Success Factors Influencing Consumers' Willingness to Purchase Brand Advertised Through Mobile Phone in Indonesia

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ABSTRACT

Mobile advertising revenue in Indonesia quadrupled from US$ 6 million in 2013 to US$ 24 million in 2018. However, with this large advertising expenditure, is it effective in influencing consumer purchasing power. Therefore, this study will examine the success factors influencing consumers' willingness to purchase brand advertised through mobile phone in Indonesia. This study uses quantitative data analysis methods. Data is collected through questionnaires distributed using Google Form. There were 100 respondents who had filled out the questionnaire. Based on the analysis of research questionnaires, the results show that there are two variables that influence purchasing through mobile advertising in Indonesia. They are attitude towards mobile advertising and social influence.

Key words : Attitude, mobile advertising, social influence, willingness to purchase.

1. INTRODUCTION

Rapid development of technology has an impact on various aspects of human life. One of them is in the use of mobile phones. At first, mobile phones were only used as communication devices that could be carried anywhere easily. But over time, mobile phones are not only used as a means of communication, but also used as a means of positioning, directing, entertainment and to access the internet.

Based on data obtained from Fintech Singapore in 2018, it can be seen that among 261.12 million people in Indonesia, there are 143.2 million internet users. And it can also be seen on dailysocial.id that the internet usage figures are dominated by mobile device users in Indonesia which reaches 70% of the total internet usage in Indonesia. Internet users prefer to use a mobile device because by using a mobile device, users can surf in the virtual world in a more flexible place, not just sitting in front of the computer. Besides that, mobile devices can be obtained at a relatively low price compared to the price of a computer device [1].

The development of technology in mobile devices and the large number of mobile device users who access the internet are opportunities for industries in Indonesia to advertise their products and maintain long term relationship with customers [2]. According to research released by PwC, mobile advertising revenue in Indonesia quadrupled from US$ 6 million in 2013 to US$ 24 million in 2018. However, with this large advertising expenditure, is it effective in influencing consumer purchasing power. Therefore, this study will examine the success factors influencing consumers' willingness to purchase brand advertised through mobile phone in Indonesia.

In 2015, C. R. Mafe et al. have conducted a research on success factors influencing consumers' willingness to purchase brand advertised through mobile phone in Spain by examining the influence of 5 factors to consumers' willingness to purchase. They are direct discount, informativeness, credibility, entertainment, and consumer's attitude toward mobile advertising [3].

But in Indonesia there is an interesting phenomenon. Social media is one of the important and very influential marketing tools at the moment. Anyone can access social media easily because it can be accessed through the mobile application. Examples of social media that are currently widely used by Indonesian entrepreneurs to carry out promotions are Facebook and Instagram. Based on statistics and research conducted by Hubspot in 2014, 92% of entrepreneurs recognized that marketing or promotion through social media is very important for their business. About 80% of them consider social media play a role in increasing their website traffic. Therefore, this study will also examine the correlation of social influence to consumers' willingness to purchase brand advertised through mobile phone in Indonesia.

2. LITERATURE REVIEW

In this section the authors present a literature study from several previous journals.

2.1 Direct Discount
Direct discount is an incentive given by telephone operators to consumers because they are willing to get SMS advertising.

Incentives can be in the form of free SMS, telephone or quota within a certain period of time [3]. The research conducted by M. M. Tsang et al. in 2004 showed that incentives are a consideration for consumers in obtaining mobile advertising so that it affects consumers' intentions in reading messages [4]. P. Dharmadasa and T. Alahakoon in 2014 found a positive reaction from consumers in participating in mobile advertising if there were forms of financial incentives offered [5]. C. R. Mafe et al. in 2015 showed that direct discount has a large influence on the availability of someone buying on mobile advertising [3].

2.2 Attitude Toward Mobile Advertising

Attitude toward mobile advertising is a tendency to respond to an object either favored or disliked consistently. According to the Uses and Gratification (U & G) theory, if users are satisfied with one type of mobile advertising, they will tend to receive product brand information that is included and buy the product. Therefore, the attitude towards cellular text advertising is a determinant of intention to buy [3]. The research conducted by C. R. Mafe et al. in 2015 showed that there is a significant effect of attitude toward mobile advertising on the desire to buy [3]. According to N. Jiménez and S. San-martín in 2017, a positive attitude towards m-advertising results in m-repurchases [6].

2.3 Informativeness

Ducoffe in 1996 defined informativeness as the ability to advertise to inform consumers about product alternatives so that purchases that produce as much satisfaction as possible can be done [3]. N. H. Hashim and I. A. Zolkepli in 2014 explained that consumers need quick access to the information they are looking for at that time. There is even a need for information that is delivered automatically to consumers [7]. In addition, in the research conducted by J. Martins et al. in 2017, it was also concluded that consumers consider smart phone advertisements to be a good source of product information and tend to find it useful and pleasant [8].

2.4 Credibility

Advertising credibility is the perception of consumers formed on the truth of an accepted advertising. This perception is formed based on the prediction of the truth of the terms and agreements offered both implicitly and explicitly [3]. The credibility of advertising is also influenced by the delivery media. Consumers consider advertising from the internet to have lower credibility than advertising with print media such as newspapers unless the advertising on the Internet is published on the official website of well-known brands [9]. In Indonesia, because of the weak protection of personal databases and the proliferation of fraud, it results in a lack of consumer confidence in mobile advertising in Indonesia [10].

2.5 Entertainment

Entertainment is the level of ability to satisfy consumers in ways that are fun, beautiful, enjoyable, emotionally free or run away from reality. Mobile entertainment is an important factor of mobile marketing because it is faster and more accessible than other entertainment devices so that it is in demand by various consumer segments to spend time and

have fun [3]. The level of pleasure and high involvement during interaction with cellular-based media encourages the perception and mood of consumers to be subjective so that they can easily get consumer attention [7]. Entertainment components such as graphics and sound also affect consumer acceptance of mobile advertising. Consumers are willing to buy mobile applications at a price of $ 0.28 to reduce the frequency of advertising with static graphics, $ 2.71 to reduce the frequency of advertising with graphics in the form of animation because animated graphics content is disturbing [11].

2.6 Social Influence

Social media is one of the important and very influential marketing tools at the moment. Anyone can access social media easily because it can be accessed through the application found on the mobile. Examples of social media that are currently widely used by entrepreneurs to carry out promotions are Facebook and Instagram [12].

N. Jiménez and S. San-martín in 2017 explained that social influence is the key to displaying a positive attitude towards m-advertising that goes beyond the national context. The influence of the social environment can make an integrated customer into a group that regularly uses cellular technology and has a better attitude to use mobile devices [6]. In addition, it should also be noted that the effects of social influence on shopping desires have been confirmed in various contexts, including cellular trade [13].

3. METHODOLOGY

According to literature review on the previous section, a model can be formed as follow (figure 1):
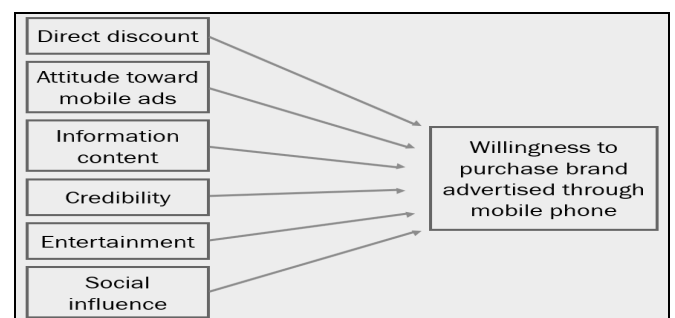
Figure 1: Conceptual framework

And the following hypothesis can be written:

H1 : Direct discount significantly influences consumers' willingness to purchase brand advertised through mobile phone in Indonesia.

H2 : Attitude toward mobile advertising significantly influences consumers' willingness to purchase brand advertised through mobile phone in Indonesia.

H3 : Informativeness significantly influences consumers' willingness to purchase brand advertised through mobile phone in Indonesia.

H4 : Credibility significantly influences consumers'

willingness to purchase brand advertised through mobile phone in Indonesia.

H5 : Entertainment significantly influences consumers' willingness to purchase brand advertised through mobile phone in Indonesia.

H6 : Social influence significantly influences consumers' willingness to purchase brand advertised through mobile phone in Indonesia.

This study uses quantitative data analysis methods. Data is collected through questionnaires distributed using Google Form. There were 100 respondents who had filled out the questionnaire. All questions in the questionnaire were measured using a Likert scale ranging from strongly disagree (1) to strongly agree (5). Respondents were asked to circle the answers that best described their level of agreement with the statement. After that the results of the questionnaire were tested with smartPLS 3.0.

4. RESULT AND DISCUSSION

In this study, hypotheses were tested using Partial Least Square (PLS) analysis techniques with the SmartPLS 3.0 program. Following figure 2 is the scheme of the PLS program model tested:
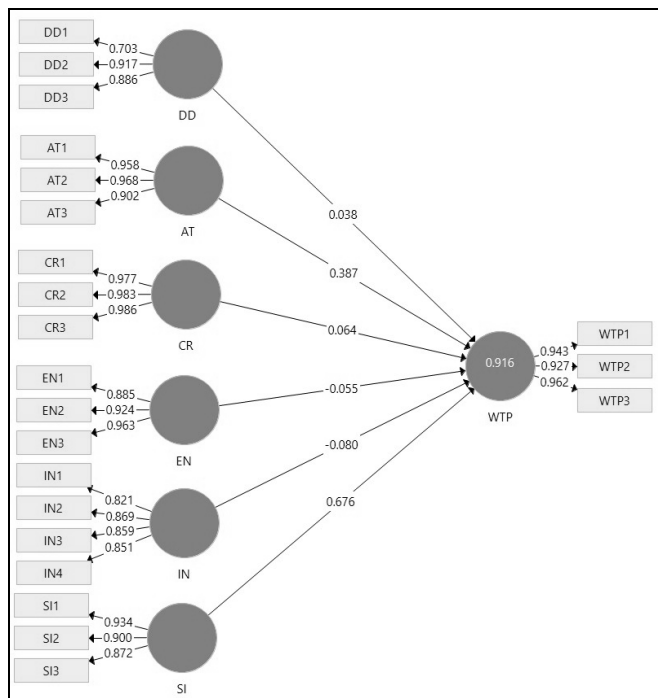
Figure 2: Model path

First of all, reliability and validity are tested, and the results can be seen in the table 1.

In Table 1, there are 3 values that have to be noticed:
a. The average variant extracted (AVE) value for each

indicator is required to be> 0.5 for a good model. Can be seen in the table that all variables have AVE values> 0.5 which means that each variable has good discriminant validity.

b. Composite Reliability is a part that is used to test the reliability value of indicators on a variable. A variable can fulfill composite reliability if it has a composite reliability value> 0.6. Can be seen in the table that the composite reliability value of all research variables> 0.6 so that it can be concluded that the overall variable has a high level of reliability.

c. The reliability test with composite reliability above can be strengthened by using the Cronbach's alpha value. A variable can be declared reliable or meets Cronbach's alpha if it has a Cronbach's alpha value> 0.7. Can be seen in the table above that the cronbach alpha value of each research variable> 0.7 so that it can be concluded that the overall variable has a high level of reliability.

Table 1: Reliability and validity test result

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
AT	0.938	0.952	0.960	0.890
CR	0.981	0.984	0.988	0.964
DD	0.786	0.812	0.877	0.707
EN	0.915	0.933	0.946	0.854
IN	0.872	0.874	0.912	0.723
SI	0.886	0.886	0.929	0.814
WTP	0.939	0.940	0.961	0.891

After finding that each variable has good validity and reliability, R^2 was calculated and the result can be seen in the following table 2:

Table 2: R^2 calculation output

	R Square	R Square Adjusted
WTP	0.916	0.911

The value of R-squared (R^2) is used to measure how much influence certain independent latent variables have on the dependent latent variable. According to Ghozali in 2014, the R^2 results of 0.67 indicate that the model is categorized as good [14]. Table 2 shows the R^2 value of this study amounted to 0.916 which means it has a value greater than 0.67. Then it can be said that the model formed is categorized as a good model.

Hypothesis testing in this study was carried out by looking at the value of T-Statistics and the value of P-Values. The hypothesis can be declared accepted if as follows:
a. t table < t statistics.

The value of t table in this study with a confidence level of 95% (α of 5%) and degrees of freedom (df) = n-2 = 100 - 2 = 98 is equal to 1.66055.

b. P values < α (5%).

Table 3: Result of hypothesis test calculation

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
AT→WTP	0.387	0.377	0.068	5.716	0.000
CR→WTP	0.064	0.070	0.059	1.092	0.275
DD→WTP	0.038	0.039	0.047	0.811	0.418
EN→WTP	-0.055	-0.060	0.065	0.837	0.403
IN→WTP	-0.080	-0.071	0.044	1.82	0.069
SI→WTP	0.676	0.674	0.051	13.180	0.000

In table 3, it can be seen that the AT variable (attitude toward mobile advertising) and SI (social influence) variables have a positive effect on the willingness to purchase because t table <t statistic and p value <0.05 and β> 0. While the variable CR (credibility), DD (direct discount), IN (informativeness) and EN (Entertainment) do not have a significant effect on willingness to purchase.

5. CONCLUSION

Based on the results of testing of research questionnaires, the results show that there are two variables that influence variables that influence purchasing through mobile advertising. The first variable is that attitude toward mobile advertising shows a significant positive effect on purchases through mobile advertising. This shows that the results of this study prove conformity with the Uses and Gratification (U & G) theory, if users are satisfied with one type of mobile advertising, they will tend to receive product brand information that is included and buy the product. Therefore, the attitude towards cellular text advertising is one of the determinants of intention to buy a product. The results of this study are consistent with the research conducted by C. R. Mafe et al. in 2015 which shows that there is a significant positive effect of attitude toward mobile advertising on the desire to buy.

In addition, there is one more influential factor, it is social factor. This shows that the Indonesian people have a good response to mobile advertising and a high social influence on mobile advertising. This is also in line with research from Jiménez and Martin in 2017 who say that the influence of the social environment that is actively using mobile phones can also make someone active in using mobile phones. The use of social media as a forum for mobile advertising is proven to be able to attract Indonesian people to buy their products, because of the many users of social media in Indonesia so that social media can be targeted for mobile advertising. Social media is one of the medias that is often accessed by Indonesian society whenever and wherever, so social media is

very close to the Indonesian people. Marketing through social media can be in the form of endorsement through artist, celebrity, or YouTube accounts. Online world product advertisements can also be in the form of long writings written by reviewers, bloggers, etc., so that active internet users can see these reviews and can immediately buy products from these recommendations [15]. As one of the countries in Asia that experienced a high increase in regard to the use of mobile internet, namely 47% (123 million people) and overall internet usage around 51% (133 million people), the GetCraft report said that the most active social media used is YouTube (49%), followed by Facebook as much as 48%, Instagram (39%), Twitter (38%), WhatsApp (38%), FB Messenger (31%), Line (30%), LinkedIn (28%), BBM (26%), Pinterest (22%) and WeChat (21%). Also mentioned that Instagram is the most favorite platform used by influencers to launch marketing activities and is considered the most effective. As many as 97% of influencers use Instagram, followed by Twitter (67%), YouTube (33%), and Facebook as much as (30%). These are the reason why social influence can influence purchasing through mobile advertising in Indonesia.

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