Antecedents of Purchase Intention on Instagram Ads for Fashion and Beauty Products

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Abstract

This study aims to determine the relationship between Informativeness, Credibility, Flow Experience, Perceived Value, and Advertisement Value on Purchase Intention on Instagram ads for fashion and beauty products. The sample consisted of 250 people who lived in Jakarta and had seen advertisements for fashion and beauty products on Instagram. Respondents were active users of Instagram for the last three months, aged 18-44 years, and were interested in purchasing fashion and beauty products. The data that came from this study is cross-sectional data, where the data is obtained within a predetermined time and period. The results of this study explain that Informativeness and Credibility positively affect Flow Experience and Advertisement Value. Meanwhile, although the Flow Experience variable positively affects Perceived Value, the two variables do not positively affect Purchase Intention. Only the Advertisement Value variable has a positive effect on Purchase intention.

Keywords: Instagram ads, flow experience, advertisement value, purchase intention.

Introduction

Technological progress is very fast; this can be seen from the development of increasingly sophisticated technology. The technology that has seen the most growth is the internet. In 2021 internet users will be 73.7%, with active social media users accounting for 61.8% of 100% of the total population in Indonesia. Social media users in Indonesia increased by 6.3% from 2020. On average, every Indonesian spends 3 hours and 26 minutes in one day using social media; this makes social media a credible place for promotion and advertising. Social media currently has around 170 million users; Instagram is one of several social media that has a fairly high average usage in a month. (Data Reportal, 2021)
Various products that we often see on Instagram social media through feeds or stories have been specially designed using technology to match the needs and needs of users, as well as feeds or stories created by Key Opinion Leaders (KOL) with an endorsement system. Low costs and regulated use in advertising are also one of important points that make Instagram a good promotional medium, especially for Small Micro and Medium Enterprises (MSMEs), so that they can run advertisements for their products.

In 2021, during the pandemic period, the increase in purchases in the fashion and beauty category reached $9.81 million, or equivalent to 13.9 trillion (Data Reportal, 2021). The fashion and beauty industry is growing rapidly, and the competition is quite sharp, so many fail to build businesses in the fashion and beauty sector. In shopping online or through social media, consumers need information and trust before it can turn into a desire to buy. Purchase intention is an important goal in conducting promotions, but before consumers make purchases from social media ads, they must feel the Perceived Value, Flow Experience, and Advertising Value, which are influenced by the Informativeness and Credibility of the advertisement. (Mustafi & Hosain, 2020)

There have been several previous studies discussing this, but differences were found in the final conclusions. According to Mostafi & Hosain (2020), who conducted research in India, Credibility does not affect Advertising Value & Flow Experience. However, Martins (2018) research in Portugal says that Credibility affects Advertising Value & Flow Experience. The informativeness variable does not affect Flow Experience but has an influence on Advertising Value; this is agreed by several previous studies (Mustafi & Hosain, 2020; Martins et al., 2018; Kim & Han, 2014).

In this study, there is a development from previous research by adding the Perceived Value variable as a factor that affects Purchase Intention (Chen & Lin, 2018). The addition of this new variable is based on the advertising industry, which is always changing and is increasing "out of the box" in marketing goods or services in advertisements. Measuring the level of happiness compared to the time that the audience of advertisements is an important concern, and the object of research is whether it affects purchase intention.

Methodology

Informativeness in advertising can be defined as information about the product or service of the advertisement. Including the source, relevance, time, convenience, and completeness of product information can determine the level of informativeness (Mustafi & Hosain, 2020). Ducoffe (1996) defines informativeness as the ability of an advertisement/promotion to provide information/explanation about a product so that consumers can feel satisfied after buying the product. In general, customers will anticipate advertisements that are more informative than just product placement (Gangadharbatla & Daugherty, 2013). In a study conducted by Ott et al. (2016), it was found that the higher the interaction with social media, the significantly increased the perceived informativeness and the impact on increasing product and brand acceptance and Purchase Intention (Wang & Wen, 2017). Consumers in Western countries may have varying perspectives and attitudes towards personalization and privacy concerns in advertising. Consequently, their opinions on the effectiveness of advertising in conveying their attitudes towards advertising with similar or different lifestyles may also vary (Wang & Wen, 2017).

Credibility is defined as the level of trust that can convince consumers of the product information provided (Wang & Wen, 2017). According to Chowdhury et al. (2010), credibility is the most important factor influencing attitudes toward advertisements shown to consumers. The credibility and user-generated content significantly influence the quality of a product, the level of trust it generates, and the likelihood of a purchase being made (Flanagan et al., 2014).

Flow experience refers to a psychological state characterised by cognitive efficiency, motivation, and happiness in an individual. The concept of flow begins with the application of experience regarding a person's behavior towards web use, then develops into the world of marketing activities (Martins et al., 2018). The more consumers are advised by their social environment to use technology, the better the consumer's perception of the benefits of the technology. (Sitorus & Vania, 2022)

Perceived value or perceived benefits refer to the subjective assessment of an individual on
the advantages that particular products or activities can provide (Chen & Lin, 2018). Customer-perceived benefits are customer perceptions of quality, social psychology, benefits, and money associated with a company or service. So, it will result in customer loyalty if the perception of customer value is positive (Zameer et al., 2015). In a study conducted by Chen and Lin (2018), perceived value pertains to the advantages that viewers believe live-streaming media would provide, such as a positive emotional state, a feeling of enjoyment, a greater comprehension of someone with shared interests, or enhanced personal knowledge despite the time invested. As long as the user believes that what is displayed can provide benefits, even though these benefits may not have been obtained, that belief will be consistent with the perceived benefits (Chen & Lin, 2018).

Advertising value, based on Ducoffe (1995), is defined as a representation of the overall value of an advertisement to consumers. Consumer perceptions of advertising value will be high when advertisements can provide relevant, useful, and valuable information (Ramadan et al., 2018). Research has substantiated that the worth of product placement can be elucidated by the advertising value. Perceived value, informativeness, amusement, and aggravation are all factors in the perceived value of product placement (Gangadharbatla & Daugherty, 2013).

Purchase intention refers to the behavioural inclination of buyers or consumers to acquire or select things, driven by their prior experience, utilisation, and desire for a certain product (Kotler & Keller, 2016). Age, occupation, and gender also influence the decision-making to purchase goods (Puspitaningsih & Setiapuspita, 2020).

According to Wang and Wen (2017), multiple studies demonstrate a robust positive correlation between the level of information provided and consumer behaviour in relation to online and electronic advertising across different platforms. Muzaffar and Kamran (2011) also see that information is an important factor in shaping consumer purchase intentions.

In a study conducted by Mustafi and Hosain (2020) stated that informativeness does not have a positive effect on Flow Experience, and credibility also does not have a positive effect on Flow Experience. However, in the research of Kim and Han (2014), it is stated that credibility also has a positive effect on Flow Experience. This is what underlies the authors take the following hypothesis:

H1a. Informativeness has a positive effect on flow experience
H1b. Credibility has a positive effect on flow experience

Many consumers do not have positive feelings about advertisement value; advertising is an important promotional tool that companies cannot ignore (Le & Nguyen, 2014). Informativeness is closely related to Advertisement Value. Efficient advertising has the potential to enhance the worth of consumers (Mustafi & Hosain, 2020). When advertisers are able to demonstrate credibility in their commercials, people are more inclined to view the ad and be influenced to purchase items and services (Le & Nguyen, 2014). On that basis, this research takes the following hypothesis:

H2a. Informativeness has a positive effect on advertisement value
H2b. Credibility has a positive effect on advertisement value

Flow experience refers to a psychological condition in which a highly competent individual experiences motivation and happiness (Martins et al., 2018). In another study, it was explained that when someone focused on the advertisement they saw, they lost track of time and even forgot the things they had to do. Experts have also noted that flow experience affects consumers' perceived value (Chen & Lin, 2018). Based on that premise, this study formulates the following hypothesis:

Figure 1. Conceptual framework
Sources: Mustafi & Hosain (2020) and Chen & Lin (2018)
H3. Flow experience has a positive effect on perceived value

According to Martins et al. (2018), the term "flow" encompasses the state of optimal and enjoyable experience that occurs when an individual is fully engaged, focused, and deriving enjoyment from an activity. Martins et al. (2018) have the result that flow experience has a positive effect on purchase intention. According to Kim and Han (2014), the consumer's choice to engage with smartphone adverts and the subsequent decision to purchase the offered goods or service play a crucial role in the flow experience. This study also focuses on the same thing as previous research (Kim & Han, 2014; Chen & Lin, 2018; Martins et al., 2018; Mustafi & Hosain, 2020). Based on this premise, this study embraces the following hypothesis:

H4. Flow experience has a positive effect on purchase intention

According to Chen & Lin (2018), a positive relationship was found between perceived value and purchase intention. According to Peng et al. (2019), customer perceived value acts as a mediator between perceived value and buy intention, therefore connecting consumer attitudes to purchases and psychological behaviour during the decision-making process. The perceived value has a positive correlation with the intention to purchase and it does enhance the customer's inclination to make repeat purchases. It is necessary to do further testing under various sample settings. Based on that premise, this research formulates the following hypothesis:

H5. Perceived value has a positive effect on purchase intention

In Wang and Wen's research (2017), It has demonstrated that the act of intending to make a purchase can be enhanced by both the sense of being in a state of flow and the perceived value of advertisements. This study also focuses on the same thing as previous research (Kim & Han, 2014; Chen & Lin, 2018; Martins et al., 2018; Mustafi & Hosain, 2020). Given this premise, this investigation adopts the following hypotheses:

H6. Advertisement value has a positive effect on purchase intention

Results and Discussions

The study uses 250 primary data collected through a survey using 5 Likert scale questionnaires. The data analysis is conducted using AMOS application. The study focuses on individuals who have actively utilised the social media platform Instagram for a duration of three months or more, are at least 18 years old, and demonstrate an inclination towards purchasing fashion and beauty products. The data from this study is cross-sectional data, where the data is obtained within a predetermined time and period.

Validity and Reliability Test

A validity test is carried out to know whether all research questions asked to measure research variables are valid/valid. The analytical tool for validity testing uses Confirmatory Factor Analysis (CFA). CFA is a way of testing how well a predetermined theory of measurement consisting of the measured variables and factors fits the reality as captured by the data; if the number of respondents is 250, then the factor loading value is 0.35 (Hair et al., 2019).

The reliability test has the aim of assessing the level of consistency between several variable measurements. The lower limit of Cronbach’s α value is 0.6 (Hair et al., 2019).

As shown in Table 1, all items have a loading factor value of > 0.35, which means that all questions are valid. All items have a Cronbach’s Alpha value of 0.60, which means that all variable indicators are reliable.

Table 1. Validity and reliability test results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Loading Factor</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informativeness (I)</td>
<td></td>
<td>0.850</td>
</tr>
<tr>
<td>Instagram Ads deliver up-to-date information about products or services</td>
<td>I1</td>
<td>0.792</td>
</tr>
<tr>
<td>Instagram Ads provides pertinent information about companies or services</td>
<td>I2</td>
<td>0.820</td>
</tr>
<tr>
<td>Instagram Ads serve as a valuable means of obtaining information</td>
<td>I3</td>
<td>0.870</td>
</tr>
<tr>
<td>Instagram Ads serves as a reliable and current platform for obtaining</td>
<td>I4</td>
<td>0.739</td>
</tr>
</tbody>
</table>
Variable | Loading Factor | α
--- | --- | ---
**Informativeness (I)** | 0.850 |  
Information about items or services |  
I believe that including details about the features is an essential aspect of Instagram Ads | I5 | 0.744
**Credibility (C)** | 0.916 |  
I feel that Instagram Ads are convincing | C1 | 0.878
I feel that Instagram Ads are believable | C2 | 0.889
I feel that Instagram Ads are credible | C3 | 0.893
I feel that Instagram Ads are trustworthy | C4 | 0.920
**Flow experience (FE)** | 0.887 |  
I am fully engrossed when I encounter an advertisement on Instagram | FE1 | 0.853
Upon seeing Instagram Ads, I saw a perceptible acceleration of time. | FE2 | 0.682
As I watch Instagram advertisements, nothing appears to hold significance. When I view Instagram Ads, I am completely engrossed | FE3 | 0.870
When I view Instagram advertisements, I have complete happiness | FE4 | 0.862
**Perceived Value (PV)** | 0.838 |  
When I view Instagram Ads, I have complete happiness | FE5 | 0.885
Watching Instagram Ads provides me with a lot of enjoyment, and gives me happiness. | PV1 | 0.928
Given the time I need to spend doing it, watching Instagram Ads is worthwhile to me. | PV2 | 0.928
**Advertising value (AV)** | 0.933 |  
I feel that Instagram Ads are useful | AV1 | 0.897
I feel that Instagram Ads are valuable | AV2 | 0.909
I feel that Instagram Ads are important | AV3 | 0.935
I feel that Instagram Ads help to make a better selection | AV4 | 0.915
**Purchase Intention (PI)** | 0.938 |  
I would consider purchasing goods or services with Instagram Ads | PI1 | 0.970
I would consider purchasing from these | PI2 | 0.970

Structural Model Evaluation

The research model will be evaluated using Structural Equation Modelling (SEM). SEM is an analysis technique that has a combination of factor analysis, multiple regression, and correlation.

The goodness of fit (GOF) test indicates how well a user-defined model mathematically reproduces the observed covariance matrix between indicator items. If there is one or more goodness of fit that is fulfilled, then the research model that is being carried out can be said to be feasible to carry out further tests (Hair et al., 2019).

| Table 2. Goodness of fit test results |
| --- | --- | --- | --- | --- |
| Criteria | Measureinent | Cut Off | Value | Conclusion |
| Absolute Fit Indices | Sig Prob. (P) | ≥ 0.05 | 0.000 | Poor Fit |
| GFI | ≥ 0.90 | 0.846 | Marginal Fit |
| RMSEA | ≥ 0.08 | 0.081 | Poor Fit |
| Incremental Fit Indices | NFI | ≥ 0.90 | 0.907 | Good Fit |
| TLI | ≥ 0.90 | 0.927 | Good Fit |
| IFI | ≥ 0.90 | 0.940 | Good Fit |
| CFI | ≥ 0.90 | 0.940 | Good Fit |
| RFI | ≥ 0.90 | 0.888 | Marginal Fit |
| Parsimony Fit Indices | AGFI | ≤ GFI | 0.796 | Good Fit |

Based on the goodness of fit test from Table 2, the model is a good fit based on 5 criteria, marginal fit on 2 criteria, and poor fit on 1 criterion. Therefore, it can be concluded that overall, the research model has a good level of model fit.

Hypothesis Testing

In this study, there were 6 (six) hypotheses tested. The tolerance of errors limit used is 5% (α = 0.05) with the basis for making the following decisions:
1. If the p-value is below or equal to 0.05, then Ho is rejected, which means there is a significant relationship. The hypothesis decision is supported.
2. If the p-value is higher than 0.05, then Ho is accepted, which means there is no
significant relationship. The hypothesis decision is not supported.

**Figure 2. Final model**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Estimate</th>
<th>p-value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a. Informativeness has a positive effect on Flow Experience.</td>
<td>0.187</td>
<td>0.007</td>
<td>Supported</td>
</tr>
<tr>
<td>H1b. Credibility has a positive effect on Flow Experience.</td>
<td>0.714</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2a. Informativeness has a positive effect on Advertisement Value.</td>
<td>0.252</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2b. Credibility has a positive effect on Advertisement Value.</td>
<td>0.645</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H3. Flow Experience has a positive effect on Perceived Value.</td>
<td>0.984</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H4. Flow Experience has a positive effect on Purchase Intention.</td>
<td>0.281</td>
<td>0.357</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H5. Perceived Value has a positive effect on Purchase Intention.</td>
<td>-0.284</td>
<td>0.346</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H6. Advertisement Value has a positive effect on Purchase Intention.</td>
<td>0.808</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Hypothesis 1a examines the positive effect of informativeness on flow experience. The results of the study show that informativeness has a positive effect on flow experience. The results of this study support the results of previous studies (Mustafi & Hosain, 2020), (Martins, et al., 2018), and (Kim & Han, 2014) which state that informativeness has a positive effect on flow experience. The results of the analysis of respondents’ answers in this study, the more information provided in advertisements, can increase the flow experience of fashion and beauty advertisements on Instagram.

Hypothesis 1b examines the positive effect of credibility on flow experience. The results show that credibility has a positive effect on flow experience. The results of this study support the results of previous studies (Martins, et al., 2018) and (Kim & Han, 2014), which state that credibility has a positive effect on flow experience. The results of the analysis of respondents’ answers in this study, the higher the credibility seen in advertisements, the more flow experience the fashion and beauty advertisements have on Instagram.

Hypothesis 2a examines the positive effect of informativeness on advertisement value. The results show that informativeness has a positive effect on advertisement value. The results of this study will support the results of previous studies (Mustafi & Hosain, 2020), (Martins, et al., 2018), and (Kim & Han, 2014) which state that informativeness has a positive effect on advertisement value. The results of the analysis of respondents’ answers in this study, that more information provided in advertisements, can increase the advertisement value of fashion and beauty advertisements on Instagram because they are considered to provide relevant, useful, and valuable information.

Hypothesis 2b examines the positive effect of credibility on advertisement value. The results show that credibility has a positive effect on advertisement value. The results of this study support the results of previous studies (Martins, et al., 2018), and (Kim & Han, 2014) which state that credibility has a positive effect on advertisement value. The results of the analysis of respondents’ answers in this study, the more trustworthy the goods in an advertisement, can increase the advertisement value of fashion and beauty advertisements on Instagram because they are considered to provide relevant, useful, and valuable information.

Hypothesis 3 examines the positive effect of flow experience on perceived value. The results of the study show that flow experience has a positive effect on perceived value. The results
of this study do not support the results of previous studies (Chen & Lin, 2018), which state that flow experience does not have a positive effect on perceived value. The results of the analysis of respondents' answers in this study, the better the flow of an advertisement on Instagram, the effect on the perceived value of fashion and beauty advertisements on Instagram. This is because everyone who watches the ad is affected by the customer's perception of the quality, social psychology, benefits, and money associated with the product being offered. As we know that many advertisements currently use out-of-the-box marketing methods so that the advertising audience can feel a happy mood, a sense of pleasure, and a better understanding of the products offered.

Hypothesis 4 examines the positive effect of flow experience on purchase intention. The results of the study show that flow experience does not have a positive effect on purchase intention. The results of this study do not support the results of previous studies (Mustafi & Hosain, 2020), (Martins, et al., 2018), and (Kim & Han, 2014), which state that flow experience has a positive effect on purchase intention. The results of the analysis of respondents' answers in this study, the better flow in an advertisement on Instagram, does not affect the desire to buy fashion and beauty products on Instagram. The flow experience is created when users feel cognitively efficient, Instagram has provided a good flow by releasing the Instagram Shopping feature, but this is still rarely used by entrepreneurs because they think directing links to e-commerce and websites is easier for customers. Attachment to the flow on Instagram is only limited to viewing ads and does not continue until the purchase flow.

Hypothesis 5 examines the positive effect of perceived value on purchase intention. The results of the study show that perceived value has no positive effect on purchase intention. The results of this study support the results of previous studies (Chen & Lin, 2018), which state that perceived value does not have a positive effect on purchase intention. The results of the analysis of respondents' answers in this study, that better the influence on customer perceptions of quality, social psychology, benefits, and money in an advertisement on Instagram, does not affect the desire to buy fashion and beauty products on Instagram. This happens because the use of unique and out-of-the-box endorsers or brand ambassadors is still small. Using an endorser who has a funny accent or unique delivery can increase the pleasure of viewing the ad.

Hypothesis 6 examines the positive effect of advertisement value on purchase intention. The results of the study show that the advertisement value has a positive effect on purchase intention. The results of this study support the results of previous studies (Mustafi & Hosain, 2020; Martins, et al., 2018; Kim & Han, 2014), which state that advertisement value has a positive effect on purchase intention. The results of the analysis of respondents' answers in this study, the better it is to provide relevant, useful, and valuable information in an advertisement on Instagram, influencing the desire to buy fashion and beauty products on Instagram.

Conclusions

Based on the results, informativeness and credibility have a positive effect on flow experience and advertisement value. Flow experience has a positive effect on perceived value, but there is no positive effect of flow experience and perceived value on purchase intention. advertisement value has a positive effect on purchase intention.

This happens because the use of unique and out-of-the-box endorsers or brand ambassadors is still small. Using an endorser who has a funny accent or unique delivery can increase the pleasure of viewing the ad. The importance of a brand providing advertisement value to the reader or ad audience. for example, by placing the method of use, suitability for the skin type, the content in the product, and also the price. This increases consumers' intention to buy because they feel the advertisement is important, useful, and valuable, and makes it easier for buyers to determine which product to buy.

Based on the results of the research that has been done, the managerial implications that can be entered to increase purchase intention in purchasing fashion and beauty products on Instagram are:

1. Managers can improve complete information according to consumer needs, in terms of price, size, color, and visuals when used by
the display. For consumers, it is necessary to have clear product details that are not confusing in an advertisement, interest can arise when consumers feel that the information is complete and fits their needs.

2. Managers can increase the credibility of advertisements for consumers by adding some reviews or testimonials that previous customers felt in the advertisement. Credibility is very important to increase consumer interest.

3. Managers can create a flow that makes it easier for consumers to find these products, by using the “learn more” feature on Instagram that can be swiped up, this can help sellers to make it easier for buyers if they are interested in an item. The easier the flow provided can increase the consumer’s desire to buy. Using the Instagram shopping feature so that the flow experience can be felt by users more.

4. Managers can make something fun in an advertisement, such as using talents or actors who have accents that provide entertainment for consumers. When they are entertained, they will feel that the ad is not wasting their time. Because there are still many consumers who feel that watching ads on Instagram consumes their time and is annoying.

5. Managers can increase consumer purchase intention by using advertisements that provide information previously unknown to consumers so that these advertisements are considered useful, important, and valuable for consumers. By adding new knowledge such as colors suitable for various skins, product sizes that are suitable for use within a certain time, and so on.

Further research can use different research objects such as Travel businesses or households, can use different media such as e-commerce or YouTube, and employs control variables of gender, age, experience using smartphones, and education.

References


