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Pop Up Ads Affecting Buying Decision Mediated by Purchase Intention in Online Marketplace (Lazada) in Denpasar

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ABSTRACT

This study aims to determine the effect of pop up ads toward buying decision with purchase intention as the mediating variable. Pop up ads is a form of digital marketing, where pops up when someone open a website. Denpasar known as the capital city of Bali, and known for the the highest rate of education in Bali.The respondence of this research is 150 people who live in Denpasar, accustomed to using internet, and have seen Lazada's pop up ads. Pop up ads have a negative effect toward purchase intention, and buying behaviour, while purchase intention have a positive effect toward buying decision.

Keywords: Pop up ads, Purchase Intention, Buying decision, Lazada

ABSTRAK

Penelitian ini bertujuan untuk mengetahui pengaruh iklan pop-up terhadap keputusan pembelian dengan minat pembelian sebagai variabel mediasi. Iklan pop-up merupaka sebeuah bentuk dari digital marketing, dimana iklan tersebut muncul saat seseorang membuka sebuah website. Denpasar dikenal sebagai ibu kota provinsi Balu, dan dikenal juga sebagai daerah yang memiliki pendidikan yang tertinggi di Bali. Responden dari penelitian ini adalah 150 orang yang tinggal di Denpasar, terbiasa menggunakan internet, dan pernah melihat iklan pop-up Lazada. Iklan pop-up memiliki pengaruh negatif terhadap minat pembelian dan keputusan pembelian, sedangkan minat pembelian berpengaruh positif pada keputusan pembelian

Kata kunci: iklan pop-up, minat pembelian, keputusan pembelian, Lazada

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1.   INTRODUCTION

1.1   Research Background

Companies around the world are brainstorming innovative methods to add value and attract and retain customers. The key to competitive advantage lies in the ability to create compelling differences. Companies have adopted various electronic marketing strategies, such as pop-up ads, commercials. These techniques focus on targeting multiple customer segments at once. Depending on the cost of the technique, the company adopts such techniques.

In this age of technology, there are many reactions regarding this type of advertising, since this type of advertising uses an AI (Artificial Intelligence) with certain algorithms to detect and learn our Internet search history, or we usually call it "cookies", and then the AI will publish specific pop-up ads that are based on the

data they learn and collect. Some people and business entities think that this type of advertising may be more effective in increasing sales and knowledge, and can help people make decisions about what to buy, but some people perceive this as a violation of their privacy, since their information and history are being collected and studied, where some people feel they are being watched. when you click on some things on a website, but take it to other websites that are not related to your destination. A.I (Artificial Intelligence) is a form of simulation of a human thought process, generated by a computer, and this process includes learning, reasoning and self-correction.

Purchase intent is a favorable factor that can guarantee a long business life. As long as the customer wants to purchase the product, it can continue to grow regardless of the availability of similar products in the market. But things are not so simple yet. Product purchase intent is a dependent variable.

According to the Nielsen Global Survey 2013 [1], the Internet has a significant impact on consumers who are interested in buying new products. 61% of people use the Internet to help them decide on new products when buying books, and 51% check the Internet. When considering new foods and beverages. In the U.S., 61 (59%) of respondents said they were more or slightly more likely to buy a new product after learning about active internet research, online forums (30%), and brand or manufacturer websites Higher (45%) or articles on frequently visited websites (39%). Respondents also stated that after learning about new products through social media (30%), online advertising (29%) or videos posted on video sharing sites (27%), they will more or less buy new products.

Lazada Group is an international e-commerce company founded by Rocket Internet in 2012, and is owned by Alibaba Group. In 2014, the Lazada Group started operations in multiple countries, and has a large base of investors from Tesco, Temasek Holdings, Summit, JPMorgan Chase, Investment AB Kinnevik, and Rocket Internet. Approximately $ 647 million was raised in the round. In April 2016, Alibaba Group announced its intention to buy new shares for $ 500 million and buy shares from existing investors for $ 500 million to acquire a controlling stake in Lazada. Lazada also known as the first online market place to launch in Indonesia

1.2   Theoritical Basis
1.2.1 Digital Marketing
Digital marketing is a type of marketing that is widely used to advertise products or services and reach consumers using digital channels. Digital marketing is beyond the scope of internet marketing, including channels that do not require the use of the internet.

1.2.2 Pop up ads
Pop up ads are computer windows that open in front of the current one, display advertisements, or all web pages. Pop-ups are ads that appear in separate windows above the content that users see. Usually, the pop up ads window will not disappear until the user actively closes it [2]. Pop up ads Is one of the way company or online retail shop choose, to promote and advertise their product or services. There are several kind of pop up ads such as:
a.   Multi pop up
b.   Come and go
c.   Timed pop up
d.   Floating pop up
e.   Channel opener
f.   Modeless window
g.   Full screen trap
h.   Drop down pop up
i.   Floating banner
j.   Sticky pop up.

1.2.3 Consumer Behaviour
Consumer behaviour is the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires [3].

1.2.4 Buying decision

According to [4], Purchase purchasing process (or cost-benefit analysis) when buying a product. This purchasing decision model has gone through many interpretations by scholars. This initial stage was first introduced by John Dewey to help the decision-making process to buy, the stages are [5]:

1. Issues / recognition of needs
2. Information seeking
3. Evaluate alternatives
4. Purchasing decisions
5. Post-purchase behavior

1.2.5 Purchase Intention

The intention to buy consumers is something that appears after they have received stimuli from the products they see, hence the interest in trying the product until the end comes the desire to buy in order to have it.

2. METHODS

2.1 Research Sites

This research will be conducted in the area around Denpasar. The reason why the location of this study was chosen was because Denpasar is the regency with is known for as the business central, with this it can be assume, that people in Denpasar are savvy at online shopping.

2.2 Population and Sample

According to [6] the population is a generalization region consisting of objects or subjects that have certain qualities and characteristics set by researchers to be studied and then conclusions drawn. The population of this study is that Denpasar residents are able and accustomed to using the internet. This study uses population research in which residents of Denpasar that accustomed to using internet. The amount of people that addressed in Denpasar that accustomed to using internet is unknown.

According to [6] the sample is part of the number and characteristics of the population. In the sampling technique for this study, this study used a probability sampling technique that is by providing opportunities for some Balinese residents to give their opinions. The technique chosen by the researcher is simple random sampling, that is, some of the population will be sampled, namely some Denpasar residents who are able and accustomed to using the internet and have some knowledge on pop up ads. Non-Probability Sampling is a random sampling technique. The population elements selected as samples can be caused by chance or other factors previously planned by the researcher. Accidental sampling is a technique for determining samples based on spontaneity factors, meaning that anyone who accidentally meets researcher and is appropriate with characteristics then that person can be used as a sample (respondent). Criteria of sample are:

a. currently address in Denpasar
b. accustomed to using internet
c. have seen Lazada pop up ads
d. Female or male

In order to determine the amount of sample that going to be used, its going to use hair et al formula because the number of the population is unknown:

n=number of indicators×10
n=15×10
n=150

From the calculation from above, it can concluded, the amount of sample that going to be used is 150 people.

2.3 Data Type

The type of data that will be used in this study is the type of quantitative data. This quantitative data is data in the form of numbers with the form of an answer score on the questionnaire that has been quantified by weighting the respondent's answer related to the response and reaction when faced with pop up ads.

2.4 Data Source

This research use Primary data and secondary data. Primary data is data from the results of the distribution of questionnaire through google form, which related to pop up ads, purchase intention, buying decision. Secondary data is data that is obtained obtained through data that is associated with the problems being studied which can be obtained through books, journals, and articles that can support research which is certainly related to the research.

2.5 Data Collection Technique
    The data collection technique in this study will be distributing questionnaires. The questionnaire is a data collection instrument that is done by giving respondents a set of written statements to [6]. Questionnaire is a technique of collecting data by using a list of statements that have been designed and distributed to respondents.

2.6 Data analysis technique
    Data in this study were analyzed with validity and reliability, then measurement model (outer Model), Evaluation of Structural Model (Inner Model) and Hypothesis Testing.

3.   RESULTS AND ANALYSIS

3.1 Respondent Characteristic
    Respondents characteristic based on age it was found that there were 61 respondents with age less than Respondents aged 20-25 years with a percentage of 40.7%. This shows that respondents aged 20-25 years tend to be fluent and accustomed to doing activities on the internet. Then respondent characteristic based on gender percent 78 female respondents with a percentage of 52.0%. This shows the questionnaire distributed, the majority filled out by women. Based on last education respondent characteristic, it was found that respondents with the last education in college / universities were 98 people with a percentage of 65.3%. This shows that respondents aged 20-25 tend to finish college or university. Next based on employment namely, this shows that respondents aged 20-25 years are still scholar.

3.2 Validity Test
    Data validity according to [6] shows the degree of accuracy - between the actual data occurring on the object and the data collected by researchers to find the validity of an item, we correlate the score of the item with the total of those items. If the correlation of each factor is positive and the magnitude of 0.3 and above, then the factor is a strong construct and it can be concluded that the instrument has good construction validity.

Table 1. Validity Test Result

No	Variable	statement	Coefficient correlation	Explanation
1	*Pop Up Ads*	X1.1	0,808	Valid
		X1.2	0,849	Valid
		X1.3	0,900	Valid
		X1.4	0,895	Valid
		X1.5	0,917	Valid
		X1.6	0,915	Valid
2	*Purchase Intention*	Z.1	0,935	Valid
		Z.2	0,956	Valid
		Z.3	0,903	Valid
		Z.4	0,879	Valid
3	*Buying Decision*	Y.1	0,866	Valid
		Y.2	0,926	Valid
		Y.3	0,941	Valid
		Y.4	0,907	Valid
		Y.5	0,920	Valid

Source: Primary data processed, 2019.

3.2 Reliability Test
    Reliability can be measured by looking at the value of Cronbach's Alpha. According to [7] Reliability test using measured based on Cronbach's alpha value. Something the instrument is declared reliable if it is alpha Cronbach worth between 0.80-1.00 categorized as good, value between 0.60-0.79, the reliability can be categorized accepted, whereas if less than 0.60categorized as poor reliability or not acceptable.

Table 2. Recapitulation of Research Intrument Reliability Test

No	Variable	*Cronbach's Alpha*	Explanation
1	*Pop Up Ads*	0,942	Reliable
2	*Purchase Intention*	0,937	Reliable
3	*Buying Decision*	0,949	Reliable

Source: Primary data processed, 2019.

    Based on the table above, it can be seen that all Cronbach alpha values for each variable are greater than 0.7. So, it can be stated that the data in the study are reliable.

3.3 Structural Model Testing (Inner Model)

Structural model is a model that describes the relationship between constructs (latent variables). In PLS the structural model is evaluated by using R^2 for the dependent construct, the path coefficient value or t-values for each path for the significance test between constructs in the structural model.
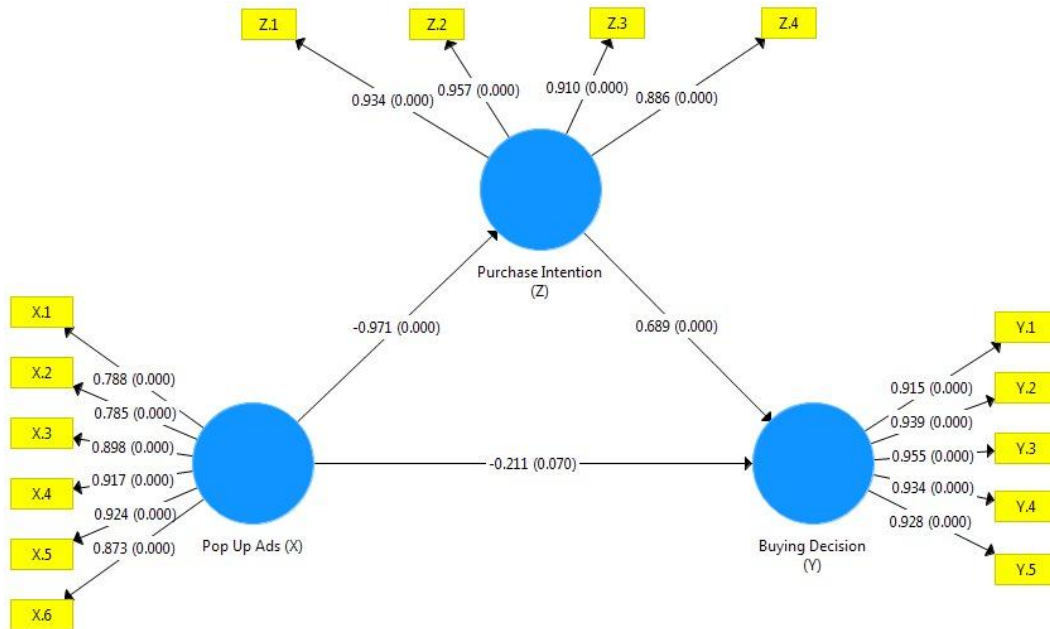

Figure 1. Research Model Framework with Path Coefficient
Source: Primary data processed, 2019

Table 3. *R-square* Value

	R Square	Adjusted R Square
Buying Decision (Y)	0.802	0.799
Purchase Intention (Z)	0.944	0.943

Source: Primary data processed, 2019.

Table 3 shows the R-square value for the pop up ads variable towards buying decision is 0.802, including moderate, which shows a large influence of 0.802 x 100% = 80.2%. The R-square value for the variable pop ups ads to purchase intention is 0.944, including moderate, which shows a large influence of 0.944 x 100% = 94.4%. Q-square value which is a goodness of fit model test. If the Q-square value is greater than 0 (zero), it indicates that the model has a predictive relevance value, while the Q-square value less than 0 (zero) indicates that the model has less predictive relevance. However, if the calculation results show a Q-square value of more than 0 (zero), then the model is feasible to say it has relevant predictive values. Q-square calculation can be seen as follows:

$$Q2 = 1 - [(1-R1^2)(1-R2^2)]$$
$$Q2 = 1 - [(1-0,802)(1-0,944)]$$
$$Q2 = 1 - [(0,198)(0,056)]$$
$$Q2 = 1 - (0,011)$$
$$Q2 = 0,989$$

Based on the above calculation, the Q-square value of 0.989 is obtained more than 0 and close to 1, so it can be concluded that the model has a predictive value or the model is worth having the relevant predictive value.

3.4 Direct Effects, Indirect Effects, and Total Effects between Variables

Analysis of direct influence, indirect effect, or total effect, can explain the relationship between research variables (latent variables). The intended variables are pop up ads, buying decision, purchase intention. The direct effect is shown by the coefficient of all arrows with one end, whereas the indirect effect occurs through

the role of the intermediate variable. To find out the direct effect between construct variables can be seen from the results of the analysis of the path coefficients shown in Table 4:

Table 4. Path Coefficient

	First sample (O)	Average sample (M)	Standard Deviation (STDEV)	T Statistic (| O/STDEV |)	P Values
Pop Up Ads (X) -> Buying Decision (Y)	-0.211	-0.205	0.116	1.814	**0.070**
Pop Up Ads (X) -> Purchase Intention (Z)	-0.971	-0.972	0.003	3.206	**0.000**
Purchase Intention (Z) -> Buying Decision (Y)	0.689	0.696	0.115	5.996	**0.000**

Source: Primary data processed, 2019. Attachment 5

Based on Table 4, it can be explained that the variable p-value of the pop up ads variable towards buying decisions is 0.070, compared to the significant 0.05. Because the p-value is greater than alpha 5% (0.070> 0.05) and the beta value is negative 0.211, it can be concluded that the pop up ads have a negative and not significant effect on buying decision. Then The p-value of the variable pop up ads to Purchase Intention is 0,000, compared with a significance of 0.05. Because the p-value is smaller than alpha 5% (0,000 <0.05) with a beta value of negative 0.971, it can be concluded that pop up ads have a negative but significant effect on Purchase Intention. Furthermore, it is also seen that 3. The p-value value of the Purchase Intention variable to Buying Decision is 0,000, which is compared with a significant value of 0.05. Because the p-value is smaller than alpha 5% (0,000 <0.05) with a beta value of 0.689, it can be concluded that Purchase Intention has a positive and significant effect on Buying Decision. Meanwhile, to determine the indirect effect between construct variables can be seen from the results of the analysis of indirect effects values shown in Table 5.

Table 5. Indirect Effects Value

	First sample (O)	Average sample (M)	Standard Deviation (STDEV)	T Statistic (| O/STDEV |)	P Values
Pop Up Ads (X) -> Purchase Intention (Z) -> Buying Decision (Y)	-0.669	-0.677	0.112	5.969	**0.000**

Source: Primary data processed, 2019.

Based on Table 5 it is known that 4. The p-value of the variable Pop Up Ads on Buying Decision through Purchase Intention is 0,000 compared with a significance of 0.05. Because the p-value is smaller than alpha 5% with a beta value of negative 0.669, it can be concluded that Pop Up Ads on Buying Decision through Purchase Intention has a negative but significant effect.

3.5 Discussion
3.5.1 Pop up ads effect toward Buying Decision
Based on the results of data analysis, the p-value is greater than alpha 5% (0.070> 0.05) and the beta value is negative 0.211, it can be concluded that the pop up ads have a negative effect and are not significant on buying decisions.

[2] have observed that pop-up advertisements have become common as a result of user friendliness towards them. The authors observed that pop-up advertisements ordered higher purchase intentions than standard banner ads. However, [8] explained that pop-up ads were considered annoying and annoying. The reason why people have a negative attitude towards pop-ups is because they interfere with the user's web activity.

3.5.2 Pop up ads effect toward Purchase Intention
Based on the results of data analysis the results obtained value of 0.05. Because the p-value is smaller than alpha 5% (0,000 <0.05) with a beta value of negative 0.971, it can be concluded that pop up ads have a negative but significant effect on Purchase Intention.

According to previous research conducted by [9], it can be described that repeated adverts and advertising messages in pop-up advertisements that seem deceptive, regulation of advertisements on the internet that have not been patented and are unknown, negative experiences of internet users will Pop-up ads are the answer to the factors that prevent pop-up ads.

3.5.3 Purchase intention effect toward Buying decision

The results of data analysis showed that the p-value was smaller than alpha 5% (0,000 <0.05) with a positive beta value of 0.689. it can be concluded that Purchase Intention has a positive and significant effect on Buying Decision.

Purchase intention is hypothetical to take the motivational aspects which influence the online buying behaviour [10]. it is generally accepted within cognitive theoretical models of purchase decision making that purchase intent is a mediating element between attitude and behaviour [11]. The central focus of the model is on five basic decision-process stages: Problem recognition, search for alternatives, alternate evaluation (during which beliefs may lead to the formation of attitudes, which in turn may result in a purchase intention) purchase, and outcomes [12].

3.5.4 Pop up ads effect toward Buying decision mediated Purchase intention

Based on the results of data analysis, the p-value variable p-value is smaller than alpha 5% with a beta value of negative 0.669, it can be concluded that Pop Up Ads on Buying Decision through Purchase Intention has a negative but significant effect.

[8] report that online consumers are goal-oriented and perceive advertisement through pop up on internet to be even more intrusive than those in other medias. Further, they found that online consumers develop negative attitudes towards the advertisements which then lead them to develop intentions to not return to the site. In other words, the product / service advertised through pop-up ads is not attractive to this user. The intention of implementation mediates positively the relationship between intention and behavior because this simple plan helps individuals to start realizing their intentions, protect their intentions from unwanted influences and avoid conflict [13][14]. Making if / then an implementation plan also helps individuals to change their existing habits (which allows them to shop with automatic pilots) and has the potential to make new ones [14][15].

4. CONCLUSIONS

a. Pop Up Ads has a negative and insignificant effect on Buying Decision This means that if pop up ads increase then buying decision decreases as well, but it is not significant.
b. Pop Up Ads has a negative and significant effect on purchase intention. This means that Pop Up Ads is increasing, so the purchase intention will also decrease significantly.
c. Purchase intention has a significant positive effect on buying decisions. This means that if purchase intention increases, buying decisions will increase as well.
d. Pop Up Ads has a negative effect on buying decisions through purchase intention. This means that purchase intention mediates the effect of pop up ads in significantly increasing or decreasing buying decisions.

There are several suggestions for future research, which are:

a. For researchers, the results of this study can be used as a source of teaching or case studies in research activities. In addition, the results of this study can be used as a literature review in order to conduct similar research by adding research samples and reconstructing the research model with other variables such as loyalty, trust, etc. so that the research results are in accordance with the actual situation.
b. For Lazada, the results of this study can be used to help in buying decisions of Lazada customers by lowering Lazada's pop up ads, because it is ineffective, and can also be detrimental to the company because it consumes resources, and thus decreases purchase intention.

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