ANALYSIS OF THE NON-DIGITAL ADVERTISING AND EVENT MARKETING APPLICATION EFFECT ON INTENTION TO BUY PT. PUPUK ISKANDAR MUDA’S NPK FERTILIZER MODERATED BY SALES TERRITORY

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ABSTRACT
This research aims to examine the non-digital advertising application and event marketing application effect on the intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer moderated by sales territory. The population was all final buyers of NPK fertilizer products in the province of Aceh, Indonesia. The sampling technique used was purposive sampling so a total of 200 respondents were obtained. Data was collected by distributing questionnaires and analyzed using a one-sample t-test and SEM-AMOS. The results conclude that the role of non-digital advertising, event marketing, sales territory, and intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer have gone well, non-digital advertising affects intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer, Event marketing affects the intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer, sales territory can strengthen the non-digital advertising effect on the intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer, and the sales territory can strengthen the event marketing effect on the intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer. These findings also explain that the sales territory has a role as a pure moderator in the non-digital Advertising and Event marketing Implementation model effect on the intention to buy. Thus, as a whole, it has been proven that the model of increasing the intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer is a function of increasing the non-digital advertising role and the suitability of the event marketing held that can be triggered by the sales territory.

Keywords: Non-Digital Advertising, Event marketing, Sales Territory, Intention to Buy.

1. INTRODUCTION
PT Pupuk Iskandar Muda is a subsidiary of PT Pupuk Indonesia which is engaged in the urea fertilizer industry and other chemical industries. One of the long-term goals of the Indonesian government in the agricultural sector is to realize food sovereignty. With this plan, fertilizer is one of the means of agricultural production which is a strategic commodity in supporting the national food security program because the demand is high and has a wide distribution of demand. Compound Fertilizer is one of the fertilizers that is needed in sufficient quantities. In this regard, PT Pupuk Iskandar Muda built an NPK fertilizer factory using chemical granulation technology, which started operating in mid-2021. This plan is already underway and implemented with a production target of 500 thousand tons per year.

The government's plan to divert fertilizer subsidies to farmers presents a new challenge for the business world because there is no longer a captive market for fertilizer subsidies and consumers are free to make their own purchasing decisions. As a new player in the NPK fertilizer industry, PT Pupuk Iskandar Muda wants to be able to compete and dominate the market both
locally and nationally. However, the current NPK fertilizer sales figures at PT Pupuk Iskandar Muda are still not optimal. For the last 3 years, PT Pupuk Iskandar Muda has carried out a pre-marketing program for the sale of NPK fertilizer in Aceh Province. This pre-marketing program has been carried out from 2019 to 2022 which aims to see the public's intention to buy NPK fertilizer. However, it is very unfortunate that sales of NPK fertilizer in Aceh have not been able to reach the maximum target. As stated in the performance report of PT Pupuk Iskandar Muda in 2022 the realization of NPK fertilizer sales is very far from the initial sales target expectations. Sales in 2022 showed a drastic decline, with an initial total target of 1,067/ton and actual sales of 282/ton. This shows that consumers' purchase intentions for NPK fertilizer or sales of NPK fertilizer in Aceh have not been able to reach the maximum target. Measurement of purchase intention is generally carried out to maximize predictions of the actual purchase itself (Jeddi & Zaiem, 2010).

Many factors influence purchase intention, one of which is sales territory, non-digital advertising, and event marketing. Region or location relates to where the company carries out its operations or activities (Lupiyoadi, 2013). Therefore, companies must be able to reach areas of target consumers to increase the likelihood that consumers will buy the products offered. In addition, Advertising plays an important role in everyday life, especially in determining a way of life that has an impact on thinking, attitudes towards oneself, and the world around us. Therefore, persuasive advertising plays an important role for companies with high levels of competition (Rahma, 2017). This is because a person's acceptance of a product can be increased through advertising, which then directs them to various responses such as interest in making a purchase (Azmi, 2021).

PT Pupuk Iskandar Muda has so far carried out various forms of non-digital advertising to customers in its area. As for some of them, such as outreach and education which was carried out at 229 points spread across various regions. Furthermore, there are demonstration plots that have been realized in 35 demonstration plots. Demonstration plots themselves are one of the extension methods chosen by agricultural extension workers so that the informed technology is more easily accepted by farmers so that farmers are expected to know, want, and be able to carry out agricultural activities with real examples. This is also to increase the trust of potential consumers (farmers or other end users) in getting to know the product and the seller. (Raniya, Lubis, & Kesuma, 2023) explained that customer trust has a significant role in purchasing decisions. Other things have also been carried out, such as direct soil testing activities carried out at 280 points in various regions. The purpose of this soil testing activity is to ensure that potential customers are sure of the quality of the product and to answer the question of whether the product meets their needs. (Adnan, Yunus, Adam, & Hafasnuddin, 2019) explained that product quality strongly influences purchasing decisions.

Lastly, advertisements have been placed in the form of billboards containing product information such as specifications and uses. Event marketing is a form of activity in which a company organizes or participates in an event to promote a product to the target market (Rita & Nabilla, 2022). Event marketing is increasingly being used as a promotional tool, both for brands that are relatively new, brands in the development stage, or brands at the perfect stage (Saronto & Rosinta, 2013). Previous studies have supported the existence of a significant influence between events and purchase intentions (Ningrum & Nilowardono, 2016); (Saronto & Rosinta, 2013). Today digital marketing is very stretched in various aspects of marketing and almost covers the
entire scope of consumer needs. Indeed, digital marketing allows companies to market their products massively and measurably. However, marketing effectiveness depends on the target audience that is segmented. Segmented targets that try to reach a wider target and involve limitations in internet control and services, then non-digital advertising is the best effort that companies can make. It is also hoped that the existing sales territory can strengthen the roles of advertising and events held. (Rizal, Adam, & Ibrahim, 2017) states that location (of sales) can strengthen purchase decisions. This issue is an interesting gap to be studied further in this study.

2. LITERATURE
Purchase Intention/ Intention to Buy

(Kotler & Keller, 2018), and (Sharaf, Isa, & Al-Qasa, 2015) state Purchase intention is the tendency to buy a brand and is generally based on the suitability between purchase motives and the attributes or characteristics of the brand. (Yang & Chiao, 2016) and (Flynn & Pearcy, 2001) state purchase intention is something that arises after receiving stimulation from the product he sees. (Ngan, Prendergast, & Tsang, 2011) and (Chung & Al-Khaled, 2021) explained that purchase intention is part of the consumer behavior component in consuming attitudes, the tendency of respondents to act before buying decisions are implemented. While the understanding of purchase intention according to (Bakewell & Mitchell, 2006) and (Madahi & Sukati, 2012), Purchase intention is the stage of the respondent's tendency to act before the purchase decision is implemented. Repurchase intention is customer behavior where customers respond positively to the quality of a company's service and intend to make return visits or consume the company's products again (Cronin & Taylor, 1992);(Peter & Olson, 2013). Repurchase is often associated with brand loyalty. However, there is a difference between the two. If loyalty is to reflect a psychological commitment to a particular brand, then repurchasing behavior is solely related to purchasing the same particular brand repeatedly (Tjiptono, 2015). Purchase intention in this article leads to (also called) intention to buy PT. Pupuk Iskandar Muda's NPK fertilizer.

Sales Territory

Sales territory is the management of sales that have been planned and mapped according to the existing conditions and situation in the area (Dickson, 1996). Sales Territory or sales area is a certain area or geographical area in which some consumers or customers have sales potential or business potential managed by the sales team (Cravens, Ingram, LaForge, & Young, 1993). Sales Territory Management is a method of managing a sales territory starting from knowledge and understanding of the sales territory, preparation of a management plan, implementation and evaluation of management methods, and results from managing the sales in a territory (MacKenzie, Podsakoff, & Fetter, 1993); (Babakus, Cravens, Grant, Ingram, & LaForge, 1996). (Churchill, 2000) explained, a sales territory is a geographical area with a certain area entrusted to salesmen or distributors taking into account the number of customers or prospective customers in each geographic area. According to (Sahasrabudhe & Soni, 2012) the market for every business and industrial company is different. It may be local, it may be a country, it may be between countries or it may be international which depends on many factors, such as the size of the company itself, the amount of production, the quality of the product, the nature of the product, the number of customers, and so on. If the business market and industrial companies are large enough, they are generally divided into some regions so that the activities of distributors, dealers, agents, salesmen,
and others can be properly checked and controlled. Dividing the market into different regions is known as determining sales territories.

**Advertising**

Many businesses focus on sales promotion to develop new markets, establish a positive brand image, convey information, and add value to products or services (Hanaysha, 2018). One of the most effective sales promotion techniques is advertising (Hoyle, 2002). (Situmeang, 2016) and (Dahlen & Rosengren, 2016) states that advertising is a communication intent initiated by a brand or organization to influence someone. Advertising is a form of promotion in the form of non-digital such as brochures and other print media or in the form of digital such as on websites and social media. Advertising is one of the promotions that are very often applied in the business world to offer services or products to the public (Gunawan, 2020). Advertising performs several roles in marketing. The first role that advertising plays is the information role. Advertising serves as a channel through which consumers find out about products and services. Companies produce products and services to sell to consumers; without sales, companies will suffer losses. That is the role of advertising through various media, to inform people about products and services. In addition to informing consumers, advertising can also encourage consumers to make purchases. Previous studies stated that advertising through creative appeals can encourage the public to take action and make purchases (Terkan, 2014).

**Event marketing**

Marketing through events can be an opportunity for companies to expand markets that have not been reached online. Events help bring together and create a direct interaction between customers, buyers, and the product itself (Sneath, Finney, & Scheinbaum, 2006). According to (Belch & Belch, 2003), Event marketing is a type of promotion where a company or brand is associated with an event or activity that has a theme for creating experiences for consumers and promoting products or services. Product or brand marketing can be achieved through several approaches. Considering that several marketing communication tools have lost much of their ability to reach targets, companies or marketers must now look for alternative means of communication, one of which is by utilizing event marketing. Events are an effective tool for instilling messages in the minds of audiences and can convey an emotional value to a product or service. Events can take many forms, including product launch events, conferences, product sampling, publicity activities, and so on (Zarantonello & Schmitt, 2013). Miller and Washington (2012) stated that establishing real and direct contact with consumers at events can create memorable brand experiences. An event will help the companies involved to be able to promote their goods directly (Ningrum & Nilowardono, 2016). What's more, events can emphasize brand-related information and encourage interaction (Altschwager, Conduit, Bouzdine-Chameeva, & Goodman, 2017) ; (Jacqueline & Kusniadji, 2018). In previous research, event marketing was defined as an activity that has been planned and organized by a company to introduce a brand from that company (Hoyle, 2002). Companies participate in events to achieve various goals such as building brand awareness, sales, and image enhancement (Close, Finney, Lacey, & Sneath, 2006); (Rahma, 2017). Event marketing is also considered an activity promoting the interests of the organization that aims to attract the attention of consumers by being associated with certain activities (Rahma, 2017).
Paradigm and Hypothesis

The research framework is illustrated in the chart below.

**Figure 1.** Conceptual Framework

- **H1:** Non-digital advertising, event marketing, sales territory, and intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer have gone well.
- **H2:** Non-digital advertising influences the intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer.
- **H3:** Event marketing influences the intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer.
- **H4:** Sales territory can strengthen the non-digital advertising effect on the intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer.
- **H5:** Sales territory can strengthen the event marketing effect on the intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer.

Novelty

Research related to social media advertising through informativeness, entertainment, and credibility on the perceived value of advertising and its impact on online purchase decisions moderated by gender and user experience, has been carried out by (Dao, Le, Cheng, & Chen, 2014) entitled, Social Media Advertising Value: The Case of Transitional Economics in Southeast Asia, has a difference with this research. (Dao et al., 2014) used the same independent and dependent variables as in this research, namely the application of non-digital advertising and purchase intention. However, there are differences regarding the moderating variable used. They used gender and user experience as moderators while this research used sales territory. Another difference that this research has with the previous one by (Dao et al., 2014), namely on the subject of research. Their research used the South Asian economies as the subject, but this research subject...
is PT Pupuk Iskandar Muda’s NPK fertilizer product. In addition, research by (Dao et al., 2014) used SmartPLS to analyze the sample data, but this research used AMOS SEM.

3. METHOD

This research was conducted at PT. Pupuk Iskandar Muda which is located in Lhokseumawe City, Aceh, Indonesia. While the research object is related to the variables to be studied, namely non-digital advertising, event marketing, sales territory, and intention to buy. The population was the end buyers of PT. Pupuk Iskandar Muda’s NPK fertilizer product in Aceh Province, Indonesia. The sampling technique used in this research was a non-probability sampling technique, more specifically purposive sampling, with the criteria of end users of NPK fertilizer. (Sugiyono, 2017) means that the sample is part of the number of characteristics in a population. The sample size itself according to (Hair, Black, & Babin, 2010) must amount to at least 5 to 10 times the number of indicators. Therefore, this research, took a total of 10 times the number of indicators so that the calculation is as follows:

\[ n = 10 \times \text{number of indicators} \]
\[ = 10 \times 20 \]
\[ = 200 \text{ samples (respondents)} \]

Data was collected through a questionnaire containing questions/statements related to Intention to Buy, Sales territory, Implementation of non-digital Advertising, and Event marketing. These were measured using a Likert scale and analyzed using AMOS SEM equipment. The indicators used in this research are as follows:

a. To measure intention to buy using indicators as disclosed by (Chung & Al-Khaled, 2021) namely interested in finding information about the product, considering buying, interested in trying, wanting to know the product, wanting to have the product
b. To measure the sales territory using the indicators as disclosed by (Cravens et al., 1993) namely market reach, quality in market mapping, identification of potential customers, and sales force assignments.
c. To measure the implementation of non-digital advertising using indicators as disclosed by (Azmi, 2021) i.e. containing product information, showing the practical use of products, being able to attract emotional consumers, making consumers suggest to others to make a purchase
d. To measure event marketing using indicators as disclosed by (Jacqueline & Kusniajadi, 2018) namely the enterprise dimension (new concept, design appearance, new experience), the entertainment dimension (positive mood, comfortable atmosphere, feeling happy), and the excitement dimension (quality product, positive energy, enjoying the event)

4. RESULT

Descriptive Hypothesis (H1)

Descriptive hypothesis testing used a one-sample t-test with a cut-off value of 3.41.
Table 1. One Sample Test

<table>
<thead>
<tr>
<th></th>
<th>Test Value = 3.41</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>t</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Digital Advertising</td>
<td>25.07</td>
</tr>
<tr>
<td>Event marketing</td>
<td>22.89</td>
</tr>
<tr>
<td>Sales Territory</td>
<td>20.19</td>
</tr>
<tr>
<td>Intention to buy</td>
<td>28.38</td>
</tr>
</tbody>
</table>

From the table above, it can be seen that the significance level with an alpha of 5% is <0.05, so it concludes that all the variables namely non-digital advertising, event marketing, sales territory, and intention to buy, have gone well. Thus rejecting Ho1 and accepting Ha1. So this reveals that Non-digital advertising, event marketing, sales territory, and intention to buy PT Pupuk Iskandar Muda's NPK fertilizer have gone well.

Direct Hypothesis (H2 and H3)

![Figure 2. Structural Model](http://ijbmer.org/)
Table 2 formulates the equation of this research model, namely:

\[
\text{Intention to buy} = 0.415 \text{ Implementation of Non-Digital Advertising} + 0.350 \text{ Event marketing}
\]

### Non-Digital Advertising Effect on Intention to Buy (H2)

The significance test for the Non-Digital Advertising role in intention to buy resulted in \( p < 0.05 \) and CR 4.818 > 1.96. This figure explains that the test results meet the requirements for acceptance of H2, which means the hypothesis is accepted. The effect magnitude of the non-digital advertising on intention to buy shows a standard estimated value of 0.507; where if non-digital advertising increases by 1 unit, intention to buy will also increase by 0.507 units. This finding explains that the higher the non-digital advertising, the higher the intention to buy. Advertising is considered as one of the promotion mix tools, that aims to communicate customer value persuasively to encourage usage and intention to buy (Azmi, 2021). Consumers can find out details or information about products through advertisements. Therefore, it can be interpreted that the better an advertisement can have implications for the intention to buy a product (Rita & Nabilla, 2022). The same findings were also obtained from research conducted by (Terkan, 2014) which reveals that successful advertising not only informs or demonstrates the product but can also encourage intention to buy. Customers are more likely to be motivated to purchase if they perceive the advertisements displayed as a source of valuable, useful information and consider the advertisements to be relevant to their needs (Alalwan, 2018).

### Event Marketing Effect on Intention to Buy (H3)

The significance test for the Event marketing role in intention to buy resulted in \( p < 0.05 \) and CR 3.635 > 1.96. This figure explains that the test results meet the requirements for acceptance of H3, which means the hypothesis is accepted. The effect magnitude of the event marketing on changes in intention to buy shows a standard estimated value of 0.339; where if event marketing increases by 1 unit, intention to buy will also increase intention to buy by 0.339 units. This finding concludes that the higher the level of event marketing, the higher the intention to buy. Events provide an opportunity to engage consumers with the company and its products (Close et al., 2006). This is because events have a more effective ability to influence consumer attitudes (Altschwager et al., 2017). Event marketing is a form of activity in which a company organizes or participates in an event to promote a product to the target market (Rita & Nabilla, 2022). Event marketing is used by companies to achieve various objectives related to product Intention to Buy (Close et al., 2006). (Ningrum & Nilowardono, 2016) also supports the significant influence between events and product Intention to Buy at PT HM Sampoerna in Surabaya. (Nuraeni & Hadita, 2022) in his research states that event marketing affects the intention to buy.
Moderation Effect (H4 and H5)
Testing the moderating effect model is figured below.

![Figure 3. Testing the Moderation Effect](image)

Testing the significance of the moderation model hypothesis is also based on the results of the following Critical Ratio (CR) and P values.

**Table 3. Moderation Effect Testing**

<table>
<thead>
<tr>
<th>Effect</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intention to buy &lt;--- Non-digital advertising</td>
<td>0.038</td>
<td>.097</td>
<td>.302</td>
<td>.763</td>
</tr>
<tr>
<td>Intention to buy &lt;--- Event marketing</td>
<td>0.015</td>
<td>.082</td>
<td>.137</td>
<td>.891</td>
</tr>
<tr>
<td>Intention to buy &lt;--- Sales Territory</td>
<td>0.239</td>
<td>.104</td>
<td>2.335</td>
<td>.043</td>
</tr>
<tr>
<td>Intention to buy &lt;--- Moderation1</td>
<td>0.302</td>
<td>.008</td>
<td>3.875</td>
<td>***</td>
</tr>
<tr>
<td>Intention to buy &lt;--- Moderation2</td>
<td>0.226</td>
<td>.009</td>
<td>2.533</td>
<td>.011</td>
</tr>
</tbody>
</table>

Sumber : Data Primer Diolah, (2023)

**Sales territory Moderates the Non-Digital Advertising Role in Intention to Buy (H4)**

H4 is testing the moderation role of Sales territory on the non-digital Advertising effect on Intention to Buy. The test results show that the coefficient $\beta_3 = 0.302$ with a significance of 0.000, where the Sales territory has a significant effect on Intention to buy with a significance value of 0.043; and the application of non-digital advertising is not significant to intention to buy, where the significance is 0.763 (> 0.05). This reveals that the Sales territory moderates as a pure moderator in the non-digital advertising effect on Intention to Buy.
Sales Territory Moderates the Event marketing Role in Intention to Buy (H5)

H5 is testing the moderation role of Sales territory on the Event marketing effect on Intention to Buy. The test results show that the coefficient $\beta_3 = 0.226$ with a significance of 0.011, where the Sales territory affects Intention to Buy with a significance value of 0.043; and Event marketing is not significant to Intention to Buy where the significance is 0.891 ($>0.05$). This explains that the sales territory moderates as a pure moderator on the Event Marketing effect on Intention to Buy.

5. CONCLUSION

The results conclude that the role of non-digital advertising, event marketing, sales territory, and intention to buy PT Pupuk Iskandar Muda's NPK fertilizer have gone well, non-digital advertising affects intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer, Event marketing affects the intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer, sales territory can strengthen the non-digital advertising effect on the intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer, and the sales territory can strengthen the event marketing effect on the intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer. These findings also explain that the sales territory has a role as a pure moderator in the non-digital Advertising and Event marketing Implementation model effect on the intention to buy. Thus, as a whole, it has been proven that the model of increasing the intention to buy PT Pupuk Iskandar Muda’s NPK fertilizer is a function of increasing the non-digital advertising role and the suitability of the event marketing held that can be triggered by the sales territory. Academically, this model can contribute to the development of theory, especially the marketing theory of NPK fertilizer products, and can be a reference for further research by adding other predictor variables of intention to buy. These findings can be a practical reference for the next sale of PT Pupuk Iskandar Muda's NPK fertilizer, where the related variables can be utilized to stimulate the end user's purchase intention.

REFERENCES


