Analysis of Factors Affecting Users’ Attitude Toward The Youtube Ads And Their Effects On Purchase Intention

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ABSTRACT

Research Purposes – This study aims to identify five factors in YouTube advertising (entertainment, informativeness, customization, irritation and credibility) which might effect on ad value, and attitude toward YouTube ads, leading to purchase intention of consumers.

Methods – The study uses conceptual models where their hypothesis is that the ad value is positively correlated with respect to the attitude toward YouTube ads, which then affects consumer’s purchase intention.

Result – This study found that entertainment, customization, and credibility is positively effected to advertising value on YouTube, where ad value has a positive effect on attitude toward YouTube ads and purchase intention of consumer.

Research limitations – For this study, our respondents include 248 active YouTube users in Indonesia that will be used for data collection and analysis.

Originality/value – In addition, this study found that irritation is negatively effected to advertising advertising value on YouTube, and informativeness has no effect on advertising value on YouTube.

Keywords: Ad value; attitude toward YouTube ads; credibility; customization; entertainment; informativeness; irritation; purchase intention.

INTRODUCTION

Based on the survey conducted by the Indonesian Internet Service Provider Association (APJII), the number of internet users in Indonesia in 2017 had increased to 143.26 million from 132.7 million in 2016. In 2017, the number of internet users was found to be 54.68% of the total population of 262 million in Indonesia (Setiawan, 2018). The presence of the internet as a developing media with a high level of penetration indicates that Indonesians increasingly access various kinds of content through digital media. This shows that there has been a shift in the behavior of the Indonesian people in their need for information and consumption of public media. Moreover, the increase in internet penetration, supported by the ever-increasing variety of digital media choices, resulted in the rise of industry players beginning to reconsider their marketing communication strategies by producing various types of online video advertisements and switching to advertising on social media ads (Arantes et al., 2016; Lubis, 2017).

One of the social media that marketers use in digital marketing is YouTube. YouTube has been seen as an effective online advertising platform for marketing activities. Youtube’s approach is to adjust the preferences and interests of users so that advertisements can be relevant and arrive at the right target consumers. This is based on demographics, topics, interests and consumer search track records that are connected to a broad network of systems. YouTube gives an upper hand for marketers, enabling them to do targeted advertising that can reach to a large number of users in a cost-effective manner. Not only streamlining the cost of advertising for marketers, YouTube provides ads with skippable ads format, where the audience can choose to watch or skip ads so that YouTube can remain attractive to its consumers.

However, the skippable ads format provided by YouTube has actually led to the inefficiency of delivering advertisements to target marketers. It was found that consumers who
had been exposed to skippable advertising would be quicker to make the decision to immediately skip the next ad after getting a chance to skip it (Belanche et al, 2017). The habit of skipping advertisements and the urgency of consumers' time behavior on different advertisements has become the main cause of ineffectiveness in advertising delivery. In fact, in the last few years, with the emergence of new technology, an extension appeared for blocking ads on YouTube that allows users to get the information without having to see the ad. In the 2017 Global Adblock Report by the Ad Blocking Consultancy Page Fair, the use of mobile adblock continues to increase every year and is very widespread in Asia. Indonesia is the fourth largest after India, China and the United States, which in total amounts to 35 million devices, are dominated by mobile devices. Consumer behavior in blocking advertisements is predicted to have a potentially damaging impact (Anderson and Gans, 2011). If consumers have a behavioral tendency to continuously avoid advertisements, it can be ascertained that the delivery of marketing communications carried out by marketers will not work effectively. As of now, understanding of the factors that persuade customers to accept YouTube advertising as an advertising media is not yet fully understood.

LITERATURE REVIEW

Social Media

An important component of digital marketing is social media. Social media is a means for consumers to share text, images, audio, and video information with each other and with companies, or vice versa. Social media allows marketers to build public voices and online presence. In comparison with other marketing communication activities, social media can make marketing expenses more effective and can encourage companies to remain innovative and relevant (Kotler and Keller, 2016).

Now, social media is increasingly finding its place in all aspects of human life. Social media turns into a place where people, organizations or even the government can interact and exchange information, thoughts, products and services. As a result, organizations all over the world are starting to consider using social media as an effective marketing communication tool that can help attract customers and build marketing relationship that benefits their customers (Alalwan, 2018). Advertising on social media, as a modern and interactive technology, can spearhead the company's marketing communications with its customers (Logan, Bright, & Gangadharbatla, 2012). It helps companies to achieve more marketing goals, such as increasing brand awareness, building consumer knowledge, shaping consumer perceptions, and motivating consumers to buy products or services owned by the company (Alalwan, 2018).

YouTube

YouTube is a content community that was founded in 2005. The company was later purchased by Google in November 2006, and replaced the current television for most users. YouTube is one of the largest video service provider sites today. YouTube allows users to post, view, comment and link the video on their site. Quoted from Google's official page, ads on YouTube can be divided into six different types of ads, namely video stream advertising, video discovery ads, bumper ads, pre-roll ads, overlay ads and sponsored cards.
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Entertainment and Ad Value on YouTube
Entertainment is the ability of an advertisement to create a positive attitude of consumers by giving them pleasure, transfer and release of emotions (Elliott and Speck, 1998). Scharl, Dickinger, and Murphy (2005) stated that consumers will tend to buy products that are advertised when marketers provide entertaining advertisements. Some studies also found that media channels containing high levels of entertainment factor will tend to benefit users, which can then encourage them to use the media more often (Dehghani et al., 2016). Dehghani et al. (2016), found in their study that entertainment on YouTube ads affects ad value and plays an important role in increasing brand awareness and forming consumer purchase intention. His research also reports that entertainment is the strongest positive driving factor of ad value. Another study conducted by Martin et al. (2018) also found the same thing, where the value of advertising was positively influenced by entertainment. Thus, based on the literature we can conclude the hypothesis to be:

H1 = Entertainment of YouTube Ads has a positive influence on advertising value.

Informativeness and Ad Value on YouTube
Informativeness can be defined as the ability of an advertisement to convey useful and large amount of information to consumers to meet their needs (Ducoffe, 1995). Informativeness is considered a valuable incentive that can form a positive attitude towards consumers of advertising, where consumers will not feel disturbed if the ad is perceived to provide the right information. Research conducted by Dehghani et al. (2016) and Martin et al. (2018) found that consumer perceptions of YouTube advertisement information have an influence on advertising value. This is also reinforced by research conducted by Ducoffe (1995), where he stated that informativeness has a significant influence on ad value. He also suggested that optimizing consumer ad value is needed to create messages that communicated the most informative content that marketers could deliver. Thus, based on the literature we can conclude the hypothesis to be:

H2 = Informativeness of YouTube Ads has a positive influence on advertising value.

Customization and Ad Value on YouTube
An advertising will run effectively when there is an exchange of values between consumers and marketers through the message advertised. Generally, consumers will pay more attention to the ads that are personalized and will avoid advertisements that are considered irrelevant to him. Therefore, it is important for marketers to personalize content by following the needs, profiles and consumption patterns of consumers. Dehghani et al. (2016) reported that ad customization had a positive effect on ad value and was the strongest positive driving factor of ad value. It plays an important role in ad value to increase brand awareness and consumer purchase.
intention when receiving YouTube advertisements. Thus, based on the literature we can conclude the hypothesis to be:  
**H3 = Customization of YouTube Ads has a positive influence on advertising value.**

**Irritation and Ad Value on YouTube**  
Irritation can be defined as a measure when advertisements interfere, offend, irritate, insult or overly manipulate consumers. Irritation in advertising will refer to the extent to which consumers feel that advertisements are annoying, interrupting and invoke negative impressions. As Belch and Belch (2003) said, excessive and frequent exposure to advertisements can irritate consumers and will have an impact on consumer behavior towards the product or brand. Consumers will reach a saturation point that can cause messages on advertisements to be no longer accepted and increase the risk of negative responses. Audience negative attitudes toward irritation are formed when online advertising is perceived as blocking goals, interrupting focus and stopping their viewed content (Speck and Elliott, 1997; Cho and Cheon 2004). Several studies also agree, such as Dehghani et al. (2016), Brackett and Carr (2001) and Martin et al. (2018), where they reported that irritation of advertising has a negative influence on ad value and is a negative driving factor in ad value. Thus, based on the literature we can conclude the hypothesis to be:  
**H4 = Irritation of YouTube Ads has a negative influence on advertising value.**

**Credibility and Ad Value on YouTube**  
Credibility is defined as a condition where consumers feel that a brand in an ad is honest and trustworthy. Advertising credibility refers to a consumer’s perception of the truth and trust in advertising in general (Mckenzie and Lutz, 1989). A consumer perception of the credibility of an advertisement can lead consumers to consider the brand which in turn allows consumers to make an assessment of the superiority of a brand (Keller, 2012). Brackett and Carr (2001) and Mckenzie and Lutz (1989) found that credibility has a significant influence on advertising value and attitude toward advertising. In their research credibility is also found to be an important determinant and has the most influential impact on ad value. Thus, based on the literature we can conclude the hypothesis to be:  
**H5 = Credibility of YouTube Ads has a positive influence on advertising value.**

**Ad Value on YouTube and Attitude toward YouTube Ads**  
Advertising value is defined as the subjective evaluation of the relative value or usefulness of advertising for consumers (Ducoffe, 1995). Some scholars state that advertising value is a useful concept, where advertising value serves as an index of customer satisfaction for product communication of a brand. In other words, ad value can be indicated as an assessment and overall representation of the value of advertising on social media. Based on research conducted by Brackett and Carr (2001) it is known that ad value has a significant influence on attitude toward advertising. Thus, based on the literature we can conclude the hypothesis to be:  
**H6 = Advertising value of YouTube Ads has a positive influence on attitude toward YouTube ads.**

**Attitude toward YouTube Ads and Purchase Intention**  
The attitude of consumers towards advertising is defined as the initial disposition for a consumer’s attitude when responding towards a particular advertising stimulus during an exposure (Mckenzie and Lutz, 1989). In the context of advertising, Homer (1990) and Shimp (1981) found that consumer attitudes toward advertising influence consumer purchase intentions through hierarchical effects. This is also supported by research conducted by Shouf et al. (2016) and Hsu, Chuang, and Hsu (2014), where they found that attitudes toward advertising have a significant positive influence on purchase intention. Thus, based on the literature we can conclude the hypothesis to be:  
**H7 = Attitude toward YouTube ads has a positive influence on purchase intention.**
RESEARCH METHODS
Samples and Procedures
In this study, survey questionnaires were developed based on literature reviews used by researchers. Each indicator from the questionnaire variable has gone through wording tests on words, sentences and statements in the research questionnaire to prevent ambiguous statements that will confuse the respondents. As for the distribution of the questionnaires, questionnaires that have been conducted in the test will be distributed first to 30 respondents for a pre-test. This is done in order to test the validity and reliability of the research instruments to be used, by looking at the Kaiser-Mayer-Olkin (KMO) and Cronbach's Alpha coefficients through SPSS. If the test results are invalid and/or unreliable, research instruments will be dropped as it is considered as irrelevant to the research respondents.

For the main data samples, the target population in this study are active Indonesian YouTube social media users. Based on the results of the collection of the main data samples 248 entries have been obtained, which includes the removal of 25 data samples because as it was not in accordance with the qualifications of the respondents specified population. The results of the YouTube user respondents’ data in this study show that the age ranges from 16-57 years. The collection of data shows that almost the entire population of the study sample has a high consumption of internet usage, often using Youtube every day. As for the demographics, respondents in this study were dominated by women which amounted to 56.05%, while men were at 43.95%.

Measurement
In this study, the survey questionnaire was divided into 4 parts related to the user's attitude towards YouTube Ads. In the first section, which is screening, administrative questions are given to identify whether the respondent is an actual YouTube user. If the respondent’s criteria do not match the desired sample, then the question will be stopped in this section. In the second section, containing the main questions, questions are given regarding the perceptions of respondents of Youtube ads factors that can affect ad value, which leads to attitude toward YouTube ads and purchase intention from respondents. Each indicators in this section of the questionnaire will be assessed using a 5 point likert scale, where 1 represents the value of "strongly disagree" and 5 represents the value of "strongly agree". Lastly, in the third section, several questions were given which included the demographic data of respondents such as gender, age, recent education, work and monthly expenses (after installments). The last section is used to profile YouTube usage, where respondents are given questions that describe the daily behavior when using the YouTube social media.

Then, to measure the strength of influence between the two metric variables in this study, analysis was carried out using Structural Equation Modeling (SEM) with the LISREL software package. In testing this research model, a suitability test was first used using several Goodness of Fit (GOF) criteria. Evaluation of the suitability of the model with the data was carried out by taking into account several parameters, namely absolute fit measures (Chi-Square X2, RMSEA, RMR, and GFI) and Incremental fit measures (AGFI, NFI, NNFI, CFI, IFI, and RFI). After testing the level of compatibility of the model with the data, where the model achieves a good level of compatibility, the evaluation of the measurement model is then carried out through validity and reliability of measurement. After all the included the variables in the measurement model have been declared valid and reliable, the measurement is continued by testing the influence and significance of the coefficients possessed by the structural model by looking at the T-value and p-value.

RESULT AND DISCUSSION
In this study, the validity and reliability of indicators or scale items used for each construct are assessed and verified from SPSS data processing software. The significance values are smaller than 0.05 (sig <0.05), KMO above 0.5 (KMO > 0.5) and Cronbach's alpha coefficient ≥ 0.6, which indicates that the factor analysis can be considered as valid and reliable. The validity of each
indicator used is reviewed based on the value of component matrix. The value of component matrix must be greater than 0.5 (component matrix > 0.5). If there is an inappropriate variable or indicator value, then the construct will be dropped because it is considered irrelevant to the research sample.

The hypothesis testing of the research model was carried out using the analysis of Structural Equation Modeling (SEM), LISREL. Testing the model of this study, the suitability test was first carried out by using several Goodness of Fit (GOF) criteria. The parameters to be considered are \( p \)-value \( \geq 0.05 \), RMSEA \( \leq 0.08 \), SRMR \( \leq 0.05 \), GFI \( \geq 0.90 \), AGFI \( \geq 0.90 \), NFI \( \geq 0.90 \), CFI \( \geq 0.90 \), IFI \( \geq 0.90 \), RFI \( \geq 0.90 \). The measurement model will be evaluated to check the validity and reliability of the measurement. A variable is considered valid when the factor loading value is \( \geq 1.96 \), the standardized factor loading is \( \geq 0.70 \), the construct reliability value is \( \geq 0.70 \) and the variance extracted \( \geq 0.50 \). If all the variables in the measurement model have been declared valid and reliable, the measurement will be continued by testing the significance of the coefficients from the structural model through evaluating the T-value and \( p \)-value. A coefficient will be considered to have a significant value when \( p \)-values \( \leq 0.05 \), and T-values \( \geq +1.65 \).

**Entertainment on Ad Value on YouTube**

Based on the testing obtained from SPSS processing, entertainment variables have KMO values > 0.5, significant level < 0.05 and Cronbach's alpha coefficient ≥ 0.6, which are 0.706, 0.000 and 0.940. The value indicates that entertainment variables in the construct of this study have valid, reliable and significant values. When viewed from the component matrix value, the entertainment variable shows a valid indicator value, where the three indicators respectively show values > 0.5, which are equal to 0.940, 0.972, and 0.923.

**H1 = Entertainment of YouTube Ads has a positive influence on advertising value.**

The influence test using Structural Equation Modeling (SEM), LISREL, found that entertainment variables have good fit values. The coefficient value shows \( p \)-values \( \leq 0.05 \), and T-values \( \geq +1.65 \) which are 0.000 and 5.34. This value shows that there is no evidence to reject the hypothesis (H1). Thus, it can be concluded that entertainment on YouTube Ads has a positive and significant influence on advertising value, which supports H1.

**Informativeness on Ad Value on YouTube**

Based on testing obtained from SPSS processing, informativeness variable have KMO values > 0.5, significant level < 0.05 and Cronbach's alpha coefficient ≥ 0.6, which is equal to 0.781, 0.000, and 0.811. The value indicates that the informativeness variable in the construct of this research has valid, reliable and significant values. When viewed from the component matrix value, the informativeness variable shows a valid indicator value, where the four indicators respectively show values > 0.5, which are equal to 0.759, 0.814, 0.814 and 0.812.

**H2 = Informativeness of YouTube Ads has no effect on advertising value.**

The influence test using Structural Equation Modeling (SEM), LISREL, found that the informativeness variable has a good fit value. The coefficient value shows \( p \)-values \( \leq 0.05 \), and T-values \( <+1.65 \) which are 0.000 and 0.36. This value indicates that there is evidence to reject the hypothesis (H2). Thus, it can be concluded that the informativeness on YouTube Ads has no effect on advertising value, which rejects H2.

**Customization on Ad Value on YouTube**

Based on testing obtained from SPSS processing, customization variables have KMO values > 0.5, significant level < 0.05 and Cronbach's alpha coefficient ≥ 0.6, which is equal to 0.715, 0.000 and 0.865. The value indicates that the customization variable in the construct of this research has valid, reliable and significant values. When viewed from the component matrix value, the customization variable shows a valid indicator value, where in succession all three indicators show values > 0.5, which are equal to 0.891, 0.853 and 0.917.

**H3 = Customization of YouTube Ads has a positive influence on advertising value.**
The influence test using Structural Equation Modeling (SEM), LISREL, found that customization variables have good fit values. The coefficient value shows the value of P-values ≤ 0.05, and T-values ≥ +1.65 that is equal to 0.000 and 2.47. This value indicates that there is no evidence to reject the hypothesis (H3). Thus, it can be concluded that customization on YouTube Ads has a positive and significant influence on advertising value, which supports H3.

**Irritation and Ad Value on YouTube**

Based on the testing obtained from SPSS processing, irritation variables have KMO values > 0.5, significant level < 0.05, and Cronbach's alpha coefficient ≥ 0.6, which is equal to 0.666, 0.000, 0.808. The value indicates that irritation variables in the construct of this study have valid, reliable and significant values. However, if viewed from component matrix values, irritation variables have one < 0.5 indicator value that is invalid, which is equal to 0.157; Meanwhile, in the third row the other indicators show a valid value of > 0.5, which is equal to 0.916, 0.933 and 0.949. Thus, for main data collection, these invalid indicators will be dropped because they are considered irrelevant to the object measured in this study.

**H4 = Irritation of YouTube Ads has a negative influence on advertising value.**

The influence test using Structural Equation Modeling (SEM), LISREL, found that irritation variables have good fit values. The coefficient value shows the value of P-values ≤ 0.05, and T-values <+1.65 which is equal to 0.000 and -6.65. This value indicates that there is no evidence to reject the hypothesis (H4). Thus, it can be concluded that irritation on YouTube Ads has a negative and insignificant influence on advertising value, which supports H4.

**Credibility and Ad Value on YouTube**

Based on the testing obtained from SPSS processing, credibility variable have KMO values > 0.5, significant level < 0.05, and Cronbach's alpha coefficient ≥ 0.6, which are 0.642, 0.000 and 0.922. The values indicate that the credibility variable in the construct of this research has valid, reliable and significant values. When viewed from the component matrix value, the credibility variable shows a valid indicator value, where the three indicators show values > 0.5, which are respectively equal to 0.940, 0.974, and 0.879.

**H5 = Credibility of YouTube Ads has a positive influence on advertising value.**

The influence test using Structural Equation Modeling (SEM), LISREL, found that the credibility variable has a good fit value. The coefficient value shows the value of P-values ≤ 0.05, and T-values <+1.65 which is equal to 0.000 and 5.82. This value indicates that there is no evidence to reject the hypothesis (H5). Thus, it can be concluded that irritation on YouTube Ads has a positive and significant influence on advertising value, which supports H5.

**Ad Value on YouTube and Attitude toward YouTube Ads**

Based on the testing obtained from SPSS processing advertising value on YouTube variable has a value of KMO> 0.5, significant level < 0.05, and Cronbach's alpha coefficient ≥ 0.6, which are 0.762, 0.000, and 0.939. The values indicate that the advertising value on YouTube variable in this research construct has valid, reliable and significant values. When viewed from the component matrix value, the advertising value on YouTube variable shows a valid indicator value, where all three indicators show values > 0.5, which are respectively equal to 0.948, 0.955, and 0.931.

**H6 = Advertising value of YouTube Ads has a positive influence on attitude toward YouTube ads.**

The influence test using Structural Equation Modeling (SEM), LISREL, found that the Ad Value variable on YouTube has a good fit value. The coefficient value shows the value of P-values ≤ 0.05, and T-values <+1.65 which is equal to 0.000 and 14.94. This value indicates that there is no evidence to reject the hypothesis (H6). Thus, it can be concluded that the advertising value on YouTube Ads has a positive and significant influence on attitude toward YouTube ads, which supports H6.
Attitude toward YouTube Ads and Purchase Intention

Based on the testing obtained from SPSS processing, attitude toward YouTube ads has a value of KMO > 0.5, significant level <0.05, and Cronbach's alpha coefficient ≥ 0.6, which is equal to 0.844, 0.000, and 0.951. The value indicates that the variable attitude toward YouTube ads in the construct of this research has valid, reliable and significant values. When viewed from the value of the component matrix, the variable attitude toward YouTube ads shows a valid indicator value, where the four indicators respectively show values > 0.5, which are equal to 0.962, 0.947, 0.874 and 0.950. The same results are also found in the purchase intention variable, where it is known that the purchase intention variable have KMO values > 0.5, significant level < 0.05, and Cronbach's alpha coefficient ≥ 0.6, which is 0.663, 0.000, and 0.777. The value indicates that the purchase intention variable in the construct of this research has valid, reliable and significant values. When viewed from the component matrix value, the purchase intention variable shows a valid indicator value (more than 0.5), where the indicators’ component matrix value is 0.885, 0.812, and 0.798, respectively.

H7 = Attitude toward YouTube Ads has a positive influence on purchase intention

The influence test using Structural Equation Modeling (SEM), LISREL, found that the attitude toward YouTube ads variable has a good fit value. The coefficient value shows the value of P-values ≤ 0.05, and T-values < +1.65, which is equal to 0.000 and 14.26. This value indicates that there is no evidence to reject the hypothesis (H7). Thus, it can be concluded that attitude toward YouTube ads has a positive and significant influence on purchase intention, which supports H7.

CONCLUSION

In this study, a survey was conducted to confirm and analyze the factors that affect ad value on YouTube, and how the influence of ad value on YouTube on attitude toward YouTube ads, and its significance in the creation purchase intention in YouTube social media users in Indonesia. Based on the analysis, it is found that entertainment variables, customization, and credibility have a significant positive effect to increase advertising value on YouTube, whilst negative effect for irritation variables. The test results show that advertisements on YouTube are irritating to consumers and have a negative effect on advertising value. However, for the informativeness variable, the test results actually show that informativeness does not have an effect on ad value on Youtube, where this is the complete opposite from the initial hypothesis. Based on these results, it can be concluded that youtube ads are considered not informative for youtube users in general in Indonesia. The results show that there might be information on YouTube advertisements, but it is not felt and/or ignored by respondents because they were considered irrelevant. Therefore, it is recommended for marketers to be able to increase the level of informativeness on Youtube ads, given that previous studies have confirmed that a more informative ad can increase advertising value, which can have an impact on increasing consumer purchase intention. However, several other factors, such as laying out the place and information delivery time must be adjusted to the objectives and types of advertisements chosen by marketers. Finally, the influence between ad value on YouTube and the attitude toward YouTube ads that lead to purchase intention shows a positive and significant effect.

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Statistics and Informatics 34, 961–972.