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# Impact of Green Entrepreneurial Orientation and Entrepreneurial Education on Green Entrepreneurial Intention Through Environmental Awareness

SINTA 2

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## ABSTRACT

Indonesian Government has been planning the green economic strategy as an effort to prioritize the environmental sustainability. Green entrepreneurship aligns with this strategy by promoting environmentally-friendly business concept. This research aimed to reveal the effect of green entrepreneurial orientation and entrepreneurial education on green entrepreneurial intention in Jakarta, with environmental awareness as a mediator. Using descriptive quantitative approach, data was gathered through non-probability sampling method by using purposive-sampling technique from 269 young respondents in Jakarta through questionnaires. Data analysis was conducted by using SEM-PLS with the assistance of SmartPLS software version 4. The results show that entrepreneurial education has a significant effect on green entrepreneurial intention, but green entrepreneurial orientation does not significantly affect green entrepreneurial intention in Jakarta. Nevertheless, the effect of green entrepreneurial orientation on green entrepreneurial intention can be fully - mediated by environmental awareness.

**Keywords**: entrepreneurial education; environmental ewareness; green economy; green entrepreneurial orientation; green entrepreneurial intention

## INTRODUCTION

As a kind of action to face the problems caused by climate change on human beings' welfare, the Department of Economic and Social Affairs developed the "17 Sustainable Development Goals" (SDGs) with the targeted economic-aspect aimed at improving global economic and financial representation. Additionally, the department focuses on implementing business that prioritize the sustainability of human beings' environment and the planet, including enhancements of green economic values (United Nations, 2020). The concept of green economy constitutes the synergy among the components of economic and environment without ignoring the social problems. This idea has the potence to reduce the environmental problems that can affect human beings and social justice (Noviarita et al., 2023).

The survey conducted by Tyson et al. (2021) concluded that young generation has the biggest contribution to the success of SDGs target achievements especially related to the environment. Many young generations currently have already had the awareness on environmental problems by participating in the community or environmental activities.

Based on the pooling, it can be known that 36.2% of young generations chose the brands that care about the environment, 32.5% chose to recycle old clothes, 69.8% brought their own shopping bags to reduce plastic wastes, and 56.2% chose to shop environmentally-friendly products (Annur, 2022). Climate change, global warming, and other environmental problems have formed more individuals to choose green product (Haldar, 2019). These phenomena have directed some of the business models to green entrepreneurial. Currently, many companies start applying the norms of green entrepreneurial in their business sustainability to create positive effect on the economic and environment competition (Talić et al., 2020). Indonesia currently occupies the position as a country with the fourth-highest level of pollution in South-East Asia and also a country with the worst air quality in the world. This phenomenon has caused the Indonesian Government to take some steps to plan green economy as a strategy to recover.

Green entrepreneurial orientation is a growing phenomenon in business and academics. It aims to cultivate entrepreneurs committed to environmentally friendly business practices by developing eco-friendly product innovations for the better environmental sustainability (Chee & Nordin, 2019). Entrepreneurial education is crucial for maximizing environmental awareness, as environmental issues significantly threaten human well-being. The emergence of green entrepreneurship aims to realize a low-carbon economy, conserve resources, and support climate stability in the future (Nuringsih et al., 2023). Therefore, the research on green entrepreneurial is necessary to be conducted, because this is considered as a strategic movement to both preserve the environment and achieve economic benefits.

This study employs the Ability-Motivation-Opportunity (AMO) theory to understand the implementation of green entrepreneurial intentions. The theory highlights three key interacting factors: first, an individual's ability to develop innovative and sustainable environmentally-friendly ideas; second, a solid motivation to create a positive impact on the environment; and third, support from the market, government regulations, and access to networks and resources (Al-Tit, 2020).

In conducting green entrepreneurial, an individual needs self-motivation in forms of knowledge or educational support (Amankwah & Sesen, 2021). Green entrepreneurial intention does not only aim to generate profit, but also to uphold the responsibilities to surrounding environment. Thus, the experience and understanding on environmental issues and knowledge on green economy concept are needed to be green entrepreneur (Aurellia & Nuringsih, 2023). Education or knowledge transfer in forms of learning materials, workshop, or training can affect an individual’s point of view, way of thinking, and self-confidence in performing green entrepreneurial (Alvarez-Risco et al., 2021). Through entrepreneurial education, an individual can understand and comprehend how to design a business that has green entrepreneurial strategy and practice.

Entrepreneurial orientation can also help an individual in understanding green entrepreneurship (Tze San et al., 2022). Entrepreneurial orientation helps an individual to be innovative, dare to take the risk, and proactive in adapting to consumer needs (Fransisca & Soelaiman, 2023). An entrepreneur with green entrepreneurial orientation will possess entrepreneurial attitude that pays attention to social effect through awareness and commitment to the environment (Majali et al., 2022). An individual with green entrepreneurial orientation tends to have stronger green entrepreneurial intention, because they do understand the concept, opportunities, and positive side of green entrepreneurial.

In envisioning the greenpreneuship, the environmental awareness is needed. Being aware of that, this research added the environmental awareness as a mediating variable.

Awareness toward the environment can encourage an individual to perform entrepreneurial activities which then creates a positive economic environment (del Brío González et al., 2022). Awareness toward the economic-environmental issue helps an individual identify business opportunities with environmentally-friendly solutions. The greater the environmental awareness is, the higher the individual's intention will be in choosing green entrepreneurial (Genoveva & Tanardi, 2022).

This research aimed to reveal the effect of green entrepreneurial orientation and entrepreneurial education on green entrepreneurial intention among young person in Jakarta. Moreover, this research also aimed to analyze whether environmental awareness can mediate the effect of green entrepreneurial orientation on green entrepreneurial intention. The results of this research are expected to encourage people to take the business opportunities by utilizing creative and innovative thinking to face the economic and environmental challenges in the future through green entrepreneurial activities.

Based on the background that has been explained previously, the research model can be displayed in Figure 1 as follows.

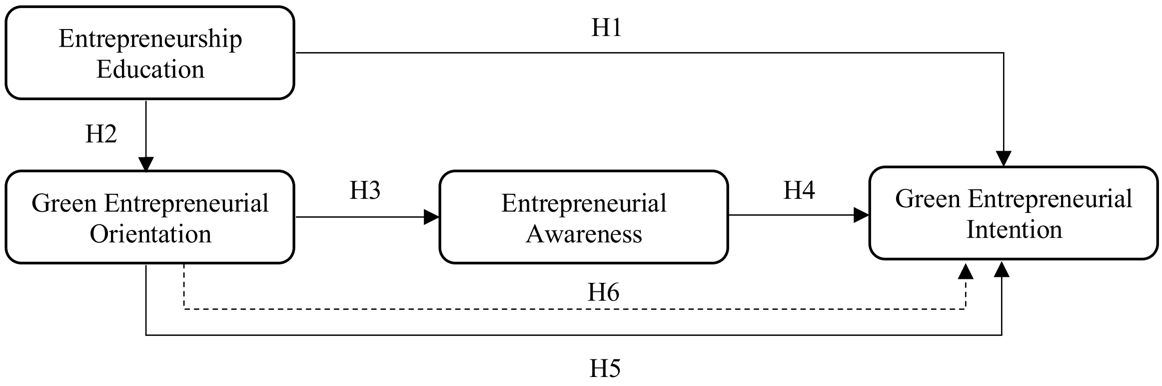


**Figure 1. Research Model**

Entrepreneurial education constitutes an individual's basic knowledge in starting and running entrepreneurship, in which this knowledge can direct him/her to recognize further about the profitable situation and condition in making decisions and taking actions (Amankwah & Sesen, 2021). Understanding the concept of being an entrepreneur is not only about the action to gain profit, but also about the need to be responsible to social environment in building green entrepreneurial intention (Hameed et al., 2021). Educational support is needed to sharpen the skills, way of thinking, relationship, as well as to create opportunities (Santika et al., 2022). Educational support can increase an individual's green entrepreneurial intention (Amankwah & Sesen, 2021). Entrepreneurship education can encourage individuals to commit to environmental quality, thereby contributing positively to green entrepreneurial intentions (Santika et al., 2022).

$H_1$: Entrepreneurial Education positively affects Green Entrepreneurial Intention.

Educational process leading to entrepreneurship enables an individual to recognize, analyze, and encourage creativity, to train how to seek an opportunity and to take advantage of it through proactive, innovative, and risk-taking behavior (Efrata et al., 2021). Through learning, the possessed science and knowledge can help an individual recognize green entrepreneurial orientation in better way.

Entrepreneurship education has a positive and significant influence in shaping an individual's green entrepreneurial orientation towards green entrepreneurship (Aurellia & Nuringsih, 2023).

$H_2$: Entrepreneurial Education positively affects Green Entrepreneurial Orientation.

The stimuli through green entrepreneurial orientation toward an individual or organization can help such individual to be more sensitive on environmental issues in making decision to run a business, thus can create entrepreneurial-performance environment, which finally can positively affect the environmental awareness (Tze San et al., 2022). The study by Habib et al., (2020) explains that green entrepreneurial orientation has a positive and significant influence on environmental awareness.

$H_3$: Green entrepreneurial Orientation positively affect Environmental Awareness.

The intention to perform green entrepreneurship constitutes one among the individual's organized-behavior in anticipating the opportunities and risks in the surroundings. There are three ways that affects green entrepreneurial intention of an indiviual, of which one of them is through the environmental awareness approach (Cai et al., 2022). Awareness and intention to address environmental issues within oneself positively influence developing green entrepreneurial intention. By embodying environmental concerns, individuals are motivated to create green entrepreneurship in the future (Genoveva & Tanardi, 2022).

$H_4$: Environmental Awareness positively affects Green Entrepreneurial Intention.

Commonly, entrepreneurial intention needs the process of recognizing, deepening, and understanding entrepreneurial knowledge, in order to form the way of thinking toward green entrepreneurial intention. The aspects contained in green entrepreneurial orientation have important roles in creating wide opportunities for candidate entrepreneurs or companies in making innovations (Ye et al., 2022). The implementation of actions in green entrepreneurial orientation indicates that an individual or organization tends to make environmentally-friendly innovations (Tze San et al., 2022). Shahid & Reynaud (2022) explain that a higher green entrepreneurial orientation can increase green entrepreneurial intention.

$H_5$: Green entrepreneurial Orientation positively affects Green Entrepreneurial Intention.

The green entrepreneurial intention of an individual can be acquired through the individual's point of view toward green entrepreneurial orientation (Loon & Nordin, 2019). Based on the AMO (Ability, Motivation, and Opportunity) theory, an individual's sensitivity toward environmental awareness can contribute in enhancing the individual's behavior, attitude, and skills to apply positive things for the environment (Iftikar et al., 2022). Environmental awareness constitutes the behavior or attitude which refers to an individual's awareness on environmental issues and the effects on entrepreneurial activities. The study by Shahid & Reynaud (2022) explains that environmental awareness can positively mediate the influence of green entrepreneurial orientation on green entrepreneurial intention.

$H_6$: Environmental Awareness can mediate the effect of Green entrepreneurial Orientation on Green Entrepreneurial Intention.

## METHODS

This research is designed by conducting data analysis systematically to analyze the problems by providing the answers that have been tested through relevance test regarding the information being observed or studied (Pankajakshan Vijayanthi Indu & K, 2020). This research used quantitative-method approach through descriptive research design to find out how far the independent variables can affect the dependent variable. Data was gathered by using the non-probability sampling method, which specifically is the *purposive sampling* technique, according to the pre-determined criteria, which are young people domiciled in Jakarta within the range of 18 - 25 years old.

**Table 1. Respondents' Characteristics**

| | Frequency | Percentage (%) |
|---|---|---|
| **Gender** | | |
| Female | 155 | 57.6 |
| Male | 114 | 42.2 |
| **Age** | | |
| 21 – 24 y.o. | 173 | 64.3 |
| 18 – 20 y.o. | 96 | 35.7 |
| **Domicile** | | |
| West Jakarta | 108 | 40.1 |
| South Jakarta | 48 | 17.8 |
| North Jakarta | 42 | 15.6 |
| Central Jakarta | 36 | 13.4 |
| East Jakarta | 35 | 13.1 |
| **Current Occupation** | | |
| College Student | 161 | 59.8 |
| High-School Student | 63 | 23.4 |
| Employee | 36 | 13.4 |
| Entrepreneur | 9 | 3.3 |

Source: The results of data collection, 2023

The statement contained in each variable was measured by using 5-point of Likert-scale, thus enabling the respondents to assess the statement in each variable based on scale-point. Data was then analyzed by using Partial Least Squares – Structural Equation Modelling (PLS-SEM) with the assistance of SmartPLS software version 4.

## RESULT AND DISCUSSION

Structural Equation Modeling consists of two kinds of analysis, which are outer model and inner model. Outer model includes validity and reliability tests. In this research, convergent and discriminant validity were used because these two kinds of validity are considered as a unity thus can be performed simultaneously (Ngatno, 2015). Convergent Validity is measured by checking the outer loadings to determine Average Variance Extracted (AVE) of each construct. Based on the result of outer-loading analysis in Table 1, each variable's indicator is valid, because the value is greater than 0.708. The square of this number shows that the construct score covers at least 50 percent of variability (Hair et al., 2017) or AVE > 0.50.

The reliability test in this research was performed by testing the internal reliability by analyzing the data from one trial through composite reliability test, with the minimum value of 0.70, or the values of all constructs > 0.50 (Hair et al., 2017). Table 2 shows that each variable has passed the reliability test because the composite realiability is greater than 0.70.

**Table 2. The Results of Convergent Validity and Reliability Tests**

| Variable | Indicator | Item | AVE | Outer Loading | Composite Reliability |
|---|---|---|---|---|---|
| Green entrepreneurial Orientation Li et al., (2023); Nuringsih et al., (2022); Shahid & Reynaud, (2022) | Business idea can be affected due to the change in natural environment. | **GEO 1** | 0.685 | 0.749 | 0.885 |
| | Stakeholders must have awareness to protect the environment. | **GEO 2** | | 0.821 | |
| | Pro-active attitude is needed to protect the nature through environmentally-friendly products. | **GEO 3** | | 0.803 | |
| | I'm determined to be a pioneer to introduce environmentally-friendly products or services. | **GEO 4** | | 0.761 | |
| | Social responsibility must become the foundation of a firm. | **GEO 5** | | 0.833 | |
| | Environmental issues become the biggest challenge to the community. | **GEO 6** | | 0.836 | |
| Entrepreneurial Education Cai et al., (2022); Puni et al., (2018) | Entrepreneurial education can help comprehend the role of entrepreneurs in community. | **EE 1** | 0.642 | 0.749 | 0.889 |
| | Entrepreneurial education provides the skills and knowledge to run the environmentally-friendly business. | **EE 2** | | 0.821 | |
| | Entrepreneurial education enhances the skills to seek for environmentally-friendly business opportunities. | **EE 3** | | 0.803 | |
| | Entrepreneurial education teaches the ways to solve the economic and social issues in the environment. | **EE 4** | | 0.761 | |
| Environmental Awareness del Brío González et al., (2022); Zameer & Yasmeen, (2022); Altin et al., (2014); Si et al., (2022) | I worry about air problems in the environment. | **EA 1** | 0.664 | 0.811 | 0.832 |
| | I worry about water problems in the environment. | **EA 2** | | 0.724 | |
| | I worry about land problems caused by trash and household waste. | **EA 3** | | 0.777 | |
| | I think about the pollutions caused by business firms. | **EA 4** | | 0.817 | |
| | Responsibility is needed to protect the environment. | **EA 5** | | 0.775 | |
| | Industry limitation is needed to prevent natural damage. | **EA 6** | | 0.827 | |
| | Participation from environmental groups or organizations is needed. | **EA 7** | | 0.706 | |
| Green Entrepreneurial Intention Cai et al., (2022); Wei- & Nordin, (2019); Nuringsih et al., (2022) | I have the determination to build and run an environmentally-friendly business. | **GEI 1** | 0.605 | 0.770 | 0.893 |
| | I have seriousity to start an environmentally-friendly business. | **GEI 2** | | 0.828 | |
| | I have the commitment to start and run an environmentally-friendly business. | **GEI 3** | | 0.870 | |
| | I can create an environmentally-friendly business model. | **GEI 4** | | 0.842 | |
| | I have a will to contribute in the natural preservation program. | **GEI 5** | | 0.824 | |

Next, the inner model test was performed to analyze the effect of independent variables on dependent variable through R-square test. The value of $\boldsymbol{R^2}$ can be divided into three categories, which are 0.75 (strong), 0.50 (moderate), and 0.25 (weak) (Kwong & Wong, 2015). Based on the result in Table 3, it can be seen that the Green Entrepreneurial Intention and Green entrepreneurial Orientation have moderate effect, while the Environmental Awareness has strong effect.

**Table 3. The Results of R-Square Tests**

| Variable | Coefficient of Determination ($\boldsymbol{R^2}$) | Notes |
|---|---|---|
| Green Entrepreneurial Intention | 0.642 | Moderate Effect |
| Green entrepreneurial Orientation | 0.712 | Moderate Effect |
| Environmental Awareness | 0.784 | Strong Effect |

Source: SmartPLS 4, 2023

The F-Square ($\boldsymbol{F^2}$) test aims to show how strong exogenous variable can affect endogenous variable. Hence, the value of $\boldsymbol{F^2}$ can be divided into three categories, which are 0.15 (weak), 0.20 (moderate), and 0.35 (strong) (Kwong & Wong, 2015). Based on Table 4, the effects of exogenous variable on endogenous variable in $H_1$, $H_3$, and $H_5$ are weak, while the effects in $H_2$ and $H_3$ are strong.

**Table 4. The Results of *F-Square* ($\boldsymbol{F^2}$) Tests**

| Relationship | *F-Square* ($\boldsymbol{F^2}$) | Result |
|---|---|---|
| Entrepreneurial Education -> Green Entrepreneurial Intention | 0.044 | Weak Effect |
| Entrepreneurial Education -> Green entrepreneurial Orientation | 2.470 | Strong Effect |
| Green entrepreneurial Orientation -> Environmental Awareness | 3.620 | Strong Effect |
| Environmental Awareness -> Green Entrepreneurial Intention | 0.125 | Weak Effect |
| Green entrepreneurial Orientation -> Green Entrepreneurial Intention | 0.008 | Weak Effect |

Source: SmartPLS 4, 2023

Next, the hypothesis testings were performed by using bootstrapping method. If p-value < 0.05 (with confidence interval of 95%), then the effect is significant. In contrast, if p-value > 0.50, then the effect is not significant (Hair et al., 2019). The results of hypothesis testing by using bootstrapping method are shown in Table 5 as follows.

Based on the results of hypothesis testings above, it can be known that the first hypothesis ($H_1$), which is the effect of entrepreneurial education on green entrepreneurial intention, is significant. The role of entrepreneurial education is needed to enrich the way of thinking, attitude, and behavior to develop the students' intention to conduct green entrepreneurial. This result is aligned with the research conducted by (Hameed et al., 2021) concluding that entrepreneurial education can encourage an individual to be committed to the environment quality. According to the AMO theory, entrepreneurship knowledge related to environment friendly enhances someone's ability and opportunities, thus fostering their green entrepreneurial intention (Mia et al., 2022).

**Table 5. Path Coefficient and The Results of Hypothesis Testings**

| Hypothesis | *Path Coeff.* | *p-value* | Result | Mediation Type |
|---|---|---|---|---|
| $H_1$: Entrepreneurial Education -> Green entrepreneurial Intention | 0.243 | 0.005 | Significant | - |
| $H_2$: Entrepreneurial Education -> Green entrepreneurial Orientation | 0.844 | 0.000 | Significant | - |
| $H_3$: Green entrepreneurial Orientation -> Environmental Awareness | 0.885 | 0.000 | Significant | - |
| $H_4$: Environmental Awareness -> Green entrepreneurial Intention | 0.471 | 0.000 | Significant | - |
| $H_5$: Green entrepreneurial Orientation -> Green entrepreneurial Intention | 0.128 | 0.227 | Not Significant | Full Mediation |
| $H_6$: Green entrepreneurial Orientation -> Environmental Awareness -> Green entrepreneurial Intention | 0.417 | 0.000 | Significant | |

Source: SmartPLS 4, 2023

Entrepreneurial education does not only significantly affect green entrepreneurial intention, but also significantly affect green entrepreneurial orientation. Based on the result of the second-hypothesis ($H_2$) testing, it can be known that entrepreneurial education significantly affects green entrepreneurial orientation. This result is supported by the previous research conducted by (Efrata et al., 2021) stating that the educational process leading to entrepreneurship enables an individual to recognize, analyze, and encourage creativity, as well as training such individual in seeking for business opportunity and take advantage of it. Good knowledge of green entrepreneurship will motivate someone to maximize their green entrepreneurial orientation by daring to take risks to create environmentally friendly products, acting proactively to care for the environment, and innovating in products/services using environmentally friendly technologies.

Next, the result of the third-hypothesis ($H_3$) testing, it can be known that green entrepreneurial orientation significantly affects environmental awareness. Tze San et al. (2022) support this study's findings, indicating that green entrepreneurial orientation, through proactive attitudes and openness to risk, enhances sensitivity to environmental issues in entrepreneurship. Research by Habib et al. (2020) also confirms that green entrepreneurial orientation has a positive and significant impact on environmental awareness. Individuals with green entrepreneurial orientation will increase environmental awareness and conduct entrepreneurship that considers positive impacts on the environment.

The importance of understanding and awareness toward the environment implanted in an individual also affects the green entrepreneurial intention. This is proven by the result of the fourth-hypothesis ($H_4$) testing, in which the variable of environmental awareness significantly affects green entrepreneurial intention. This result is supported by previous research conducted by Genoveva & Tanardi (2022) concluding that the higher the environmental awareness of an individual is, the higher the individual's intention in green entrepreneurial will be. Individuals with high environmental awareness tend to consider the effect of their actions and behaviors toward the environment. High environmental awareness enhances concern for the environment through the use of environmentally friendly raw materials and production processes.

The result of the fifth-hypothesis ($H_5$) testing reveals that green entrepreneurial orientation does not significantly affect green entrepreneurial intention. This result is different from that of previous research conducted by Aurellia & Nuringsih (2023) stating that green entrepreneurial orientation can help an individual in acquiring the knowledge related to the environment as well as developing his/her green entrepreneurial intention. The different research result is possible, because other factors are needed to mediate an individual to perform the green entrepreneurial activities. This phenomenon can be proven by the result of the sixth-hypothesis ($H_6$) testing, in which environmental awareness can mediate the effect of green entrepreneurial orientation on green entrepreneurial intention. This result is aligned and supported by Iftikar et al (2022) which concluded that green entrepreneurial orientation can lead to green entrepreneurial intention through the implementation of environmental awareness when performing entrepreneurship. The expected results are in forms of the development of awareness toward currently environmental issues and the enhancement of understanding and motivation among young people to keep struggling in providing innovation and creating a better economic environment in the future. The results of this study are also in line with the research by Shahid and Reynaud (2022), which explains that environmental awareness can positively mediate the effect of green entrepreneurial orientation on green entrepreneurial intention. In the context of AMO theory, the mediating effect on environmental awareness motivation impacts green entrepreneurial intention through the ability of green entrepreneurial orientation (Mia et al., 2022).

Based on the results obtained, the study's implications showed that entrepreneurial education serves as a facilitator that directs green entrepreneurial orientation to act responsibly towards the environment when establishing a business. Curriculum development should incorporate aspects of green entrepreneurship, such as sustainable innovation, natural resource management, and environmentally friendly business practices. This study's findings are expected to raise public awareness about the importance of green entrepreneurship solutions for sustainability.

## CONCLUSIONS

Based on the results of data analysis provided in the previous section, it can be concluded that entrepreneurial education has a positive and significant effect on Green entrepreneurial Intention and also Green entrepreneurial Orientation among young people in Jakarta. This research also found that Environmental Awareness has a positive and significant effect on Green entrepreneurial Intention. Environmental Awareness fully mediates the effect of Green entrepreneurial Orientation on Green entrepreneurial Intention because Green entrepreneurial Orientation does not have a significant effect on Green entrepreneurial Intention.

Green entrepreneurial activities are needed to be implanted because these activities do not only support the country’s economic, but also support the health of natural environment. The enhancement of responsibility and awareness among young people on green entrepreneurial can be applied through entrepreneurial education, thus they can have awareness to get involved in natural preservation activities. The existence of environmental awareness will certainly strengthen the green entrepreneurial orientation, which can develop the intention of young people to participate in green entrepreneurship. To strengthen the results of this research, authors suggested for the future research to add other variables that can affect green entrepreneurial intention, such as the attitudes toward green economy and sustainability development.

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SINTA 2

# Digital Content Marketing for Promoting Creative Economy At Dharmawangsa Entrepreneur Community (DEC)

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## ABSTRACT

As technology advances, digital content marketing becomes crucial for Micro, Small, and Medium Enterprises (MSMEs) like the Dharmawangsa Entrepreneur Community (DEC), which face challenges in adopting new marketing strategies. This study explores the integration of both conventional and digital marketing methods by DEC members to enhance their competitiveness. Using a mixed-methods approach, data were collected through purposive sampling involving interviews and questionnaires. Findings indicate that while DEC members predominantly use traditional methods such as bazaars, 20% engage in digital marketing, utilizing platforms like Canva, WhatsApp, Instagram, and TikTok. Key sectors include food & beverage (56.7%) and creative industries, with women comprising 60% of the community. The main challenges identified were limited digital skills and reliance on traditional approaches. The study concludes that targeted training and mentorship programs are essential to foster greater digital adoption among MSMEs, ultimately enhancing visibility and business performance.

**Keyword**: creative economy; digital content marketing; promotional media

## INTRODUCTION

In the modern era, technology has become an inseparable part of daily life, especially in the business sector, where it plays a crucial role in facilitating communication and addressing challenges (Khairani & Fachira, 2021). The advent of the internet, a vast network of interconnected computers, has fundamentally transformed the nature of commerce, eliminating traditional barriers of space and time and shifting consumer habits towards online shopping (Siregar et al., 2021). This transformation has enabled businesses to exchange information efficiently and fostered the rapid growth of e-commerce. Consequently, many companies are leveraging digital platforms to implement promotional strategies and tap into broader markets (Widjaja et al., 2022).

The Fourth Industrial Revolution, characterized by advancements in information and communication technologies, has further intensified the integration of digital marketing into business operations (Alzaanin, 2020). Social media platforms have emerged as powerful tools for expanding market reach, allowing businesses to communicate directly with consumers and promote their products with minimal cost (Romdonny & Maulany, 2020). The development of online marketing strategies, supported by tools such as websites, blogs, and social networks, has empowered businesses to reach global audiences, effectively leveling the playing field between large corporations and small enterprises (Paramita et al., 2022). Despite these opportunities, the adoption of digital marketing among Micro, Small, and Medium Enterprises (MSMEs) remains limited. Many MSMEs still prefer traditional marketing methods, such as physical bazaars and word-of-mouth, due to factors like limited digital literacy, insufficient resources, and a lack of familiarity with digital platforms (Lestari & Pratama, 2019).This hesitation prevents them from fully benefiting from the opportunities offered by digital transformation. In contrast, larger companies with established digital infrastructures are better positioned to leverage these tools to their advantage, thereby widening the gap between MSMEs and more resourceful competitors (Wawrowski & Otola, 2020).

Most previous studies, such as those conducted by (Siregar et al., 2021) and (Paramita et al., 2022), have focused primarily on optimizing digital marketing for large corporations, examining aspects like paid advertising, platform optimization, and the technical implementation of marketing campaigns. Similarly, research by (Judijanto et al., 2024) emphasized social media marketing but was limited to the context of larger enterprises, overlooking the unique challenges faced by MSMEs in adopting these technologies. These studies provide valuable insights into the benefits of digital marketing; however, they do not adequately address the specific obstacles faced by smaller enterprises, which often lack the resources and expertise required for successful digital adoption (Lopes & Casais, 2022). The gap in the existing literature is particularly pronounced in the context of MSMEs led by women, which often face additional challenges, such as social and economic constraints, that hinder their ability to adopt digital tools effectively. The Dharmawangsa Entrepreneur Community (DEC), an MSME network that is predominantly composed of female entrepreneurs (60%), presents a unique case study to explore the adoption of digital marketing practices. DEC members operate across diverse sectors, including food and beverage, legal services, and creative industries, providing an opportunity to understand how different types of small businesses are navigating the shift towards digital marketing.

This research aims to fill the existing gap by focusing on a community-based approach to digital marketing among MSMEs, particularly emphasizing the experiences and challenges of DEC members. The study investigates both conventional and digital marketing methods employed by the community, examining specific processes such as market research, audience mapping, ideation, planning, content creation, amplification, evaluation, and distribution. Tools like Canva for graphic design and WhatsApp for communication are used extensively by DEC members, alongside popular social media platforms such as Instagram, Facebook, TikTok, and Wattpad, which enable them to reach and engage with their target audiences effectively.

The novelty of this research lies in its detailed examination of the practical implementation of digital content marketing within a community-based setting. Unlike previous studies that focus on large enterprises or the technical aspects of digital marketing, this research provides insights into the gender-specific dynamics and strategies of MSMEs, particularly in the context of a predominantly female entrepreneurial community. It highlights the unique challenges these businesses face, such as limited access to resources, lack of technical skills, and the need for support systems to facilitate digital transformation. By exploring how MSMEs like DEC leverage digital technologies to enhance their visibility and competitiveness, this research provides a deeper understanding of the practical implications of digital marketing adoption in a community-based setting. It also offers practical recommendations for addressing the barriers faced by MSMEs, such as the need for targeted training programs to enhance digital literacy, access to affordable digital tools, and community-based support initiatives to encourage broader digital adoption.

Ultimately, this study contributes not only to the academic literature by filling a significant research gap but also offers actionable insights that can help empower MSMEs, particularly those led by women, to thrive in a rapidly evolving digital economy. By understanding the specific needs and challenges of MSMEs in adopting digital marketing, policymakers, support organizations, and community leaders can develop more effective interventions to support these enterprises, thereby fostering economic growth and sustainability in the broader community.

## METHODS

The method used in this research is a combination research method (mixed methods). The combination research method is an approach in research that combines or connects quantitative and qualitative research methods. It includes a philosophical foundation, the use of quantitative and qualitative approaches, and combining both approaches in research (Chan, 2022). In this study, the sampling technique used was a non-probability sampling method, specifically accidental sampling. Non-probability sampling is a technique that does not provide equal opportunities for each element or member of the population to be selected as a sample (Ayu et al., 2022). This means that not every individual in the population has a chance of being included in the sample. Accidental sampling, a subset of non-probability sampling, involves selecting individuals who happen to be available and meet the criteria for the study. This method relies on spontaneity, where anyone who the researcher encounters by chance and who fits the desired characteristics can be selected as a respondent. This approach is convenient but may introduce bias because it doesn't ensure a representative sample of the entire population.

The data collection technique for this study involved two primary methods: interviews and online questionnaires distributed via Google Forms. Interviews were conducted to gather in-depth qualitative data from respondents, allowing for detailed responses and follow-up questions. This method helps obtain rich, nuanced insights into the respondents' experiences and opinions. The online questionnaire, on the other hand, is a data collection technique where a set of structured questions or statements is provided to respondents to answer. Using Google Forms, the questionnaire can be easily distributed to a larger audience, facilitating the collection of quantitative data that can be analyzed statistically. This dual approach ensures a comprehensive data set, combining the depth of interviews with the breadth of survey data.

The validity of the data in this study was ensured through the use of triangulation techniques. Triangulation involves using multiple methods or sources of data to cross-check and verify the findings, thereby eliminating bias and increasing the reliability of the results. In this study, primary data sources were obtained through interviews with several entrepreneurs who have successfully used digital content marketing to promote their products and increase sales. These firsthand accounts provide direct insights into the effectiveness of digital marketing strategies. Secondary data sources were gathered from journals, books, and other references related to digital content marketing. These sources offer theoretical and contextual background information, supporting and enriching the primary data. By comparing and contrasting data from these various sources, the study achieves a more comprehensive and accurate understanding of the topic.

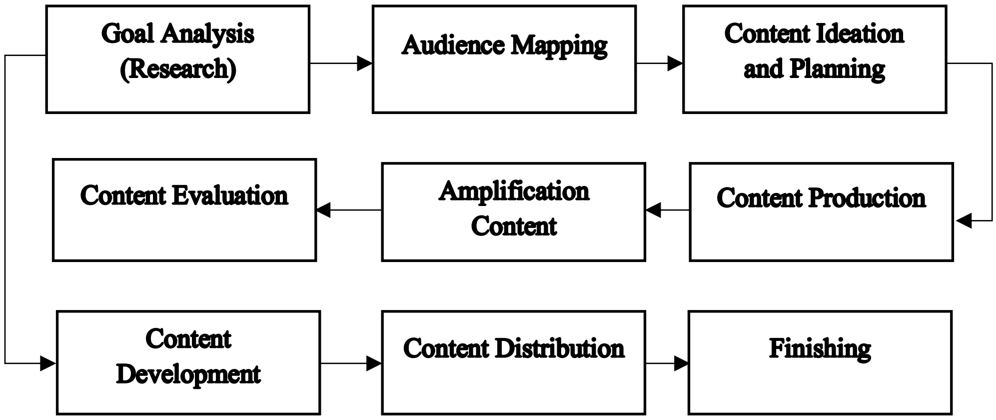


**Figure 1. Stages of Utilizing Digital Content Marketing**

The goal of this research focuses on two main areas: sales and brand development. For sales, metrics such as sales closure, cross-selling, and up-selling are examined. Sales closure refers to finalizing a sale, cross-selling involves suggesting additional products related to the original purchase, and up-selling encourages customers to consider a higher-end product. Regarding brand development, the study considers brand awareness (how well customers recognize the brand), brand association (connections customers make with brand attributes and values), and brand loyalty (customer attachment to the brand, influencing repeat purchases). Audience mapping in this study is based on geography, demographics, psychographics, and behavior to understand different audience segments. Geographical segmentation considers the audience's location, demographic segmentation includes factors such as age, gender, and income, psychographic segmentation involves understanding lifestyles and values, and behavioral segmentation looks at purchasing habits and brand interactions.

Content creation in this research involves several stages, from ideation to planning and distribution. The goal is to generate relevant themes that align with audience preferences, ensuring the content effectively conveys the intended message. High-quality content that reflects the brand's mission is essential for building trust and engaging the audience. To increase content reach, influential figures, such as influencers and endorsers, are considered to enhance visibility and engagement on social media. Content evaluation is carried out to assess its success throughout the customer journey, including stages like awareness, appeal, and action, to identify strengths and areas for improvement. Content development is an ongoing process, focusing on refining content based on performance data and audience feedback to ensure relevance and effectiveness. Distribution involves utilizing various channels, including owned media (websites), paid media (advertisements), and earned media (social media). A comprehensive distribution strategy aims to ensure that the content reaches the target audience effectively.

The research population is anticipated to consist of members of the Dharmawangsa Entrepreneur Community (DEC), primarily small and medium-sized enterprises, with a focus on female-led businesses (approximately 60%). The sample is expected to be selected using purposive sampling, targeting members actively using both conventional and digital marketing methods. The research object is intended to be conducted within the DEC community, covering sectors like food and beverage, legal services, and creative industries. Data collection is proposed to be conducted through interviews and questionnaires to gain insights into marketing practices, though these methods are subject to further review and confirmation.

## RESULT AND DISCUSSION

The determination of informants was conducted using a purposive sampling technique, which involves selecting individuals based on specific criteria or characteristics relevant to the study. This approach ensures that the selected informants possess qualities or experiences that can provide valuable insights related to the research objectives, making the data gathered more targeted and meaningful. The purposive sampling technique is particularly suitable for qualitative research, where the depth of information from specific informants is more valuable than the number of participants. The informants in this research were 30 Entrepreneurs who are members of the Dharmawangsa Entrepreneur Community, which comprises lecturers, alumni, and students. These individuals were selected because they actively run businesses utilizing digital content marketing. Their involvement in the community provides a rich context for understanding the dynamics of entrepreneurship in a digital age. Being part of this network indicates not only their entrepreneurial commitment but also their exposure to contemporary business practices, including the use of digital tools for marketing.

Their experience with digital content marketing strategies makes them suitable representatives for exploring how these strategies influence business growth and sustainability. By focusing on entrepreneurs who leverage digital content marketing, this study aims to understand the ways in which digital platforms can be optimized to enhance business visibility, engage target audiences, and ultimately drive sales. The insights gained from these informants are expected to contribute to the broader understanding of digital marketing's role in entrepreneurial success.

Based on the table above, this study involved a sample of 30 members of the Dharmawangsa Entrepreneur Community (DEC), consisting of 4 lecturers, 9 alumni, and 17 students. The majority of the participants were female (18 people, 60%), while 12 were male (40%). The high representation of women is reflective of their preference to become entrepreneurs, motivated by financial security and flexibility, rather than being primary breadwinners. This aligns with the societal norm that often places men in the role of financial providers, while women balance family responsibilities. However, the interviews revealed that women entrepreneurs are driven by multitasking abilities and a strong desire for independence. The informal sector is preferred over the formal sector, as entrepreneurship offers freedom from gender biases and allows collaboration and contribution in the creative economy. This insight highlights women's motivations to foster and grow their businesses in a flexible environment.

The DEC community primarily includes businesses in food and beverage (17 people, 56.7%), followed by Wattpad/anthology writers (3 people, 10%), and advocate/legal services, handicrafts, product resellers, and beauty services, each comprising 2 members (6.7%). Additional sectors include event decoration services, convection, fish hatcheries, and egg suppliers, each represented by 1 member (3.3%). Digital content marketing is widely used at DEC as a tool for promoting creative economy products. Interviews revealed that DEC members actively create product photos, profile videos, and testimonials using mobile applications. A significant portion (73.3%) uses CapCut for video editing, while others use VN (6.7%), or a combination of both (3.3%).

**Table 1. Recapitulation Of Survey Results**

| No | | | Total | % |
|---|---|---|---|---|
| 1 | Gender | Men | 12 | 40 |
| | | Women | 18 | 60 |
| | | **Total** | **30** | **100** |
| 2 | Profession | Lecturer | 4 | 13.3 |
| | | Alumni | 9 | 30.0 |
| | | Student | 17 | 56.7 |
| | | **Total** | **30** | **100.0** |
| 3 | Business Type | Advocate/Lawyer Service | 2 | 6.7 |
| | | Culinary (Food & Bavarage) | 17 | 56.7 |
| | | Edupreneur (Author) | 3 | 10.0 |
| | | Event Organiser | 1 | 3.3 |
| | | Handycraft | 2 | 6.7 |
| | | Fish Hatchery | 1 | 3.3 |
| | | Convection | 1 | 3.3 |
| | | Egg Supplier | 1 | 3.3 |
| | | Beauty Product | 2 | 6.7 |
| | | **Total** | **30** | **100.0** |
| 4 | Market tools | Mobile Phones | 30 | 100.0 |
| 5 | Social Chatting | Whatsapp | 30 | 100.0 |
| 6 | Type Of Content | Photo, Video | 15 | 50.0 |
| | | Photo, Video, Flyer | 15 | 50,0 |
| 7 | Editing Software | Capcut | 22 | 73.3 |
| | | Capcut, VN | 1 | 3.3 |
| | | VN | 2 | 6.7 |
| | | None | 5 | 16.7 |
| | | **Total** | **30** | **83** |
| 8 | Social Media | IG, FB | 2 | 6.7 |
| | | IG, FB, WA, Tiktok | 5 | 16.7 |
| | | WA | 1 | 3.3 |
| | | IG, WA | 12 | 40.0 |
| | | IG, FB, WA | 4 | 13.3 |
| | | IG, FB, Wattpad | 2 | 6.7 |
| | | IG, WA, Tiktok | 3 | 10.0 |
| | | IG | 1 | 3.3 |
| | | **Total** | **30** | **100** |
| 9 | Marketplace | Gojek | 6 | 20.0 |
| | | None | 24 | 80.0 |
| | | **Total** | **30** | **100.0** |
| 10 | Promotion Frequency | Everyday | 6 | 20.00 |
| | | - | 24 | 80.0 |
| | | **Total** | **30** | **100.0** |

Source: TI2PB Dharmawangsa, 2023

About 16.7% of members do not use specific applications for editing, instead opting for basic mobile tools. This data, coupled with interview feedback, shows a strong inclination towards accessible and user-friendly tools to create high-quality visual content. For graphic design, Canva was highlighted in interviews as an essential tool for DEC members. Members expressed that Canva's simplicity and efficiency enabled them to create visually appealing marketing materials, such as flyers and menus, which align with their branding efforts. This demonstrates the preference for tools that are both effective and accessible on mobile devices, allowing members to manage their marketing efforts independently.

All 30 DEC members rely heavily on their mobile phones to create and manage their digital marketing content. This includes producing photos, videos, and flyers showcasing their products. Interviews indicate that this mobile-centric approach supports the need for convenience, as members balance their entrepreneurial activities with other responsibilities. Social media updates are done at least once daily, which members reported helps maintain visibility and customer engagement. WhatsApp is the primary communication tool for DEC members, with 100% usage for marketing purposes. Interviews provided qualitative insights into why WhatsApp is preferred—members value its ease of use for direct, real-time communication with customers, enabling them to share promotional updates and build strong relationships efficiently. In terms of content mix, half of the members utilize a combination of photos and videos, while the other half add flyers to their content. Interviews revealed that this approach is driven by time efficiency and resource management, ensuring that their content remains diverse and engaging without overextending their capacity. The qualitative feedback emphasized the importance of maintaining an active and varied online presence to keep the audience engaged.

DEC members maximize the use of social media platforms like Instagram, Facebook, TikTok, WhatsApp, and Wattpad for marketing. Consistency is crucial, as emphasized during interviews—members pointed out that maintaining a regular presence on social media helps increase business reach, customer communication, and brand awareness, ultimately driving sales. Interviews also highlighted the importance of creating content that resonates with the audience to attract customers and encourage purchases. Around 20% of DEC members use online marketplaces such as Gojek for marketing, while the remaining 80% prefer face-to-face interactions. The qualitative data from interviews showed that those who prefer traditional methods value personal engagement and direct customer feedback, which they believe builds stronger customer relationships. This indicates a blend of digital and traditional marketing strategies, with members making conscious decisions based on their comfort levels and business needs.

The process of creating and sharing content includes taking, recording, editing, and uploading photos or videos to social media accounts. Interviews revealed that members ensure every post includes relevant captions and hashtags, improving the visibility of their posts and broadening their audience. This meticulous approach to content creation, as explained by participants, underscores the importance of strategic and detailed marketing efforts. Regular updates to social media accounts, such as posting business activity stories using photos, flyers, or short videos, serve as promotional tools. From the interviews, members expressed that these updates are crucial in signaling business activity and promoting their brand. The qualitative insights emphasized that regular updates reinforce brand presence, maintain customer engagement, and ensure continuous promotional exposure, reflecting the members' commitment to leveraging digital platforms for sustained business growth.

## CONCLUSIONS

The research aimed to address the challenges faced by MSMEs, particularly within the Dharmawangsa Entrepreneur Community (DEC), in adopting digital marketing strategies alongside conventional methods. The study highlights the importance of integrating both approaches to enhance visibility and competitiveness in the creative economy. Based on the findings, it can be concluded that while DEC members have started using digital content marketing tools like Canva, CapCut, and social media platforms, adoption is still limited due to a lack of digital skills and comfort with traditional marketing methods. This limitation impacts the ability of MSMEs to fully benefit from digital transformation. To address this problem, it is crucial to provide structured business assistance and coaching, supported by regular training on digital marketing and content creation. Establishing a centralized system for marketing, such as a unified website and social media account managed by UPT TI2PB, will also facilitate better collaboration among DEC members.

Furthermore, mentorship programs involving experienced entrepreneurs can support MSMEs in navigating digital marketing challenges effectively. Access to funding and digital marketing tools should be ensured to enable growth, while creating opportunities for networking and partnerships will foster collaboration and expand market reach. Performance tracking systems and regular feedback can help DEC members refine their strategies, ensuring their content remains engaging and relevant. By adopting these strategies, the integration of cloud catalogs and digital marketing for MSMEs led by students can be significantly improved. This approach will enhance brand awareness, increase customer engagement, and ultimately lead to better business performance and sustainable growth, directly addressing the initial problem of limited digital marketing adoption among MSMEs.

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SINTA 2

# The Effect of Overconfidence, Representative, Anchoring, and Availability Biases on Investment Decisions and Market Efficiency

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## ABSTRACT

This study looks at how behavioral biases affect investment choices and market efficiency. This research was conducted because many millennials invest on a bandwagon without having a good understanding of investment. This kind of study use the structural equation modeling analysis method. The study's findings indicate that the bias variable overconfidence behavior can strongly influence perceived market efficiency. Nevertheless, choices about investments are unaffected by the overconfidence bias, representational bias, anchoring, and availability behavior. The variable investment decision significantly influences perceived market efficiency. Investors with investment experience above five years and a high income can make a difference in investment decisions chosen by investors. This study theme's practical application relates to the findings of overconfidence bias, which has a substantial detrimental impact on investors' perceptions of market efficiency. A high degree of confidence among investors can lead to illogical judgments and disregarding all dangers, resulting in inefficient market circumstances.

**Keyword**: anchoring, financial behavior, investment decision, market efficiency, overconfidence

## INTRODUCTION

Currently, the development of investors is dominated by Gen Z, where as many as 58.39% of investors in Indonesia are under 30. Lack of experience and knowledge in investing makes millennial investors often make decisions based on information from trusted friends and influencers on social media that cannot be confirmed. Therefore, there is biased behaviour in investment decision-making. This research contributes to the millennial generation who invests on a bandwagon, to start understanding how to invest properly.

Investors make reasonable decisions about their finances, according to the Efficient Market Hypothesis (EMH) theory (Fama, 1970). Traditional finance states that investors behave rationally because information related to financial markets is available efficiently (Jain et al., 2020). However, reality shows that investors have irrational behaviour, such as following friends' decisions in buying stocks, buying stocks excessively without understanding their fundamentals, selling profitable stocks, and maintaining stocks that are losing money (Shah et al., 2018). The value of conventional finance has been called into question by this divergence. Behavioral finance has expanded due to traditional finance's abnormality (Jain et al., 2020). Because it can assist in making wise financial decisions, behavioral finance is a fascinating and vital topic of discussion, particularly for millennials. Overconfidence bias, representative bias, anchoring and adjustment bias, and availability bias are a few examples of behavioral bias variables hypothesized to influence investment decisions and market efficiency (Shah et al., 2018). Jain et al. (2020) have reported that investing decisions can be influenced by behavioral factors, including but not limited to overconfidence bias, representational bias, anchoring bias, availability, regret aversion, loss aversion, mental accounting, and herding.

Ali (2019) states that self-attribution and overconfidence biases impact how efficiently markets are perceived. When individual investors make irrational investment decisions, financial behavior also deviates from intrinsic value (Barberis & Thaler, 2003; Goenadi et al., 2023). Because of incomplete information, investors must make a heuristic decision that they need more investments (Jain et al., 2020). Heuristics are general guidelines used to make snap judgments about investments in the face of uncertainty (Ritter, 2003). According to Kahneman et al. (1982), heuristics work by breaking down complicated probability calculations into simpler ones. Shah & Oppenheimer (2008) argue that heuristics are a method to simplify the process of making investment decisions by analyzing a limited amount of data. Overconfidence bias, representative bias, anchoring bias, and availability bias are heuristics that investors use to mitigate the risk of loss in uncertain scenarios (Shah et al., 2018). This study will delve into the bias behaviors, including availability, anchoring, representative, and overconfidence biases, that are believed to influence investing decisions. The relevance of this research to the field of investment strategy is undeniable, making it a crucial area of study for professionals in the field.

Overconfidence bias is a habit of people not trusting the judgment of others but believing that their judgment is the most appropriate (Jain et al., 2015). Overconfidence bias is significantly negative to investment decisions because if investors are too overconfident, the quality of investment decisions will decrease (Shah et al., 2018). However, other studies state the opposite, namely, overconfidence bias positively influences investment decisions. This happens because investors will have more confidence to make their investment decisions if they are more confident. Consequently, overconfidence bias may influence investing decisions (Jain et al., 2020). According to Shah et al. (2018), overconfidence bias has a beneficial impact on market efficiency as well. If overconfidence bias rises, so will market efficiency. However, different results show that overconfidence bias negatively affects perceived market efficiency. This argument is because if investors are too overconfident, then the performance of market efficiency is perceived to have decreased quality. This statement means that overconfidence bias negatively influences *perceived market efficiency*. This is because if investors are more confident, it will make the market inefficient. Therefore, overconfidence bias can reduce perceived market efficiency (Ali, 2019).

One intriguing area of research is representational bias in investor behavior. A cognitive bias heuristic known as representative bias refers to making decisions based on mental stereotypes (Shefrin, 2006). This representational bias influences people to neglect long-term situations and make decisions based on current experiences (Ritter, 2003). In addition, representative bias leads people to disregard sample measurements and base decisions on a small sample size (Ngoc, 2014). Research indicates that representational bias substantially impacts investment decisions (Shah et al., 2018). This drawback is because higher representational bias will result in lower-quality investment choices. This reasoning is consistent with the findings of Jain et al.'s research (2020), which indicates that representational bias significantly impacts investing decisions. Nonetheless, investing decisions benefit from representational bias. This benefit arises from the fact that when investor representational bias rises, so does the investment choice. Consequently, more investment decisions may result from representational bias.

Anchoring bias is a cognitive bias heuristic that can be interpreted as the habit of individuals referring to the initial information, they get to conduct analysis and judgment (Jain et al., 2020). Individuals also feel a sense of optimism during an increasing market trend and pessimism when the market trend is decreasing (Waweru et al., 2008). After setting the initial price, the anchoring bias makes all individuals' judgments refer to it (Jain et al., 2020). Anchoring bias significantly negatively affects investment decisions because if anchoring bias increases, the quality of investment decisions will decrease (Shah et al., 2018). However, in research, anchoring bias positively influences investment decisions. This positive happens because if anchoring bias increases, the investment decision will increase (Jain et al., 2020).

The investor behavior that follows exhibits availability bias. When people exclusively use information that is easily accessible in their judgments and predictions, they are engaging in availability bias, a cognitive bias heuristic (Ngoc, 2014). According to Jain et al. (2020), availability bias also indicates that an event is more likely to occur if it is easily remembered. The quality of investment decisions will decline as availability bias develops, which substantially impacts investment decisions (Shah et al., 2018). Jain et al. (2020) found different things, demonstrating that availability bias favors investment decisions. This positive is because the investment decision will increase if the availability bias increases.

According to research by Shah et al. (2018), all independent variables negatively impact perceptions of market efficiency and investment decisions, including availability, representative, overconfidence, and anchoring biases. This result differs from Jain et al.'s (2020) research, which only found significant results for the independent variable representative bias regarding investment decisions. Other variables, such as overconfidence bias, anchoring bias, availability bias, regret aversion, loss aversion, mental accounting, and herding, showed insignificant results. Subsequently, according to Ali's research (2019), perceived market efficiency is significantly impacted negatively by all independent variables, including self-attribution bias and overconfidence bias. The difference in research results and mainly how millennial investors invest is interesting to study, especially in the developing capital market in Indonesia. This research was conducted in Indonesia, especially related to the millennial generation which currently dominates the workforce. currently they are working and starting to earn income. but the phenomenon that occurs is that many of these generations are investing without being followed by adequate knowledge about investment. Finally, many of these novice investors experience losses and are even exposed to online loans and online gambling.

The present study aims to investigate whether overconfidence bias has a detrimental impact on the perceived efficiency of the market based on the preceding debate. Does the overconfidence bias help investors make better investment decisions? Does representational bias help when making investment decisions? Does anchoring bias help when making investment decisions? Does availability bias help investors make better investing decisions? Does the perceived efficiency of the market get a boost from investment decisions?

## METHODS

This study is fundamental and causal, including dependent variables like investment choice and perceived market efficiency and independent variables like availability, anchoring, representative, and overconfidence biases.

**Table 1.**
**Definition of Operational Variables**

| Variables | Code | Question |
|---|---|---|
| Investment Decision (ID) (Nyamute, 2016) | ID1 | I know the basics of the firm whose stock I am investing in while making judgments. |
| | ID2 | I set a target price in advance when I want to buy or sell my shares. |
| | ID3 | I will assume a significant risk if I can expect a high share return. |
| | ID4 | I hold on to my shares because I understand the price will soon go back up. |
| | ID5 | I take full responsibility for the results of my investment decisions. |
| Perceived Market Efficiency (PME) (Luong & Ha, 2011) | PME1 | I watch the prices of the shares that I wish to purchase fluctuate. |
| | PME2 | In investing, market information is essential to me. |
| | PME3 | I consider past stock trends for my investment decisions. |
| Overconfidence Bias (OC) (Jain *et al*. 2020 and Nada & Moa'mer 2013) | OC1 | I have a lot of investing experience. |
| | OC2 | Compared to friends or other people, I feel more confident in my judgment regarding investing decisions. |
| | OC3 | I have a lot of investment knowledge. |
| | OC4 | I am confident about the right time to enter or exit the market. |
| | OC5 | I am happy with the investment decisions I made in the past. |
| Representative Bias (RB) (Jain *et al*. 2020 and Nada & Moa'mer 2013) | RB1 | I usually tend to invest in stocks that I am familiar with |
| | RB2 | To forecast future pricing, I look at historical price trends. |
| | RB3 | I buy stocks based on the company's current performance. |
| | RB4 | I steer clear of stocks that have historically underperformed and only purchase "hot" stocks. |
| Anchoring Bias (ANC) (Jain *et al*. 2020 and Nada & Moa'mer 2013) | ANC1 | I like to sell stocks when the price reaches a peak. |
| | ANC2 | I usually use the purchase price of stocks as a reference in trading. |
| | ANC3 | I analyze future stock prices using the current price. |
| | ANC4 | I buy stocks that have fallen in price compared to the previous year. |
| Availability Bias (AVL) (Nada & Moa'mer 2013) | AVL1 | If I hear from my friend about a stock achieving the highest return, I will buy it. |
| | AVL2 | I will use my friend's opinion to buy a company's stock. |
| | AVL3 | I will use online research to gather information if I want to purchase shares in a specific company. |
| | AVL4 | I plan to use knowledge from financial professionals if I wish to purchase shares in a specific company. |
| | AVL5 | If there is news about an increase in a company's share price, and my friend also recommends the stock, then I will buy it. |

The minimum number of respondents used was 113 people using the Lemeshow and David method with (α) 5% based on a 95% confidence level and a maximum estimate (p) of 8%. The sample criteria are investors at least 17 years old and active investors who bought and sold shares registered on the Indonesia Stock Exchange (IDX) last year. Based on these criteria, the final sample obtained was 149 respondents. In Table 1, the operational definition is displayed.

Likert scale-equipped questionnaires are distributed in order to collect data. Model testing uses the measurement and structural models from the Structural Equation Modeling (SEM) analytical method. According to Hair et al. (2020), the measurement methodology is designed to assess construct validity and identify the indicators for each construct. In the meantime, the structural model, predicated on earlier theories, shows the causal relationship between variables and constructs. In Figure 1, the research model is displayed.

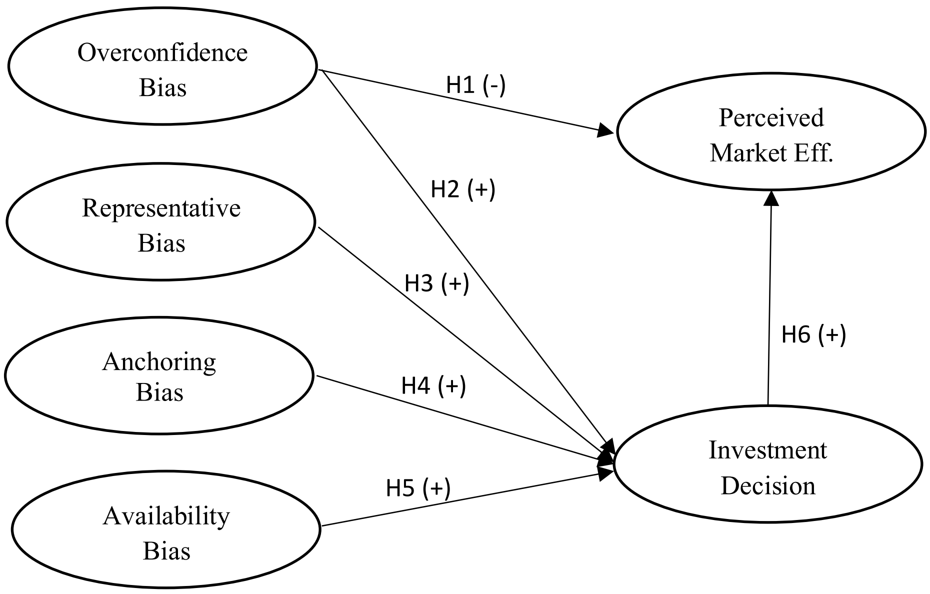


**Figure 1. Research Model**

## RESULT AND DISCUSSION

In this study, validity test software was tested through JASP software. Validity testing was carried out in the first stage of the research to test the suitability of the instrument, a total of 30 questionnaires which will be tested using Pearson correlation. Instrument will be valid if the Pearson correlation results are above 0.3 and the significance value is below 0.05 All instruments show a correlation above 0.3 with a significance level below 0.05. Thus it can be said that all measurement items are valid so that testing can then be continued with a reliability test. The requirement for a reliability test is that each instrument has a Cronbach alpha value above 0.6. A measurement model is carried out to review the relationship between latent variables and their measuring indicators. The minimum standardization loading limit used in this research is 0.5. The result shown in Appendix 3 show that all of the outer loadings are above the acceptable threshold of 0.5, with the lowest value is 0.695 (ANC4). This indicates that the measurement model has a good level of validity. The fit test results show that this measurement model has good results. The CMIN/DF goodness-of-fit test shows 1.792, while the TLI results are 0.916, GFI is 0.929, and RMSEA is 0.073. The analysis proceeds by computing construct reliability (CR) and average variance extracted (AVE) based on these findings. The assessment of reliability involves evaluating the composite reliability value, which can be reinforced by considering the construct reliability value. A variable is considered to meet the reliability criteria if the construct reliability values are greater than 0.6. From the two tables above, it can be seen that all variables meet the criteria. We then continue the analysis to the structural model. Structural models are carried out to see the relationships between latent variables, as well as to test hypotheses. Initially we tested the model without moderation of employee empathy.

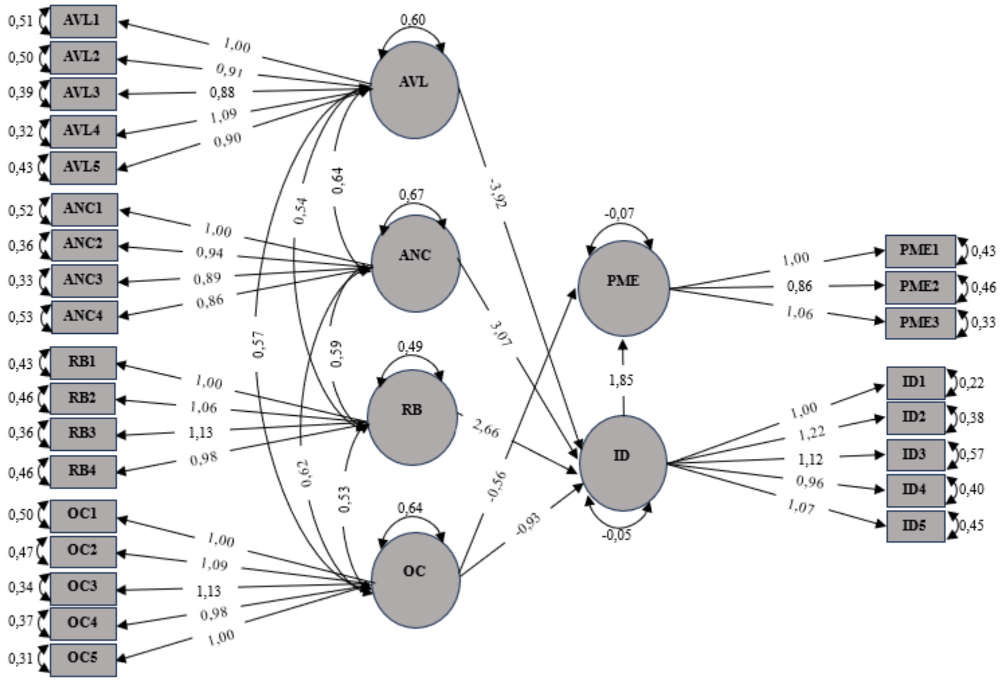


**Figure 2. Structural Model**
Sources: data processed, 2023

The model fit test value shows satisfactory results. The structural model has a GFI of 0.928, CMIN/DF 1.797, TLI of 0.915 and RMSEA of 0.073. The structural equation model was used to conduct the hypothesis testing, and a 10% significance level was used. The hypothesis will be declared supported if it has a p value below 0.1 and the direction of influence is the same as that hypothesized (figure 2).

After testing the *measurement and structural models*, hypothesis testing will be conducted to test all the influences in each variable. The six hypotheses in this study were tested through the JASP software version 0.16.4.0. In testing this hypothesis, standard assessment criteria determine whether a hypothesis is significant. The assessment standard can be seen from the probability value (p), which is divided into three significance criteria, namely $p \leq 0.001$ for significant criteria at 1%, then $p \leq 0.05$ for significant criteria at 5%, and $p \leq 0.1$ for significant criteria at 10%.

Then, the estimate value column can function as the direction of a positive or negative effect on a hypothesis; if the estimate value shows positive, then the hypothesis is positive, and vice versa. The hypothesis is considered negative if the estimated value is negative. The outcomes of the hypothesis test are listed in Table 2.

Table 2 shows the results of hypothesis testing in this study. Based on this table, six hypotheses were tested in this study. The hypothesis consists of 2 significant effects, namely hypotheses H1 and H6, and four have no effect or rejected hypothesis. The test results for hypothesis 1 demonstrate a considerable negative impact of overconfidence bias on perceived market efficiency, as shown in Table 2. The study's findings suggest that overconfidence bias substantially impacts how efficiently people view the market, which can lead to inefficiency.

This significance is caused by investors who feel successful in determining their investment decisions, making these investors overconfident and causing irrational decision-making, making the market inefficient (Shah et al., 2018). This argument aligns with Ali's research (2019), which states that investors with high confidence tend to make market conditions inefficient.

**Table 2**
**Hypothesis Testing Results**

| | Hypothesis | CR | Estimate | ρ |
|---|---|---|---|---|
| H1 | Overconfidence bias → Perceived Market Efficiency | -0,536 | -0,558 | 0,036** |
| H2 | Overconfidence bias → Investment Decision | -1,078 | -0,931 | 0,821 |
| H3 | Representative bias → Investment Decision | 2,694 | 2,655 | 0,832 |
| H4 | Anchoring bias → Investment Decision | 3,637 | 3,075 | 0,640 |
| H5 | Availability bias → Investment Decision | -4,404 | -3,917 | 0,777 |
| H6 | Investment Decision → Perceived Market Efficiency | 1,536 | 1,850 | <0,001*** |

Sources: data processed, 2023
Note: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Experiments about hypothesis 2 indicate that overconfidence bias has no discernible impact on investing choices. This outcome demonstrates that the foundation on which investors base their investment decisions differs from their aptitude and expertise (Aigbovo & Ilaboya, 2019; Sudani & Pertiwi, 2022). Research by Murhadi et al. (2023) reveals that most Gen Z investors choose stocks based on suggestions from influencers, which they accept without question. This finding is consistent with that research but also highlights the need for further investigation into the influence of influencers on investment decisions. In addition, overconfidence also refers to investors' perceptions of their ability to make investment decisions. This means it is a subjective assessment of the competence of investors in determining their investment decisions, so overconfidence *d*oes not affect investors' investment decisions because each investor has his perception (Fajri & Setiawati, 2023). According to Sarengat and Mahadwartha (2022), *overconfidence bias* cannot affect investment decisio*ns* because investors already have access to information technology related to financial information that can increase the financial literacy of each investor. Having access to IT can improve one's financial literacy. When investors become more financially literate, they are less likely to make rash investing decisions.

There is no discernible impact of representational bias on investing decisions, according to tests done on hypothesis 3. This result shows that good or bad past experiences in investment do not affect investors' investment decisions (Aigbovo & Ilaboya, 2019; Sudani & Pertiwi, 2022). This finding is corroborated by Elizabeth et al.'s research (2020), which shows that today's Generation Z investors are more educated than previous generations and have easier access to information, meaning that their experience does not influence their investing decisions.

There is no discernible impact of anchoring bias on investing decisions, according to tests done on hypothesis 4. This result shows that the initial stock price is not a consideration in determining investment decisions (Jain et al., 2020; Sudani & Pertiwi, 2022). According to

Koputra and Mahadwartha (2021), Indonesian investors have heterogeneous beliefs when making investment decisions, so they do not easily reach a consensus. This thesis argues that investors can make more logical investment decisions as they become more financially literate and educated.

Experiments on hypothesis 5 show a complicated truth: availability bias has little influence on investment choices. This implies abundant information from friends and financial advisors; the internet does not influence investing decisions. Because Indonesian investors have such a wide range of understanding patterns, as Koputra & Mahadwartha (2021) point out, reaching an agreement on investment decisions or finding trustworthy sources of information is essential. It might be difficult for investors to make wise investment decisions due to information overload caused by the wealth of information at their disposal.

The test results conducted on hypothesis six show that there is a positive significant effect on investment decision on perceived market efficiency. The results in this study are supported by the results of the research of Shah et al. (2018) which shows that there is a significant positive effect on investment decision on perceived markef efficiency. This shows that ideal investor investment decisions have a positive effect on perceived market efficiency. Investment decision has an influence on perceived market efficiency. When investment decisions made by investors are optimal, it makes perceived market efficiency also optimal.

## CONCLUSIONS

Based on the results of hypothesis testing, two significant hypothetical results can be seen: overconfidence bias and investment decisions significantly influence perceived market efficiency. It was discovered that the biases associated with overconfidence, representation, anchoring, and availability have little bearing on investing choices.

The practical implication of this research theme is to refer to the results of overconfidence bias that significantly negatively influences perceived market efficiency; the higher the level of investor confidence, the more market conditions become inefficient. For investors, a high level of confidence will make investors ignore all risks and make irrational decisions so that market conditions can be inefficient. Another practical implication is that the research results on investment decision variables significantly influence perceived market efficiency. This result suggests that ideal investor investment decisions positively affect perceptions of market efficiency. For investors, the investment decisions they make can affect market movements. For investors, this research can provide knowledge of some biased behavior that usually occurs unnoticed by new and experienced investors. Investors can learn the signs of behavioral bias towards the investor according to the explanation of the study's results. Investors can pay more attention to the technical and fundamental of a stock. Not all information on social media financial experts can be followed by all investors. Therefore, investors must have the knowledge and experience to determine investment decisions based on the knowledge and analysis of their investors. In addition, investing in stocks has a relatively high risk; therefore, if investors are still not ready and afraid of the existing risk, they can invest in mutual funds because it has a risk that is arguably very small compared to stocks.

This study has limitations, including a lack of respondents aged 35 years and over, a lack of respondents with investment experience above five years, and a lack of respondents with high income. In the following study, the spread of questionnaires is expected to be more evenly distributed in the age range, especially over 35 years. Also, those with investment experience above five years and a high income can make a difference in investment decisions chosen by investors because of differences in experience and income. As a result, more balanced research may be conducted in the future. This study can help with future research by shedding light on how behavioral biases affect investment choices and perceptions of market efficiency. Availability, anchoring, representative, and overconfidence biases are behavioral biases. Other behavioral biases, including cognitive dissonance, self-attribution, illusion of control, conservatism, ambiguity aversion, mental accounting, confirmation, hindsight, reception, and framing, can be added by researchers to expand this study further.

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SINTA 2

# Family Business Succession: Analysis of Success Drivers Based on Entrepreneurship Theory using NVivo modeling

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## ABSTRACT

This study explores the influence of personal and organizational characteristics on the motivation of successors in family business succession in Indonesia. Through a survey involving 30 respondents from West Java, data were analyzed using NVivo software. Findings indicate that age, gender, and business scale influence successor motivation, especially when succession plans are in place. The research highlights the importance of mature succession planning as a key to family business success. These findings can support the development of more effective policies and improvements in succession process management. Limitations of the study include questions that do not consider the business sector comprehensively and the need for a more varied sample. Future research can enrich this model and address these limitations to deepen understanding of family business succession.

**Keyword**: family business succession, personal characteristics, organizational characteristics, motivation

## INTRODUCTION

Entrepreneurship is a crucial factor that influences the advancement or decline of an economy, as it allows individuals the freedom to innovate and act independently. If a person has the determination and readiness to become an entrepreneur, this indicates that they are capable of creating their own employment opportunities without relying on others or external companies to secure a new job (Walipah & Naim, 2016). There are many reasons and motivations that drive individuals to become entrepreneurs. For instance, some people choose entrepreneurship out of necessity, such as family responsibilities, parental pressure to complete their studies, or dissatisfaction with their current job due to insufficient wages (Niyimbanira, 2013). In 2024, Indonesia experienced a deflation of 0.12 percent, while the annual inflation remained at 1.84 percent. The primary cause of the monthly deflation was the decline in food prices due to an increase in supply. This consecutive deflation phenomenon last occurred in 1999. According to CORE Indonesia economist Muhammad Faisal, the ongoing deflation trend reflects a weakening in the purchasing power of the public due to low income growth and decreasing savings. INDEF economist Tauhid Ahmad added that the economic slowdown is also evident in the decline in exports and consumption (Intan, 2024). Entrepreneurship plays a crucial role in achieving societal welfare in both developed and developing countries, serving as a primary driver of economic development through innovation, job creation, and infrastructure improvement. According to the World Bank report, entrepreneurship accounts for 90% of global businesses, over 50% of jobs worldwide, and contributes 40% to GDP in developing countries. In Indonesia, entrepreneurship is seen as a solution to boost economic growth, which is currently affected by weakened purchasing power due to inflation and rising interest rates. With the support of appropriate policies and a conducive business environment, it is hoped that entrepreneurship will create more job opportunities, increase income, and drive public consumption, thereby fostering sustainable and inclusive economic growth (BCA, 2024).

The Indonesian government emphasizes the importance of increasing the number of entrepreneurs as a key factor in strengthening the national economy, given that the current entrepreneurship ratio stands at only 3.47%, below the 4% threshold required for achieving developed country status. Presidential Regulation No. 2 of 2022 serves as a strategic policy foundation for the government to promote the emergence of innovative and sustainable new entrepreneurs, supported by collaboration among 27 ministries and agencies, including the Ministry of Cooperatives and SMEs. Siti Azizah, Deputy for Entrepreneurship at the Ministry of Cooperatives and SMEs, asserts that a higher number of entrepreneurs is essential to support the creation of quality jobs and to drive stronger economic growth and innovation through technology and research (Reviani, 2024).

Given the current phenomenon, increasing motivation for entrepreneurship becomes crucial in supporting Indonesia's economic growth. One of the efforts that can be made is by enhancing the motivation of family business heirs. Family business heirs play a strategic role in the continuity and development of businesses established by previous generations. High motivation among them can drive innovation and adaptation to market changes, as well as ensure the long-term sustainability of the business. Therefore, it is important to provide training programs, mentoring, and policy support that can strengthen the capabilities and preparedness of the next generation to face the increasingly complex business challenges. In this way, family business heirs will not only be able to sustain but also expand the business, contributing more significantly to the national economy.

The definition of a family business or family enterprise refers to a venture owned by a group of individuals related by blood, where the operational activities of the company are managed and conducted by the involved family members (Atmaja, 2018). Interestingly, the growth of family businesses in Indonesia has a substantial impact on the country's economic development. According to research by Price Waterhouse Cooper (PWC) in 2014 and 2015, it was found that more than 40,000 of the wealthiest individuals in Indonesia are involved in the ownership of family businesses, with revenues ranging from 5 to 10 million USD, and their total wealth reaching 134 million USD. This significant contribution is equivalent to approximately 25% of Indonesia's Gross Domestic Product (PWC, 2014). Additionally, it is emphasized that family businesses play a major role in the business structure of Indonesia, comprising more than 95% of all business entities in the country (PWC, 2014). Notable examples of well-known family businesses in Indonesia include Astra Group, Bakrie Group, Blue Bird Group, and Ciputra Group. For instance, Ciputra Group is not only recognized as a key player in the property sector but is also actively involved in the development of the education sector through the establishment of Ciputra University.

The challenges faced by family businesses today include a lack of awareness regarding sustainability, which has become a significant obstacle. A widespread myth about family businesses is the saying, "The first generation builds, the second generation enjoys, and the third generation destroys" (Saflan et al., 2021). In this context, this phenomenon becomes a crucial issue, particularly when family businesses start involving the second generation. Succession, or the process of transferring management from the founding generation to the next generation, is one of the significant causes of failure in family businesses. The success of succession is key to ensuring the continuity and sustainability of the family business, where smooth intergenerational transitions are essential for the company's long-term viability.

Succession in the context of family businesses is a crucial aspect and can have fatal consequences if neglected (Achsa, 2018). Therefore, family businesses require a thorough evaluation of their readiness to face the succession process. Founders need to carefully prepare and establish clear criteria for potential successors who are capable of taking over the leadership of the family business. Additionally, it is important to design strategies for effectively transferring the knowledge and experience of the business to the next generation.

A survey conducted by Price Waterhouse Cooper (PWC) highlighted comparisons in sales, internal competition within family businesses, and regeneration from founders to the fourth generation. This survey reflected a significant decline, particularly compared to data from 2016, indicating issues within the dynamics of family businesses. Therefore, careful management of the succession aspect is key to maintaining the sustainability and success of family businesses in the future.

One of the main factors leading to failure in the succession process is the successor's inability to manage the complex process, as well as being overly emotionally attached to the ownership and management succession from one generation to the next. Succession failure is often related to difficulties in managing various aspects involving leadership transition, including structural changes, organizational dynamics, and changes in company culture. Successors who are unable to handle this complexity tend to struggle in making strategic decisions and implementing necessary changes. Additionally, being too emotionally tied to the aspects of ownership and management succession can obscure objective decision-making, complicate the succession process, and even cause internal conflicts within the family or business. Therefore, to increase the chances of successful succession, it is important for successors to have strong management skills, the ability to handle the complexities of leadership transition, and emotional maturity to face the challenges that may arise in the succession process (Cho et al., 2017).

In the context of family businesses in Indonesia, a prominent phenomenon in several cases is succession failure triggered by internal generational conflicts, lack of motivation, and insufficient preparedness of the succeeding generation. A notable example highlighting the negative impact of these succession challenges is the bankruptcy of the family-owned jamu (herbal medicine) company Nyonya Meneer in 2017. This event was precipitated by internal disputes among the family members succeeding the company. Such internal conflicts can include differences in views, values, or strategies that ultimately harm the company's sustainability (Brilian, 2022). Additionally, the lack of motivation and readiness of the succeeding generation can be key factors in succession failure, hindering the effective transformation and management of the company. Thus, cases like Nyonya Meneer illustrate that family businesses in Indonesia can face serious risks if succession is not properly managed. The importance of conflict management, motivation, and the readiness of the succeeding generation in the context of family business succession becomes a critical focus to ensure the company's sustainability and success.

This phenomenon aligns with findings from research conducted by the Family Firm Institute, which indicates that approximately 70 percent of family businesses fail to achieve success in the second generation. Only about 30 percent survive into the second generation, 12 percent into the third generation, and 3 percent into the fourth generation (Tjahjadi & Mustamu, 2013). A survey by The Jakarta Consulting Group in 2014 also revealed that 67.8 percent of family businesses in Indonesia have not prepared their next generation, while 32.2 percent have not made preparations, often because the founders believe the younger generation lacks interest in participating in the business. Other reasons include difficulties in choosing a competent successor (Tjahjadi & Mustamu, 2013).

Observing these phenomena, many family businesses built over several decades by the first generation ultimately fail due to the next generation's inability to manage and run the company effectively. The primary causes of such failures can be attributed to the next generation's inability to plan succession properly, a lack of long-term strategy, and insufficient knowledge about the processes and planning involved in family businesses. Succession is not merely a moment but rather a process, and the gap in the literature emphasizes the need for closer integration between entrepreneurship theory and family business theory to understand this process better (Nordqvist et al., 2013). Succession is a comprehensive business process aimed at preparing the transfer of power and control from one generation to the next. It involves at least two generations within the family, influencing company policies. A family business is defined as an entity owned, operated, and managed by one or more family generations. The values, vision, and mission set by the founders are strictly upheld within the family business structure (Kamener et al., 2021)

Entrepreneurship theory distinguishes between necessity entrepreneurs and opportunity entrepreneurs. Similarly, in succession, heirs can take a proactive approach, viewing succession as an opportunity to develop new ventures or build upon the accumulated experience of the family business, or a reactive approach, seeing succession as a natural continuation of the family business or the only option for the family to continue. Thus, the motivation of heirs can be compared to necessity and opportunity entrepreneurship.

In this study, the definition of succession proposed by (Nordqvist et al., 2013) expanded to include the possibility that the succession process may involve changes in ownership or management where the successor, whether from within or outside the owning family, enters the business, bringing new ideas and different management styles but not necessarily new capital. Using this definition, the study covers most succession situations faced by family businesses while allowing the application of entrepreneurship theory principles to study family business succession.

There are two factors that hinder leadership succession: factors originating from the successor and family relationship factors. Hindrances from the successor include lack of motivation to continue the business, the successor's death or disability, the death of a parent, and parental divorce or remarriage (Atmaja, 2018). To avoid failure in building and maintaining a family business, thorough succession planning by the founder is necessary. Additionally, education and the successor's self-readiness motivation are important parts that support the succession process (Sari et al., 2021). The purpose of this study is to analyze the conditions that can enhance the motivation and readiness of heirs in carrying out succession. The findings of this study contribute significantly to the development of family business theory and support efforts to improve the readiness of heirs. The research results can provide a foundation for the formation of specific public policies aimed at creating a more conducive environment for the success of heirs in family businesses, with the hope that these measures will increase the overall success and sustainability of family businesses. The main contribution of this study lies in providing a deeper understanding of the succession process in family businesses and offering insights into strategies for implementing succession policies and improving conditions that support the development of succession management policies in the context of family businesses.

## METHODS

This conceptual model is inspired by the framework proposed by (Nordqvist et al., 2013) and further developed by (Porfírio et al., 2020). The focus of this research is primarily on the initial stage of succession, with the conceptualization of the succession stages adopted from (Nordqvist et al., 2013). In this model, the relationship between the personal characteristics of the heir, such as gender, age, and education level, is linked with the organizational characteristics of the family business, including company size and the presence of a succession plan. These variables are considered to influence the heir's motivation for succession, a critical factor that can impact the continuity of the family business. Thus, this conceptual model seeks to understand the complex interplay between personal and organizational factors that affect the heir's decisions and motivation in the context of family business succession. Although the description of this model provides a general overview, visualizing the concept can offer better comprehension. The conceptual model is illustrated in Figure 1. Based on the literature and using NVivo, this research tests the following propositions:

P1 – The personal characteristics of the family business heir affect their motivation;

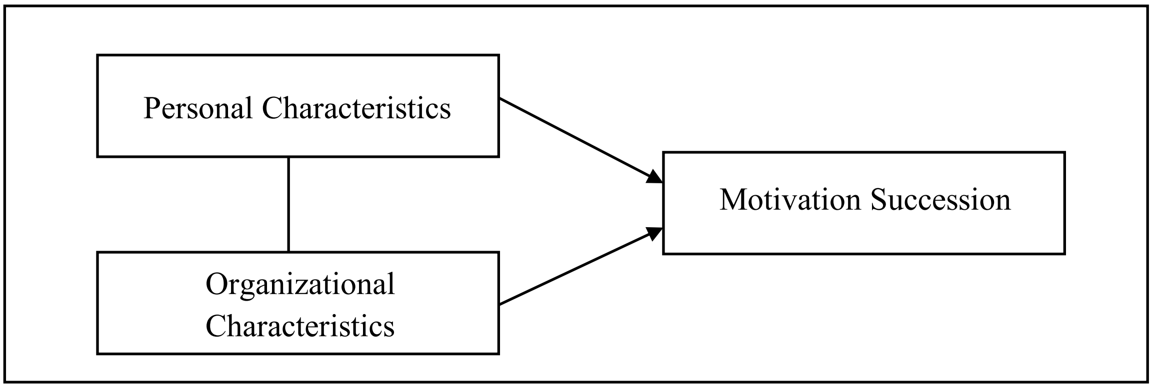


**Figure 1. Research Framework**
Source: Analysis Using NVivo, 2024

P2 – The organizational characteristics of the family business affect the heir's motivation;

The independent variables calibrated into conditions are divided into two groups:

Personal characteristics: age of the heir, gender of the heir, and the heir's level of formal education;

Organizational characteristics: size of the business and the presence of a succession plan.

The dependent variable calibrated as the outcome is motivation.

**Table 1. Variable Measurement**

| **Independent variables** | | **Description and Scale** |
|---|---|---|
| Personal characteristics | Age | The age of the heir becomes a factor in determining whether the heir is motivated to continue or not: strongly agree = 5; agree = 4; neutral = 3; disagree = 2; strongly disagree = 1 |
| | Gender | Male heirs are more motivated than female heirs to continue the family business: strongly agree = 5; agree = 4; neutral = 3; disagree = 2; strongly disagree = 1 |
| | Education | The higher the level of education of the heir, the more motivated they will be to continue the family business: strongly agree = 5; agree = 4; neutral = 3; disagree = 2; strongly disagree = 1 |
| Characteristics of the organization | Business Scale | The scale of the family business serves as motivation for the heir to continue the family business: strongly agree = 5; agree = 4; neutral = 3; disagree = 2; strongly disagree = 1 |
| | Succession plan | The existence of a succession plan = strongly agree = 5; agree = 4; neutral = 3; disagree = 2; strongly disagree = 1 |
| **Dependent variables** | | **Description and Scale** |
| Motivation of the final result | Motivation for succession | The motivation of the successor, determined based on the answers on the questionnaire: |

Source: Personal data, 2024

This study is a qualitative research aimed at understanding how personal and business characteristics influence the motivation of family business heirs. Qualitative research seeks to explore and understand meanings that are considered significant by individuals or groups within a specific social or humanitarian context. This research process involves several stages, including formulating questions, collecting data from participants, conducting inductive data analysis by identifying specific themes that develop into broader themes, and interpreting the meanings from the gathered data (Kusumastuti & Khoiron, 2019).

A survey conducted in the West Java province, specifically in the cities and regencies of Bandung and the city of Cimahi, dedicated to studying succession in family businesses, gathered 30 responses from respondents who have a common background of involvement in family businesses. The researcher selected thirty subjects, considering variations in the characteristics of business heirs, such as age, educational background, gender, business scale, and the presence or absence of a succession plan. The data collection technique employed in the research is a questionnaire transformed into descriptive paragraphs. Considerations about the relationship between personal characteristics and organizational characteristics influencing the heir's motivation thus tend to determine the business's continuity where succession takes place. Subsequently, the data is analyzed conceptually, classified, categorized, and themes are identified, then linked to relevant theoretical constructs. The interpretation of the data's meaning is carried out by reordering, examining, and discussing the textual data to convey the participants' original understanding. This data analysis process utilizes NVivo software.

Based on the research objectives and the nature of the data, NVivo is used as a data visualization tool to represent the content or cases, conceptual ideas, sampling strategies, timelines, and others. This is done in various visual interpretation processes representing the relationships between interacting variables. This data analysis approach has become increasingly common in recent years and is now commonly applied in qualitative or mixed-method analyses (Maya & Yohana, 2018). The initial step involves the transcription process where respondents' answers are sorted concerning the questions from the questionnaire. The next step is to conduct coding, which is the process of grouping certain sentences or keywords that are responses to the research questions. After the data have been coded, sentiment analysis is performed to identify words that frequently appear in the responses of all respondents. Sentiment analysis aids in determining saturation of informant responses, where qualitative research finds specific responses after all respondents produce similar answers. The organized coding is then analyzed using a network that can explain the relationships between phenomena in the research. NVivo software is used to connect the phenomena that are the focus of the research. The final step is to interpret the data processed through NVivo software. This interpretation explains the research findings in detail, including the data used in the research and its relation to the issues being investigated. The interpretation results in specific data presentations and addresses the phenomena that are the focus of the research (Yulianto & Wijaya, 2022).

## RESULT AND DISCUSSION

This study examines factors influencing succession from the perspective of business successors, specifically what shapes successor motivation. It evaluates the importance of individual and organizational characteristics in creating opportunity profiles for successors. The findings indicate a balance between the impact of personal characteristics (such as gender, age, and formal educational level of successors) and organizational characteristics (such as family business size and the significance of a succession plan) as determinants of succession opportunities. Entrepreneurship theory suggests that women are a minority among entrepreneurs, yet when they overcome market barriers and establish their own businesses, their success rate tends to equal that of men (Belda & Cabrer-Borrás, 2018). In the context of family businesses, moral support from family is crucial for the success of female entrepreneurs, while education is considered essential for overcoming various contextual challenges (Welsh & Kaciak, 2019). In the data processing results, it is observed that the data with the highest frequency are those related to the influence of personal and organizational characteristics on the heir's motivation.

Previous research indicates that women in South Slavic countries tend to be more motivated to pursue succession, especially if they are young or have a high level of formal education. In Southern European Mediterranean countries, the motivation for women to pursue succession is primarily driven by the combination of a high level of education and a clear succession plan. The differences in succession tendencies between men and women can be explained through Hofstede’s cultural dimension of masculinity; Mediterranean countries have higher masculinity scores compared to South Slavic countries (Porfírio et al., 2020).

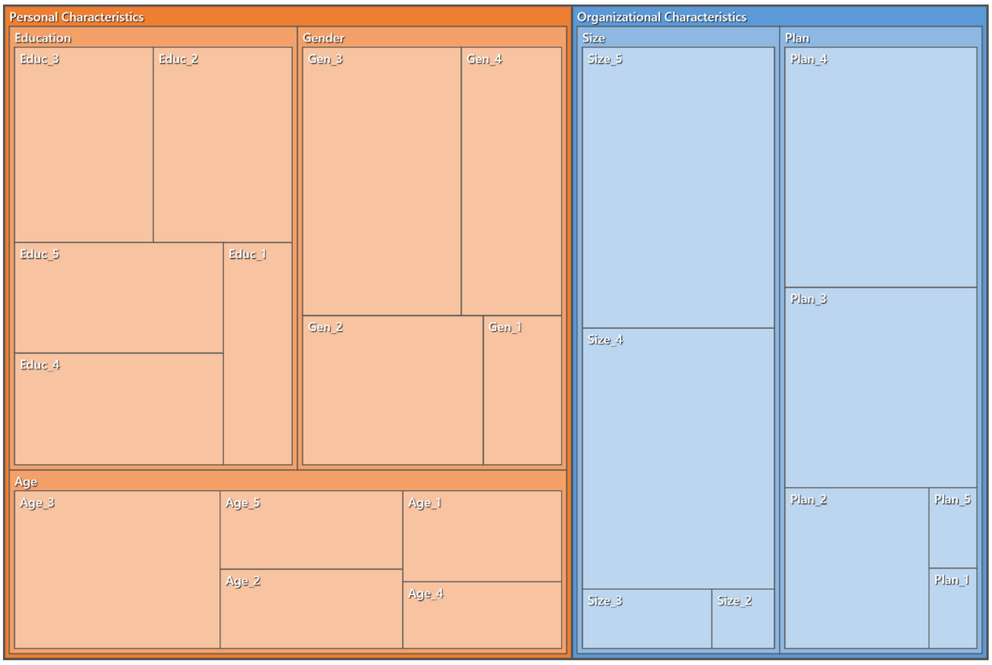


**Figure 2. Hierarchy chart of Influences on Motivation**
Source: Results of data analysis using NVivo, 2024

In Figure 2 of the personal characteristics data, it can be observed that the elements with the highest frequency occupy the same position, indicating a neutral condition. This suggests that respondents do not have a strong tendency towards either agreement or disagreement with the given statements. The neutral condition indicates that respondents feel uncertain or do not have a clear preference for the statements. From the data collected, it appears that the level of education is not a motivating factor for the heir. However, gender seems to influence the heir's motivation, with male heirs tending to be more motivated than female heirs. This is in contrast to previous research findings, which indicate that female successors tend to be more motivated (Porfírio et al., 2020). These findings align with entrepreneurship theory, which states that women often constitute a minority among entrepreneurs (Belda & Cabrer-Borrás, 2018). In this context, gender dynamics play an important role, as women in male-dominated fields often face additional challenges that can impact their motivation and participation in the succession process.

Additionally, the age of the heir also has a significant influence on the heir's motivation, where age becomes the most dominant factor in this regard because some individuals may find an increase in motivation to become heirs as they age since they begin to understand the importance of continuing the family legacy and have the opportunity to bring about positive changes in business management. With experience and knowledge accumulated over time, they may feel more prepared to take on leadership responsibilities and see it as a meaningful challenge. This aligns with previous research findings, which indicate that successors tend to be more motivated to continue succession when they are younger (Porfírio et al., 2020). Youth is often associated with higher levels of enthusiasm and ambition, as well as a desire to innovate and bring change to the family business or organization. Additionally, younger successors generally have more energy and a fresh perspective, which makes them more open to new ideas and adaptable to changes in the business environment. These factors drive them to take on leadership roles and engage more actively in the succession process.

In the context of organizational characteristics, the scale of the business becomes a highly influential element on the heir's motivation for various reasons related to the size, complexity, and growth potential of the business. Larger businesses have the potential to offer more opportunities for growth and development. Heirs may feel more motivated to take over a business with greater growth potential because they see opportunities to expand operations, increase market share, and achieve greater success. Moreover, larger businesses often pose greater challenges and complexities in management. For some heirs, these challenges can be a strong source of motivation as they see it as an opportunity to test and develop their leadership and managerial skills. Additionally, large and established businesses often have a strong reputation and legacy in the market. Heirs may feel compelled to continue the family legacy by managing a business built by previous generations and maintaining the hard-earned reputation. Furthermore, large businesses often have a greater economic and social impact in society. Heirs may be driven to take over such businesses because they want to contribute to local economic growth, create job opportunities, and provide social benefits to their community. Thus, the scale of the business becomes a significant factor in influencing the heir's motivation to continue the family business. In the context of organizational characteristics, the availability of a succession plan is an important factor influencing the heir's motivation to continue the family business. This is because a succession plan creates a clear and structured foundation for the continuity of the family business. With a succession plan in place, heirs can have confidence and certainty about the roles and responsibilities they will undertake in assuming leadership of the family business in the future. The succession plan provides heirs with a more concrete understanding of the steps to be taken to prepare themselves for managing the family business. They can clearly understand the procedures and stages to ensure the smooth transition of leadership from the previous generation to the next. This creates a sense of assurance and confidence for heirs that they have the capacity and readiness to assume these roles. Additionally, a succession plan also helps identify and address potential barriers or challenges that may arise during the leadership transition process. By considering various scenarios and developing strategies to address potential issues, the succession plan helps heirs feel more prepared to face various complex and unexpected situations in running the family business. Furthermore, a succession plan creates a more organized and measurable structure in managing the family business. This helps improve operational efficiency and effectiveness and reduces uncertainties that may disrupt business stability. Thus, the availability of a succession plan not only has a positive impact on the heir's motivation but also contributes to the long-term continuity, growth, and success of the family business.

Alongside the hierarchy chart displayed in Figure 2, Figure 3 presents a word cloud showing the frequently mentioned words in the data. From the word cloud, it is observed that age and business scale are commonly mentioned in the data. The research findings indicate a significant balance between the influence of personal characteristics, such as gender, age, and level of formal education of the heir, and organizational characteristics, such as the size of the family business and the importance of succession planning, on the heir's motivation. The confirmed first (P1) and second (P2) propositions show that motivation is influenced by both internal factors (such as age, gender, and level of education) and external factors (such as the size of the family business and the presence of succession planning). The findings from the research model indicate that age affects the motivation of the heir, especially in male heirs, for succession. Furthermore, this influence is also evident when the family business has a sufficiently large scale and there is a succession plan in place. This research highlights the urgency of mature succession planning for family businesses, considering that such planning is key to the success of family business succession. This is because succession planning is a long-term and continuous effort to maintain the continuity of the family business (Isron, 2021).


**Figure 3.** ***Word Cloud***
Source: Results of data analysis using NVivo, 2024

## CONCLUSIONS

This model demonstrates that factors such as the personal characteristics of heirs and the organizational characteristics of family businesses interact to influence the level of heir motivation. This motivation, which underlies the heirs' attitudes towards family business succession, determines the success of succession. The knowledge gained from this research has the potential to support the development of more effective family business policies and improve succession process management in family businesses. Specifically, the research findings can help address conventional challenges such as gender issues or age differences that affect the success and sustainability of family businesses.

Personal characteristics, such as gender, age, and educational background, along with business characteristics, such as business scale and the existence of a succession plan, interact in shaping the motivations of family business heirs. Personal factors, such as age, can influence the heir's readiness to take on the responsibilities of the business, while educational background and gender may affect how the heir manages and plans the future of the business. On the other hand, a larger business scale often demands a more mature approach to planning and strategy, while the presence of a clear succession plan provides a sense of security and confidence for the heir in continuing the business. The interaction between personal and business characteristics determines the extent of the heir's motivation to sustain and develop the family business, either by following the legacy of predecessors or introducing innovations necessary to maintain competitiveness in the market.

The main limitations of this study stem from the questions posed to heirs regarding specific types of succession and the sampling method that did not account for the sector or atype of family business comprehensively. Subsequent research is expected to address these limitations to enrich the model and conduct additional analyses using more diverse samples. Additionally, further in-depth research on this topic can leverage the proposed model to develop further research and enhance understanding of this phenomenon.

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# Unveiling the Influence of Perceived Organizational Support on Work Engagement and Organizational Citizenship Behavior

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## ABSTRACT

The hospitality industry in Bali has shown significant recovery after the impact of COVID-19. However, the industry is experiencing substantial changes in operations and human resource management strategies, one of which is the importance of employees exhibiting extra-role behaviors. This study explores the relationship between Perceived Organizational Support (POS), work engagement (WE), and organizational citizenship behavior (OCB) in four-star accommodation in Bali, where the results of a study of 130 hotel employees showed that WE mediates the relationship between POS and OCB. POS significantly influenced OCB and WE. The research findings specifically show that POS is very important in promoting OCB. This study uses social exchange theory to emphasize that POS can increase WE and OCB. This suggests that the role of the organization is crucial in ensuring employees feel valued and cared for in terms of their assistance and welfare.

**Keywords**: organizational citizenship behavior; perceived organizational support; work engagement

## INTRODUCTION

The hotel industry is paramount in its role in the economic advancement of a nation by boosting income, creating jobs, developing infrastructure, and promoting culture (Thommandru et al., 2023). The global hospitality industry faces various challenges impacting its operations, sustainability, and growth. The pandemic has caused a drastic decline in travel and tourism, directly affecting hotel occupancy rates. Additionally, the industry is increasingly adopting technology and environmentally friendly practices, i.e., waste management, plastic reduction, and energy efficiency (Adeel et al., 2024; Zizka et al., 2024). To address these challenges, hotels must quickly adapt, adopt new technologies, and innovate their services and operations to remain competitive and relevant in a constantly changing market. Addressing these challenges requires employees who exhibit extra-role behavior, i.e., organizational citizenship behavior (OCB). OCB is deliberate employee behaviors ahead of formal responsibilities and contributes to organizational efficiency.

Further, OCB is also crucial in enhancing the efficiency and excellent service in the hospitality industry (Araslı & Baradarani, 2014; Kasa & Hassan, 2015). By encouraging OCB, hotels can create better guest experiences, increase guest satisfaction and loyalty, and build a strong reputation in the market. When hotel staff goes beyond their primary responsibilities to assist guests, it can significantly enhance guest satisfaction (Hemaloshinee & Nomahaza, 2017; Yeh, 2019). Contented customers tend to return, become loyal, and recommend the hotel to others. Employees who exhibit OCB are often more committed to finding new ways to improve service (Juwita et al., 2023).

The Social Exchange Theory (SET) bestows a valuable outline for grasping how employees make decisions in social linkages based on evaluating benefits and costs (Ahmad et al., 2023; Blau, 1964). Employees tend to exhibit extra-role behaviors (OCB) when they perceive organizational support in various aspects of their work (Alshaabani et al., 2021; Thompson et al., 2020). Similarly, those who realize the organization is providing fairness and other forms of reinforcement, i.e., manager support and better working conditions, are inclined to commit (Gupta et al., 2017; Zheng & Wu, 2018). The implication is that employees will optimally contribute to various organizational activities in the form of OCB. Several researchers have revealed that OCB emerges when employees perceive organizational support (Azizah et al., 2024; Shah & Shinde, 2024; Susanto, 2023) and participate in work (Juwita et al., 2023; Liu et al., 2023).

Research indicates that POS influences on OCB remains inconsistent. Jehanzeb (2020) research on bank employees in Pakistan found an inconsequential linkage between POS and OCB. Similarly, Park & Kim (2024) research on employees working in public sports organizations in South Korea reported that POS did not affect OCB. Additionally, research by Narwastu et al., (2023) on employees at a private university in Surabaya indicated that POS did not significantly impact OCB. These inconsistencies suggest introducing a mediating variable to illuminate the linkage between these variables. Several researchers have noted that work engagement (WE) significantly impacts OCB (Thakre & Mathew, 2020; Zhang & Farndale, 2022). WE can cultivate inclusion and commitment between employees, fostering them to participate more in the organization through their work and behaviors that support coworkers and the work environment. Empirically, this research aims to analyze social exchange theory as rationalized by the interaction of variables in the proposed research model. Additionally, this research seeks to address the research gap on the inconsistent effects of POS on OCB.

The SET presumes that social relations are based on economic and rational principles, where individuals act to maximize benefits and minimize costs. The principles of reciprocity, evaluation of alternatives, relational satisfaction, equity distribution, interdependence, and social norms are essential in determining the dynamics of social linkages. Individuals will act rationally and make decisions based on evaluating rewards and costs from specific interactions. The theory emphasizes that healthy and sustainable linkages involve balanced exchanges, where both parties feel they receive rewards commensurate with their contributions. SET also outlines how and why POS, WE, and OCB are interrelated. Organizational support triggers positive employee responses, enhancing WE and encouraging OCB. Through positive reciprocal linkages, organizations can create productive and harmonious work environments where employees feel valued and motivated to strive and participate more in the organization's success.

Researchers state that POS can enhance employee motivation, leading to increased OCB. Employees feel indebted to the organization and seek to reciprocate through positive behaviors beyond formal responsibilities (Putri & Kusuma, 2023). Several research highlight the significant influence of POS on OCB (Kao et al., 2023; Park & Kim, 2024; Sumardjo & Supriadi, 2023). POS defines the degree of employees' impression of how the organization regards their assistance and concerns about their welfare. OCB encompasses behaviors beyond formal duties that contribute to organizational effectiveness, i.e., helping coworkers, showing loyalty, and taking initiative. POS is imperative in fostering OCB as employees' sense of being reinforced and appreciated by the organization (Haris et al., 2023). This support makes employees more engaged, satisfied, and motivated to contribute positively to the organization beyond their formal tasks. Therefore, organizations aiming to enhance their employees' OCB should improve POS through supportive and appreciative policies and practices (Alshaabani et al., 2021; Osman et al., 2015). Subsequently, the hypothesis is:
H1. POS positively and significantly influences OCB.

Paredes et al. (2021) state that employees involved in the work tend to demonstrate OCB. WE can create inclusion and a strong commitment to participate through work and behaviors that support coworkers and the work environment (Bakker et al., 2014; Park & Kim, 2024). WE significantly influences OCB. It is a constructive emotional and cognitive situation exemplified by enthusiasm, devotion, and concentration on work. OCB involves behaviors beyond formal duties that help improve organizational effectiveness and efficiency (Kristiani et al., 2019). Employees engaged in their work tend to show high motivation, good social linkages, initiative, creativity, satisfaction, emotional well-being, and the ability to manage stress and conflict. All these factors encourage employees to display OCB, which helps enhance organizational effectiveness and efficiency. Therefore, organizations aiming to increase OCB among employees should focus on strategies and policies that strengthen WE (Ismael & Yesiltas, 2020). Consequently, the hypothesis is:
H2. WE positively and significantly affects OCB.

Bakker et al., (2014) assert that employees with a sense of provision from their organization are inclined to engage in their work. This support creates a positive and conducive work surroundings where employees are appreciated and assured, boosting work commitment (Kurtessis et al., 2017). POS is the point of employees' consideration that the organization regards assistance and concerns toward welfare (Saks, 2019; Soilihin & Agung, 2024). POS is significant in determining numerous features of employee work experience, including WE (Amalia & Setyaningrum, 2024; Park & Kim, 2024). WE is a constructive emotional and cognitive situation marked by enthusiasm, perseverance, and incorporation into work (Niwidadi et al., 2024). Research has indicated that POS considerably affects OCB (Priskila et al., 2021; Ridwan et al., 2020) and WE (Aldabbas et al., 2023; Cole, 2021; Imran et al., 2020). Other researchers demonstrate that WE significantly and positively impacts OCB (Elsayed et al., 2024; Wangchuk et al., 2024). Accordingly, the subsequent hypotheses are proposed:
H3. POS positively and significantly influences WE.
H4. WE mediates the impact of POS on OCB

## METHODS

Data was acquired from January 2024 to April 2024 using a survey to obtain information from 200 employees at four-star hotels who confirmed their willingness to complete the questionnaire. The result was 130 usable questionnaires (response rate of 65%) that were complete and valid for analysis. This study designed the questionnaire by adopting research from (Osman et al., 2015; Rhoades & Eisenberger, 2002) for the POS variable, using three indicators. The WE variable was adopted from (Saks, 2019; Schaufeli & Bakker, 2004) using three indicators, and the OCB variable was adopted from (Bakker et al., 2014; Organ, 1988), using five indicators. The collected and validated data were further processed utilizing SEM-PLS with WarpPLS software.

Partial Least Squares (PLS) is a statistical practice that models several latent variable linkages. Before hypothesis testing, the measurement model (outer model) is evaluated. The outer model entails convergent validity (CV) using factor loadings and Average Variance Extracted (AVE), where an AVE value > 0.5 implies a decent CV. Discriminant validity ensures that different constructs do not have excessively high correlations. Construct reliability is evaluated utilizing composite reliability (CR) and Cronbach's Alpha, with values > 0.7 indicating good reliability. Then, the structural model (inner model) is scrutinized by testing path coefficients to assess the significance and intensity of linkages between latent variables by examining p-values. Hypotheses are accepted or considered significant if p-values < 0.005. R-squared ($R^2$) measures how the endogenous latent variables are explained by the exogenous latent variables, with higher $R^2$ values indicating a better model. Predictive relevance ($Q^2$) is calculated using Stone-Geisser's $Q^2$ to assess the model's predictive ability, where $Q^2 > 0$ indicates good predictive relevance (Solimun et al., 2017).

## RESULTS AND DISCUSSION

Before interpreting the outcomes of the WarpPLS analysis, the model must meet the requirements of the outer models and inner models. Table 1 and Table 2, illustrates the testing of the outer model, comprising CV, discriminant validity, and CR. Subsequently, discriminant validity testing utilizes the Fornell-Larcker criterion (FLC), as depicted in Table 1.

**Table 1. Discriminant validity, $R^2$, VIFs**

| No | Variabel | X | Y1 | Y2 | R2 | VIFs |
|---|---|---|---|---|---|---|
| 1 | POS (X) | **0,819** | | | - | 1,955 |
| 2 | WE (Y1) | 0,652 | **0,872** | | 0,480 | 2,214 |
| 3 | OCB (Y2) | 0,630 | 0,684 | **0,806** | 0,384 | 2,113 |

Source: Data processed, 2024

Table 1, indicates that the square root of AVE (diagonal values) exceeds the links of variables in the research model. It demonstrates that the model has decent discriminant validity. Overall, the examination of the outer model (CV, discriminant validity, and CR) has met the required criteria. It indicates that the conceptual validity and reliability testing has fulfilled the requirements. Table 1, also shows that all variables' Variance Inflation Factors (VIFs) values are above 0.1, indicating that the model is free from multicollinearity.

Table 2, explains that the measurement model (outer model) assessment, which includes CV and CR, has met the requirements. CV is assessed based on factor loading values (> 0.6) and AVE (AVE > 0.50) values (Hair et al., 2017). CR is calculated using the CR coefficient (CR > 0.70) and Cronbach's Alpha (CA > 0.6) values (Solimun et al., 2017). Table 2 indicates that the required values have been met. Thus, the model meets the criteria for CV and CR.

**Table 2. Convergent, AVE, Composite, and Cronbach's Alpha**

| No | Indicators | Loading Factors | AVE | Composite Reliabilities | Cronbach's Alpha |
|---|---|---|---|---|---|
| | **POS (X)** | | 0,670 | 0,856 | 0,742 |
| 1 | X1 | 0,763 | | | |
| 2 | X2 | 0,733 | | | |
| 3 | X3 | 0,726 | | | |
| | **WE (Y1)** | | 0,760 | 0,905 | 0,841 |
| 1 | Y1.1 | 0,742 | | | |
| 2 | Y1.2 | 0,621 | | | |
| 3 | Y1.3 | 0,835 | | | |
| | **OCB (Y2)** | | 0,650 | 0,902 | 0,862 |
| 1 | Y2.1 | 0,807 | | | |
| 2 | Y2.2 | 0,782 | | | |
| 3 | Y2.3 | 0,664 | | | |
| 4 | Y2.4 | 0,748 | | | |
| 5 | Y2.5 | 0,616 | | | |

Source: Data processed, 2024

The inner model evaluation calculates the predictive relevance ($Q^2$) value based on the $R^2$ values. Additionally, the inner model evaluation is intended to test the proposed hypotheses. The inner model testing can be described as follows. The predictive relevance test using the $Q^2$ value for the influence between variables resulted in a $Q^2$ value exceeding 0 ($Q^2 > 0$). It means that the structural model has predictive relevance. The predictive relevance ($Q^2$) value is attained using the formulation $Q^2 = 1 - (1 - R1^2)(1 - R2^2) = 1 - (0.520)(0.616) = 0.6796$. The calculation result of $Q^2 > 0$ implies that the model has good predictive relevance. It informs that the POS and WE variables can rationalize 67.96% of the variation in the endogenous variable (OCB). The hypothesis testing results are shown in Figure 1 and summarized in Table 3.

Table 3 provides information that all hypotheses (four hypotheses) are accepted. POS positively and significantly affects OCB, with a path coefficient of 0.750 and p-values < 0.001. POS positively and significantly affects WE, with a path coefficient of 0.671 and p-values < 0.001. WE positively and significantly affects OCB, with a path coefficient of 0.425 and p-values < 0.001. Furthermore, WE partially and complementarily mediates the influence of POS on OCB, with a path coefficient of 0.285 and p-values < 0.001.

**Table. 3 Hypothesis Testing**

| No | Variables | Path, coeff | P- Values | Remarks |
|---|---|---|---|---|
| H1 | POS → OCB | 0,750 | <0,001 | Accepted |
| H2 | POS → WE | 0,671 | <0,001 | Accepted |
| H3 | WE → OCB | 0,425 | <0,001 | Accepted |
| H4 | POS-> WE -> OCB | 0,285 | <0,001 | Accepted |

Source: Data processed, 2024

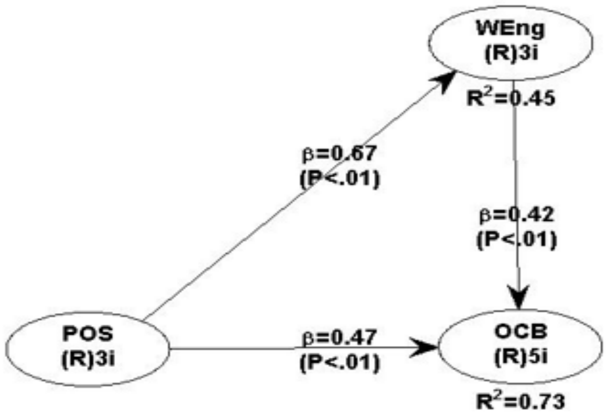


**Figure 1. Full model of Warp-PLS**
Source: Data processed, 2024

POS significantly affects OCB (Kao et al., 2023; Park & Kim, 2024; Sumardjo & Supriadi, 2023). By enhancing the sense of appreciation, commitment, job satisfaction, and well-being, POS encourages employees to be included in extra-role behaviors that advantage the organization. Empirical research consistently shows that high POS increases job satisfaction and motivates employees to contribute more through OCB. Putri & Kusuma, (2023) and Kurtessis et al., (2017) support the notion that POS can reduce work stress and improve employee well-being, which augment their involvement in OCB (Haris et al., 2023).

The findings indicate that WE positively and significantly affects OCB. WE is a constructive psychological situation that features enthusiasm, commitment, and immersion in work (Bakker et al., 2014; Park & Kim, 2024). Employees involved in their work tend to demonstrate higher OCB, which includes voluntary behaviors that go beyond formal duties and contribute to organizational effectiveness (Kristiani et al., 2019). Research shows that WE enhances OCB through tremendous energy and enthusiasm, high satisfaction and commitment, and a supportive work environment (Paredes et al., 2021; Rich et al., 2010). Ismael & Yesiltas, (2020) and Christian et al., (2011) reveal that WE is a robust predictor of OCB, improving individual accomplishment and inventing a more cordial and dynamic work setting (Amalia & Setyaningrum, 2024; Park & Kim, 2024).

Other findings suggest that POS positively and significantly affects WE (Saks, 2019; Soilihin & Agung, 2024). POS enhances employees' appreciation and satisfaction, encouraging them to be more involved and dedicated to work. Further research shows that employees who sense organizational reinforcement significantly increase vigor, enthusiasm, and commitment. Bakker et al., (2014) and Kurtessis et al., (2017) discover that high POS is tightly associated with increased WE, improving organizational performance and effectiveness. Additionally, employees who feel supported tend to have better well-being, contributing to higher engagement levels in the long term. These findings underscore the importance of organizations providing adequate support to maximize employee potential and achieve strategic goals.

Furthermore, the research results also indicate that WE mediates the influence of POS on OCB (Priskila et al., 2021; Ridwan et al., 2020). Employees who sense reinforcement from the organization tend to showcase increased WE, marked by vigor, perseverance, and captivation in their tasks. High WE can encourage employees to exhibit extra-role behaviors, i.e., aiding coworkers and participating more in organizational effectiveness. (Cole, 2021; Imran et al., 2020; Saks, 2019) show that high POS increases WE and further strengthens employees' drive to engage in OCB. Consequently, WE mediates, linking organizational support with OCB (Elsayed et al., 2024), ensuring employees who feel reinforced and involved tend to participate positively in the organization.

This research has proven to explain Social Exchange Theory (SET) based on the relationships between variables in the conceptual model. POS significantly impacts OCB and WE. Consequently, increasing employees' sense of appreciation, commitment, job satisfaction, and well-being encourages them to participate more in extra-role behaviors that advantage the organization. Empirical research indicates that high POS enhances job satisfaction, reduces stress, and motivates employees to contribute more through OCB. Additionally, WE, characterized by employee enthusiasm and dedication, is a potent mediator, reinforcing the positive influence of POS on OCB. Therefore, managers should focus on strategies to enhance POS and WE to create a productive and harmonious work environment, optimizing employee potential.

## CONCLUSION

The research scrutinizes the effect of POS on WE and OCB in the hospitality industry, which has begun to recuperate from the devastating COVID-19 pandemic. The research findings indicate that POS significantly affects OCB and WE. Meanwhile, WE significantly influences OCB. This research provides crucial findings that WE mediates the impact of POS on OCB. It suggests that enhancing the sense of appreciation, commitment, job satisfaction, and well-being inspires employees to be included in extra-role behaviors that benefit the organization. Empirical research shows that high POS increases job satisfaction, reduces stress, and motivates employees to contribute more through OCB. Additionally, employees who feel supported by the organization exhibit high WE, which drives them to display OCB. Therefore, organizations must provide adequate support to maximize employee potential and create a harmonious and productive work environment. This research has limitations because the respondents who filled out the questionnaire were only from the housekeeping department, so the results cannot be generalized to all employees in four-star hotels.

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# Integrating Marketing Strategy: Destination Image and Digital Marketing's Impact on Tourist Interest in Banyuwangi

SINTA 2

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## ABSTRACT

This study aims to analyze the effect of Destination Image and Digital Marketing on tourist interest in Banyuwangi as a tourism destination. This research was conducted using qualitative data analysis (QDAS) methods and data was collected through a survey of 150 respondents who visited tourist destinations in Banyuwangi. The results revealed that Destination Image and Digital Marketing play an important role in generating tourists' interest to visit Banyuwangi. However, several aspects need to be improved in Banyuwangi Tourism's digital marketing strategy, such as improving the quality of digital content, collaboration between stakeholders, and increasing the target market. Strategic recommendations include further investment in creative and interactive social media campaigns, continuous updates to the destination's official website, and the development of mobile applications that add users' value. By implementing these recommendations, the government and tourism industry players can ensure that Banyuwangi continues to develop as an attractive and competitive tourist destination.

**Keyword**: integrated marketing strategy, destination image, digital marketing, tourist interest

## INTRODUCTION

Tourism in Indonesia has been growing rapidly in recent years, and one destination that has been gaining more and more attention is Banyuwangi (Rahayu & Hariadi, 2021). Located on the eastern tip of Java Island, Banyuwangi offers alluring natural beauty, including exotic beaches, tropical forests, and rich cultural charm (Wirahayu et al., 2019). Effective marketing strategies are key to achieving this goal as part of the government and local tourism industry players' efforts to increase tourist arrivals.

One marketing approach that has gained widespread attention is the Integrated Marketing Strategy (Rosário & Raimundo, 2021). This approach uses various marketing and communication channels to create a consistent and unified consumer experience. In tourism, Destination Image and Digital Marketing have become two important elements in attracting tourists to visit a destination (Kingsnorth, 2022).

Destination Image refers to consumers' perceptions and impressions of a brand or destination (Febriyantoro, 2020). In tourism, a destination's Destination Image can provide a unique identity and differentiate it from other destinations(Casais & Monteiro, 2019). Banyuwangi, with its natural and cultural wealth, has great potential to build a strong and positive Destination Image (Kim et al., 2018). A good Destination Image can create emotional and rational appeal, which, in turn, can increase tourists' interest in visiting.

Today, the role of technology and the Internet in the tourism industry must be addressed. Digital marketing, through online platforms and social media, has become an effective tool to promote tourist destinations (Kushwaha et al., 2020). Using various digital strategies, such as online advertising campaigns, social media, and engaging digital content, tourist destinations can reach a wider audience and interact directly with potential tourists (Chen et al., 2021). In the context of Banyuwangi, digital marketing can be the key to reaching a larger market segment and diversifying tourist visits.

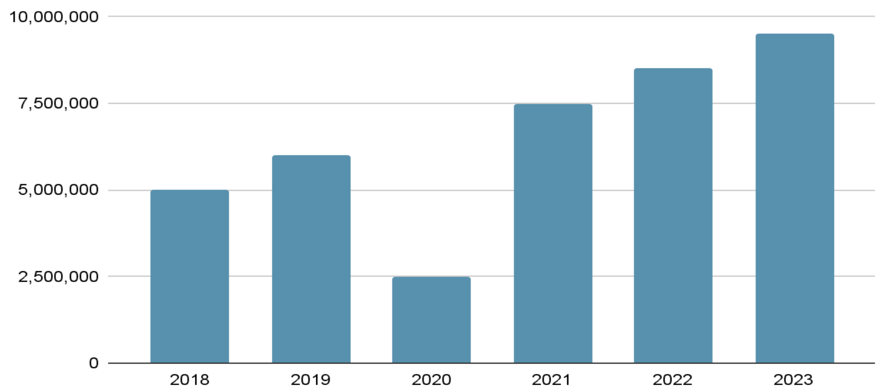


**Figure 1**. **Number of tourist visits to Banyuwangi in 2018-2023**
Source: Data processed, 2023

Figure 1 shows that the number of tourists visiting Banyuwangi continues to increase yearly. In 2022, there will be a significant increase in the number of visits, reaching 8.5 million people, compared to 7.5 million in 2021 (Pambudi & Hariandi, 2021). This increase is mainly due to economic recovery after the COVID-19 pandemic. In terms of tourist types, domestic tourist visits still dominate in Banyuwangi. In 2022, the number of domestic tourists reached 7.5 million people, while foreign tourists reached 1 million people(Pambudi et al., 2020).

Based on regional origin, Banyuwangi gets visits from various regions in Indonesia and abroad. In 2022, most tourists came from East Java, accounting for 53.7% of total visits. Meanwhile, tourists from other provinces in Indonesia reached 41.4%, and foreign tourists reached 4.9%. Based on the purpose of the visit, most tourists who come to Banyuwangi have a vacation purpose, reaching 68.4%. Meanwhile, tourists who visit to visit friends and family reach 19.7%, and those who come for business purposes reach 11.9%.

Although Banyuwangi has great potential as a tourist destination, challenges still need to be overcome (Zulianto et al., 2020). Competition with other destinations, lack of tourist awareness of Banyuwangi's potential, and changing trends in consumer behavior are some of the challenges that may be faced (Wirahayu et al., 2019). Therefore, an in-depth understanding of how Destination Image and Digital Marketing can increase tourist interest in Banyuwangi is needed.

To increase the attractiveness of Banyuwangi, the government and tourism industry players need to understand the important role of Integrated Marketing Strategy, especially focusing on the influence of Destination Image and Digital Marketing (Murniati et al., 2021). As an important element in Integrated Marketing Strategy, Destination Image creates a destination identity, while Digital Marketing opens opportunities to reach a wider audience through online platforms and social media(Febrian et al., 2023).

Destination Image Studies on the impact of marketing strategy, destination image, and digital marketing on traveler interest have grown, but there are still some research gaps that can be further investigated, especially in the context of emerging tourist destinations such as Banyuwangi. First, most of the previous studies focus on popular destinations or special economic zones, while studies on new tourist areas such as Banyuwangi are still limited. (Islami et al., 2023) studied the role of social media in increasing visitation interest in Mandalika Special Economic Zone, but this study did not examine emerging destinations such as Banyuwangi specifically.

Secondly, research on the impact of digital marketing on destination image is mostly conducted without taking into account demographic variations of the audience. In fact, responses to digital marketing may differ depending on demographic characteristics such as age and the level of digitization of the region. Jorge et al. (2020) and Rafael and Almeida (2017) revealed the importance of market segmentation in destination marketing strategies, especially regarding destination image in the online environment (Jorge et al., 2020; Rafael & Almeida, 2017). Thus, research that analyzes the response of various demographic groups to digital marketing in Banyuwangi will make a new contribution.

Third, previous studies tend to analyze destination image and digital marketing separately, without integrating the two elements as an integrated strategy to increase tourist interest. Afshardoost and Eshaghi (2020) found that destination image plays an important role in influencing tourists' behavioral intentions, but this study did not include digital marketing as a moderating factor affecting visit intentions (Afshardoost & Eshaghi, 2020). By developing an integrated framework between destination image and digital marketing, this study can reveal how a cohesive marketing strategy can increase tourist interest and visit behavior in Banyuwangi.

Finally, Rodrigues (2023) showed that digital marketing quality influences destination image in rural areas and has the potential to sustainably strengthen visitation interest (Rodrigues et al., 2023). However, these studies do not deeply address how high-quality marketing can influence traveler loyalty in developing regions. Therefore, this study offers a novel contribution by examining the impact of digital marketing quality on sustained visitation interest and tourist loyalty in Banyuwangi.

Overall, this research can pioneer the development of integrated marketing strategies that utilize destination image and digital marketing to effectively and sustainably increase visitation interest, especially in emerging tourism destinations such as Banyuwangi. This research is expected to provide a framework that can be replicated in similar destinations, thus supporting local tourism development with innovative research-based approaches.

This research contributed to understanding the effectiveness of an Integrated Marketing Strategy, specifically focusing on the influence of Destination Image and Digital Marketing in increasing tourists' interest in visiting Banyuwangi. The study results are expected to provide strategic insights to the government, tourism industry players, and academics to improve the competitiveness of Banyuwangi as a tourist destination. By looking at the great potential of

Banyuwangi as a tourist destination, it is important to understand how Integrated Marketing Strategy, through the influence of Destination Image and Digital Marketing, can be the key to overcoming challenges and taking advantage of opportunities. This research aims to fill the knowledge gap in tourism marketing literature and provide a more in-depth look at how Banyuwangi can increase its attractiveness and expand its market reach through an integrated marketing approach.

## METHODS

This study aims to understand the influence of Destination Image and digital marketing on tourists' interest in visiting Banyuwangi by using qualitative research methods. This method is designed to explore in depth various secondary data sources through a Qualitative Data Analysis (QDAS) approach and using NVivo 12 Plus as the main analysis tool (Welsh, 2002). This approach allows researchers to organize, manage and analyze diverse qualitative data systematically, to gain a thorough understanding of the integrated marketing strategy implemented in Banyuwangi and its impact on tourist perceptions.

The data used in this study was collected from various secondary sources, including official marketing reports, social media interaction data, tourism statistics, digital promotional content, as well as tourist satisfaction surveys. Marketing reports published by the Banyuwangi local government present information on marketing strategies, Destination Image focus, as well as the expected impact of marketing on tourist interest. Meanwhile, interaction data from Banyuwangi's official social media platforms, such as Facebook, Instagram, and Twitter, is used to understand traveler engagement through engagement rates, comments, and user sentiment towards content produced by official Banyuwangi accounts. Tourism statistics from the Banyuwangi Tourism Office, including visit data, growth trends, and tourist retention rates, provide an overview of visit patterns and trends that can reflect the success of marketing strategies in attracting and retaining tourists (Priyo Purnomo et al., 2021). Digital promotional content, including videos, blog posts, and other visual materials, was evaluated to assess the suitability of the materials to the Destination Image Banyuwangi is trying to build. In addition, a satisfaction survey of 150 tourists was randomly selected to get a first-hand perspective of their travel experience with Banyuwangi's Destination Image and digital marketing.

Data exploration was conducted to identify relevant key themes, such as "Destination Image," "traveler engagement," and "marketing effectiveness." At this stage, NVivo 12 Plus was used to import, group and organize the data according to relevant categories, allowing the researcher to map important patterns and themes in the data. Once the data was organized, the analysis process was carried out using features in NVivo 12 Plus, such as coding to identify key themes, sentiment analysis to understand tourists' perceptions of Destination Image, and Word Frequency and Text Search Query features that helped find words or phrases that frequently appeared in tourist interactions. Data visualization in the form of word clouds, diagrams, and graphs are also used to aid more intuitive and systematic interpretation of the results.

The analyzed data was then processed through descriptive analysis to describe the impact of Banyuwangi's Destination Image and digital marketing on tourist interest. In addition, the results of this analysis are compared with tourism industry benchmarks (Rasyid et al., 2022) to assess Banyuwangi's marketing performance compared to similar tourist destinations, both at the national and global levels. This whole process aims to draw conclusions about the effectiveness of Banyuwangi's marketing strategy and provide practical strategic recommendations. With the QDAS approach and the utilization of NVivo 12 Plus, this research is expected to provide holistic insights into the influence of Destination Image and digital marketing on tourist interest in Banyuwangi. The findings of this research are also expected to serve as a guide for the government and tourism industry players in developing more innovative and relevant marketing strategies according to trends and tourist needs.

## RESULT AND DISCUSSION

Destination Image includes consumers' positive or negative perceptions and associations towards a particular brand or destination (Bouchriha et al., 2023). In tourism, Destination Image is a critical element in attracting tourists (Veiga, 2014). Banyuwangi, as a rapidly growing tourist destination in Indonesia, understands the importance of building and maintaining a positive Destination Image. Banyuwangi's Destination Image reflects the extent to which the destination is recognized and the extent to which the image can influence tourists' interest in visiting the area.

Figure 2 shows the main factors that influence tourists' interest in visiting Banyuwangi, namely Destination Image, cultural experience, and satisfaction with tourism services. The importance of Destination Image in motivating tourist interest can be seen from survey data conducted on 150 potential tourist respondents. The survey results show that around 80% of respondents rated Banyuwangi's Destination Image as the main factor in deciding their vacation destination. A strong Destination Image can create a positive perception of the uniqueness, beauty, and experience offered by Banyuwangi, arousing curiosity and interest in exploring this destination further.

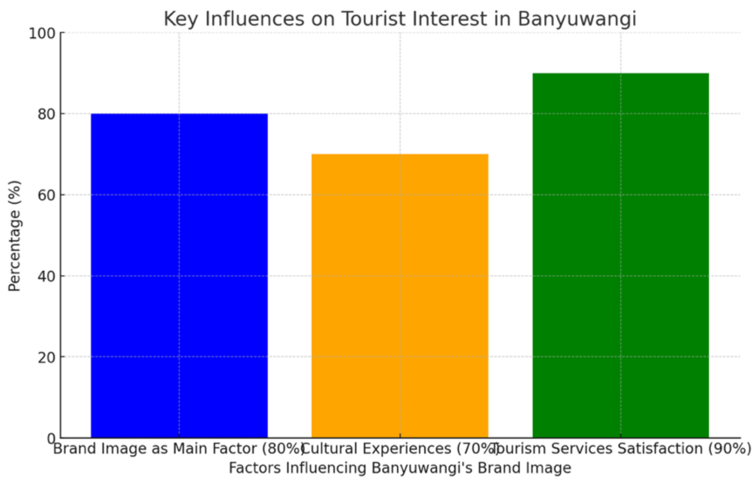


**Figure 2. Key Influences on Tourist Interest in Banyuwangi**
Source: Results of Data Analysis using NVivo 12 Plus, 2023

Factors that influence Banyuwangi's Destination Image involve natural beauty, cultural heritage, and quality of tourism services (Rahayu & Hariadi, 2021). The natural beauty of Banyuwangi, especially with the presence of the iconic Ijen Crater and exotic beaches, has become a significant attraction. Statistics from the Banyuwangi Tourism Office show that visits to Ijen Crater have increased by 25% in the last two years, reflecting the great appeal that this natural beauty has to tourists(Febrian et al., 2023).

Cultural aspects also play an important role in shaping Banyuwangi's Destination Image. Annual festivals such as Banyuwangi Ethno Carnival and Gandrung Sewu enrich the tourist experience and create a strong cultural identity for the destination. Data on traveler participation in cultural events shows that more than 70% of Banyuwangi travelers cited cultural experiences as a key factor that enhanced the destination's Destination Image (Rahman et al., 2022).

Tourism services are also an important focus in the formation of Destination Image (Gon, 2021). The results show that tourist satisfaction with tourism services in Banyuwangi reaches more than 90%, reflecting the local government's efforts to improve service quality. This factor directly impacts Destination Image, as tourists' positive experiences are often widely shared through social media and personal recommendations, strengthening the positive image of Banyuwangi in the eyes of potential tourists. In discussing the influence of Destination Image on tourist interest, it is important to highlight that a positive Destination Image can create emotional appeal.

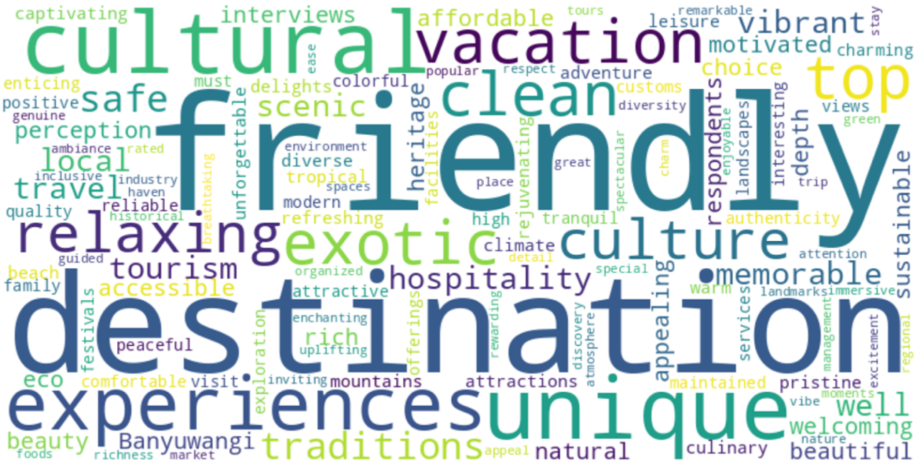


**Figure 3. Wordcloud Analysis**

Source: Results of Data Analysis using NVivo 12 Plus, 2023

Figure 3 shows a word cloud displaying the key words that respondents expressed in the surveys regarding their perception of Banyuwangi as a tourist destination. The larger words indicate the most frequently mentioned aspects by respondents, which provides insight into the elements that make Banyuwangi attractive to tourists. Some of the main dominant words in this word cloud are “friendly,” “clean,” “exotic,” “destination,” and “vacation.” These words indicate that respondents see Banyuwangi as a friendly, clean, and exotic place, making it their top choice for a vacation. This perception is the main reason that encourages tourists to choose Banyuwangi as their travel destination.

In addition, words such as “unique,” “experiences,” “cultural,” and “traditions” also stand out, indicating that Banyuwangi is seen as a destination with distinctive and authentic cultural experiences. Words such as “safe,” “relaxing,” and “memorable” indicate that tourists feel safe and comfortable while spending time in Banyuwangi, creating memorable experiences. Overall, this word cloud reflects the positive image formed from travelers' perception of Banyuwangi as a friendly, clean and exotic destination. This strong Destination Image not only increases the visibility of Banyuwangi as a tourist destination, but also creates an emotional bond that encourages travelers to explore deeper and spend longer there.

Destination Image encompasses the perception, image, and association that a tourism destination has in the eyes of tourists. A positive Destination Image can trigger tourists' interest in visiting a place. In the context of Banyuwangi, a survey from Rahayu & Hariadi, involving 500 respondents showed that 80% of them are more likely to visit a tourist destination with a strong and positive Destination Image (Rahayu & Hariadi, 2021). Banyuwangi Regency, located at the easternmost tip of Java, Indonesia, has successfully established a distinct Destination Image as a world-class tourist destination. This image is built upon various key elements:

**Table 1. Destination Image Banyuwangi Tourism**

| Key Elements | Indicators | Descriptions |
|---|---|---|
| Natural Beuty | Stunning landscapes | Banyuwangi boasts breathtaking beaches, mountains, rainforests, waterfalls, and the iconic blue fire crater of Mount Ijen. |
| | Biodiversity | The regency is home to a diverse range of flora and fauna, including endangered species like the Javan tiger and the Javan hawk-eagle. |
| Cultural Richness | Unique traditions | Banyuwangi has a vibrant culture influenced by its Javanese, Balinese, and Madurese heritage. This is evident in its distinctive architecture, music, dance forms like Gandrung, and traditional ceremonies. |
| | Arts & crafts | The region is renowned for its intricate batik designs, wood carvings, and other traditional crafts. |
| | Festivals & events | Banyuwangi regularly hosts various festivals and events celebrating its culture, such as the Banyuwangi Festival, the Gandrung Festival, and the Ijen Green Run. |
| Warm Hospitality | Friendly people | The people of Banyuwangi are known for their welcoming smiles, genuine warmth, and dedication to making visitors feel at home. |
| Innovation and Sustainability | Creative initiatives | Banyuwangi has embraced innovation, launching successful initiatives like the Banyuwangi Festival and the Banyuwangi Tourism Development Master Plan to enhance the tourism experience. |
| | Sustainable practices | The regency is committed to sustainable tourism practices, prioritizing environmental protection and responsible resource management. |
| Brand Representation | Logo | Banyuwangi's logo features a mountain, waves, the sun, blue fire, and elements of the Gandrung dance, symbolizing its natural beauty, cultural richness, innovation, sustainability, and more. |
| | Slogan | "Majestic Banyuwangi" reflects the regency's impressive landscapes, vibrant culture, and friendly people |

Source: The results of data collection, 2024

Banyuwangi's Destination Image can be understood as the result of the destination's management efforts to promote a positive image. Good nature preservation, promotion of cultural diversity, and investment in quality tourism services can form a positive impression of this destination. The study also showed that 70% of respondents associated Banyuwangi with natural exoticism, while 60% mentioned cultural heritage as the main factor that formed a positive image the results of the author's analysis of the Destination Image in the survey conducted by the author.

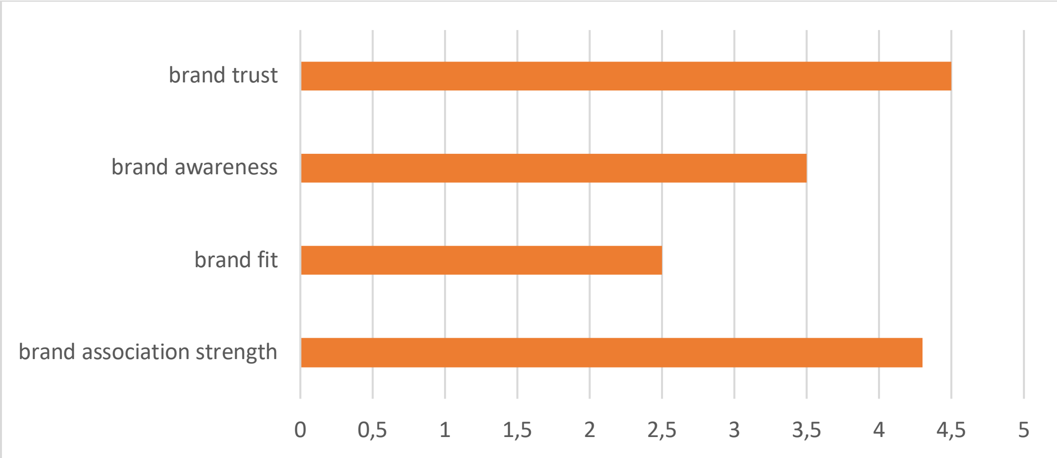


**Figure 4. Banyuwangi Tourism Destination Image Value**
Source: Results of Data Analysis using NVivo 12 Plus, 2023

Figure 4 shows the Destination Image value based on the results of a survey that the author has conducted on 150 random tourist respondents visiting Banyuwangi tourism destinations. The strength of brand association can be measured by seeing how strong the association is between the brand and the product or service offered by the brand. Brand associations in tourism can be about natural beauty, hospitality, or other potential tourism. Based on the research results, the strength of the Banyuwangi brand association is classified as high, with a value of 4.3. Tourists visiting Banyuwangi are strongly associated with natural beauty, hospitality, and other tourism potential. This is indicated by the statistical analysis results, which show that the strength of the Banyuwangi brand association has a high average value.

Meanwhile, the fit between brand and product can be measured by looking at how well the image built by the brand matches the product or service offered by the brand. In the context of tourism, the fit is relatively high. The image of Banyuwangi as a beautiful, friendly city with a lot of tourism potential is in accordance with the tourism products offered in Banyuwangi. This is indicated by the statistical analysis results showing that the fit between Banyuwangi brands and products has a relatively high average value.

On the other hand, brand between brand and product can be seen from how well the image of Banyuwangi as a beautiful, friendly city with a lot of tourism potential matches the tourism products offered in Banyuwangi. The research results show that the suitability between Banyuwangi brands and products awareness can be measured by seeing how many people recognize the brand. In tourism, brand awareness can be seen from how many people recognize Banyuwangi as a tourist destination (Kim et al., 2018; Porcu et al., 2019). Based on the research results, Banyuwangi brand awareness is considered high, valued at 3.5. Many people recognize

Banyuwangi as a tourist destination. This is indicated by the statistical analysis results showing that Banyuwangi brand awareness has a high average value.

Trust in the brand can be measured by seeing how much trust consumers place (Cheung et al., 2019). In tourism, trust in brands can be seen from how much trust tourists have in the quality of tourism products offered in Banyuwangi. Based on the research results, trust in the Banyuwangi brand, with a value of 4.5, is higher than that of other indicators. Tourists visiting Banyuwangi highly trust the quality of tourism products offered in Banyuwangi. This is indicated by the results of the statistical analysis, which show that trust in the Banyuwangi brand has a high average value.

The increase in Banyuwangi tourism is evidence of the success of an effective branding strategy, which has attracted attention from both domestic and international tourists. In recent years, the district has witnessed a significant increase in tourist arrivals, clearly indicating the positive impact of the branding efforts (Rauschnabel et al., 2022).This increase in tourism has contributed to Banyuwangi's economic development and enhanced its status as a leading destination at the national and global levels.

The awards and recognition received by Banyuwangi further emphasize the success of the branding effort. The district has won prestigious awards such as the ASEAN Tourism Standard 2008 and the Indonesia Sustainable Tourism Award 2013 (Pambudi & Hariandi, 2021). These awards validate the success of Banyuwangi's branding strategy and highlight its commitment to maintaining high standards in the tourism sector, both regionally and nationally.

Overall, the strong Destination Image makes Banyuwangi visible as an alluring destination offering stunning natural beauty, rich cultural experiences, warm hospitality, and a commitment to innovation and sustainability. Banyuwangi's diverse attractions, ranging from the stunning landscape of Ijen Crater to colorful cultural celebrations, have become an integral part of its brand identity. The warmth and hospitality of the local people add a unique appeal to the overall tourism experience, making visitors feel welcome and deeply connected to the destination.

In addition, Banyuwangi's commitment to innovation and sustainability sets it apart in a competitive tourism landscape. The district's proactive approach to adopting new technologies and sustainable practices ensures that Banyuwangi remains a forward-thinking and responsible destination. This commitment aligns with the preferences of modern travelers, increasingly prioritizing eco-friendly and socially oriented tourism options. Banyuwangi's remarkable success in tourism can be attributed to its well-planned Destination Image, which has attracted many tourists and earned recognition and acclaim within the tourism industry. As a marketing strategy focusing on digital platforms and technologies, Digital Marketing plays a key role in helping Banyuwangi expand its tourism market reach. This concept involves utilizing various online channels such as social media, websites, and mobile applications to reach a wider audience (Kitsios et al., 2021). In this digital era, where access to information is easier and faster, Digital Marketing has become an effective tool to build awareness, promote destination appeal, and increase potential traveler engagement(Kingsnorth, 2022; Riyadi, 2019).

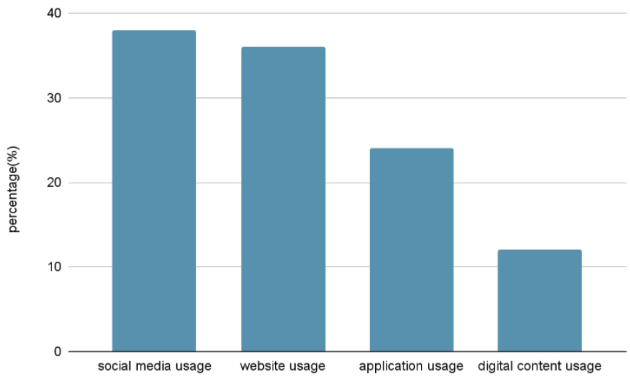


**Figure 5. Percentage of Tourist Preferences for Digital Marketing of Banyuwangi Tourism**
Source: Results of Data Analysis using NVivo 12 Plus, 2023

Based on the results of the survey conducted by the author, Figure 3 shows the percentage of digital marketing effectiveness carried out in promoting Banyuwangi tourism. The use of social media shows the highest percentage because most tourists get information through various social media platforms (Juska, 2021). The use of social media has emerged as one of the most effective digital marketing strategies to promote the tourism potential of an area(Melović et al., 2020). In the context of Banyuwangi, the government and tourism businesses have utilized social media, such as Facebook, Instagram, and Twitter, to reach tourists widely. The results show that the use of social media in promoting Banyuwangi tourism has reached a high level, where many tourists find information about this destination through these social media platforms.

In addition to social media, websites also play a crucial role in online tourism promotion efforts (Kushwaha et al., 2020). Official websites of tourist destinations, such as that of Banyuwangi, have provided complete and comprehensive information about the location, facilities, and tourist attractions. The following is the main page of the official Banyuwangi destination website.

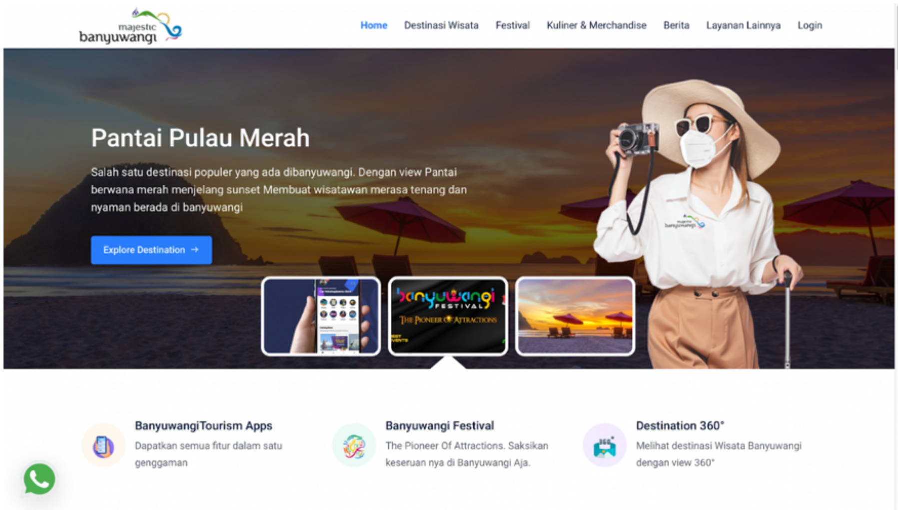


**Figure 6. Main Page Display of Banyuwangi Tourism Official Website**
Source: Banyuwangitourism, 2023

Banyuwangitourism is the Banyuwangi Regency tourism promotion website managed by the Banyuwangi Regency Culture and Tourism Office. Data shows that in the last year, investment in digital marketing by the Banyuwangi Tourism Office resulted in a significant spike in the number of visits to the destination's official website. There was a 40% increase in user traffic, indicating that the digital marketing strategy has successfully captured the attention of online users (Murniati et al., 2021). In addition, the survey also noted that more than 60% of potential travelers seek their travel information through digital platforms, signaling the importance of Banyuwangi's online presence.

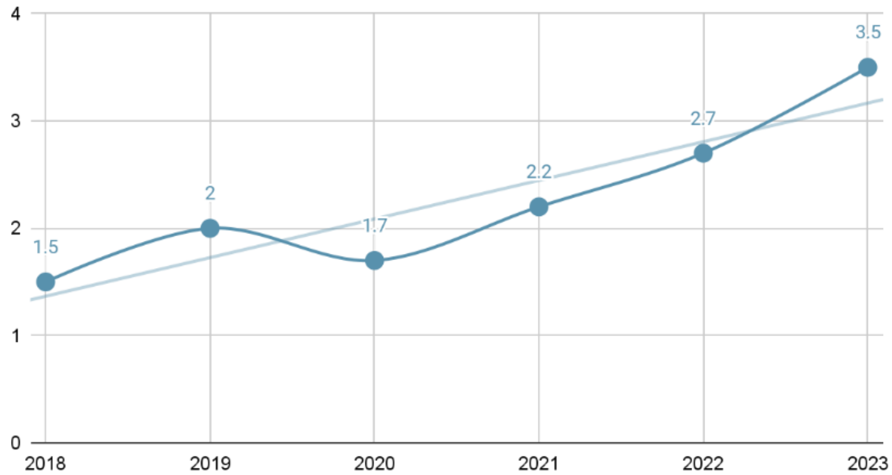


**Figure 7. Visit Trend of Banyuwangitoursim Official Website**
Source: Banyuwangitourism, 2023

The research findings show that the use of websites in promoting Banyuwangi tourism also reaches a high level. Tourists tend to visit the Banyuwangi website to get detailed information about the destination, according to the statistical analysis results, which show a high average value. Based on information from the Indonesian Internet Service Providers Association, the official website of Banyuwangi destination (banyuwangitourism.com) received 3.5 million visits in 2023, an increase of 50% compared to the previous year. This significant increase in the number of visits to the official website shows the success of the Banyuwangi Tourism Office in promoting Banyuwangi tourism through digital platforms.

In addition, mobile applications have also become a practical means of obtaining information about tourist destinations, booking tickets, and accessing transportation services. Although some tourists have yet to adopt the use of applications fully, the results show that the use of applications to promote Banyuwangi tourism has reached a moderate level. The statistical analysis reflects mean values showing a gradual acceptance of using apps to obtain Banyuwangi tourism information.

Digital content, such as photos, videos, and articles, is also key in attracting tourists. Attractive and informative content has great potential to encourage tourists' interest in visiting a particular destination (Blakeman, 2023). Research shows that using digital content to promote Banyuwangi tourism has reached a high level. Many tourists are exposed to this digital content, which materializes in beautiful photos, interesting videos, and informative articles about the charm of Banyuwangi. The statistical analysis results support this finding, showing that the mean value of using digital content to promote Banyuwangi tourism is at a high level.

The research analysis results show that Banyuwangi tourism's digital marketing efforts have reached a good level of effectiveness. The government and tourism businesses in Banyuwangi have successfully utilized various digital media platforms, including social media, websites, applications, and digital content, to promote Banyuwangi's tourism potential widely.

Nevertheless, several aspects need to be improved to increase the effectiveness of Banyuwangi tourism digital marketing. First, improving the quality of digital content produced is necessary. The quality of images, videos, and articles must be improved to impress potential tourists. Quality digital content attracts attention and can also be the main attraction that encourages tourists to visit Banyuwangi. Furthermore, collaboration between stakeholders related to tourism in Banyuwangi needs to be improved. Closer cooperation between the government, tourism businesses, and related parties can produce more interesting and informative digital content. This collaboration can create positive synergies, increase the competitiveness of Banyuwangi tourism, and reach tourists more effectively.

One important aspect that needs to be considered is increasing the target market in the digital promotion strategy. Besides focusing on domestic tourists, Banyuwangi must expand its reach to target foreign tourists. This step can be realized by producing digital content in English and other foreign languages so international audiences can access and understand it. Increasing this target market will open new opportunities to attract global tourists and expand the positive impact of Banyuwangi's digital marketing at the international level. By implementing improvements in these aspects, Banyuwangi Tourism's digital marketing can achieve a higher level of effectiveness. Continuing to improve content quality, collaboration between stakeholders, and targeting a more comprehensive market will positively contribute to advancing Banyuwangi tourism to a higher level and support the sustainable growth of the region's tourism sector.

The results of this study significantly impact Banyuwangi tourism development, providing deep insights into the strengths and weaknesses of this destination. One important implication of this research is a better understanding of tourists' preferences and behaviors (Bala & Verma, 2018). This can help the government and tourism industry players design experiences that suit market needs better. The research data shows that natural beauty, rich culture, and good tourism services have become the main attractions for tourists visiting Banyuwangi. Therefore, the government can further preserve and promote these assets as key selling points. Further emphasis on developing tourism infrastructure and training human resources in the sector can also enhance the tourist experience and improve Banyuwangi's competitiveness.

Another positive implication is the recognition and acceptance of the integrated marketing strategy that has been implemented. The focus on digital marketing, such as through social media, websites, mobile applications, and digital content, has successfully increased visits to the official website of Banyuwangi destinations. In this digital era, the government and industry players can continue to develop and improve their digital campaigns to ensure sustainable appeal(Kingsnorth, 2022).

In addition, the results show that Banyuwangi has achieved awards and recognition at the national and international levels. The implication is an improved Destination Image and reputation of the destination (Malesev & Cherry, 2021). The government and industry players can capitalize on these achievements to promote Banyuwangi as an excellent tourist destination.

Collaboration with authorities and private companies can strengthen promotional strategies and increase Banyuwangi's visibility at the global level.

In response to the research results, some strategic recommendations can be proposed to help the government and tourism industry players develop more effective marketing strategies and improve the competitiveness of Banyuwangi as a tourist destination. In this digital era, strengthening digital marketing strategies is key to achieving and maintaining tourist attraction. This recommendation includes further investment in creative and interactive social media campaigns, continuous updates to the destination's official website, and mobile application development that provides users added value. The use of creative digital content, including high-quality photos and videos, can be further enhanced to build strong appeal for Banyuwangi as a tourist destination (Blakeman, 2023; Chaffey & Ellis-Chadwick, 2019; Chen et al., 2021; Kingsnorth, 2022; Malesev & Cherry, 2021; Rodrigues et al., 2023).

Increasing content diversity, which encompasses information in English and other foreign languages, is essential for reaching an international audience (Malesev & Cherry, 2021). This diversification should not only include various types of content but also highlight the region's natural beauty, culture, and tourism activities, thereby creating a more complete and attractive impression for potential tourists (Rodrigues et al., 2023). Moreover, investment in human resources education and training within the tourism sector is crucial for improving service standards and ensuring sustainability (Camilleri, 2020). Training programs should cover aspects such as culture, safety, and interpersonal skills, enabling skilled employees to provide tourists with a more positive experience. This enhancement in service quality can significantly increase visitor satisfaction and positively impact the destination's image.

Collaboration between stakeholders including government entities, tourism industry players, and other related parties is vital for creating positive synergies. By aligning strategies, exchanging information, and collaborating on the development of new tourism products, all parties can reap mutual benefits (Kitsios et al., 2021).. This collaborative effort will also foster a strong sense of unity in marketing Banyuwangi's attractions. Additionally, implementing a continuous monitoring and evaluation system is crucial to assess the effectiveness of marketing strategies. Regular analysis of data on tourist visits, customer feedback, and other performance metrics will help identify successes and areas needing improvement (Rodrigues et al., 2023).. This ongoing evaluation allows the government and industry players to make necessary adjustments in response to changing market trends and traveler needs. By adopting these recommendations, the government and tourism industry can ensure that Banyuwangi remains an attractive and competitive tourist destination. Such measures will not only support local economic growth but also enhance community welfare while preserving Banyuwangi's natural and cultural beauty for future generations.

## CONCLUSIONS

From the results of this study, it can be concluded that Destination Image and Digital Marketing significantly influence tourists' interest in visiting Banyuwangi. Analysis of official marketing reports from the Banyuwangi local government provides important insights into the marketing strategies implemented, the focus of the Destination Image, the messages to be conveyed, and the expected impact on tourist interest. In addition, analysis of social media, digital promotional content, and identification of marketing trends also provide a holistic understanding of how Destination Image and digital marketing can influence tourist interest in

Banyuwangi. The survey results of 150 respondents show that integrated marketing efforts that optimize Destination Image and digital marketing can increase tourists' interest in visiting Banyuwangi.

Nevertheless, this study also identifies several aspects that need to be improved in Banyuwangi's tourism marketing strategy. One of them is improving the quality of digital content, collaboration between stakeholders, and targeting a broader market. Strategic recommendations include further investment in creative and interactive social media campaigns, continuous updates to the destination's official website, and mobile application development that provides users added value. By implementing these recommendations, the government and tourism industry players can ensure that Banyuwangi continues to develop as an attractive and competitive tourist destination.

The implications of this study's results significantly impact Banyuwangi tourism development, providing in-depth insights into the strengths and weaknesses of this destination. A better understanding of tourists' preferences and behaviors can also help the government and industry players design experiences that better suit market needs. In addition, this research also fills a knowledge gap in the tourism marketing literature by developing an integrated model to measure and understand the joint influence of Destination Image and digital marketing on travelers' interest. With a strong focus on Banyuwangi, this research is expected to provide more contextualized and relevant insights to enhance tourism attraction in this destination. As such, this research makes a significant contribution to the tourism marketing literature, providing a more holistic and applicable view to enhance the attractiveness of Banyuwangi as a tourist destination.

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