

# Building Effective Product Awareness of Indigenous Product through Marketing Communication Technologies

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**Abstract:** A successful tourism required the support from MSMEs that affiliated with the tourism area. The problem of The sustainability of MSME is very closely related to the level of public consumption of the products produced from the MSME. In line with this, North Sumatra has several typical local agricultural products developed into local special products. This product is a derivative of indigenous plants in North Sumatra. The initial step in encouraging the performance of MSMEs in this case is to build public awareness of these indigenous products. Consumption of these local products will encourage the sustainability and progress of MSMEs while accelerating the development wheel. Therefore, the creation of awareness of indigenous products is important. This study aims to evaluate the application of marketing communication technology in building awareness of indigenous products. By its nature, this research is focused on evaluating the consumer's point of view. A total of 300 consumers participated in this study. Data collected through structured interviews. The collected data were analyzed using multiple linear regression. The results of this study indicate that the most effective marketing communication technology strategy in building product awareness is through relational and rational marketing. Therefore, it is important for indigenous product businesses to develop and implement a marketing communication strategy.

## 1 INTRODUCTION

Indigenous agricultural products from North Sumatra can provide local advantages. As a product of indigenous agricultural products, the availability of the best and abundant supply of the best raw materials is supported by the geographical, climate, and suitability of plant growth with the position of North Sumatra. This will have an impact on reducing costs and will offer a competitive advantage (Paradowska and Platje, 2015). Besides that good quality raw materials will also help in achieving good production results, according to the concept of garbage in-garbage out (Kilkenny and Robinson, 2018).

Indigenous products can promise good quality and high competitiveness. However, purchasing decisions are complex things that involve more than just purchases. Joshi and Rahman (2015) revealed that purchasing decisions involve emotional elements, ethical behavior, and consideration of social impacts called green purchase behavior. Furthermore, slogans such as "*Cintailah Produk Indonesia*" are part of an effort to change consumption behavior to buy local products.

Many of the big and small businesses give awareness to the importance of consumption of local products and products that are environmentally friendly. Young et al. (2010) in his research shows that increasing public awareness of these issues does not mean that his buying behavior also supports his awareness. Although the community is aware of the benefits of local products and the issue of environmentally friendly products, consumption behavior is not easy to change immediately. Hughner et al., (2007) in their research identified that as many as 67% of the community had a positive attitude towards locally produced organic products, but only 4% made purchases or consumed these products. There is a gap between consciousness and consumption behavior.

The gap between the consumer's mindset and consumption behavior is called the attitude - behavior gap (Vermeir and Verbeke, 2006). Because the awareness of the benefits of the product and the positive attitude does not always mean that the product will consume, a deeper study is needed about this consumption behavior so that it will have an impact on increasing the consumption of indigenous

products in the community. The planned marketing technology must be able to drive demand for the product in question. When the predictor of consumption behavior or buying behavior is successfully identified, the marketer together with the University of North Sumatra can formulate an appropriate strategy to encourage the actual purchase of the intended indigenous product.

This study aimed to identify efforts in utilizing effective marketing technology in marketing indigenous products of North Sumatra agriculture so that public awareness of these products increases. The results of the identification will help formulate the marketing strategy and be a reference in advancing the local economy and ensure the indigenous products in the market.

## 2 LITERATURE REVIEW

### 2.1 Indigenous Product

Indigenous plants are native plants of many regions that have been processed and used or introduced plants that have been developing for a long time and are well-known by the community in a certain area. Indigenous plants in North Sumatra usually grow in the forest environment. Besides the use of indigenous plants as daily consumption, many indigenous plants that function as medicines and other products. Indigenous plants have several characteristics, including being able to adapt well in their original environment and traditionally these plants are one of the supporting components of the surrounding community (village/community). Indigenous products are derived from indigenous plants in North Sumatra. This research specifically conducts a study of derivative products from agricultural plants such as *Kapur, Asam Andaliman, Rattan, Gambir, and Aren*.

### 2.2 Marketing Communication

Marketing communication is an activity based on the audience or target market. The main purpose of marketing communication is to stimulate desires and ideally lead to the achievement of purchases and bonding with these consumers (Fill and Jamieson, 2014). The concept of marketing communication starts from the codification of the signal delivered by the sender (marketer) to the recipient (consumer). The marketing communication process is not limited to delivery to consumers, but also feedback that is delivered by consumers to marketers in the form of behavior.

Marketing communication will positively affect market performance (Germany and Završnik, 2012). This is also directly related to the company's performance in selling its products (Kitchen and Schultz, 2009). The selection of the right marketing communication channels is very important because this will drive the effectiveness of marketing communication itself (Dannaher and Rossiter, 2011). The selection of the right marketing communication must be adjusted to the objectives and target audience expected from the marketing activities undertaken. During the last ten years marketing communication has been identified with the delivery of product information, but this raises questions about the purpose of marketing communication itself. Therefore the orientation of marketing communication is currently categorized in four forms (Fill and Jamieson, 2014), namely:

- Rationality, relating to Information and Promotion, emphasizes the rationality of the audience with a focus on delivering product information to drive sales,
- Process and imagery, emphasizing the product image and emotional message of the audience with a focus on the buying process by creating a good buying experience
- Integration, by balancing between rationality and emotional messages to the audience to provide a clear proposition of the brand / product
- Relational, by giving different treatment to each group of audiences in accordance with their needs with the aim of establishing mutual value to the audience

### 2.3 Product Awareness

Product awareness referred to consumer knowledge of indigenous products and their derivatives and their benefits to consumers. Wolsink (2007) provides research results which state that there is no significant influence between knowledge of products and purchases. This research shows that being aware of the benefits of the product has not yet led to a purchasing decision. Suki (2013) shows that awareness directly affects consumer behavior and Young et al., (2010) shows a positive influence between awareness and purchase behavior.

### 3 RESEARCH METHOD

#### 3.1 Research Time and Characteristics

The focus of this research is to increase the marketing and product potential of the North Sumatra indogenous plant derivative products, including Gambir, Cretaceous, Aren, Rattan, and Andaliman Plant derivatives. The products derived from these plants include camphor, gambier tea (herbal), palm sugar, rattan handicrafts, and sambal andaliman (cooking spices). This study evaluates community awareness of the benefits of utilizing local special products and seeks to increase public awareness to prioritize the use of traditional special products in daily life. The advantages of using local products, in addition to empowering local potential, also help MSMEs to survive in a rapidly spinning business environment.

#### 3.2 Participant

This study involved 300 consumers of indogenous plant derivative products in North Sumatra. Consumer criteria is that they have been involved in purchasing products based on this research. Because consumers are an open population (undefined population), this study uses stratified convenience sampling, where sampling is based more on the willingness of consumers who have bought and used indogenous products by chance (non-random sampling). For the sake of achieving equal representation, each of the 50 consumers taken for each derivative product that is the basis of this study.

#### 3.3 Data Collection Method

Self-administered questionnaires were employed during our research. The questionnaire in this study was prepared based on a theoretical study and adjusted to the consumer's condition that was the object of research. Therefore, the research questionnaire requires a validity and reliability test before it is applied as an instrument for research data collection. The validity and reliability testing of this instrument was carried out on 30 consumers who had consumed at least one of the products submitted outside the research sample later. Evaluation of the validity of the questionnaire is done by face validity by adjusting the list of questions raised with existing theories, as well as the Pearson correlation which shows the correlation value of the total score on each variable. The instrument reliability test was

conducted by evaluating the Cronbach's alpha value on each variable proposed in this study

#### 3.4 Data Analysis Method

We employed multiple linear regression to evaluate the impact of each technology marketing communication on its dependent variable, product awareness.

## 4 RESULT AND DISCUSSION

### 4.1 Participants' Characteristics

Characteristics of respondents by sex were carried out to obtain the distribution of characteristics of business operators in Medan City based on gender. The characteristics of these respondents can be used to evaluate preferences and awareness based on each gender.

Table 1. Responden berdasarkan Jenis Kelamin

Gender	N of Sample	%
Male	128	42,67
Female	172	57,33
Total	300	100,00

Table 1 provide information that the proportion between female and male respondents in this study was relatively similar to the 2: 3 ratio between male and female. Thus, the involvement of women in this study was more than that of men. One factor is that shopping activity which is one of the important elements in this research is more favorable to the gender of women.

Respondents in this study are in the age range between 20 to 59 years. The involvement of respondents with an age range of less than 20 years only reached 1% of all study respondents. Youth participation in the consumption of indogenous products is still relatively very low. One consideration factor is that there is no fixed income from each of these individuals, so their choices for consumption are very limited. As age increases, income generally also increases, so the choice to consume products also becomes wider. There were no participants in this study in the age range 60 years and above, considering that at that age it was more difficult to find consumers in the general market.

## 4.2 The Effect of Technology Communication Marketing on Product Awareness

This research model uses four independent variables and one dependent variable. The independent variable used in this research is a form of marketing communication strategy that is implemented and perceived by the buyer, including rationalization, imaging, integration, and relational. The dependent variable of this study is awareness / interest in the indigenous products of North Sumatra. A total of 300 consumers directly involved with at least one of North Sumatra's indigenous products were involved in this study.

### 4.2.1 Residual Normality Test

The normality test aims to find out whether the intruder or residual variable regression model has a normal distribution. Good data is data that has a pattern like the shape of a bell on the histogram diagram. The data normality test used in this study is the Kolmogorov-Smirnov test. Criteria for testing one sample using a one-sided test that is by comparing the probability with a certain level of significance that is if a significant value or probability  $< 0.05$ , then the distribution of data is not normal and if a significant value or probability  $> 0.05$ , then the data is normally distributed. Evaluation using graphs is used to support statistical evaluation results.

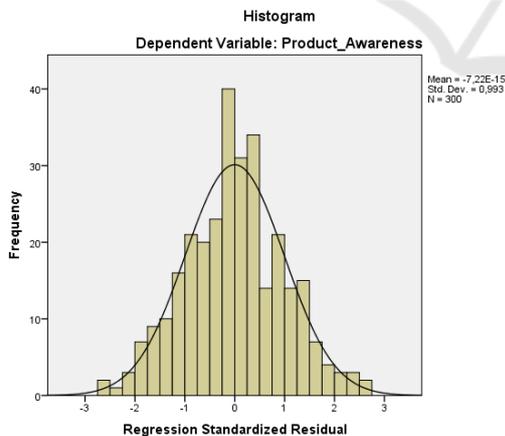


Figure 2. Residual Histogram

Figure 2 provides information that in the histogram graph, the distribution of residual data leads to bell-shaped; in this case, the residual data can be categorized as normally distributed. P-P plots are applied to evaluate this situation more clearly.

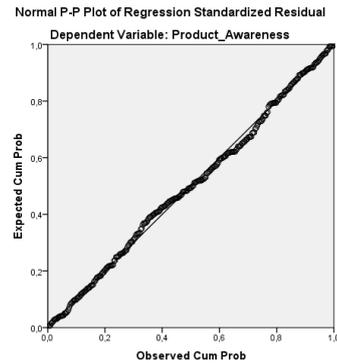


Figure 3. Normal P-P Plot

Figure 3 shows that data residuals are spread evenly along diagonal lines. This condition further supports that data residuals are normally distributed. This distribution was evaluated statistically and summarized in Table 2

Table 2. Normality Test

	Tests of Normality					
	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Unstandardized Residual	,037	300	,200	,996	300	,684
*. This is a lower bound of the true significance.						
a. Lilliefors Significance Correction						

Table 2 provides information that statistically, the Kolmogorov-Smirnov and Shapiro-Wilk tests, give a significance value  $> 0.05$  which indicates that the data residuals are normally distributed. Thus, the assumption of normality in residual data has been fulfilled.

### 4.2.2 Multicollinearity Test

Symptoms of multicollinearity can be seen from the value of tolerance and VIF (Variance Inflation Factor). Both measures indicate the variables which are strongly affecting other dependent variables. Tolerance is to measure the variable variables of the dependent variables which are not explained in terms of the other variables. The value that is used for Tolerance  $> 0.1$  and VIF  $< 5$ , then there is no multicollinearity.

Table 3. Collinearity Analysis

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Rational	,995	1,005
	Imagery	,998	1,002
	Integrity	,994	1,006
	Relational	,997	1,003

Table 3 showed evidence that there is no problem of multicollinearity of data on the independent variables of the study. Each element of marketing communication technology is independent so that the variables proposed in this model do not affect each other.

### 4.2.3 Heterokedasticity Test

Heterokedastity test data in this study were evaluated using Glesjer-test statistical method. The result is summarized as follow:

Table 4. Glesjer Test Analysis

Model	Coefficients <sup>a</sup>							
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	-.001	.192		-.004	.997		
	Rational	.007	.020	.021	.370	.712	.995	1.005
	Imagery	-.015	.020	-.044	-.757	.449	.998	1.002
	Integrity	.016	.021	.045	.783	.434	.994	1.006
	Relational	.027	.021	.075	1.292	.197	.997	1.003

a. Dependent Variable: ABSRES

### 4.2.4 Multiple Linear Regression Analysis

The results of the regression conducted in this study are summarized as follows:

Table 5. Regression Result

Model	Coefficients <sup>a</sup>					
	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1,119	,310		3,611	,000
	Rational	,254	,032	,336	7,964	,000
	Imagery	,159	,033	,205	4,872	,000
	Integrity	,281	,034	,350	8,295	,000
	Relational	,392	,034	,488	11,581	,000

a. Dependent Variable: Product\_Awareness  
 F-Statistic = 67.430 (Sig < 0,05)  
 Adjusted R-Square = 0,471

Table 5 provides information that marketing communication technology is able to explain 47.1% of the conditions of MSME performance. Thus, there are 52.9% influences from outside the model currently proposed. The significance level of the F-test on the proposed model <0.05 (Table 5) which indicates that together, each element of marketing communication technology plays a role in influencing the performance of MSMEs in Medan City.

Regression models that can be formulated based on the results of this study are:

$$Y = 1,119 + 0,254 \text{ Rationality} + 0,159 \text{ Imagery} + 0,281 \text{ Integrity} + 0,392 \text{ Relational} + e$$

This study indicates that every element of marketing communication technology has a positive and significant influence on consumer awareness of the products offered. Nonetheless, relational marketing technology, statistically, has the greatest influence in influencing product awareness of consumers of North Sumatra indigenous products.

The regression coefficient on the variable rationality is 0.254. This indicates that for every increase in one unit in marketing communication techniques rationally, the level of product awareness from consumers will tend to increase by 0.254 units. The t-test indicates that the t-count (7,964) is greater than the critical value of 1.65 or a significance value of 0,000 <0.05 which concludes that statistically there is a positive and significant influence of rational communication techniques on the level of awareness of indigenous products in North Sumatera.

The regression coefficient on the imagery variable is 0.159. This indicates that for every increase in one unit in imagery marketing communication techniques, the level of product awareness from consumers will tend to increase by 0.159 units. The t-test indicated that the t-count (4,872) was greater than the critical value of 1.65 or a significance value of 0,000 <0.05 which concluded that statistically there was a positive and significant influence of imagery communication techniques on the level of awareness of indigenous products in North Sumatera.

The regression coefficient on the integrity variable is 0.281. This indicates that for every increase of one unit in marketing communication techniques in an integrity manner, the level of product awareness from consumers will tend to increase by 0.281 units. The t-test indicates that the t-count (8.295) is greater than the critical value of 1.65 or the significance value of 0.000 <0.05 which concludes that there is a statistically positive and significant influence of communication integrity techniques on the level of awareness of indigenous products in North Sumatra.

The regression coefficient on the relational variable is 0.392. This indicates that for every increase of one unit in relational marketing communication techniques, the level of product awareness from consumers will tend to increase by 0.392 units. The t-test indicates that the t-count (11,581) is greater than the critical value of 1.65 or a significance value of 0,000 <0.05 which concludes that there is a statistically positive and significant influence of relational communication techniques on the level of awareness of indigenous products in North Sumatra.

## 5 CONCLUSIONS AND SUGGESTIONS

This research shows that in an effort to build product awareness, marketing has a very important role. In practice, marketing can be done with a variety of marketing communication technologies. To build awareness of North Sumatra's indigenous products, marketing needs to be integrated by seeking relational, rational, integrity-based marketing and image (in order). Relational based marketing is more embedded in the minds of consumers. Therefore, the marketing strategy of indigenous products can be adjusted to achieve optimization of product awareness from the community, especially the local community.

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