Factors Influencing Online Video Advertising That Have an Impact on Brand Awareness, Brand Image, and Purchase Intention

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I. Introduction

In this Internet era, consumers have more control in making decisions. Online video advertising entered the mainstream in the advertising world around 2010, and it was only about four years later that online video advertising became accessible to those on a smaller budget. This is because online video ads are consumed in daily recorded volumes, making production more affordable. The content itself is the quality that consumers are most concerned about (Forbes, 2017). Today, online video marketing is accessible to all businesses due to two significant developments: the advent of tools for creating simple videos and the evolution of social media. Social media in the real world is connecting with people or colleagues, friends, and using that media to meet new people. In cyberspace, the principle is the same, but the power of technology provides another advantage, namely users are no longer obstructed by place and space. Users can view people's profiles and send e-mails anytime and from any computer. In fact, sometimes, communicating through cyberspace feels more comfortable and complete than communicating face to face. Overall adults tend to use social media for personal reasons and not work. (Khairifa, F. 2019) According to statistics, the top three most popular social media networks are Facebook (2.74 billion users), YouTube (2.29 billion users), and WhatsApp (2.00 billion users). YouTube is the second most popular website based on user numbers. However, social media users spend more time on YouTube, 25.9 hours per month, while Facebook is only 17 hours per month.
YouTube has a unique position as a repository of popular culture due to the vast quantity of uploaded videos, making it a diachronic archive and constantly increasing its scope (Arthurs et al., 2018). YouTube is a great place to find various entertaining videos, such as product reviews, tutorials, comedy, music, documentaries, vlogs, travel videos, and much more. This shift in media consumption has had an impact on the evolution of the advertising industry. In the mid-twentieth century, television advertising was an essential communication medium between businesses and people, with the ability to express and change lifestyles and beliefs (O’Barr, 2010). YouTube Advertising, commonly called YouTube Ads, is a feature offered by YouTube as a promotional medium for a company, brand, or digital marketer to carry out promotional activities for their products or services on the YouTube platform. By using YouTube Ads, companies can reach potential consumers and make them take action when watching or searching on YouTube, and advertisers will only pay when viewers show interest in the advertised product or service. Compared to other advertising types, online videos have more opportunities to go viral because videos involve differently than images and text (Appiah, 2016).

According to a 2017 BI Intelligence Digital Trust survey, it was stated that 43% of 1,740 millennial respondents thought YouTube had the most annoying ads (Elder, 2017). People are more receptive to advertisements on YouTube since they spend more time and see more advertisements. In addition, because YouTube is a large platform, the shown ads are more frequent and more visible. However, viewers can still skip the ad video shown after it has been running for five seconds. In 2015, Whitney (2020) showed that 2 of the 10 most viewed videos on YouTube were advertising videos. If it is made properly and correctly, it turns out that it will make people interested in watching it. This is confirmed by Dehghani et al. (2016), which states that the lower the irritation in an advertisement, the more the ad value. Several aspects made these two ad videos make it to the list of the most-watched videos. First, the video ad has an entertainment aspect that can attract the attention of the audience. Many marketers combine advertising with attention-grabbing entertainment to reach a wider range of consumers (Kotler & Armstrong, 2013). Furthermore, by providing thorough information in a film, viewers will capture knowledge about a product or service, which beneficially influence the advertisement (Haghirian et al., 2005). With the completeness that exists in each of the previously mentioned aspects, last but not least, marketers can customize the message to be conveyed to consumers, using customization according to the preferences of the audience. Customization can be adjusted according to the interests and needs of the audience (Lee et al., 2015). With customization, it can create a good experience for consumers (Rao & Minakakis, 2003).

A previous study by Dehghani et al. (2016) and Aziza and Astuti (2019) focused on the components of entertainment, informativeness, customization, and irritation in YouTube ad value, which impact brand awareness and purchase intention. Other research conducted by Febriyantoro (2020) also focuses on entertainment, informativeness, customization, and irritation in ad value on YouTube, affecting brand awareness and brand image and resulting in purchase intention. However, the three studies above did not involve the credibility variable. Meanwhile, research conducted by Chungviwatanant (2017) states that credibility is an important indicator in an advertisement because the advertisement should give consumers a sense of trust in the product or service communicated through advertising. Credibility is an advertisement involving celebrities or people who understand their field about a product to provide testimonials with convincing visuals, and providing statistical data will increase the credibility of an advertisement that makes the audience believe (Prendergast et al., 2009). The main idea of the principle of credibility is to show that the product offered works. Based on these sources, it can be
concluded that credibility is an important element in an advertisement. Therefore, the credibility variable will be added to this study. The independent variables chosen in this study are the factors that create ad value that distinguishes advertising in the Internet era from advertising with traditional media (Abu-Ghosh et al., 2018). With these aspects, it can give meaning to the value of advertising (Ducoffe, 1995). As a result, the purpose of this research is to investigate the link between entertainment, informativeness, credibility, customization, irritation, ad value, brand awareness, brand image, and purchase intention in online video advertising.

II. Review of Literature

2.1 Online Video Advertising

Online video advertising is mediated by online video technology, including in-stream video, display video, mobile video, and social video (Stern, 2016). Digital video advertising often consists of brief messages with limited information displayed before, during, or after video content integrated on websites or mobile applications. In comparison to other kinds of digital and online advertising, online video advertising is often seen by a targeted audience and does not compete with surrounding material for the viewer's attention (Mohan, 2015). The transmission of promotional video material to the target audience via numerous web channels is required for online video advertising. In other words, distributing video ads to various website content (Brid, 2021).

2.2 Ad Value on YouTube

Advertising value is a subjective appraisal of the relative worth or utility of advertising to customers (Ducoffe, 1996). This definition relates to the economists’ view to the extent that advertising value is understood to be a subjective measure of the usefulness or satisfaction of a commodity. According to Deghani (2016), customers would recognize the value of advertising when the marketed message is relevant to them.

2.3 Entertainment

Stebbins (2006) stated that entertainment is defined as an opportunity that is deliberately given to the public to please them, which aims to retain their attention over time. According to Firat (2019), entertainment on YouTube is defined as the enjoyment and popularity of advertising material for its users. According to Dehghani et al. (2016), entertainment positively influences ad value. Lascar & Mlday (2017) also strengthen this hypothesis by stating that entertainment affects ad value positively. Thus, we hypothesized that:

**H1: Entertainment has a positive effect on ad value**

2.4 Informativeness

The capacity of advertising to deliver up-to-date, rapid, and easily available information and accurate and helpful information is defined as informativeness (Altuna & Konuk, 2009; Fung & Lee, 1999). Dehghani et al. (2016) discovered that informativeness positively affect ad value. Lascar & Mladay (2017) also agree that informativeness can predict ad value positively. Hence, we hypothesized that:

**H2: Informativeness has a positive impact on ad value on YouTube**
2.5 Credibility

Brackett & Carr (2001) and Erkan & Evans (2016) state that credibility is related to whether individuals trust advertising content or not. Credibility is an important aspect in forming a positive attitude towards advertising (Choi & Rifon, 2002). Regarding social media advertising, Chu & Kim (2011) reported that because of the appearance of comments from existing social connections, the content on social media ads is considered reliable and trustworthy. As a result, social media advertising is regarded as a reputable source of product information (Mangold & Faulds, 2009). According to Yang et al. (2017), credibility is how consumers believe advertising material and shows the trustworthiness or usefulness of advertisements. According to Eighmey & Cord (1998), credibility is directly related to ad value. Therefore, it is hypothesized that:

**H3: Credibility has a positive impact on ad value on YouTube**

2.6 Customization

Customization is described as distributing tailored advertisements to individuals based on their specific interests (Li, 2016), which companies use to develop effective marketing (Montgomery & Smith, 2009). Advertising customization is the presentation of advertising messages based on demographics, user preferences, context, and content. Many advertisers have started using personalized messaging for each individual to prevent the clutter of advertisements that consumers get (Jung, 2017). Advertisers should consider the consumers’ needs, profiles, and behaviors for the value of advertising to reach them (Rao & Minakakis, 2003). According to Dehghani et al. (2016), customization positively affects ad value. Therefore, we hypothesized that:

**H4: Customization has a positive impact on ad value on YouTube**

2.7 Irritation

Irritation is one of the most common problems cited in the literature for advertising effectiveness (Tsang et al., 2004). As shown in previous studies that individuals are resistant to TV advertisements, people usually avoid any advertisements and take the time to do other activities. Internet commercials such as banner ads and pop-up ads are also deemed annoying (Edwards et al., 2002). A study conducted by Altuna & Konuk (2009) has proven that irritation negatively impacts ad value. In addition, Cortés & Vela (2013), Rau et al. (2013), Unal et al. (2011) also reported that irritation negatively affects ad value. Hag et al. (2012) also stated that irritation has a negative influence on ad value. Moreover, Rao and Minakakis (2003) observed that irritation has a negative influence on ad value. Therefore, we hypothesized that:

**H5: Irritation has a negative impact on ad value on YouTube**

2.8 Brand Awareness

According to Romaniuk et al. (2017), brand awareness refers to consumers’ ability to identify or recall certain brands associated with certain items. Brand awareness is strongly tied to the presence and perception of a brand in customers’ minds, resulting in their ability to recognize the brand in a variety of market settings (O’Guinn & Muniz, 2014). Aziza et al. (2019) showed a favorable relationship between the advertising value on YouTube and brand awareness. Febriyantoro (2020) also proved that YouTube ad value influences brand awareness. Deghani et al. (2016) state that advertising value through YouTube certainly impacts positively towards brand awareness. Therefore, we hypothesized that:

**H6: Ad value on YouTube ads has a positive impact on brand awareness**
2.9 Brand Image

Brand image is a symbolic concept generated in the minds of consumers, which includes all data and perceptions related to a product and service (Keller, 2006). According to Rio et al. (2001), the brand image refers to a consumer's response to a brand mirrored in memory through connection with the brand name. Zhang (2015) explains that brand image primarily supports brand equity, affecting customers' perceptions and emotions. The effect of ad value on brand image is expressed by Akaka & Alden (2013) as a direct response to advertising elements that occur to consumers during exposure to advertisements. Appropriate responses must occur to establish or maintain a communication effect, a lasting response associated with the brand image. According to Dewi and Hartono (2019), ad value has a beneficial influence on a company's brand image. Additionally, Febriyantoro (2020) states that ad value positively impacts the brand image. Therefore, it is hypothesized that:

H7: Ad value on YouTube ads has a positive impact on brand image

2.10 Purchase Intention

Hsu & Hung-Tai (2011) mentioned that purchase intention is the proclivity of buying when customers require the advertised goods or service. Consumers will be interested in buying products or services based on experience, preferences, external environment, including advertising (Yang, 2009). Purchase intention may alternatively be described as a consumer's willingness to buy specific items or services. Furthermore, customers intend to acquire a product or service. The possibility for consumers to buy becomes higher, even if consumers do not necessarily need it.

Brand awareness can help consumers recognize brands in various product categories and influence purchase intentions (Rossiter & Percy, 1992). According to Chang et al. (2010), brand awareness has a favorable impact on purchase intention. According to Evans (2008), companies using social media can offer their brand, generate brand awareness, and then turn it into purchase intention. MacKenzie et al. (1986) found that brand awareness positively affects purchase intention.

Consumers' views of brand image influence their purchasing intentions (Koh & Fang, 2012). Chang et al. (2010) revealed that brand image had a beneficial impact on purchase intent. When it comes to purchasing a product, people consider a brand image to be quite significant. Stores with a positive brand image might enhance product purchase intention (Martinez et al., 2014). A greater brand image affects a greater purchase intention (Lin et al., 2007). Therefore, it is hypothesized that:

H8: Brand awareness has a positive impact on purchase intention
H9: Brand image has a positive impact on purchase intention

Figure 1. Research Framework
III. Research Method

3.1 Population and Sampling Design

This research used quantitative methods to test the hypothesis. Woodside (2010) states that quantitative approaches, including statistical testing of hypotheses, are ideal for many case studies. The study will take a sample of 150 people who live in Java, who are interested in buying products or services because they watch advertisements on YouTube because according to a survey conducted by APJII, Internet users are currently concentrated on the island of Java as many as 56.4% of all Internet users in Indonesia (Databoks, 2020).

3.2 Measurement

As the population is uncertain, this research used a number of questionnaires as the basis. The questionnaire was distributed online (google forms). A 5-point Likert scale was used (ranging from strongly disagree – 1 to strongly agree – 5). Applicable elements of previous literature have been adopted and modified in conjunction with this study. Each measurement item for every variable were taken from different sources, such as there are 3 items for entertainment that were taken from Chungviwatanant (2017), 4 items for informativeness were taken from Chungviwatanant (2017) and Firat (2019), for credibility there are 3 items taken from Chungviwatanant (2017), 5 items for irritation were taken from Chungviwatanant (2017) and Firat (2019), 4 items for Customization were taken from Dijkstra (2005), 4 items for Ad Value on YouTube were taken from Ducoffe (1996), and Firat (2019), 3 items for Brand Awareness and 4 items for Brand Image, both were taken from Alhaddad (2015).

3.3 Data Analysis Method

For this study, the Partial Least Squares–Structural Equation Modelling (PLS-SEM) using SmartPLS 3 is used for statistical analysis (Ringle et al., 2015). In addition, since this analysis is an exploratory-based study, PLS-SEM is considered the appropriate method for such a type of study (Hair et al., 2014). According to Hair et al. (2011), PLS-SEM calculates loadings of the indicator variables for the exogenous constructs based on their prediction of the endogenous constructs and not their shared variation among indicator variables on the same construct. Therefore, their contribution to the route coefficients is, in a way, the loadings in PLS-SEM.

IV. Result and Discussion

The sample size for in this research is 150 respondents, consisting of 52% males and 48% females. The ages show that it is dominated by ages 18-28 and most of the respondents are of bachelor's degrees in their education. The respondents' jobs are mostly employees with 52%, and the average income per month is above Rp15,000,000 with 44%. Most of them use smartphones as a tool to access YouTube, with 84.2%. Time spent viewing YouTube is mostly at 1-5 hours with 34%, and most content watched on YouTube are a product review with 52.7%. Brands mostly seen in YouTube ads are e-commerce advertisements with 57.5%.

4.1 Measurement Model Assessment

According to Hair et al. (2011), an outer model is a model that identifies how the latent variable relates to each block of indicators. The outer model evaluation shall be
conducted to check the validity and reliability of the model. The indicator used in this study is a reflective indicator for evaluating the external model by the converging and discriminatory validity of indicators that shape latent structures and the composite reliability of indicator frames. The loading factor value demonstrates the relationship between the indicator's score and structure when the value has excellent validity. For confirmatory research, the loading factor value is more than 0.7, whereas, for exploratory analysis, the loading factor value is 0.6–0.7. Reliability testing is performed by looking at the value of composite reliability. Reliability is deemed adequate if the composite reliability of confirmatory research is greater than 0.7 and the value 0.6–0.7 is still sufficient for exploratory analysis. Convergent validity is assessed by computing the loading factors and the extracted average variance values (AVE). The recommended AVE value must be more than 0.5. The outer model of this study has validity and reliability.

4.2 Hypotheses Testing Results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path</th>
<th>Path Coefficients</th>
<th>t-statistic</th>
<th>p-values</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>ENT -&gt; ADV</td>
<td>0.215</td>
<td>2.470</td>
<td>0.005</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2</td>
<td>INF -&gt; ADV</td>
<td>0.217</td>
<td>3.703</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3</td>
<td>CRE -&gt; ADV</td>
<td>0.154</td>
<td>2.016</td>
<td>0.046</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4</td>
<td>CUS -&gt; ADV</td>
<td>0.345</td>
<td>4.554</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H5</td>
<td>IRR -&gt; ADV</td>
<td>-0.105</td>
<td>2.972</td>
<td>0.001</td>
<td>Accepted</td>
</tr>
<tr>
<td>H6</td>
<td>ADV -&gt; BA</td>
<td>0.576</td>
<td>9.976</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H7</td>
<td>ADV -&gt; BI</td>
<td>0.768</td>
<td>22.802</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H8</td>
<td>BA -&gt; PI</td>
<td>0.067</td>
<td>0.809</td>
<td>0.410</td>
<td>Rejected</td>
</tr>
<tr>
<td>H9</td>
<td>BI -&gt; PI</td>
<td>0.741</td>
<td>12.611</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

In this study, the significance level used is 5%, with a confidence level of 95%. Therefore, the t-value must reach > 1.96 so that the hypothesis can have a significant effect. If the t-value < 1.96, it indicates that the hypothesis has an insignificant effect. Based on the Table 3 results, hypotheses 1, 2, 3, 4, 5, 6, 7, and 9 are accepted since the t-stat value is larger than 1.96 and the p-value is less than 0.5. Meanwhile, hypotheses 8 and 9 were rejected since the p-value was larger than 0.05 and the t-Stats was less than 1.96.

* Figure 2. Research Framework

*p < 0.05
4.3 Discussion

This study shows that entertaining YouTube ads can provide a sense of pleasure and strengthen consumers' impressions of brands, products, or services. This statement is reinforced by Stebbins (2006) which states that entertainment is an opportunity that is deliberately given to the audience to give them pleasure in order to maintain their attention from time to time. Informative YouTube advertisements can provide a sense of pleasure and strengthen consumers' impressions of brands, products, or services. This statement aligns with Murillo et al. (2016), which states that the primary purpose of advertising is to provide information about products and services that allows consumers to make the best purchasing decision. Hence, if advertising can provide useful, timely, and consistent information, consumers are more likely to appreciate advertising. This study shows that YouTube ads are trustworthy to our respondents, so they are fun to watch and can strengthen consumers' impressions of brands/products/services. Consumers try to reduce uncertainty and risk by seeking credible information that is useful for their decision making. Therefore, advertisers always need to display advertisements that accurately describe product attributes and company messages (Jacoby et al., 1994). Customized YouTube ads can provide a sense of pleasure and strengthen consumers' impressions of brands/products/services. This has been supported by research by Rao & Minakakis (2003), which states that advertisers must follow their consumers' needs, profiles, and consumption patterns so that the value of advertising can reach consumers. Customers prefer customization as it may automatically lower their cognitive burden by delivering items or services suited to their interests and demands (Chin, 2007). YouTube ads are not confusing to give pleasure and strengthen consumers' impression of the brand, product, or service. This is reinforced by research by Aziza & Astuti (2019), stating that consumers do not perceive that the advertisements displayed are irritating, so they do not reduce the value contained in an advertisement. There is a bypass option that lets viewers skip the video ads, directly access the content they want (Gao et al., 2010). This style increasingly replaces non-skippable commercials by allowing viewers to watch or skip the ad. Consequently, YouTube was able to minimize the negative impact of irritation on advertising by 30% (Pashkevich et al., 2012).

A fun and powerful advertisement can create a recognizable brand. Firat (2019), in his research, states that memorable and fun advertisements can introduce a brand that is offered well. From the respondent's profile, the product's brand category that appears most often in their YouTube ads is e-commerce, with a percentage of 57.5%. Currently, many shop owners provide their products or services in several e-commerce channels (Melanie, 2020). Therefore, consumers are free to choose which e-commerce they want to buy products in stores that have become their subscriptions. A fun, impressionable ad can create a great brand. In their research, Akaka & Alden (2013) stated that consumers exposed to impressive and pleasant advertisements could build a good brand image in their view. The brands advertised on YouTube are good brands, creating a sense of wanting to buy these brands. This is supported by research by Martinez et al. (2014), which states that a good brand image in an advertisement is considered an important aspect when consumers want to make purchasing decisions for a product.
V. Conclusion

This study examines the relationship between entertainment, informativeness, credibility, customization, irritation, ad value, brand awareness, brand image, purchase intention of respondents in Java who are interested in buying products or services after watching advertisements on YouTube. According to the results, 8 hypotheses are accepted, whereas 1 is rejected. Based on the hypothesis test where entertainment, informativeness, credibility, customization have a positive effect on ad value, irritation has a negative effect on ad value. Ad value has a positive influence on brand awareness and brand image. Furthermore, brand image was discovered to have a beneficial impact on purchase intention. Brand knowledge, on the other hand, does not influence purchasing intention.

5.1 Managerial Implications
This study is beneficial from a management aspect for both corporations engaging in YouTube advertising and YouTube as an advertising platform. Since customization of ads has the strongest driver on advertising value, marketers need to understand the right time to show ad videos. Marketers could create a series of advertisements for one product or service with different segments, followed by different ways of communicating depending on the intended target. Advertisements wrapped with interesting entertainment will be an attraction for consumers. To create an entertaining advertisement, marketers can incorporate elements of trending pop culture. To increase credibility in an advertisement, marketers can involve celebrities or experts in their fields. Finally, marketers must be able to avoid irritation in an advertisement by displaying advertisements that have a positive, light, and pleasant atmosphere through visuals, music, and interesting storylines (entertainment), providing complete information related to products or services (informativeness), having a spokesperson who trustworthy (credibility), appropriate and relevant to the audience (customization). With low irritation, the value in an advertisement can be conveyed well.

5.2 Limitation and Future Research
This study has several limitations, such as a limited sample number, which next research could consider adding more samples to define more of the population's characteristics and more accurate data. In addition, further research can use samples aged 38 years, and over or what is commonly called generation X. They have independent characteristics, love to reminisce, and are always trying to be up to date (Reeber, 2017). Therefore, Generation X relies on YouTube as entertainment and the latest source of information (Kowalewicz, 2021).

References
Alhaddad, A. (2015). A structural model of the relationships between brand image, brand


