

# ANALYSIS OF ONLINE ADVERTISING CONTENT ON PURCHASE DECISION IN MARKETPLACE

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**Abstract**— The development of internet nowadays is happening quickly, including the lifestyle of consumers to supply their daily needs. Internet as an advertising medium is to ease dissemination of information, help wider market, and empower access for consumers. The aim of this study is to examine and analyze the effect of online advertising assessment on attitudes toward online advertising, the feeling of online advertising on attitudes toward online advertising, attitudes toward online advertising on attitudes toward the brands, and attitudes toward brands to purchase intentions. The method of this research is using a quantitative approach, with a type of causal research. The data used in this research is primary data. The analysis technique that was used is Partial Least Square (PLS). The result showed that Judgment of Online Advertisements has no significant positive effect on attitudes towards online advertising (T-Statistic 0.814 and Sig 0.416). Feeling of Online Advertising has a significant positive effect on attitudes towards online advertising (T-Statistic 3.369 with Sig 0.000). Attitudes towards Online Advertising has a significant positive effect on attitudes towards brand (T-Statistic 3.369 with Sig. 0.001). While, Attitudes towards brand has a significant positive effect on the Intention of Purchase with T-Statistic value 47.024 and Sig. 0.000.

**Keywords**— judgement of online advertisement, feeling of online advertisement, attitude towards online advertisement, attitude towards brand, purchase intention

## I. INTRODUCTION

Technological development has a significant impact on various aspects of human life. One of the impacts that can be clearly seen is the positive change in the form of increasing the media used to convey information through internet. The use of the internet allows a more flexible information delivery process with a far wider range of scope. The use of the internet as a medium for delivering information has been developed into one of the instruments that are considered the most effective in business marketing, namely as a medium for advertising (advertising) [5]. Advertising using the internet (online advertising) has become a very important source of

information for consumers [5]. This is supported by the increasing number of internet users from time to time.

The increased internet users in Indonesia is 34.9% in 2014, with the total number of users reaching 88.1 million. This number increased by 16.2 million people from the previous year which was 72 million internet users [6]. The use of the internet as an advertising media is based on more convenience and benefits offered by the internet, namely the ease of information dissemination, wider scope, and accessibility of consumers to advertise on the internet [4]. Thus, the main purpose of advertising, which is to form an image of a product, company, or any object from advertising [7], can be more effective.

Theoretically, advertisements that are equipped with advertising features, namely multimedia, pictures or content, can have high effectiveness, however, in practice there are phenomena that are sometimes different or not in accordance with the theoretical analogy, as happened in advertisements that aired by the object of this study, namely CV. XYZ, on the trading site Olx.co.id. Moreover, the content of the OIX.co.id website helps to increase the attractiveness of users in viewing and deciding on purchases of products posted on the OIX.co.id website. Based on this phenomenon, researchers are interested in researching the effectiveness of online advertising content CV. XYZ on the OIX.co.id buying and selling site. Analysis of the effectiveness of online advertising content in this study will be done by testing and analyzing the effect of online advertising features CV. XYZ towards consumer purchase intentions. Analysis of the online advertising feature itself is not new in the academic field. This is due to the role of online advertising which has become one of the biggest marketing forces and the main source of information for consumers [5]

. Based on the overall explanation above, this study was conducted to examine the effectiveness of online advertising by testing and analyzing the effect of content features on online advertising CV. XYZ on the online trading site Olx.co.id.

The aim to be achieved in this research is 1) to test and analyze the judgment of online advertisement to the attitude towards online advertisement. 2) it is to test and analyze the feelings of online advertisement to the attitude towards online advertisement. 3) To test and analyze the attitude towards online advertisement to the attitude towards brand. 4) To test and analyze the attitude towards brand to purchase intention.

## II. THEORITICAL FRAMEWORK

Online advertising is a way to promote a product on the internet by using various internet features. With internet access, the business world has become digital and people prefer to buy items online, which is easier and faster. Online advertisement or known as E-advertisement gives a new dimension and a unique appeal to the product, which is an added advantage.

The main benefit of posting online is monetary benefits, which cannot be obtained locally. This leads to great progress in business, which is the ultimate goal of every entrepreneur. Online advertising offers a broad spectrum of recognition, which is unmatched for other mode of advertising.

Online advertising does not have time constraints. Online advertising reduces transaction costs, contributes to company profits and builds the competition for international marketing. Owners are much more satisfied because secure businesses are more useful and reliable.

Online advertising will continue to grow for technological advancements. Small businesses seek advertisements which offer maximum exposure but with minimal costs. Small businesses target their ideal clients and find that online advertising is an affordable way of advertising. Online advertising provides direct response, gives benefits for both consumers and sellers. Here what determines good online advertising is.

### 1) Website Information Quality

According to Barnes (2002), the quality of information includes things like accurate, trusted, up to date, suitable, detailed and in depth information with appropriate design format.

### 2) Website Design Quality

The quality of website design includes the ability of the web to provide a display or interface with maximum aesthetics and function. Starting from the aspect of information arrangement, display menus (content), clarity of information, selection of web colors and clarity about fonts on the website.

### 3) Quality of Website Use

The quality of use includes, the ease of learning, the ease of understanding of expected information for the user, the ease of searching in information retrieval, the ease of operation of the site for users, the ease of navigation system to provide a new experience of needed information for the users.

## A. Key Performance Indicators of Online Content

1. Unique visits: UV is the most standard measurement of how many people have seen your content within a certain period. This certainly provides a good basis for comparing various forms of content and trends over time.
2. Geography: Understanding where your content is read is important to allocate budget and resources that depend on where your audience is located. Google Analytics provides geographic level information at page level, which helps content marketers optimize the geographic location (or geos) that are best for their business.
3. Mobile readership: A good thing if you know how much UV (or readers) on your content. But how do they read your content? Are 50 percent of them reading on mobile devices? And what mobile devices do they use?
4. Bounce rates/time spent: A clear purpose (and one that is important for reader involvement) helps not to lose your readers in case you do not meet their expectations when they click on your content. A high bounce rate may occur on your content if they immediately close or click the back button. Another similar measure is how much time your audience really spends with your content. So, what if you have 15,000 UV if the average time spent is 12 seconds for 30-page whitepaper? Bounce rates and time spent are early indicators to base content creation that attracts visitors.
5. Page views: High page views are a sign that your audience is involved and how often they engaged to the content. Hence, they will come back regularly for your content. Do they read four pages before leaving? Does 90 percent of your audience go before the seventh page? The answer to this type of question will help you understand how to develop content for your audience in the future
6. Comments: In the era of social media, almost everything you make in online form can be a discussion. Don't make a mistake by trying to limit or block comment and social sharing column! Users are the best judges for each product or service, so if they are involved enough to openly discuss your content, rest assured that you are on the right path. However, be careful of discussions that go in the negative direction and be prepared to respond in a good way when this happens. However, did you know that negative comments can also be good feedback for you? Of course because they can help you to get better insight into customers.
7. Social sharing: easy to share content is the key that you can use in content marketing. With just a little social sharing you can reach many people with

amazing ratios. Take advantage of this trend and make sharing widgets on all your content.

Based on the explanation of the theory and empirical study above, the analysis model of this research can be described as follows:

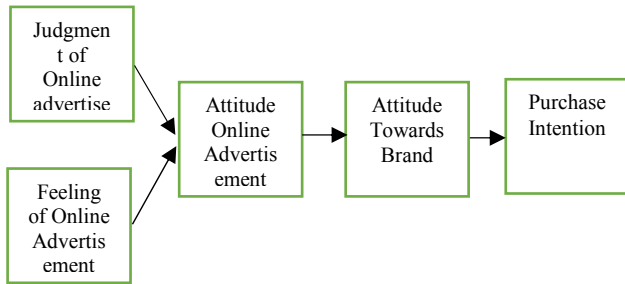


Fig 1. Consumer Attitude Component adopted from Ikechukwu et al (2012) AND Wei et al (2011) [7]

- H1: *Judgment of Online Advertisements is significantly positive to Attitude towards Online Advertisements*
- H2: *Feelings of Online Advertisements is significantly positive to Attitude towards Online Advertisements*
- H3: *Attitude towards Online is significantly positive to Attitude towards brands*
- H4: *Attitude towards brands is significantly positive to Purchase Intention*
- H5: *CV. XYZ online advertisement in e commerce Olx.co.id is effective*
- H6: *for the content effectively influence to the company profit*

III. METHOD

This study uses a quantitative approach. The type of this research is causal research. The data used in this study uses primary data while data collection in this study uses a measured questionnaire with Likert scale. The population used in this study is Olx.co.id users and the sample is selected by the non-probability sampling method using the formula:

$$n = \frac{Z^2 \cdot p(1-p)}{E^2} \quad [1].$$

Based on the calculation in the formula, it can be seen that the sample used in this study was 68 samples. After the data is collected the next step is data analysis techniques and hypothesis testing.

The data analysis technique used in this study is PLS. The followings are the steps of data analysis using PLS according to [3] 1) Designing a structural or inner model model, 2) Designing a measurement model or outer model, 3) Construction of a path diagram, 4) Convert a path diagram to system equation, 5) Estimating or estimating parameters, 6) Goodness of fit. In this case it is divided into two, namely the outer model and inner model, and 7) Evaluation model. Testing the hypothesis in this study is done by looking at the existing path coefficients by comparing the probability value 0.05 with the probability value Sig with the basis of decision making. If the probability value is 0.05 or equal to the probability value Sig or (0.05  $\geq$  Sig) then Ho is accepted and

Ha is rejected, meaning not significant. Conversely If the probability value 0.05 is greater or equal to the probability value Sig or (0.05  $\geq$  Sig) then Ho is rejected and Ha is accepted, meaning significant.

IV. RESULT AND DISCUSSION

Based on the results of questionnaires, it is known that the answers given by the prescribers is positive to the statements submitted regarding Judgment of Online Advertisement. This is indicated by the number of respondents who gave answers on a score of 4 with a total of 272 answers, this shows that consumers believe in advertisements posted on OLX Websites and consumers can search for information on goods and services through searching features on OLX Website content. The results regarding Feeling of Online Advertisement show that as many as 164 answers give a score of 4, this proves that consumers feel the OLX Website has a double benefit to them. While the results regarding Attitude towards Online Advertisements, these results indicate that consumers can contact all advertisers on the OLX Website to conduct transactions directly, it is indicated by the number of respondents who gave answers to scores of 4 with a total of 176 answers. And for the Attitude towards brands variable, based on the results of the questionnaire collection, it shows that consumers prefer to search for products or services advertised on OLX websites because of their website credibility, the conclusions are obtained from the number of respondents who give answers on score 4, with a total of 155 answers. While the results of the collection of questionnaires regarding Purchase Intention, indicate that consumers always want to look for the needs of goods or services on the OLX Website, it is based on the number of respondents who gave a score of 4 as many as 263 answers.

The initial step to check the reliable data is to do an initial stage reliability test using reliability indicators. From the results of data analysis on the Judgment of Online Advertisement (X1) variable, most indicators have a fairly good level of reliability, for the Feeling of Online Advertisement (X2) variable, most indicators have a good level of reliability. While the Attitude towards Online Advertisements (Z1) variable, most indicators have a good level of reliability. And for Attitude towards brands (Z2) variables, most indicators have a good level of reliability. Purchase Intention (Y) variable, most indicators have a good level of reliability. In the second stage of reliability measurement, an internal consistency reliability measurement is performed to measure how consistent the indicators of each variable are. From the results of data analysis, It shows that the overall variable has a composite reliability value above 0.6, so it can be concluded that the overall variable has a high level of internal consistency reliability. After the reliability analysis, it is to find validity of the data, and the data analysis shows that all variables have convergent validity.

Furthermore, to find out how much the influence of the independent variable has on the dependent variable in this study, path evaluation coefficient is used. Here is the result of the Path Coefficient test and Coefficient of Determination

(R2). From the picture below it can be explained that the greatest path coefficient value is shown from the influence of Attitude towards brands (Z2) on Purchase Intention (Y) of 47,024. The

effect of Feeling of Online Advertisement (X2) on Attitude towards Online Advertisements (Z1) is 4,338. The effect of

Attitude towards Online Advertisements (Z1) on Attitude towards brands (Z2) of 3,369 and the influence of judgment of Online Advertisement (X1) on Attitude towards Online Advertisements (Z1) of 0,814.

TABLE I. TABLE R<sup>2</sup> TEST RESULT

Variable	Value R <sup>2</sup>	Percentage
<i>Attitude towards brands (Z<sub>2</sub>)</i>	0,163	16,3%
<i>Attitude towards Online Advertisements(Z<sub>1</sub>)</i>	0,246	24,6%
<i>Purchase Intention (Y)</i>	0,782	78,2%

In the table above, the Purchase Intention (Y) variable is influenced by the Attitude towards brands (Z2) variable with a variance value of 0.782 or 78.2% being the biggest influence in this study. Thus, 21.8% is influenced by other variables outside of research. The T-statistics value is obtained from a bootstrapping procedure, where this value is used to draw conclusions on the hypothesis test. T-statistics with a significance level of 5% explains that the inner model will be significant if the T-statistics value is greater than 1.96. The followings are the results to show T-statistics and test hypotheses.

TABLE II. TABLE JUDGMENT OF ONLINE ADVERTISEMENT RESULT

	Judgment of Online Advertisement (X1)
X11	2.396
X12	2.833
X13	3.038
X14	4.028
X15	2.978
X16	3.763

TABLE III. TABLE ATTITUDE TOWARD ONLINE ADVERTISEMENT RESULT

	Attitude toward Online Advertisement (Z1)
Z11	1.676
Z12	1.872
Z13	3.440
Z14	4.858

TABLE IV. TABLE FEELING ONLINE ADVERTISEMENT RESULT

	Feeling of Online Advertisement (X2)
X21	2.945
X22	5.373
X23	5.185
X24	2.674

TABLE V. TABLE ATTITUDE TOWARD BRAND RESULT

	Attitude toward brand (Z2)
Z21	19.102
Z22	9.549
Z23	9.176
Z24	10.997

TABLE VI. TABLE PURCHASE INTENTION RESULT

	Purchase Intention (Y)
Y1	5.739
Y2	12.197
Y3	7.952
Y4	10.007
Y5	20.093
Y6	9.291

In addition, it can also be seen that all variables in this model have a path coefficient with a positive number. The greater the coefficient path value in one independent variable to the dependent variable, then the stronger the influence between independent variables on the dependent variable. However, the influence of judgment of Online Advertisement (X1) on Attitude towards Online Advertisements (Z1) has the lowest number, which is 0.814. Meanwhile, the coefficient of determination (R2) can be seen from the table below:

TABLE VII. TABLE T-STATISTIC RESULT AND HYPOTHESIS TEST RESULT

	Original Sample (O)	Sample Mean (M)	Standard Error (STERR)	T-Statistic	P Value
Attitude towards Brands (Z2)- Purchase Intention (Y)	0.884	0.888	0.019	47.024	0.000
Feeling of Online Advertisement (X2)- Attitude toward Online Advertisement (Z1)	-0.403	-0.421	0.120	3.369	0.001
Judgment of Online Advertisement(X1) -Attitude towards Online Advertisement (Z1)	0.453	0.459	0.103	4.388	0.000
Judgment of Online Advertisement (X1)- Attitude towards Online Advertisement (Z1)	-0,108	-0,186	0.132	0,814	0,416

By looking at the table above, it can be interpreted that the original sample (O) value is a path coefficient value which shows the strength of the influence of one latent variable to another latent variable. While the value in sample column (M) shows the middle value of the path coefficient. Whereas standard deviation (STDEV) and standard error (STDERR), shows the intersection value and error in the sample. T statistics value is used to see the calculated T value which will be used to test the hypothesis.

Referring to the table, it can be seen that the hypothesis that states:

1. Judgment of Online Advertisements has a significant positive effect on Attitude towards Online Advertisements which cannot be proven true from the value of T-Statistic 0.814 with a probability value of 0.416.
2. Feelings of Online Advertisements have a significant positive effect on Attitude towards Online Advertisements can be proven to be true from the value of T-Statistics 4,388 with a probability value of 0,000.
3. Attitude towards Online Advertisements have a significant positive effect on Attitude towards brands can be proven to be true from the T-Statistic value of 3.369 with a probability value of 0.001.
4. Attitude towards brands Advertisements have a significant positive effect on Purchase Intention can be proven to be true from the T-Statistics 47.024 with a probability value of 0.000....

## V. CONCLUSION AND SUGGESTION

The conclusion of the research results can be presented as follows:

1. Judgment of Online Advertisements is not proven to have a significant positive effect on Attitude towards Online Advertisements as seen from the T-Statistic value of 0.814 with a probability value of 0.416.
2. Feelings of Online Advertisements is proven to have a significant positive effect on Attitude towards Online Advertisements seen from the T-Statistics value of 4.388 with a probability value of 0.000.
3. Attitude towards Online Advertisements is proven to have a significant positive effect on Attitude towards brands, seen from the T-Statistics value of 3.369 with a probability value of 0.001.
4. Attitude towards brands is proven to have a significant positive effect on Purchase Intention seen from the T-Statistic value of 47.024 with a probability value of 0.000.

The suggestions that can be given are as follows:

1. It is expected that the results of this study can be useful for the academic community as additional research references on Judgment of Online Advertisements, Attitude towards Online Advertisements, Feelings of Online Advertisements, Attitude towards brands and Purchase Intention, so as to broaden insight and knowledge as well as the basis for the comparison of the theories obtained during college.
2. It is expected that this research can be used by website providers as a discourse in seeing the prospects of online-based marketing activities, as a consideration in determining the next marketing strategy given the growing online-based marketing.

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