Aceh young users purchase intention by online store exposure on Facebook

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ABSTRACT

This study aims to determine the effect of advertising exposed by Lazada Indonesia on Facebook toward online purchase intention among the youth in Aceh, particularly the students of Syiah Kuala University. This study uses the Hierarchy-Effect Model to determine the advertising impact. This study used a simple linear regression test. The data were collected through a survey on 155 respondents selected using quota sampling technique from the 12 faculties of Syiah Kuala University. The results of simple linear regression analysis show that the exposure of advertising posted by Lazada Indonesia on Facebook significantly influenced the online purchase intention of Syiah Kuala University students with the impression of 73.2%. The higher the exposure of Lazada advertising on Facebook, the higher the online purchase intention of Syiah Kuala University students.

1. Introduction

The advancement in technology, which mainly leads to the optimization of internet usage, has benefited human to find and get seamless and immediate information. Internet users in Indonesia are increasing every year. Based on the statistics data from the Indonesian Internet Service Providers Association (APJII), the number of internet users in Indonesia in 2013 alone was 82 million users and continued to increase to 88.1 million in 2014 and 110.2 million in 2015 or 50 percent of the total population (APJII, 2017). The figure continued to increase reaching 143.26 million people in 2017. About 70 percent of the users accessed the internet through smartphones while the rest accessed it through broadband. With the current percentage of the internet users, it can be predicted that the figure will continue to increase in the coming years (Lestari & Sunarto, 2018). The increase in internet users has encouraged the application of internet services into various fields. Government and private academic institutions are beginning to transform their information service system to the online information network. Some information such as school assistance data and lectures can now be accessed online. Businesses are also beginning to turn to online marketing to attract consumers and make a profit. Ardianto and Erdinaya (2004) said that many
businesses now realize that by connecting their corporate network to the internet they can get instant access to their customers. Several studies have shown that online services are capable of producing multibillion-dollar industries; one of which is an online advertising industry that reaches the revenue of 25% and continues to increase. According to Laohanpensang (2009), consumers who used to buy electronic products, airline tickets, fashions, and accessories in the nearest malls now start to purchase them via the internet. Purchasing goods or services online has become a common practice. These online sales continue to grow in terms of service, effectiveness, security, and popularity.

Lazada is one of the popular and rapidly growing online stores in Indonesia. Established in 2012, the multinational company is led by Magnus Ekborn. It is the subsidiary of the Lazada's retail networks in Southeast Asia. The Lazada Southeast Asia is owned by German internet company, Rocket Internet (Budhi, 2016). Rocket Internet is an online incubator company that successfully creates innovative and creative companies around the world. As a retailer e-commerce, Lazada sells all kinds of products such as electronics, books, home appliances, traveling apparels and sports equipment (Sulistiyaningsih, 2014). In order to attract consumer purchase intention, Lazada Indonesia employs various promotional tools to support its marketing strategies (Reza, 2016). Indonesia is the fourth largest Facebook users in the world with 130 million accounts. Hence, Lazada Indonesia uses Facebook as its promotional platform and, observed by a large number of likes from the Facebook users, this platform yields positive responses (Chairunnisa & Irwansyah, 2016). Lazada Indonesia constantly puts attractive advertisements on the homepage of the Facebook users. It displays advertisements with diverse product photos, full product descriptions, affordable prices and other product variants. It is now listed as one of the 18 popular online stores in Indonesia (Techinasia, 2015). This proves that Lazada Indonesia is widely recognized by the public.

Fig. 1. Internet Users in Indonesia  
(www.apjii.or.id, 2017)

Fig. 2. Advertising of Lazada Indonesia in Facebook  
(www.facebook.com, accessed on 25 July 2018)
Melissa (2013) and Junia and Rosyad (2014) looked at the effect of online store advertising on Facebook to consumer purchase intention. Although both studies affirmed that there was a relationship between advertising on Facebook and consumer purchase intention, they only concentrated on Facebook fanpages. Facebook users are more likely to be exposed to advertisements that appear on the homepages than on fanpages.

This study used the Hierarchy of Effect Model. The Hierarchy of Effect Model is one of the most comprehensive yet simple social marketing theories used to define goals and measures the effects of an advertising. The most fundamental hierarchy of effect model was developed by Robert Lavigge and Gary Steiner on insurance product advertising (Sadeghi et al., 2013), but is now widely applied to social marketing. The hierarchy of effect model shows the process by which the advertisement works over a period of time (Wijaya, 2012), ranging from generating audience awareness, inducing an impression or attracting interest and information inquiry, and helping people to make informed decisions. According to Baran and Davis (2010), this model allows for the development of a step-by-step strategy of persuasion that begins with easy-to-catch effects, such as awareness and surveillance using survey research. Feedback from such study is used to decide when messages will be broadcast, to make more difficult effects such as decision making or activation.

When viewed based on Hierarchy of Effect Model, purchase intention took place at the affective and preference level stage. Advertising affects consumers at several stages in the order of theory. The effect of advertising does not happen instantly since the message does not directly influence the decision but it takes sometime for the advertisement to take effect. Therefore, this study aims to determine the extent by which advertising exposure of Lazada Indonesia on Facebook influences the online purchase intention of the youth in Aceh, particularly the students of Syiah Kuala University.

2. Method

The study employed quantitative explanatory approach, a research that explains the position of the variables studied and the relationship between one variable with another variable (Sugiyono, 2012). This study attempted to determine the relationship between the advertising exposure of Lazada Indonesia on Facebook variable and the online purchase intention variable. This study used the survey to collect data from 155 students at Syiah Kuala University, the largest university in Aceh. The majority of the respondents were women at 55%, while men stood at 45%. To ensure that each faculty was represented in the sample, respondents were selected by quota sampling technique from the 12 faculties of Syiah Kuala University selected. Only respondents who have seen the advertisement of Lazada Indonesia on Facebook were asked to fill out the questionnaires. The survey used a questionnaire that measured advertising exposure of Lazada Indonesia on Facebook and online purchase intention.

The advertising exposure of Lazada Indonesia on Facebook was measured by three dimensions, frequency, duration, and intensity with a total of 15 questions. The entire item was developed and modified from the concept of Wells et.al. (2000) so it was more appropriate to measure advertising exposure of Lazada Indonesia on Facebook. Each item was measured using the Likert scale with 4 choices of answers (1 = strongly disagree, 2 = disagree, 3 = agree, and 4 = strongly agree). The higher the score, the higher the advertising exposure of Lazada Indonesia on Facebook experienced by respondents. The result of validity test using Product Moment Pearson Correlation show that 12 of 15 items had p-values of smaller than 0.05 meaning that only 12 items were valid. Reliability test results from the 12 items show the value of Cronbach's Alpha at 0.680, indicating that the instrument was reliable. The measurement of online purchase intention was developed from the definition of purchase intention (Howard in (Durianto & Liana, 2004)). 15 items of online purchase intention were measured by the Likert scale with 4 answer choices from 1 (strongly disagree) to 4 (strongly agree). The high score indicated that respondents had a great intention to buy goods at Lazada Indonesia online store. Of the 15 items, 1 item was invalid because
it had the p-value of greater than 0.05. Reliability test result showed that the value of Cronbach's Alpha is 0.904, meaning that the instrument was reliable.

Table 1
Variable Measurement

| Variable Measurement | Dimension | Indicator | Scale |
|-----------------------|-----------|-----------|-------|
| Advertising Exposure of Lazada Indonesia on Facebook (Variable X) | Frequency | a. Frequently watching advertisement | Likert |
|                       |           | b. Frequently viewing advertising products | |
|                       |           | c. Frequently reading brand logos | |
| Duration              | a. Duration in watching the advertisement | |
|                       | b. Reading the entire information on the advertisement | |
| Intensity             | a. Watching the entire advertisement | |
|                       | b. Focus on advertisement doing other activities | |
| Online Purchase Intention (Variable Y) | a. Intention to purchase | |
|                       | b. Intention to own the product | |

All statistical analysis in this study used Statistical Product and Service Solution (SPSS) software version 22. Data were analyzed using a simple linear regression test. The study tested the following hypotheses: 

Hₐ: There is a significant relationship between advertising exposure of Lazada Indonesia and online purchase intention among Syiah Kuala University students.

Hₒ: There is no significant relationship between advertising exposure of Lazada Indonesia and online purchase intention among Syiah Kuala University students.

3. Results and Discussion

Advertising Exposure of Lazada Indonesia on Facebook

Table 2
Advertising Exposure of Lazada Indonesia on Facebook

| No | Category   | Frequency | Percentage (%) |
|----|------------|-----------|----------------|
| 1. | Very Low   | 0         | 0              |
| 2. | Low        | 20        | 12.9%          |
| 3. | High       | 117       | 75.5%          |
| 4. | Very High  | 18        | 11.6%          |
| Total |          | 155       | 100            |

Source: Primary Data Analysis Results (Questionnaires), 2018

Table 2 shows that 117 students (75.5%) of the total respondents who were exposed to Lazada Indonesia's advertising on Facebook were categorized as highly exposed and only 18 students (11.65%) were categorized as very highly exposed. While 20 (12.9%) students were categorized as lowly exposed, no students (0%) were classified as very lowly exposed. In other words, there was no single respondent who was not exposed to the Lazada Indonesia's advertisement on Facebook. In general, it can be concluded that the advertising exposure of Lazada Indonesia on Facebook is in the high category.

Purchase Intention of Syiah Kuala University Students
Table 3 shows that 100 students (64.5%) of the total respondents were categorized as having low purchase intention followed by high category and very low category with 29 students (18.7%) and 26 students (16.8%), respectively. No students (0%) are in the very high category. Overall, most students at Syiah Kuala University have low online purchase intention.

| No | Category       | Frequency | Percentage (%) |
|----|----------------|-----------|----------------|
| 1  | Very Low       | 26        | 16.8%          |
| 2  | Low            | 100       | 64.5%          |
| 3  | High           | 29        | 18.7%          |
| 4  | Very High      | 0         | 0              |
|    | Total          | 155       | 100            |

Source: Primary Data Analysis Results (Questionnaires), 2018

Simple Linear Regression Analysis

Table 4

| Model | R     | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1     | .856a | .732     | .730              | 3.14825                    |

a. Predictors: (Constant), Exposure of Lazada Advertising (X)  
b. Dependent Variable: Online Purchase Intention (Y)  
Source: Results of Data Analysis using SPSS 22

Table 4 shows that the value of R Square is 0.732. R Square is the determinant coefficient defined as the significant ability of all independent variables in explaining the variance of the dependent variable. This means that the advertising exposure of Lazada Indonesia on Facebook affected the online purchase intention of the Syiah Kuala University students at 73.2%, while other factors outside the advertising exposure variable contributed to the remaining 26.8%.

Table 5

| Model | Sum of Squares | df | Mean Square | F       | Sig. |
|-------|----------------|----|-------------|---------|------|
| 1     | Regression     | 4131.410 | 1 | 4131.410 | 418.264 | .000a |
|       | Residual Total | 1511.261 | 153 | 9.878   |        |      |
|       | Total          | 5642.671 | 154 |         |        |      |

a. Predictors: (Constant), Exposure of Lazada Advertising (X)  
b. Dependent Variable: Online Purchase Intention (Y)  
Source: Results of Data Analysis using SPSS 20.0

Table 5 shows the level of significance. Based on ANOVA or F-test F-count is 418.264 with a significance level of 0.000. Since the probability (significance level) is smaller than 0.05 then this regression model can be used to predict the effect of advertising exposure. In other words, advertising exposure has an effect on online purchase intention.

Table 6

Simple Linear Regression

| Model | Unstandardized Coefficients | Standardized Coefficients | T  | Sig. |
|-------|-----------------------------|---------------------------|----|------|
| 1     | -5.150                      | -2.875                    | .005|
|       | 1.089                       | .856                      | 20.451 | .000 |

a. Dependent Variable: Purchase Intention (Y)
Based on the SPSS calculation simple linear regression equation is as follows:

\[ Y = a + bX \]
\[ Y = -5.150 + 1.089X \]

Explanation:
Y: Purchase Intention
A: Konstanta
B: Regression direction coefficient
X: Advertising Exposure of Lazada Indonesia on Facebook

The results of the data analysis produced the coefficient of regression X of 1.089. It means that if the advertising exposure of Lazada Indonesia on Facebook increases by one unit, the online purchase intention will increase by 1.089%. The constant value found in the test is at -5.150. It means that if the variable (X), advertising exposure of Lazada Indonesia on Facebook does not influence the variable (Y), online purchase intention, the average amount of online purchase intention of the Syiah Kuala University students will be negative with the value of -5.150.

| Model | Unstandardized Coefficients | Standardized Coefficients | T  | Sig.  |
|-------|----------------------------|---------------------------|----|-------|
|       | B      | Std. Error | Beta |       |       |
| 1     | -5.150 | 1.791      | .856 | -2.875| .005  |
|       | 1.089  | .053       |      | 20.451| .000  |

Table 7 shows the t-table values obtained by each variable. To accept or reject Ho, one must first determine t-table values to be used. This value depends on the degree of freedom (df) and the level of significance to be used. By using the significance level of 5% the t-table value is (α= 5%; df=1.976). The t-count value the advertising exposure variable is 20.451. When compared with the t-table value of 1.976 the t-count is higher than the t-table value with the significance of 0.000, so Ho is rejected. Thus it can be concluded that the advertising exposure variable of Lazada Indonesia on Facebook significantly influences the online purchase interest of the students at Syiah Kuala University. The prediction of positive values indicates that the effect is positive. In other words, the advertising exposure of Lazada Indonesia on Facebook increases the online purchase intention among the Syiah Kuala University students.

Meanwhile, based on the correlation test of Pearson product moment, t-count for this hypothesis is 20.451. With a significance value of α = 5% (0.05) on a two-tailed test with the degrees of freedom (df) n - 2 or 155 - 2 = 153, the t-table value = 1.976. Based on hypothesis test criteria that if the t-count value is bigger than t-table (t-count 20.451 > t-table 1.976), Ha is accepted. It means that there is a significant relationship between advertising exposure of Lazada Indonesia on Facebook and online purchase intention among Syiah Kuala University students. The correlation value between the influence of advertising exposure of Lazada Indonesia on Facebook and online purchase intention among Syiah Kuala University students is \( r = 0.732 \) or 73.2%. The correlation value of 0.732 indicates a strong relationship between advertising exposure of Lazada Indonesia on Facebook and online purchase intention among Syiah Kuala University students. The positive r-value also implies a positive relationship direction. The results of this study support the previous study conducted by Junia and Rosyad (2014) on the relationship between advertising in social media and consumer purchase intention. The study found that there was a positive relationship between the rational and emotional attractiveness of advertising messages in the Facebook
fanpage of Lazada Indonesia and consumer purchase interest. A similar study conducted by Melissa (2013) also shows a positive relationship between the attractiveness of advertising messages on social networking and purchase intention. Based on the Hierarchy of Effect Model, the effect of advertising will go through six stages, Awareness, Knowledge, Liking, Preference, Conviction, and Purchase. The majority of the students (75.5%) in the current study were aware of the advertising exposure of Lazada Indonesia on Facebook. This awareness instills the knowledge of the advertised products displayed by Lazada Indonesia. These two components, both awareness, and knowledge are at the cognitive or meta-cognitive level of the consumers (Rinaldi, 2017), students of Syiah Kuala University. The knowledge will lead to consumer preference in the form of liking or unliking. The desire to prefer is one of the options to like the product known as purchase intention. Around 29 or 18.7% of the students at Syiah Kuala University had an intention to buy the products advertised by Lazada Indonesia on Facebook. This indicates that students of Syiah Kuala University have low purchase intention toward the products advertised by Lazada Indonesia on Facebook. At the conviction stage, the students believed in the product of Lazada Indonesia after seeing its advertisement on Facebook. Three stages comprising liking, preference, and conviction are part of the human affective response (Nurhayati, 2017). Intention and conviction can attract students to purchase products offered by Lazada Indonesia. Furthermore, the regression equation test produced positive constant value at 1.089. This means that if the variable X, advertising exposure of Lazada Indonesia on Facebook influences the variable Y, purchase intention, the average value of purchase intention is 1.089. On the other hand, if the variable X, advertising exposure of Lazada Indonesia on Facebook does not influence the variable Y, purchase intention, the average value of purchase intention will be negative with the average value of -5.150. Therefore, it can be concluded that the advertising exposure of Lazada Indonesia on Facebook affects purchase interest while the absence of which may decrease the purchase intention by 5.150 units.

This study shows that advertising can affect consumers at the level of purchase intention. It explains the process through which advertising exposure of Lazada Indonesia yields such effect. By advertising on Facebook, Lazada expects to generate purchase intention of the audience who saw the advertisement since it interacts intensively with the consumers. Advertising is a set of information that aims to influence audiences' interests in the products or services offered by the advertisers. It displays product quality and characteristics to help the consumer in selecting and buying the product (Pujiyanto, 2003).

4. Conclusion

The t-count value the advertising exposure variable is 20.451. When compared with the t-table value of 1.976 the t-count is higher than the t-table value with the significance of 0.000. Based on the criteria of the hypothesis test, t-count > t-table (20.451>1.976 with the significant value of less than 0.05; thus $H_0$ is accepted. In other words, the higher the exposure of Lazada Indonesia advertisement on Facebook, the higher the effect on the online purchase intention of the youth in Aceh, particularly the students of Syiah Kuala University. Further studies are suggested to examine other variables that can also affect the online purchase intention of the youth or students such as online shop credibility. In addition, the management of Lazada Indonesia should further multiply promotional strategies such as advertising in electronic media, and increase advertising exposure in various other social media such as Instagram, Twitter, Line, and Path.

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