

NFTS AND BRANDING: A MARKETER'S GUIDE TO THE DIGITAL ART CRAZE

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ABSTRACT

This research explores the integration of Non-Fungible Tokens (NFTs) into branding strategies within PT. BISI International, Tbk, focusing on the agricultural sector. Utilizing a quantitative approach with a sample of 80 participants, the study investigates the direct and indirect effects of Social Media Engagement (SME) and Marketing Strategy Adoption on Consumer Perception and Market Understanding of NFTs and Branding. The findings reveal significant direct effects of Social Media Engagement and Marketing Strategy Adoption on Consumer Perception and Market Understanding of NFTs and Branding, highlighting the pivotal role of social media engagement and strategic adoption of NFTs in shaping consumer perception and market understanding. Moreover, the study identifies a significant indirect effect of Social Media Engagement on Market Understanding of NFTs and Branding through Consumer Perception, underscoring the mediating role of consumer perception in driving market understanding. However, the indirect effect of Marketing Strategy Adoption on Market Understanding of NFTs and Branding through Consumer Perception is found to be non-significant, suggesting a nuanced relationship between marketing strategy adoption, consumer perception, and market understanding. These insights provide valuable implications for marketers seeking to leverage NFTs to enhance brand positioning, consumer engagement, and market understanding within the agricultural sector.

Keywords : Branding Strategies, Market Understanding, Consumer Perception, Social Media Engagement, Marketing Strategy Adoption

INTRODUCTION

The rise of Non-Fungible Tokens (NFTs) has created a seismic shift in the landscape of digital art and branding, prompting a surge of interest among marketers seeking to understand and leverage this phenomenon [1]. In this digital era, where authenticity and uniqueness are increasingly valued, NFTs have emerged as a groundbreaking technology, enabling creators to tokenize their digital assets and certify ownership through blockchain [2]. The convergence of NFTs and branding presents a unique opportunity for marketers to explore new avenues of engagement and monetization, but it also raises questions about the implications for traditional branding strategies and consumer perceptions [3]. As NFTs continue to capture headlines and reshape the digital art market, it becomes imperative for marketers to gain a comprehensive understanding of this digital art craze and its implications for branding strategies [4].

Market Understanding of NFTs and Branding encompasses the comprehension and awareness within the marketing community regarding the integration of Non-Fungible Tokens

(NFTs) into branding strategies [5]. As NFTs gain prominence in the digital art space, marketers are increasingly seeking to understand their potential impact on brand identity, consumer engagement, and market positioning [6]. This entails grasping the technical aspects of NFTs, such as their underlying blockchain technology and the process of tokenization, as well as the broader implications for brand storytelling, value proposition, and monetization strategies [4]. Market understanding also involves staying abreast of trends, best practices, and case studies within the realm of NFTs and branding, recognizing both the opportunities and challenges they present [2]. Effectively navigating this landscape requires marketers to not only comprehend the mechanics of NFTs but also to discern how they can be strategically utilized to enhance brand equity, foster customer loyalty, and differentiate offerings in a crowded marketplace. As such, a comprehensive market understanding of NFTs and branding is essential for marketers to capitalize on this emerging trend and drive sustainable business growth [1].

Social Media Engagement refers to the active interaction and participation of users on various social media platforms such as Twitter, Instagram, Facebook, and TikTok [7]. It encompasses a spectrum of actions, including likes, shares, comments, mentions, and direct messages, that reflect the degree of audience involvement with a brand's content [6]. In the context of NFTs and branding, social media engagement plays a pivotal role in shaping perceptions, generating buzz, and fostering community around digital artworks and branded NFT collections [8]. Marketers leverage social media as a powerful tool for storytelling, showcasing the uniqueness of NFTs, and creating immersive experiences that resonate with audiences. By crafting compelling content, utilizing relevant hashtags, and fostering dialogue with followers, brands can amplify their reach and influence within the NFT ecosystem [9]. Moreover, social media serves as a hub for discovery, enabling users to explore, share, and collect NFTs, thereby driving demand and increasing market liquidity [10]. Analyzing social media engagement metrics provides valuable insights into audience preferences, sentiment trends, and the effectiveness of marketing strategies, empowering brands to refine their approach and cultivate meaningful connections with their target audience [5]. In essence, social media engagement serves as a catalyst for driving awareness, engagement, and adoption of NFTs within the broader context of branding initiatives [11].

Marketing Strategy Adoption refers to the process by which brands integrate Non-Fungible Tokens (NFTs) into their overall marketing plans and activities [12]. In the rapidly evolving landscape of digital art and branding, marketing strategy adoption involves identifying opportunities to leverage NFTs as a novel medium for storytelling, engagement, and revenue generation [13]. This entails developing comprehensive strategies that encompass tokenization of digital assets, NFT creation and distribution, community building, and promotional campaigns tailored to resonate with target audiences [14]. Brands are increasingly recognizing the potential of NFTs to enhance brand equity, foster customer loyalty, and differentiate offerings in a competitive market [15]. By embracing NFTs within their marketing strategies, brands can tap into new revenue streams, forge deeper connections with consumers, and position themselves at the forefront of innovation in the digital space [16].

Consumer Perception refers to the subjective interpretation and evaluation of Non-Fungible Tokens (NFTs) and branding initiatives by individuals within the target audience [17]. In the context of NFTs, consumer perception encompasses a range of factors including perceived value, authenticity, trust, and emotional connection with

the brand [18]. Consumers' attitudes and beliefs regarding NFTs play a crucial role in shaping their purchasing decisions and willingness to engage with branded NFT collections [19]. Marketers must understand and influence consumer perception through transparent communication, delivering high-quality content, and fostering community engagement to build trust and credibility [20]. Furthermore, consumer perception serves as a moderating factor in the relationship between NFTs, branding efforts, and market understanding, highlighting the importance of aligning branding strategies with consumer preferences and expectations [21].

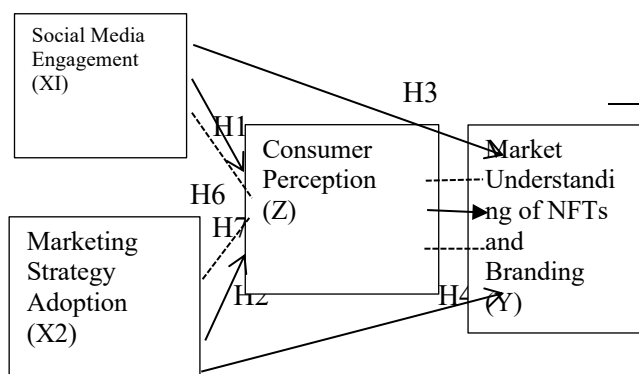
In the context of PT. BISI International, TBk, the variables outlined—Market Understanding of NFTs and Branding, Social Media Engagement, Marketing Strategy Adoption, and Consumer Perception—would manifest in distinct ways within the company's operations. Market Understanding of NFTs and Branding would involve the company's comprehension of how Non-Fungible Tokens (NFTs) can be integrated into its branding strategies to enhance market positioning and consumer engagement, particularly within the agricultural sector it operates in [22]. Social Media Engagement would pertain to the level of interaction and resonance of BISI International's NFT-related content on platforms like Twitter, Facebook, and LinkedIn, reflecting the interest and involvement of stakeholders, including farmers, distributors, and investors [23]. Marketing Strategy Adoption would involve the formulation and implementation of strategies to incorporate NFTs into the company's marketing plans, such as tokenizing agricultural data, offering NFT-based rewards programs, or launching limited-edition digital collectibles tied to agricultural milestones [24]. Finally, Consumer Perception would encompass stakeholders' perceptions of the value proposition, authenticity, and trustworthiness of BISI International's NFT initiatives, influencing their acceptance and adoption within the agricultural community and beyond.

One of the primary phenomena or challenges in researching the integration of Non-Fungible Tokens (NFTs) and branding within PT. BISI International, TBk lies in navigating the agricultural sector's traditional frameworks and technological advancements represented by NFTs. This juxtaposition presents a unique landscape where the adoption of innovative digital assets like NFTs may face resistance or skepticism from stakeholders accustomed to conventional agricultural practices. Additionally, bridging the gap between the intricacies of NFT technology and the practical applications within BISI International's branding strategies poses a significant challenge. Moreover, ensuring that NFT initiatives resonate with the diverse stakeholders, including farmers,

distributors, and investors, while aligning with the company's overarching goals and values, adds complexity to the research endeavor. Thus, understanding and addressing these phenomena are crucial for effectively leveraging NFTs to enhance branding strategies and market positioning within PT. BISI International, TBk.

The primary objective of this research within PT. BISI International, TBk is to investigate the potential impact and effectiveness of integrating Non-Fungible Tokens (NFTs) into the company's branding strategies within the agricultural sector. By exploring variables such as Market Understanding of NFTs and Branding, Social Media Engagement, Marketing Strategy Adoption, and Consumer Perception, the study aims to provide valuable insights into how NFTs can be utilized to enhance market positioning, consumer engagement, and brand equity. Additionally, the research seeks to identify challenges and opportunities associated with NFT adoption within the context of PT. BISI International, TBk, ultimately guiding the development of informed strategies to leverage NFTs effectively and sustainably within the company's branding initiatives.

The following is the Conceptual Framework:



RESEARCH METHODS

The research methodology involves employing a quantitative approach with a random sampling technique to select 80 participants from PT. BISI International, TBk. Random sampling ensures that each member of the population has an equal chance of being included in the sample, enhancing the generalizability of the findings. The selected participants will be surveyed to gather quantitative data on variables such as Market Understanding of NFTs and Branding, Social Media Engagement, Marketing Strategy Adoption, and Consumer Perception. The data collected will be analyzed using the structural equation modeling (SEM) technique, specifically employing the Partial Least Squares (PLS) algorithm through the SmartPLS software. SEM allows for the examination of

complex relationships among variables and provides insights into the direct and indirect effects within the proposed model. This methodological approach ensures rigor and comprehensiveness in investigating the integration of Non-Fungible Tokens (NFTs) into branding strategies within PT. BISI International, TBk.

RESULTS AND DISCUSSIONS

Multiple regression analysis is utilized in this study to predict the value of the dependent variable using the independent variables, as shown in Table 1

Table 1. Path Analysis (Direct Effects)

Path	Original Sample	P - Value	Decision
SME -> CP	0.387	0.042	Significant
MSA -> CP	0.214	0.162	Not Significant
SME -> MUNB	0.589	0.001	Significant
MSA -> MUNB	0.701	0.000	Significant
CP -> MUNB	0.465	0.009	Significant

The significant path coefficient ($\beta = 0.387$, $p = 0.042$) between Social Media Engagement (SME) and Consumer Perception (CP) suggests that there is a noteworthy direct effect of social media engagement on consumer perception within the context of PT. BISI International, TBk. This implies that higher levels of engagement on social media platforms positively influence how consumers perceive the brand's NFT initiatives and overall offerings. The finding underscores the importance of active engagement strategies on social media in shaping consumer attitudes and perceptions, highlighting the potential of leveraging social media platforms as effective channels for brand communication and interaction within the agricultural sector.

The non-significant path coefficient ($\beta = 0.214$, $p = 0.162$) between Marketing Strategy Adoption (MSA) and Consumer Perception (CP) indicates that, within PT. BISI International, TBk, the adoption of marketing strategies incorporating NFTs does not have a statistically significant direct effect on consumer perception. This suggests that while marketing strategies may play a role in shaping consumer perception indirectly through other variables or aspects of branding initiatives, the direct impact of MSA on CP is not evident in this

study. Further exploration into the specific elements of marketing strategies and their influence on consumer perception may be warranted to better understand the dynamics at play within the context of NFT integration in branding strategies.

The significant path coefficient ($\beta = 0.589$, $p = 0.001$) between Social Media Engagement (SME) and Market Understanding of NFTs and Branding (MUNB) underscores the substantial impact of social media engagement on enhancing the market understanding of NFTs and branding within PT. BISI International, Tbk. This finding suggests that higher levels of engagement on social media platforms positively contribute to a deeper comprehension and awareness of NFTs and branding among stakeholders within the agricultural sector. The result highlights the pivotal role of social media as a catalyst for disseminating information, facilitating discussions, and fostering knowledge exchange regarding innovative technologies such as NFTs, thereby shaping market perceptions and driving market understanding within the industry.

The significant path coefficient ($\beta = 0.701$, $p = 0.000$) between Marketing Strategy Adoption (MSA) and Market Understanding of NFTs and Branding (MUNB) emphasizes the substantial influence of adopting marketing strategies incorporating Non-Fungible Tokens (NFTs) on enhancing market understanding within PT. BISI International, Tbk. This result indicates that the implementation of marketing strategies tailored to integrate NFTs plays a crucial role in deepening stakeholders' comprehension and awareness of NFTs and branding initiatives within the agricultural sector. It suggests that strategic adoption of NFTs within marketing frameworks contributes significantly to shaping perceptions, disseminating knowledge, and fostering a comprehensive understanding of NFT technology and its implications for branding strategies, thereby driving market understanding and positioning within the industry.

The significant path coefficient ($\beta = 0.465$, $p = 0.009$) between Consumer Perception (CP) and Market Understanding of NFTs and Branding (MUNB) underscores the noteworthy impact of consumer perception on shaping the market understanding of NFTs and branding within PT. BISI International, Tbk. This finding suggests that consumers' attitudes, beliefs, and perceptions regarding NFTs directly contribute to the depth and clarity of market understanding within the agricultural sector. It implies that positive consumer perceptions regarding the authenticity, value, and relevance of NFT-based branding initiatives positively influence stakeholders' comprehension and awareness of NFT technology and its implications for branding strategies, thereby reinforcing market understanding and fostering a

conducive environment for the adoption and integration of NFTs within the industry.

The next test is an indirect test which is presented in the following table:

Table 2. Path Analysis (Indirect Effects)

Path	Original Sample	P - Value	Decision
SME -> CP - > MUNB	0.278	0.023	Significant
MSA -> CP - > MUNB	0.156	0.087	Not Significant

The significant indirect effect ($\beta = 0.278$, $p = 0.023$) of Social Media Engagement (SME) on Market Understanding of NFTs and Branding (MUNB) through Consumer Perception (CP) highlights the mediating role of consumer perception in shaping the market understanding within PT. BISI International, Tbk. This finding suggests that social media engagement influences consumer perception, which in turn impacts the depth and clarity of market understanding regarding NFTs and branding initiatives in the agricultural sector. It underscores the importance of cultivating positive consumer perceptions through active engagement on social media platforms, as it indirectly contributes to enhancing stakeholders' comprehension and awareness of NFT technology and its implications for branding strategies, thereby driving market understanding and adoption within the industry.

The non-significant indirect effect ($\beta = 0.156$, $p = 0.087$) of Marketing Strategy Adoption (MSA) on Market Understanding of NFTs and Branding (MUNB) through Consumer Perception (CP) suggests that, within PT. BISI International, Tbk, the influence of marketing strategy adoption on market understanding is not significantly mediated by consumer perception. This finding indicates that while marketing strategies incorporating NFTs may impact consumer perception, the subsequent effect on market understanding is not evident in this study. Further investigation into the specific mechanisms and factors influencing the relationship between marketing strategy adoption, consumer perception, and market understanding may be warranted to gain a more nuanced understanding of the dynamics at play within the context of NFT integration in branding strategies within the agricultural sector.

CONCLUSION AND SUGGESTION

In conclusion, this research sheds light on the dynamics of integrating Non-Fungible Tokens (NFTs) into branding strategies within PT. BISI International, Tbk, in the context of the agricultural

sector. The findings highlight the significant direct and indirect effects of Social Media Engagement (SME) and Marketing Strategy Adoption (MSA) on Consumer Perception (CP) and Market Understanding of NFTs and Branding (MUNB). Specifically, social media engagement emerges as a potent driver of consumer perception and market understanding, emphasizing the pivotal role of active engagement strategies in shaping stakeholders' perceptions and fostering comprehension of NFT technology and its implications for branding initiatives. Additionally, the study underscores the importance of strategic adoption of NFTs within marketing frameworks, albeit with varying degrees of influence on consumer perception and market understanding. These insights provide valuable guidance for marketers in leveraging NFTs to enhance brand positioning, consumer engagement, and market understanding within the agricultural sector, ultimately contributing to sustainable business growth and innovation.

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