2}$, where N represents the total number of MSMEs in both Banjarbaru and Banjarmasin, and e is the margin of error (5%). This resulted in 397 respondents, ensuring statistical reliability while balancing practical data collection constraints (Firdaus, 2021).

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{47.993}{1 + (47.993\ x\ (0{,}005^2))}$$

$$n = \frac{47.993}{1 + (47.993\ x\ 0{,}0025)}$$

$$n = \frac{47.993}{1 + 119{,}9825}$$

$$n = \frac{47.993}{120{,}9825}$$

$$n = 396{,}6937$$

$$n = \mathbf{397}\ (Rounding)$$

The book "Quantitative Research Methodology; Complemented IBM SPSS Statistic Versions 26.0 Regression" by Firdaus (2021) states that higher quality research results are associated with a smaller margin of error. As the margin of error decreases, the required sample size increases. The Slovin formula serves as an effective method for determining the appropriate sample size when dealing with a large population. Given the impracticality of sampling an entire large population, researchers typically select samples that they consider to be representative of the overall population.

Result and Discussion

Validity serves as an indicator of the effectiveness of a research instrument. An instrument is considered valid if it accurately measures what it is intended to measure. Furthermore, it is deemed valid if it can effectively reveal the data pertaining to the variables under investigation. In quantitative research, a commonly utilized instrument is the questionnaire. This technique for data collection involves presenting a series of questions or written statements to respondents for their responses. The validity assessment was performed using Pearson Product Moment Correlations, which involves correlating the scores of each questionnaire item with the overall score.

Table 1 : Validity Tes

Variable	Variable Content	r	r table	Desc.
Digital Advertising (X1)	Digital Advertising 1	0,624	0,083	Valid
	Digital Advertising 2	0,476	0,083	Valid
	Digital Advertising 3	0,610	0,083	Valid
	Digital Advertising 4	0,629	0,083	Valid
	Digital Advertising 5	0,526	0,083	Valid
Brand Awareness (X2)	Brand Awareness 1	0,688	0,083	Valid
	Brand Awareness 2	0,623	0,083	Valid
	Brand Awareness 3	0,407	0,083	Valid
	Brand Awareness 4	0,621	0,083	Valid
	Brand Awareness 5	0,552	0,083	Valid
Product Sales	Product Sales 1	0,623	0,083	Valid

Variable	Variable Content	r	r table	Desc.
(Y)	Product Sales 2	0,571	0,083	Valid
	Product Sales 3	0,548	0,083	Valid
	Product Sales 4	0,628	0,083	Valid
	Product Sales 5	0,522	0,083	Valid

Rely on the validity test in Table 1, r table for N=397 on signification 5% is 0,083. Because all variable above are >0,083 it means all of it was Valid and can be used for this research.

Reliability analysis refers to the extent to which the components of a scale consistently measure the same attribute. The most commonly utilized metric for assessing reliability is Cronbach's alpha coefficient, which represents the average correlation among all items within a scale. Specifically, the value of Cronbach's alpha ranges from 0 to 1, where a higher value signifies greater reliability. The criteria for decision-making in reliability testing are shown in Table 2.

Table 2 : Reliability Test

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.784	.784	15

The output table presented above indicates a sample of respondents (N) totaling 397, with a known number of items (questions) amounting to 15. The Cronbach's Alpha value for these items is 0.784, which exceeds the threshold of 0.60. This suggests that all question items can be considered reliable and consistent.

Table 3 : Normality Test

			Unstandardized Residual
N			397
Normal Parametersa,b	Mean		.0000000
	Std. Deviation		1.42587963
Most Extreme Differences	Absolute		.047
	Positive		.047
	Negative		-.039
Test Statistic			.047
Asymp. Sig. (2-tailed)c			.033
Monte Carlo Sig. (2-tailed)d	Sig.		.032
	99% Confidence Interval	Lower Bound	.027
		Upper Bound	.036

The normality test constitutes a component of the data analysis prerequisite or classical assumption testing. This indicates that prior to conducting statistical analyses for hypothesis testing, specifically regression analysis in this context, it is essential to assess the normality of the data distribution. Based on the normality test, it is known that the significance value of Asymp.Sig (2-tailed) is 0.33 is greater than 0.05. It was concluded that the data was distributed normal.

The heteroscedasticity test is an essential component of the classical assumption tests within regression analysis. To ascertain the existence or non-existence of heteroscedasticity in a dataset, various methods can be employed. One effective approach involves examining the scatterplot generated from SPSS output. This method operates by analyzing the scatterplot that displays the relationship between the predicted values of the independent variable, denoted as ZPRED, and the residuals, referred to as SRESID.

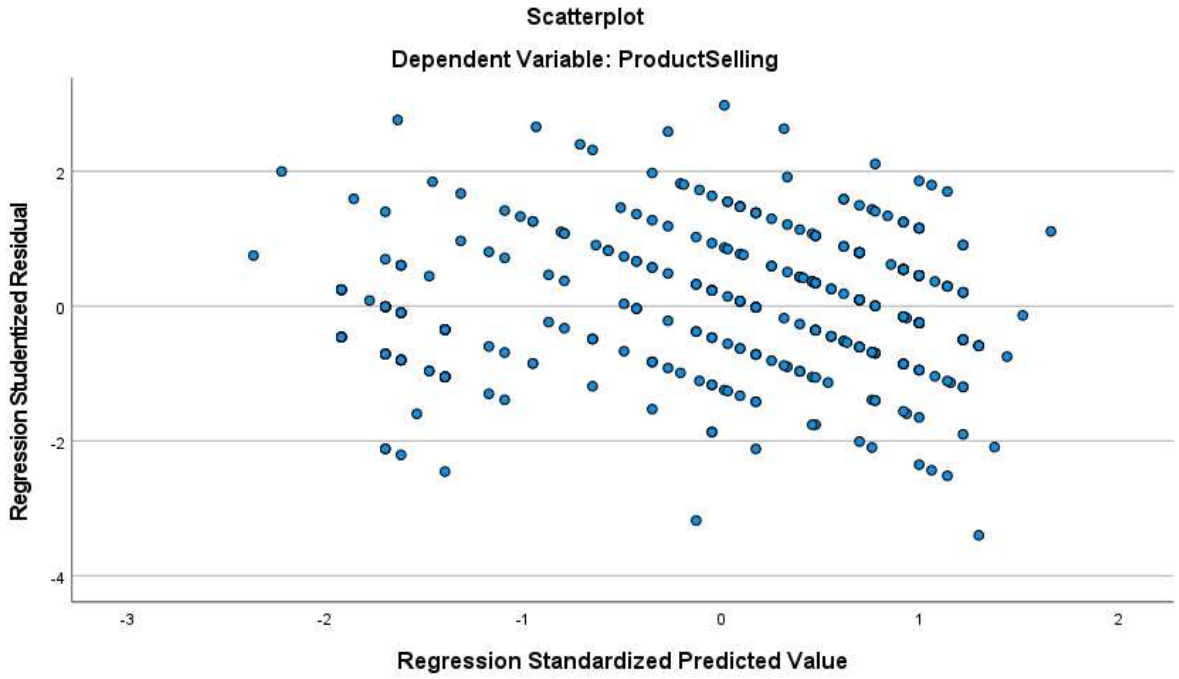

Figure 1 Heteroskedasticity Test

The output table of scatterplots indicates that the data points are distributed both above and below, as well as around the value of 0. Furthermore, the points do not cluster in a single location, leading to the conclusion that there is no issue present.

Multicollinearity in regression analysis arises when two or more independent variables exhibit a strong correlation with one another, resulting in a lack of unique or independent contributions to the regression model. When the correlation among these variables is sufficiently high, it can lead to complications in both the fitting and interpretation of the regression model. A common method for identifying multicollinearity is through the use of the variance inflation factor (VIF), a metric that quantifies the degree and strength of correlation among the predictor variables within the regression framework.

Table 4 : Multicolinearity Test

		Tolerance	VIF
1	(Constant)		
	DigitalAdvertising	.695	1.439
	BrandAwareness	.695	1.439

a. Dependent Variable: Product Sales

According to the output table labeled "Coefficients" found in the "Collinearity Statistic" section, the Tolerance values for the Digital Marketing variables (X1) and Brand Awareness (X2) are recorded at 0.695, which exceeds the threshold of 0.10. Additionally, the Variance Inflation Factor (VIF) for both Digital Marketing (X) and Brand Awareness variables is 1.439, remaining below the critical value of 10.00. Therefore, based on the criteria for decision-making in the multicollinearity test, it can be concluded that there are no indications of multicollinearity present in the regression analysis.

Table 5. F Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1029.691	2	514.845	251.949	.000[b]
	Residual	805.121	394	2.043		
	Total	1834.811	396			

a. Dependent Variable: Product Sales
b. Predictors: (Constant), BrandAwareness, Digital Advertising

Hypothesis 1 : Digital Advertising and Brand Awareness simultaneously have a significant effect on Product Sales.

The output table indicates a significance level of 0.000. This suggests that the regression model is valid for application. Given that the significance level is below 0.05 and the F count exceeds the F table value of 251.949 compared to 3.019, it can be concluded that Digital Advertising and Brand Awareness have a simultaneous and significant impact on Product Sales

Table 6. t- Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.325	.780		4.263	.000
	DigitalAdvertising	.357	.039	.366	9.141	.000
	BrandAwareness	.485	.040	.482	12.043	.000

a. Dependent Variable: Product Sales

The t-test was performed to determine the partial impact of Digital Advertising and Brand Awareness on Product Sales in South Kalimantan. The outcomes of the (t) test are presented in the table below.

Hyphothesis 2: Digital Advertising and Brand Awareness have a significant effect partially on Product Sales in South Kalimantan.

1) The output table indicates that the significance level for Digital Advertising is 0.000. Since this value is less than 0.05 and the t count of 9.141 exceeds the t table value of 2.588, it can be concluded that Digital Advertising significantly influences Product Sales.
2) The output table reveals that the significance level for Brand Awareness is 0.000. Given that this value is below 0.05 and the t count of 12.043 is greater than the t table value of 2.588, it can be concluded that Brand Awareness has a significant impact on Product Sales.

According to the Table 6, the results of the beta coefficient statistical test for the two independent variables indicate that Brand Awareness has the highest beta coefficient value of 0.482, whereas Digital Advertising has a value of 0.366. Therefore, Brand Awareness is identified as the dominant variable.

Table 8 : Determination Coefficient Test

Model	R	R^2	Adj. R^2	Std Error
1	.749[a]	.561	.559	1.429

a. Predictors: (Constant), Brand Awareness, Digital Advertising
b. Dependent Variable: Product Sales

Simple linear regression analysis examines the linear relationship that exists between a single independent variable (X) and a dependent variable (Y). The purpose of this analysis is to ascertain the nature of the relationship between these variables.

The R Square value, representing the coefficient, is indicated in the table above with a correlation value of 0.561. This figure suggests a moderate relationship between the two research variables, as it exceeds the threshold of 0.33. Furthermore, the adjusted R Square value stands at 0.599 (or 55.9%), which reflects the coefficient of determination presented in the preceding table. This implies that the independent variable in this study accounts for 55.9% of the variation in the dependent variable, taking into consideration other variables not included in this analysis.

Conclusion

The research concludes that both digital advertising and brand awareness collectively and partially influence product sales among MSMEs in South Kalimantan, with brand awareness emerging as the primary variable. Based on these findings, it is recommended that outreach programs be conducted to emphasize the significant impact of digital advertising and brand

awareness on product sales. Furthermore, the older generation of entrepreneurs, who traditionally operate their businesses, should be educated and encouraged to gradually integrate technology into their operations. Finally, new entrepreneurs are advised to cultivate a comprehensive understanding of the critical role of branding in protecting their business's intellectual property.

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