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### ANALYSIS OF THE EFFECT OF MARKETING PUBLIC RELATIONS, BRAND AWARENESS AND BRAND IMAGE ON THE INTERESTS OF MEDAN COMMUNITY IN BUYING GOODS THROUGH THE KPKNL MEDAN AUCTION

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#### Abstract:

This study aims to determine and analyze the effect of marketing public relations, brand awareness, and brand image on people's interest in buying goods through the KPKNL Medan auction. This type of research is quantitative research with causality research design. The type of data used is primary data and secondary data obtained from questionnaires and literature studies. The total population of this study was 515,649 households spread across 21 sub-districts in the city of Medan with a minimum income of 4 million rupiah per month. The sample in this study was 144 people. The analytical method chosen to analyze the data in this study is Structural Equation Modeling (SEM) with the AMOS statistical package. The results showed that marketing public relations had a positive and significant effect on people's interest in buying goods through the KPKNL Medan auction, brand awareness had a positive and significant effect on people's interest in buying goods through the KPKNL Medan auction, and brand image had a positive and not significant effect on people's interest in buying goods through the Medan KPKNL auction.

**Keywords:** marketing public relations, brand awareness, brand image, purchase interest

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#### 1. Introduction

Buying and selling transaction is one of the most common and most frequent business activities. The necessities of life are increasing and the population is also growing which lead to the rapidly increased sale-making and purchase transactions from year to year. In the transaction activities, the sale and purchase activities are carried out in various ways, and one of the common options is through an auction mechanism.

Auction is the sale of goods that are open to the public with a written and / or verbal price quote that is increasing and or decreasing in order to get the highest price, which is preceded by an auction announcement. The definition of auction as referred to in Article 1 Sub 17 of Law Number 19 of 2000 concerning Tax Collection by Forced Letter states that the auction is the sale of goods in public by means of an oral and / or written price quote through a business of collecting interested ones or prospective buyers.

According to Riyanto, et al. (2016), the price formed in the auction process is a direct interaction between the offer from the seller and the demand from the buyer which is carried out with a typical bid auction, so that it becomes the optimal price for both parties. One of the things that distinguish auctions from ordinary sales is the auction announcement to collect as many prospective buyers as possible. Goods that can be transacted at auction are anything that can be sold or rights that can be sold, so in this case, including but not limited to land, buildings, vehicles, machinery, and scrap goods. Thus, what is sold at auction in this case are goods, not jobs as intended in the project tender. However, in daily life, people are more familiar with job project tenders compared to goods auctions. The goods auction began to be recognized after being socialized by the Office of State Assets and Auction Services (KPKNL) which is one of the echelon III units of the Directorate General of State Assets (DJKN) - Ministry of Finance of the Republic of Indonesia.

KPKNL as a government-owned auction institution is currently and widely unknown by the public. According to Hidayati (2012), only a small portion of the public are aware of the auctions conducted by the KPKNL, and if this is not taken seriously, it will eliminate the role of the KPKNL as a government agency that aims to take care of and settle State Receivables through selling in an auction or settlement outside the auction.

The pre-research results show that the interest of the people of Medan to buy goods through auctions is substantial, and can be an excellent target market for the Medan KPKNL. On the other hand, the most visible effect of not meeting the interest in buying goods through an auction is the lack of information on auction service provider, which causes an increasing number of people who are deceived when buying auction goods to parties and / or institutions whose capacity as auction organizers considered minor.

The Medan KPKNL activities that provide information and educate the public regarding the auction to demonstrate their existence in the auction field are carried out

through marketing public relations activities. However, the results of this pre-study show that the Medan KPKNL lacks marketing public relations activities, so that many people do not yet know about buying and selling through auctions and the lack of public recognition of the Medan KPKNL as a government auction service provider.

According to Kotler and Keller (2016) marketing public relations can build brand awareness by placing news in the media to attract people's attention to a product, service, person, organization, or idea. Marketing Public Relations is needed to build KPKNL brand awareness as a credible auction service provider. Based on the preresearch results, it is also seen that most of the people of the city of Medan are unaware of the existence of the Medan KPKNL as a government-owned auction organizer. Based on the brand awareness pyramid (Aaker, 2008) the KPKNL Medan position is in the unaware of brand, which is the lowest level in the brand awareness pyramid where the consumer is uninformed of a brand familiarity.

In addition, based on the direction of the Auction Directorate at the beginning of 2019, efforts are needed for each KPKNL to improve the strengthening of the KPKNL image as a professional and integrated auction institution, as well as strengthening professional organizations related to the auction in order to realize reliable human resources in managing the auction. To enhance the strengthening of the image, the Medan KPKNL has strived for reliable and integrity Auction Officers to work according to the Standard Operating Procedures applied. In addition, organizing events have also aimed at introducing and educating the public regarding auction, such as the "Charity Auction for the Nation" along with "Auction Goes to Campus."

#### 2. Literature Review

#### 2.1 Marketing Public Relation

In his book entitled The Marketer's guide to Public Relations Thomas L. Harris (1998) explains the concept of marketing public relations as a process of planning, implementing and evaluating programs that can stimulate purchasing and customer satisfaction through communication about reliable information and through positive impressions arising from and related to the identification of the company or its products according to the needs, desires, and interests of its consumers. Ruslan (2007) said that marketing public relations is a combination of program implementation and marketing strategy with Public Relations work program activities in an effort to expand marketing and to achieve customer satisfaction. From the above understanding, it can be concluded that there is a very close relationship between marketing and public relations, public relations is part of marketing activities where both are equally related to the public (guests) to strengthen good relations between guests and the company so that it can add value to the company in the eyes of the public. Thus, marketing public relations is a combination of program implementation and marketing strategies with the activities of the public relations work program.

According to Ruslan (2007), the objectives of marketing public relations are:

- 1) Developing a positive image of the company (corporate image) towards the external public or the wider community, in order to achieve mutual understanding for both parties.
- 2) Fostering positive relationships between employees (company employees) and between employees and leaders or vice versa, so that it will grow corporate culture that refers to discipline and work motivation as well as high professionalism and have a sense of belonging to the company well.
- 3) Encourage the achievement of mutual understanding between the target public and the company.

Kotler (2016) also mentioned that marketing public relations strategies include consumer-related activities including:

- 1) **Publication** communication activities to reach and influence targets include annual reports, brochures, articles, audio visuals, company magazines.
- 2) **Event** the event attracts the target audience to products or other company activities by organizing an event or participation in certain events such as seminars, conferences, sports, anniversaries, as well as sports and cultural sponsorships that will reach the target community.
- 3) **News** activities aimed to find and create information that supports companies and products.
- 4) **Public service activities** activities carried out by companies to improve good relations with the community through donations, social action.
- 5) **Speech** activities intended to give lectures or fill events on various types of activities.
- 6) **Media identity** the identity or characteristics of the company such as logos, colors, and slogans.

#### 2.2 Brand Awareness

Aaker (2006) defines brand awareness as the ability of a prospective buyer to recognize or recall that a brand is part of a particular brand category. Brand Awareness and its relationship with buying interest affect the equity of a brand. Brand awareness will affect the perception and behavior of a consumer. Therefore, increasing consumer awareness of brands is a company's priority to build strong brand equity. Prayitno and Harjanto (2017) stated that the need for conventional forms of communication was initiated by introducing a product (Brand Awareness) as an initial stage, known as the goal of cognition. Consumer awareness of brands can be used by companies as a means to provide a deeper understanding of a brand to consumers. Companies can create brand awareness values so that consumers can better understand the brand message to be conveyed. Here are the brand awareness values created by the company:

1) An anchor that is a hook for another association is a metaphor. It also means that a high level of brand awareness will make it easier for marketers to attach an association to the brand because the brand has been stored in the minds of consumers.

- 2) Preference. High brand awareness can cause consumers to have a keen preference to the brand.
- 3) Commitments. If the awareness of a brand is high, then consumers can always feel the presence of the brand.
- 4) Consideration. When consumers make a purchase decision, a brand that has a high level of brand awareness will always be stored in the minds of consumers and will be taken into consideration by consumers.

#### 2.3 Brand Image

Brand image is one part of brand equity. Kotler and Keller (2016) state that brand imagery describes the extrinsic properties of the product / service including the ways in which the brand attempts to meet customers' psychological or social needs (explains the extrinsic nature of the product / service including the way the brand tries to meet psychological or social needs of customers).

Sangadji and Sopiah (2013) argue that brand image is a set of memories that are in the minds of consumers about a brand, both positive and negative. A positive brand image will benefit producers to be better known to consumers. In other words, consumers will make their choice to buy products that have a good image. Vice versa, if the brand image is negative, consumers tend to consider further when buying products.

According to Simamora (2011) there are three components of brand image, namely:

- 1) The image of the manufacturer (corporate image), which is a collection of associations that consumers perceive of the company that makes a product or service.
- 2) User image, a collection of associations that consumers perceive of users who use goods or services that include the user itself, lifestyle or personality, and social status.
- 3) Product image, a collection of associations that consumers perceive of a product which includes the attributes of the product, benefits for consumers, their usage, and guarantees.

The factors forming brand image according to Schiffman and Kanuk (2013) include:

- 1) The quality offered by manufacturers with certain brands.
- 2) Can be trusted or relied upon.
- 3) Having uses or benefits.
- 4) Services, related to the duties of producers in serving consumers.
- 5) Risks associated with profit and loss experienced by consumers.
- 6) Price, related to the high and low costs incurred by consumers to get a product.
- 7) Image of the brand itself in the form of views, agreements, and information relating to a brand.

#### 2.4 Interest in Buying

Interest in buying (willingness to buy) is part of the behavioral component in the attitude to consume. Consumer buying interest is the stage where consumers form their choice among several brands incorporated in the device of choice, then in the end make a purchase of an alternative they like better or the process through which consumers go to buy an item or service based on various considerations (Sukmawati and Suyono, 2012). Kotler and Keller (2016) state that consumer buying interest is a consumer behavior where consumers have the desire to choose, use, and consume or even buy a product offered. Meanwhile, according to Simamora (2011) buying interest in a product arises because there is a basis of trust in the product accompanied by the ability to buy the product.

Assael (2002) explains some factors that influence consumer buying interest which include:

- 1) Environment, the surrounding environment can influence consumer buying interest in the selection of a particular product.
- 2) Marketing stimulus, marketing seeks to stimulate consumers so that it can attract consumer buying interest.
- 3) According to Ferdinand (2006), indicators of buying interest include:
- 4) Transactional interest which is related to a person's tendency to buy products.
- 5) Referential interest which is related to a person's tendency to refer products to other people.
- 6) Preferential interest which is associated to the behavior of an individual who has a major preference on the product.
- 7) Explorative interest which shows the behavior of an individual who is always looking for information about the product of interest and looking for other information that supports the positive qualities of the product.

#### 3. Research Methods

The population of this research is the people in the city of Medan. The total population of this study was 515,649 households spread across twenty one sub-districts in the city of Medan (BPS Medan City, 2018). In this study the sampling technique used is nonprobability sampling with purposive sampling technique. The reason researchers use the Purposive Sampling technique is because not all samples have criteria that fit the phenomenon under the study. Therefore, the authors chose the Purposive Sampling technique that sets certain criteria that must be met by the samples used in this study. In this study the samples are:

- 1) The people of Medan in the working age range from 18 years to 60 years (based on article 68 of Law Number 13 of 2003 concerning Employment).
- 2) The people of Medan city with middle to upper income i.e. IDR. 56,000,000.00 / year or IDR. 4,700,000.00 / month (BPS, 2019). However, in this study the authors

took a sample with respondents who have income above IDR. 4,000,000.00 / month.

The number of samples in this study was determined by referring to the study of Hair et al. 1995, in Ferdinand 2002, the sample size for Structural Equation Modeling (SEM). Thus, the number of samples in this study was determined by the number of indicators multiplied by number 6, which can be seen as follows:

Number of Samples = Number of Indicators x 6

- $= 24 \times 6$
- = 144 samples

The analytical method chosen to analyze the data in this study is Structural Equation Modeling (SEM) with the help of AMOS software.

#### 4. Results and Discussion

#### 4.1 Results

Marketing public relations is a latent variable measured by 8 (eight) indicators, namely publication through print media (X1.1.1), publication through social media (X1.1.2), informative news (X1.2.1), accessible news (X1.2.2), event organizing information (X1.3.1), event frequency (X1.3.2), knowing Medan KPKNL as auction organizer (X1.4.1), easy to remember logos (X1.4.2).

Brand Awareness is a latent variable that is measured by 6 (six) indicators which are known as the organizer (X2.1.1), the type of auctioned goods recognition (X2.1.2), always remember (X2.2.1), often referred to (X2.2.2), memorable logo (X2.3.1), remember the slogan (X2.3.2). Brand Image is a latent variable measured by 4 (four) indicators, namely professional organizers (X3.1.1), credible management (X3.1.2), guaranteed goods (X3.2.1), conditions fitting to the auction announcement (X3.2.2).

Purchase Interest is a latent variable measured by 6 (six) indicators, namely organizer information inquiry (Y.1.1), seeking for auction procedure information (Y.1.2), the intention of looking for information at <a href="www.lelangdjkn.kemenkeu.go.id">www.lelangdjkn.kemenkeu.go.id</a> (Y.2.1), First Choice (Y.2.2), Interested in buying auctioned goods (Y.3.1), and willing to be an auction participant (Y.3.2)

The following are the results of testing for normality from the data.

**Table 1:** Results of Assessment of Normality

Variable	Min	Max	Skew	C.R.	Kurtosis	C.R.
Y3.2	1,000	4,000	-,008	-,038	-,684	-1,675
Y3.1	1,000	5,000	,118	,577	-,484	-1,186
Y2.2	1,000	5,000	,005	,023	-,707	-1,731
Y2.1	1,000	5,000	,262	1,282	-,533	-1,306
Y1.2	1,000	5,000	,145	,709	-,468	-1,147

Y1.1	1,000	5,000	,171	,836	-,687	-1,684
X3.1.1	1,000	5,000	,051	t		
	· ·		-	,252	-,761	-1,865
X3.1.2	1,000	5,000	,159	,780	-,586	-1,434
X3.2.1	1,000	5,000	-,002	-,011	-,811	-1,988
X3.2.2	1,000	5,000	,110	,539	-,610	-1,494
X2.1.1	1,000	5,000	,014	,068	-,766	-1,877
X2.1.2	1,000	5,000	,178	,872	-,581	-1,423
X2.2.1	1,000	4,000	-,032	-,158	-,987	-2,418
X2.2.2	1,000	4,000	-,071	-,349	-,774	-1,896
X2.3.1	1,000	4,000	-,003	-,015	-,845	-2,071
X2.3.2	1,000	5,000	,136	,668	-,591	-1,447
X1.4.2	1,000	4,000	,057	,281	-,566	-1,386
X1.4.1	1,000	4,000	,085	,418	-,363	-,890
X1.3.2	1,000	4,000	-,090	-,440	-,828	-2,027
X1.3.1	1,000	4,000	,207	1,016	-,348	-,853
X1.2.2	1,000	4,000	,161	,787,	-,720	-1,764
X1.2.1	1,000	4,000	,197	,963	-,527	-1,290
X1.1.2	1,000	4,000	,013	,064	-,757	-1,855
X1.1.1	1,000	4,000	,267	1,309	-,307	-,753
Multivariate					30,408	5,165

Based on Table 1, it can be seen that there is no CR skewness value and the value of CR kurtosis is between -2.58 to +2.58 at a significance level of 0.01 (1%). This shows that the data are normally distributed both individually and together.

In addition to detecting multivariate outliers is done by looking at and observing the value of *mahalanobis* distance. The mechanical distance for each observation can be calculated and will show the distance of an observation from the average of all variables in a multidimensional space (Hair et al., 1995; in Ferdinand, 2006). This *mahalanobis* distance is calculated based on the chi-square table at a free degree of 24 (number of indicators) at the test level  $\alpha = 0.001$  or  $\lambda 2$ . The following are the outlier test results from this study.

Table 2: Outliers Test Results

Observation number	Mahalanobis d-squared	p1	p2
44	47,431	,003	,348
28	44,197	,007	,280
18	43,362	,009	,143
45	42,455	,011	,085
24	41,090	,016	,087
84	40,525	,019	,055
54	40,432	,019	,022
70	39,333	,025	,030
106	39,132	,026	,015

142	38,505	,031	,014
2	37,314	,041	,034
75	37,064	,043	,022
48	21,227	,625	,671
100	21,061	,635	,697
42	20,922	,643	,709
		••••	
		••••	••••
		••••	
		••••	
89	20,058	,693	,786
33	20,052	,694	,733
35	19,902	,702	,748
19	19,875	,704	,702
1	19,823	,707	,665

Table 2 shows that the lowest expensive aerobic distance is 19.823 and the highest is 47.431 so it can be concluded that the model does not have multivariate outliers in data processing. *Mahalanobis* output distance can be seen in Table 4.28 below (24; 0.001) = 51.179. Therefore, data that has an expensive aerobic distance greater than 51,179 are multivariate outliers. Full model Structural Equation Modeling (SEM) analysis is intended to test the developed models and hypotheses. The results of data processing for SEM analysis are shown in the following figure:

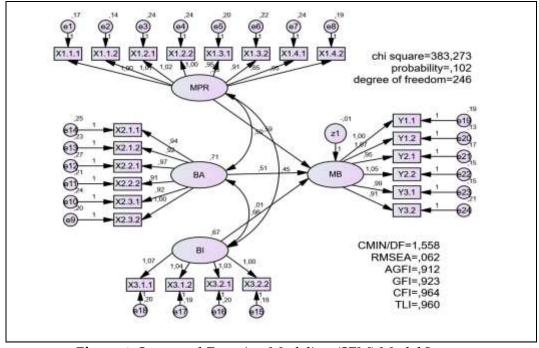


Figure 1: Structural Equation Modeling (SEM) Model Image

This match analysis is intended to evaluate in general the degree of compatibility or Goodness of Fit (GOF) between the data and the model. Goodness of Fit measurements can be seen in Table 3.

Goodness of Fit Index	Cut off Value	Result	Evaluation
Chi square	Expected small	383,273	Good
Probability	≥ 0,05	0,102	Good
CMIN/DF	≤ 2,00	1,558	Good
RMSEA	≤ 0,08	0,062	Good
AGFI	≥ 0,90	0,912	Good
GFI	≥ 0,90	0,923	Good
CFI	≥ 0,95	0,964	Good
TLI	≥ 0,95	0,960	Good

**Table 3: SEM Model Test Results** 

Based on Table 3, it can be seen that the measurement of goodness of fitness shows a good match. This indicates that the overall fit of the model is good, which indicates that the overall model meets the criteria of model fit. After the compatibility of the data with the overall model and the suitability of each measurement model found good, the last step that must be done in the compatibility analysis section is to analyze the structural model compatibility. In evaluating the suitability of this structural model, there are two things that must be considered, namely:

- 1) t- value of the parameters seen from the value of the critical ratio (cr), where t-value is the value of the significance of the parameters that are expected to provide useful information about the relationship between latent variables. The limit for rejecting or accepting a relationship with a significance level of 5% is 1.96 (> 1.96). The following are the results of the evaluation of the t-value in this study.
  - a. Marketing Public Relations (MPR) to Purchase Interest (MB) = 2,499> 1.96 which indicates that the parameter value is significant.
  - b. Brand Awareness (BA) of Purchase Interest (MB) = 2.123> 1.96 which indicates that the parameter value is significant.
  - c. Brand Image of Purchase Interest (MB) = 0.048 <1.96 which indicates that the parameter value is not significant.
- 2) The sign (direction) of the relationship, where this indicates whether the outcome of the relationship between these latent variables has an influence as hypothesized, as follows:
  - a. Marketing Public Relations (MPR) to Purchase Interest (MB) = 0.589 which indicates that the marketing public relations variable has a positive influence on the buying interest variable.
  - b. Brand Awareness (BA) of Purchase Interest (MB) = 0.510 which indicates that the brand awareness variable has a positive influence on the buying interest variable.

c. Brand Image of Purchase Interest (MB) = 0.005 which indicates that the brand image variable has a positive influence on the buying interest variable.

From the above explanation it can be concluded that all parameter values of the latent variables in the structural model significantly have a positive influence on their endogenous latent variables. Table 4 summarizes the results of the evaluation of the structural model in this study.

			Estimate	S.E.	C.R.	P	Conclusion
MB	<	MPR	,589	,236	2,499	,012	Positive and significant effect
MB	<	BA	,510	,240	2,123	,034	Positive and significant effect
MB	<	BI	,005	,111	,048	,962	Positive and not significant effect

**Table 4:** Evaluation of Structural Model Coefficients

Based on Table 4, it can be stated that the structural equation of this research is:

Y = 0.589 X1 + 0.510 X2 + 0.005 X3

#### 4.2 Discussion

### 4.2.1 The Influence of Marketing Public Relations towards Community Interest in Medan City Buying Goods through the Medan KPKNL Auction

The research results showed that the marketing public relations variable had a positive and significant influence on buying interest decisions. This means that if marketing public relations is good, it will increase the buying interest of the people of Medan through the Medan KPKNL auction. Vice versa, if marketing public relations is bad, then the level of buying interest of the people of Medan to buy goods through the KPKNL Medan auction will continue to decline.

Based on the research results, from the publication dimension, it is summarized that the average respondent never knew of publications related to the Medan KPKNL auction in print media, or in social media. During the industrial revolution 4.0, the use of digital media as a publication tool can accelerate the reception of information and can be an effective marketing medium, especially to millennial as the biggest social media users. Social media also allows market participants to communicate with fellow producers, customers and or prospective customers. Marketing public relations activities carried out by the Medan KPKNL can stimulate people's curiosity about what auctions are, attracting buying and selling through the Medan KPKNL auction, which will have an impact on increasing the buying interest of Medan city people to use auction services. In brief, KPKNL Medan does not use the opportunity to optimize social media in marketing public relations efforts to the people of the city of Medan.

Furthermore, marketing public relations conducted by the Medan KPKNL from the news dimension based on research results shows that the news about the Medan KPKNL auction is not easy to find. This has an impact on the lack of good information

about what items are auctioned by the Medan KPKNL and the procedure to become an auction participant. Thus, it caused a positive and significant impact on the low interest of the people of Medan in using auction services.

Marketing public relations conducted by the Medan KPKNL from the event dimension is still very rarely known by the people of Medan. The DJKN Goes To Campus event for students to bring the auction closer to students in Medan, the Charity Auction event that provides auction simulation sessions to the public, and even the 110 Year Auction event which was the peak event of the Directorate of Auction in 2018 held by the organizers of the city of Medan was not known to many people in Medan. The thing that influences this condition is the difficulty in obtaining information on the organization of auction events, so that auction events held by the Medan KPKNL are not attended by the wider Medan community. In addition, the holding of events has rarely been done.

As an auction organizer, the KPKNL Medan media identity is not yet well known in the community. People in Medan do not know the Medan KPKNL as an organization that provides auction services to the public. The Medan KPKNL logo and the slogan "KPKNL Medan PATEN" are also not well known in the Medan city community. According to Nuzula, Ramadhani (2016), corporate identity will increase brand awareness and introduce to the public the products and services offered by the company. The effort to introduce media identity to the public is a marketing public relations effort needed to realize the presence of the Medan KPKNL brand in the midst of Medan city society.

The results of this study are marketing public relations and a significant positive effect on buying interest. This is supported by research by Niati and Prabowo (2015) and Sari (2018) which states that marketing public relations has a positive and significant influence on buying interest. Purchasing interest can escalate if marketing public relations conducted by the Medan KPKNL to the people of Medan increases.

## 4.2.2 The Effect of Brand Awareness on Community Interest in the City of Medan Buying Goods through the Medan KPKNL Auction

The results showed that the brand awareness variable had a positive and significant influence on buying interest decisions. This means that if the Medan KPKNL brand awareness is good, it will increase the buying interest of the Medan city community to purchase Medan KPKNL auction goods. Vice versa, if brand awareness is bad, then the level of buying interest of the people of Medan to buy goods through the Medan KPKNL auction will decrease. From the dimension of ability to recognize, it summarized that the average respondent did not recognize the Medan KPKNL brand as the auction organizer and did not know the position of the Medan KPKNL as the only government agency providing auction services. And respondents also did not know that the Ministry of Finance had vertical units in the area under the Medan KPKNL brand.

Furthermore, based on the dimension of ability of recognition, based on the results of the study it was seen that with or without the help of any tools or information, respondents could not remember the Medan KPKNL as the auction organizer. Based on the theory of the Aaker's brand pyramid (2006), with regard to these conditions, the KPKNL Medan brand belongs to the unaware of the brand, which is the lowest level of brand awareness.

In increasing brand awareness, we need an interesting symbol to remind people of a brand. Interesting symbols can be in the form of logos and slogans. The majority of people in Medan do not recognize the KPKNL Medan logo, both their shape and color. Likewise with the slogan KPKNL Medan, which is also unknown by any of the respondents in this study. Suliastyari (2012) in his research stated that a brand that is known by the buyer will cause interest in a product. So it is very important to make the people of Medan aware of the existence of the Medan KPKNL in order to increase the number of auction buyers.

The results of this study show that brand awareness has a positive and significant effect on buying interest. This is supported by research by Orlando (2015) and Maulidi (2017) which states that brand awareness has a positive and significant effect on buying interest. Interest in buying can increase if the brand awareness of the KPKNL Medan increases in the minds of the people of the city of Medan.

### 4.2.3 The Effect of KPKNL Medan Brand Image on Community Interest in Medan to Buy Auction Items

The results showed that the brand image variable had a positive and not significant effect on buying interest decisions. The majority of respondents answered doubtfully from the dimensions of the corporate image and product image of the KPKNL Medan. This means that the increasing interest of the public in buying Medan KPKNL auction goods does not reflect the high brand image of KPKNL Medan as the organizer of the government auction. Vice versa, the low public interest in buying Medan KPKNL auction goods does not reflect the poor brand image of Medan KPKNL as a government auction organizer.

From the corporate image indicator, the Medan KPKNL is believed to be a credible auction organizer. This trust arises from the position of the Medan KPKNL as a government-owned auction institution and is under the Ministry of Finance. According to research conducted by Ambarwati, et al (2015), the better the image of a company, the products of these companies will be more easily accepted by consumers. A good corporate image will make it easier for people to be interested in trying to become Medan KPKNL auction participants.

As for the product image, respondents believe that the goods auctioned by the Medan KPKNL are free from lawsuits and can be mastered when declared the winner of the auction and pay the auction price and administrative costs. In Table 4.24 the indicator of the brand image variable that most influences buying interest is legally safe goods. Respondents' confidence in the image of Medan KPKNL auctioned goods is that

the goods auctioned will be free of lawsuits. This is based on the consideration that the Medan KPKNL is a government-owned institution, which in the event of legal problems in the future of auctioned goods, the Medan KPKNL can guarantee and provide settlement compared to buying goods to other parties. The better the image of a product, the consumer will be interested and have an interest in buying the product (Ambarwati, et al., 2015)

As an auction organizer, the image of the Medan KPKNL is still in doubt in the community. A good company is a company that is able to create a good brand image to the community and successfully uses that brand image to convince the market to use its products and services. It is found that there is no effect on the brand image of the KPKNL Medan on the interest in buying auctioned goods is probably due to the fact that the public has more confidence in the auction institutions under the government. However, people of Medan do not know what products they can buy through the KPKNL Medan auction as well as on how to become an auction participant. The desire to buy auctioned goods does not continue to the direct decision to buy auctioned goods due to lack of information related to attracting buying goods through auctions. The public has not been educated on the correct procedure for purchasing auctions. So many people are deceived when buying auctioned goods because of the lack of understanding on matters such as who the auctioneer is, what items can be auctioned, and how to follow the auction procedures. This has caused public confidence view on the brand image of the KPKNL Medan to be doubtful.

The results of this study show that brand image has a positive but not significant effect on buying interest. This is supported by research from Pradipta (2012), which states that brand image has a positive and not significant effect on buying interest.

#### 5. Conclusion

The conclusions that can be stated in this study are as follows:

- 1) There is a positive and significant influence between marketing public relations on buying interest.
- 2) There is a positive and significant influence between brand awareness on buying interest.
- 3) There is a positive but not significant effect between brand images on buying interest.

#### 5.1 Suggestions

- 1) The Medan KPKNL needs to increase auction publications through the spread of auction news with a wider range so that the brand awareness and brand image of the KPKNL Medan get closer to the minds of Medan city people which will lead to the increase of buying interest.
- 2) Medan KPKNL needs to increase publications through print media by distributing brochures about auctions in crowded places, such as at certain

- events in the city of Medan, one of which is the distribution of brochures during a car free day in the city center.
- 3) Increasing publications through social media by spreading news about the auction, both news on auctioned goods and the time and place of the Medan KPKNL auction event through Facebook and Instagram to capture the attention of millennial that are very active in the online world. So that news about the auction can be received by the public in real time.
- 4) To provide interesting information to the public, Medan KPKNL can make marketing public relations efforts by making tutorial instructions and auction simulations through a short video on YouTube. Submitting through interesting videos will quickly convey auction education messages rather than reading auction articles in print media.
- 5) Given the current lack of public interest in reading newspapers, auction announcements also need to be disseminated through Medan KPKNL's official online media. Thus, it will also reduce the risk of deceiving people who are interested in buying auctioned goods from parties who are not authorized to hold the auction.
- 6) The Medan KPKNL needs to increase the frequency of Medan KPKNL auction events conducted by choosing a strategic venue for events. So it is easy to get the attention of the general public, one of them is by participating in an event held in Medan shopping center. In addition, the spread of news about the organization of the Medan KPKNL auction event must also be done more vigorously both through print, electronic and digital media.
- 7) Limitations found in this study can be used as research material in the future. Future research should be able to broaden the scope of research by analyzing other variables that influence people's interest in buying auctioned goods at the KPKNL Medan.

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