FUNCTIONAL VALUE AS A PREDICTOR OF PURCHASE INTENTION: EVIDENCE OF MODERATION BY DIGITAL CONTENT MARKETING IN THE HOUSING MARKET

[1]Syifa Hanifa Salsabil, [2]Windarko
[1,2]Universitas Pembangunan Jaya, Tangerang Selatan
Email: syifa.hanifa@upj.ac.id

Abstract

This study examines the effect of Functional Value on Purchase Intention with Digital Content Marketing as a mediating factor in the residential property market of South Tangerang. As digital platforms increasingly shape consumer evaluation processes, the interaction between perceived functional benefits and digital content becomes crucial in influencing purchase decisions. Using a quantitative approach and Partial Least Squares Structural Equation Modeling (PLS-SEM), this study analyzes data collected through structured questionnaires. The findings show that Functional Value significantly enhances both Digital Content Marketing and Purchase Intention. Digital Content Marketing also has a significant positive effect on Purchase Intention and partially mediates the relationship between Functional Value and Purchase Intention. These results indicate that while functional attributes remain fundamental drivers of purchase intention, their impact is amplified when communicated through engaging and informative digital content. The study underscores the importance for property developers and marketers to integrate strong functional features with effective digital communication strategies to optimize consumer engagement and strengthen purchasing outcomes.

Keywords: Functional Value, Digital Content Marketing, Purchase Intention, PLS-SEM, Residential Property, Consumer Behavior.

INTRODUCTION

Understanding the factors that shape consumers' purchase intentions has become increasingly significant as digital ecosystems continue to transform how people evaluate products and services (Padon et al., 2021). In the context of residential property an industry marked by high financial stakes, emotional involvement, and substantial perceived risk buyers increasingly depend on a combination of functional assessments and digital information sources to guide their decision-making (Harju et al., 2025)(Vasanen, 2012). Functional Value, traditionally defined as the perceived utility, performance, and reliability of a product, has long been recognized as a foundational predictor of rational consumer judgment (Sheth et al., 1991). When assessing property, this includes attributes such as structural quality, location advantages, safety, space efficiency, and long-term usability (Lee et al., 2021)(Shokoohyar et al., 2020).

However, the housing market is evolving alongside global digital transformation (Elena Greco, 2017). With the rapid proliferation of online platforms, social media, and digital advertising, Digital Content Marketing (DCM) has become a central channel through which property developers, agents, and marketers communicate value propositions to potential buyers (Elena Greco, 2017). Digital content, including virtual tours, interactive maps, neighborhood overviews, 3D models, testimonials, website listings, and multimedia presentations, serves not only to inform but also to shape perceptions and reduce uncertainties associated with high-involvement purchases (Garcia et al., 2023).

As consumers navigate these increasingly information-rich environments, their intention to purchase may be shaped both by the inherent Functional Value of the property and by how effectively this value is communicated through digital content. This interplay raises important questions: Does functional value directly increase purchase intention? Does digital content enhance or mediate the way consumers interpret functional value? And how can digital communication strategies be optimized to influence buyer behavior in competitive urban housing markets?

This study explores these questions by examining the effect of Functional Value on Purchase Intention, with Digital Content Marketing positioned as a mediating variable. The research focuses on South Tangerang's dynamic and competitive property market, where digital platforms have become essential tools for consumers conducting preliminary evaluations prior to in-person visits or transactions. By integrating perspectives from consumer behavior, digital marketing, and real estate studies, this research aims to contribute to a deeper understanding of the mechanisms that shape modern property-purchasing decisions.

LITERATURE REVIEW

The literature surrounding Functional Value, Digital Content Marketing, and Purchase Intention encompasses multiple scholarly domains, including marketing science, consumer behavior, and digital communication. Functional Value is one of the foundational components within value-based consumer decision frameworks (Kato, 2021). It encompasses a consumer's perception of a product's utilitarian performance, efficiency, and reliability. According to (Sheth et al., 1991), Functional Value arises from evaluating functional attributes in relation to desired outcomes (Cheng et al., 2020). Subsequent research expanded this construct, emphasizing elements such as durability, performance consistency, energy efficiency, and problem-solving capacity (Previte et al., 2019)(Han et al., 2019). Digitalization has further complicated how consumers evaluate functional attributes, sometimes creating informational overload or confusion as users attempt to interpret digitally mediated product specifications (Kato, 2021).

Digital Content Marketing (DCM) has emerged as one of the most dominant strategies for communicating value in contemporary digital markets (Terho et al., 2022). Rooted in content creation, curation, and dissemination, DCM emphasizes relevance, consistency, and consumer engagement. Content formats range from videos and visuals to interactive guides and narratives (Hollebeek & Macky, 2019). The goal is to deliver meaningful, customer-centric information that informs, educates, or entertains. As (Pulizzi, 2014) notes, content marketing replaces interruptive advertising with value-adding communication. The effectiveness of DCM depends on its alignment with the consumer's decision journey, particularly for high-involvement purchases such as real estate (Li et al., 2022).

Residential property purchase intention is influenced by multiple factors including location quality, financial capability, neighborhood characteristics, developer reputation, design, and environmental attributes (Hassan et al., 2021). Beyond these traditional determinants, the rise of digital platforms has made online information a key driver of consumer perceptions (Dirgayasa & Darma, 2024). Studies indicate that high-quality digital content may enhance trust, reduce perceived risk, and increase consumer confidence in making housing decisions (Handoyo, 2024).

Integrating these strands of research, the present study posits that Functional Value directly influences Purchase Intention, while Digital Content Marketing mediates this relationship by enhancing consumers' understanding and interpretation of functional attributes.

METHODOLOGY

This study adopts a quantitative research design with data collected through structured questionnaires. Respondents consist of individuals familiar with residential property evaluations in South Tangerang. Descriptive statistics were used to summarize demographic characteristics and item-level distributions. Measurement model evaluation followed established PLS-SEM guidelines, assessing indicator reliability, convergent validity (via AVE), discriminant validity, and internal consistency reliability (Cronbach's Alpha and Composite Reliability). Structural model evaluation included hypothesis testing, R^2 assessment, path coefficient estimation, and mediation analysis. All analyses were conducted using SmartPLS, and significance levels were determined at $p \le .05$.

RESULT AND DISCUSSION

Descriptive Statistics

Descriptive analysis was conducted to provide an overview of respondent perceptions toward the three constructs: Functional Value (FV), Digital Content (DC), and Purchase Intention (PI). Mean values ranged from 2.47 to 2.99, indicating that respondents generally showed moderate evaluations across all items. These values suggest neither strongly positive nor negative attitudes, implying that consumers may still perceive gaps or variability in the functional attributes of properties and the digital content offered by developers in the South Tangerang market.

Standard deviation values between 0.59 and 0.79 demonstrate that responses were sufficiently dispersed, meaning the sample captured a wide range of consumer perspectives—useful for SEM analysis. The skewness and kurtosis values were within acceptable thresholds (±2), indicating that the dataset did not exhibit severe non-normality. Although PLS-SEM does not require normally distributed data, such distribution characteristics enhance the robustness of parameter estimation and strengthen confidence in the structural model.

Validity and Reliability

Construct reliability and validity assessments confirmed that the measurement instruments were statistically sound. Cronbach's Alpha values for all constructs ranged from 0.966 to 0.972, far above the conventional cut-off of 0.70. These high values indicate exceptional internal consistency among the items used to measure each construct. Composite Reliability (CR) values between 0.974 and 0.975 further validated that the items consistently represented their respective latent constructs. Meanwhile, Average Variance Extracted (AVE) values ranged from 0.825 to 0.905, exceeding the minimum threshold of 0.50. This confirms strong convergent validity, meaning each construct successfully captures a substantial portion of its indicators' variance. Taken together, these results demonstrate that the measurement scales used in this study possess high psychometric quality, ensuring accuracy in the subsequent structural assessments.

Table 1. Validity and reliability

Construct	Cronbach's Alpha	Composite Reliability	AVE
Digital Content	0.966	0.974	0.905
Functional Value	0.972	0.975	0.849
Purchase Intention	0.971	0.974	0.825

Measurement Model

The measurement model evaluation further verified the adequacy of the constructs. All outer loading values fell between 0.707 and 0.883, surpassing the recommended 0.70 threshold. This indicates that each indicator significantly contributes to explaining its respective latent construct. Additionally, discriminant validity criteria were satisfied, showing that each construct was empirically distinct from the others. This ensures that Functional Value, Digital Content, and Purchase Intention measure three unique dimensions of consumer perception and behavior, rather than overlapping concepts. With both convergent and discriminant validity established, the measurement model was deemed reliable and appropriate for testing the structural relationships among the variables.

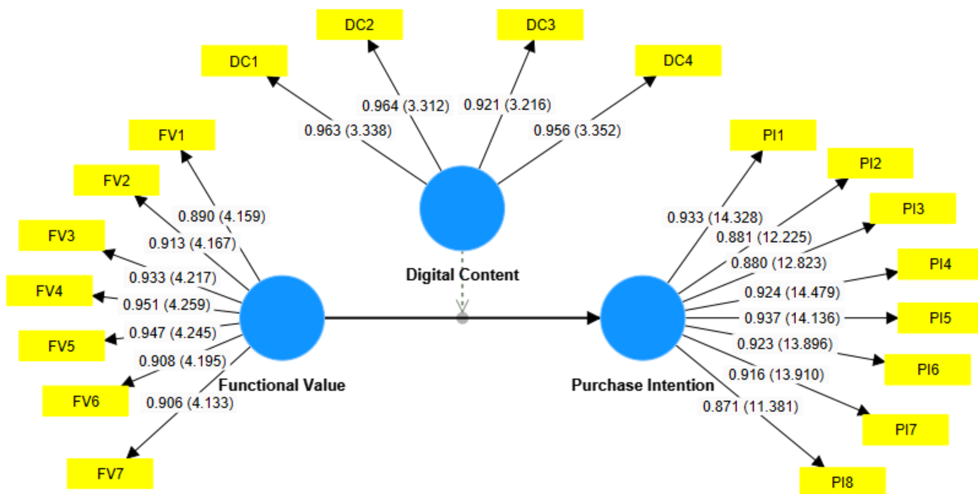

Figure 1. Research Model

Path Coefficients

The structural model results revealed significant and positive relationships among all constructs tested. Functional Value demonstrated a strong effect on Digital Content ($\beta = 0.569$, $p < .001$), indicating that properties perceived as high in utility, performance, and reliability tend to be associated with higher-quality digital content or perceived clarity of digital information. Digital Content showed a significant positive effect on Purchase Intention ($\beta = 0.486$, $p < .001$), confirming that informative, accessible, and engaging digital materials increase consumers' willingness to purchase property.

Table 2. Path Coefficient

Path	Coefficient (β)	t-value	p-value
Functional Value → Digital Content	0.569	12.534*	< 0.001
Digital Content → Purchase Intention	0.486	10.488*	< 0.001
Functional Value → Purchase Intention	0.478	10.281*	< 0.001

Functional Value also exerted a direct influence on Purchase Intention ($\beta = 0.478$, $p < .001$), suggesting that functional benefits independently shape buyer intention even before considering digital content. The significant direct and indirect effects confirm that Digital Content partially mediates the relationship between Functional Value and Purchase Intention. Furthermore, the model demonstrated strong predictive accuracy, as indicated by the high R^2 values for the endogenous constructs.

Discussion

The findings highlight the pivotal role of Functional Value in shaping consumer decision-making within the residential property market. Consistent with prior research in consumer behavior, the perception of a property's functional benefits—including its structural quality, layout efficiency, and practical advantages—strongly influences buyers' inclination to consider a purchase (Emekci et al., 2025). High functional value reduces cognitive dissonance and increases perceived worth, which are essential in high-cost, high-risk purchasing contexts such as real estate (Kato, 2021).

Beyond the direct influence of Functional Value, the study provides compelling evidence of the critical mediating role of Digital Content Marketing. In today's digital economy, consumers rely extensively on online sources before making decisions, especially when physical visits are costly or limited (Sharma et al., 2023). High-quality digital content acts as a bridge between consumer expectations and the actual value offered by the property (Hollebeek & Macky, 2019). This aligns with modern digital marketing theories suggesting that online content reduces uncertainty, enhances value perception, and increases trust (du Plessis, 2022).

The partial mediation observed in this study indicates that while functional attributes inherently matter, their impact is strengthened and clarified through effective digital communication. Digital content—such as 3D tours, detailed visualizations, and transparent descriptions—helps consumers mentally simulate the property experience, making functional attributes more concrete and understandable. This is particularly relevant in competitive markets like South Tangerang, where numerous properties compete for consumer attention and differentiation is essential.

These findings reinforce the need for property developers and marketers to adopt a dual strategy:

1. Enhance the actual functional value of the property, ensuring strong product quality and utility.

2. Invest in strategic digital content that communicates these functional benefits with clarity, relevance, and engaging visuals. The synergy between Functional Value and Digital Content ultimately strengthens Purchase Intention, suggesting that the most effective marketing strategies integrate both product quality and compelling digital communication.

REFERENCES

1. Cheng, P., Ouyang, Z., & Liu, Y. (2020). The effect of information overload on the intention of consumers to adopt electric vehicles. *Transportation*, *47*(5), 2067–2086. https://doi.org/10.1007/s11116-019-10001-1
2. Dirgayasa, I. M., & Darma, G. S. (2024). Analyzing the Impact of Social Media Marketing, Green Marketing, and Developer Reputation on Property Purchase Intention. *Journal of Ecohumanism*, *3*(4), 1250–1260. https://doi.org/10.62754/joe.v3i4.3655
3. du Plessis, C. (2022). A Scoping Review of the Effect of Content Marketing on Online Consumer Behavior. *Sage Open*, *12*(2). https://doi.org/10.1177/21582440221093042
4. Elena Greco. (2017). Questioning the Vertical Urbanization of Post-Industrial Cities: The Cases of Turin and Lyon. *High-Rise Urbanism in Contemporary Europe*, *43*(3), 555–570.
5. Emekci, S., Abbas, A., Pehlivanoğlu, B. A., Savur, D., & Taç, G. (2025). Catalysts of choice: Unraveling the dynamics of housing preferences across diverse societal contexts – Evidence from literature. *Journal of Engineering Research*, *13*(3), 2308–2319. https://doi.org/10.1016/j.jer.2024.06.023
6. Garcia, M. B., Mansul, D. M. C., Pempina, E. B., Perez, M. R. L., & Adao, R. T. (2023). A Playable 3D Virtual Tour for an Interactive Campus Visit Experience: Showcasing School Facilities to Attract Potential Enrollees. *2023 9th International Conference on Virtual Reality (ICVR)*, 461–466. https://doi.org/10.1109/ICVR57957.2023.10169768
7. Han, H., Nguyen, H. N., Song, H., Lee, S., & Chua, B.-L. (2019). Impact of functional/cognitive and emotional advertisements on image and repurchase intention. *Journal of Hospitality Marketing & Management*, *28*(4), 446–471. https://doi.org/10.1080/19368623.2019.1531803
8. Handoyo, S. (2024). Purchasing in the digital age: A meta-analytical perspective on trust, risk, security, and e-WOM in e-commerce. *Heliyon*, *10*(8), e29714. https://doi.org/10.1016/j.heliyon.2024.e29714
9. Harju, C., Häyrinen, L., Strandell, A., & Lähtinen, K. (2025). Environmental worries as drivers of housing

preferences: Views of Finnish citizens. *Cities*, *167*, 106314. https://doi.org/10.1016/j.cities.2025.106314
10. Hassan, M. M., Ahmad, N., & Hashim, A. H. (2021). Factors Influencing Housing Purchase Decision. *International Journal of Academic Research in Business and Social Sciences*, *11*(7). https://doi.org/10.6007/IJARBSS/v11-i7/10295
11. Hollebeek, L. D., & Macky, K. (2019). Digital Content Marketing's Role in Fostering Consumer Engagement, Trust, and Value: Framework, Fundamental Propositions, and Implications. *Journal of Interactive Marketing*, *45*(1), 27–41. https://doi.org/10.1016/j.intmar.2018.07.003
12. Kato, T. (2021). Functional value vs emotional value: A comparative study of the values that contribute to a preference for a corporate brand. *International Journal of Information Management Data Insights*, *1*(2), 100024. https://doi.org/10.1016/j.jjimei.2021.100024
13. Lee, C.-C., Ting, L.-J., Yeh, W.-C., & Yu, Z. (2021). THE INFLUENCE OF THE TECHNICAL DIMENSION, FUNCTIONAL DIMENSION, AND TENANT SATISFACTION ON TENANT LOYALTY: AN ANALYSIS BASED ON THE THEORY OF PLANNED BEHAVIOR. *International Journal of Strategic Property Management*, *25*(6), 469–484. https://doi.org/10.3846/ijspm.2021.15566
14. Li, C. H., Chan, O. L. K., Chow, Y. T., Zhang, X., Tong, P. S., Li, S. P., Ng, H. Y., & Keung, K. L. (2022). Evaluating the Effectiveness of Digital Content Marketing Under Mixed Reality Training Platform on the Online Purchase Intention. *Frontiers in Psychology*, *13*. https://doi.org/10.3389/fpsyg.2022.881019
15. Padon, A., Iamtrakul, P., & Thanapirom, C. (2021). The Study of Urbanization Effect on the Land Use Changes and Urban Infrastructures Development in the Metropolitan Areas, Thailand. *IOP Conference Series: Earth and Environmental Science*, *738*(1), 012077. https://doi.org/10.1088/1755-1315/738/1/012077
16. Previte, J., Russell-Bennett, R., Mulcahy, R., & Hartel, C. (2019). The role of emotional value for reading and giving eWOM in altruistic services. *Journal of Business Research*, *99*, 157–166. https://doi.org/10.1016/j.jbusres.2019.02.030
17. Pulizzi, Joe. (2014). *Epic content marketing : how to tell a different story, break through the clutter, and win more customers by marketing less*. McGraw-Hill Education.
18. Sharma, P., Ueno, A., Dennis, C., & Turan, C. P. (2023). Emerging digital technologies and consumer decision-making in retail sector: Towards an integrative conceptual framework. *Computers in Human Behavior*, *148*, 107913. https://doi.org/10.1016/j.chb.2023.107913
19. Sheth, J. N., Newman, B. I., & Gross, B. L. (1991). Why we buy what we buy: A theory of consumption values. *Journal of Business Research*, *22*(2), 159–170. https://doi.org/10.1016/0148-2963(91)90050-8
20. Shokoohyar, S., Sobhani, A., & Sobhani, A. (2020). Determinants of rental strategy: short-term vs long-term rental strategy. *International Journal of Contemporary Hospitality Management*, *32*(12), 3873–3894. https://doi.org/10.1108/IJCHM-03-2020-0185
21. Terho, H., Mero, J., Siutla, L., & Jaakkola, E. (2022). Digital content marketing in business markets: Activities, consequences, and contingencies along the customer journey. *Industrial Marketing Management*, *105*, 294–310. https://doi.org/10.1016/j.indmarman.2022.06.006
22. Vasanen, A. (2012). Beyond stated and revealed preferences: the relationship between residential preferences and housing choices in the urban region of Turku, Finland. *Journal of Housing and the Built Environment*, *27*(3), 301–315. https://doi.org/10.1007/s10901-012-9267-8