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**THE EFFECT OF NARRATIVE ONLINE ADVERTISING DIMENSION ON
PURCHASE INTENTION MEDIATED WITH CUSTOMER'S ATTITUDE AT
FACEBOOK IN INDONESIA**

(Script)

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**FACULTY OF ECONOMY AND BUSINESS
MANAGEMENT MAJOR
UNIVERSITY OF LAMPUNG
2017**

**THE EFFECT OF NARRATIVE ONLINE ADVERTISING DIMENSION
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Researcher

IRFAN DWIKINANDA

ABSTRACT

The purpose of this research is to know the effect of the narrative online advertisement on purchase intention and mediated with customer's attitude within Facebook's advertisements. The sample of this research is 130 based on random purposive sampling. The analysis of this research to measure the mediation is based on the Sobel test. The result of this research shows that narrative online advertisement dimension has a positive and significant result on purchase intention. The result of this research shows that the customer's attitude has a partial mediation effect on the narrative online advertisement on customer's attitude that has 5.207697 t count in the Sobel test result. Narrative online advertisement dimension affects customer's attitude showed by the t count, which valued as $7.127 > t$ table (1.656752) whereas customer's attitude affects purchase intention has a t count of 6.813, which is bigger than the t-table (1.656752).

Keywords: Narrative Online Advertisement, Customer Attitude, Purchase Intention

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Script

As One of Requirements to Achieve
BACHELOR OF ECONOMICS

In

Management Department
Faculty of Economics and Business University of Lampung



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MANAGEMENT MAJOR
UNIVERSITAS LAMPUNG
2017**

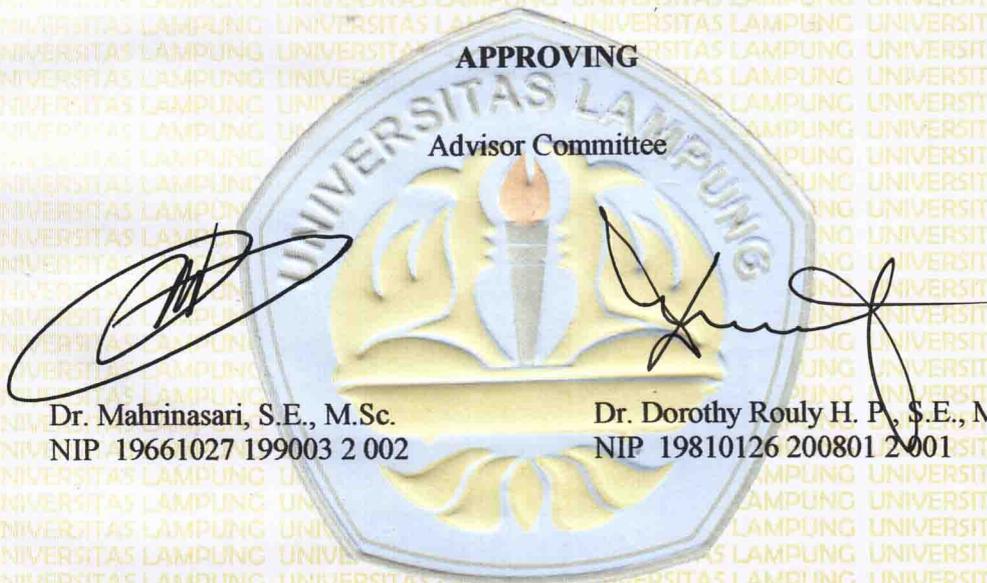
**Thesis Title : THE EFFECT OF NARRATIVE ONLINE
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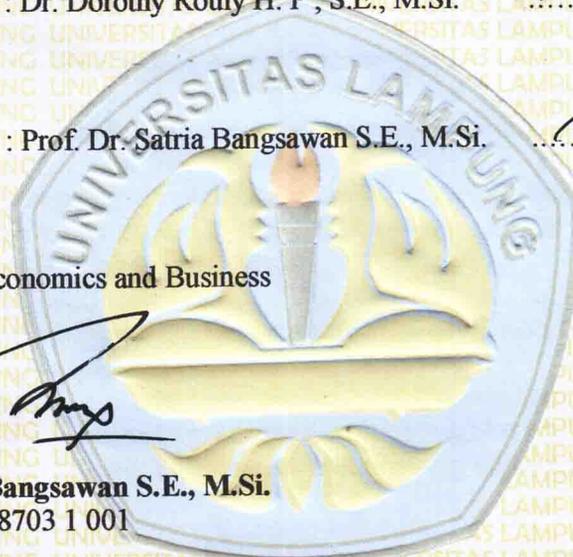


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Yang membuat pernyataan,



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BIOGRAPHY

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In 2013, researcher enrolled in Faculty of Economics and Business in University of Lampung with marketing focus on management major in bilingual class.

MOTTO

“What is better? To be born good or to overcome your evil nature through great effort?”

(Paarthurnax)

“Even so, humans struggle to live, wretchedly. And I think, it is something very beautiful.”

(Symphony of Death)

“For indeed. With hardship [will be] ease.”

(Ash-Sharh 94:5)

“Ask not for whom the bell tolls, it tolls for thee.”

(John Donne)

“Indeed, this world is nothing but a story woven with red strings, intertwined to hide its enigma and destined to cross amongst humanity. Nevertheless, what is a human but the chooser of its own fate?”

(Old friend)

DEDICATION

This thesis is dedicated to those who have stayed and giving such a wonderful encouragement, morale and faith within my life. Without them, there would be no continuation of my journey. Thank you for your kindness.

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This research may not be excluded with mistakes. Therefore, my deepest apology for those mistakes and I humbly accept all of critics and suggestions for this research.

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Irfan Dwikianda

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I. INTRODUCTION

A. Background

Social media marketing is the use of social media platforms and websites to promote a product or service (Felix, R., Rauschnabel, P.A.; Hinsch, C. 2016). Social media marketing has been used by the companies especially in Indonesia as the emergence of internet which has been spread to almost all of the citizen in Indonesia which is predicted in 2017, the number of internet users in Indonesia will reach 112,6 million people (eMarketer, 2014). The traditional advertisement mediums (eg. television and magazines) is considered ineffective as there is a shift in usage of those to internet usage such as social media and internet. As social media uses has becomes more frequently used, the tendency to use internet through smartphones and computer as a medium has becomes more prevalent which has gained more access for internet business or internet online store to become more accessible.

Engagement is defined as the level of the customer's physical, cognitive and/or emotional state in a relationship with organizations (Patterson, 2016). Social media engage the customer to use it more, from its start when the customer has low engagement for a social media, to a stage when customer has a high engagement toward social media itself and also the people who access and connected with social

media. The concept of consumer engagement has been argued to be based on an interactive relationship between consumers, a focal object and the resulting perceived value experience of this interaction (Brodie et al., 2013; Mollen and Wilson, 2010). Moreover, social media allow users to connect with peers by adding them to networks of friends, which facilitates communication, particularly among peer groups (Ahuja and Galvin, 2003) In which that the customer has a high level of engagement toward social media, the engagement itself has led the customer to have involvement in social media, which is the antecedent of engagement (Hollebeek, 2011).

In 2014, over 80% of business executives identified social media as an integral part of their business (Bennett, Shea 2014). Most companies that are able to communicate through social media has gained several advantageous position which is that internet usage for brand communication has able to reach their potential consumer at a wider range that could reach a globally. The scope of companies that are able to reach their customers by implementing their social media is not limited to goods trading but also service that are able to provide a unique experience.

The population of internet users has grown consistently at remarkable rates worldwide (Internet World Stats, 2011). By 2015, internet users are forecasted to nearly 2.9 billion worldwide (eTFForecasts, 2012). In January 2016, however, it has been researched that the number of internet users has exceed the forecasted number which is that the internet users in just January 2016, the number of internet users have reached 3,4 billion worldwide, 500 million more people has use internet (Facebook:We Are Social 2016, US Census Bureau Internet). In January 2014, 74

percent of online adults worldwide use social networking sites (Duggan et al., 2015). The use of internet has been widely used in post 2000 whereas the growth of population that uses internet in Indonesia has exponentially increased. The following table are the data of social media users worldwide:

**Table 1.1 LEADING SOCIAL NETWORKS WORLDWIDE AS OF
JANUARY 2017**

No	Social Media	Number of Active Users (in million)
1	Facebook	1871
2	Facebook Messenger	1000
3	WhatsApp	1000
4	Youtube	1000
5	QQ	877
6	WeChat	846
7	QZone	632
8	Tumblr	550
9	Instagram	500
10	Twitter	317

Source: Simon Kemp (2017), Statista, Facebook:We Are Social, WhatsApp, Twitter, Tumblr, LinkedIn, Google – company statement(Accessed 21 February 2017)

The globalization era that support mass use of computer has introduced the society of Indonesia use internet as the mean of fulfilling their work life and also their personal life. The emergence of internet also has been supported by the trend of social media that has been introduced by several companies (eg. Facebook,

Twitter, MySpace, etc.), which fulfills the society's social needs to connect with several people with regional constraint. The time spent on the internet in Indonesia also support the growth of the social media usage which is Indonesian spent 4,7 hours per day for browse the internet through laptop or desktop computer whereas Indonesian mobile phone usage through mobile device has reached as much as 3,5 hours per day (Global Web Index 2015 accessed from Facebook: We Are Social 2015, Jason Mander).

The countries that has the highest time spent in browsing internet are Brazil, Philippines, South Korea, Thailand, and Argentina. Indonesia has exceed most of another country as for the time spent on internet globally as Indonesia, as 6th rank in time spent on the internet globally, spent time on internet more time than most of other country in the world, and ranked 3rd as the country that has the time spent on internet in southeast Asia. In 2016, Southeast Asia has 37% of its population who has active accounts in the social media.

In Indonesia, the social media users which actively access their social media has reached 79 Million people, which is 30% of the actual population of Indonesia that is dominated by phone users that access social media as 66 Million people access it regularly (Facebook Q1 2016, Tencent, VKontakte, 2015). Even at Youtube alone, the advertisement has been viewed more than 100.000 times (Kotler, Keller 2012). The large group of users has pose a great opportunity for online marketing and challenge to create on-demand and interactive marketing experiences that can effectively connect with and engage their target consumers (Mooradian et al., 2008). Social networks are fun to use, provide entertainment, stimulate the imagination and provide users with relief from a stressful life (van der

Heijden, 2004), which support the growth of Indonesian social media's users even further. The following table are the social platform that is used most by Indonesian people:

Table 1.2 SOCIAL PLATFORM USAGE BY CITIZEN OF INDONESIA

No	Social Media	Percentage
1	Youtube	49
2	Facebook	48
3	Instagram	39
4	Twitter	38
5	Whatsapp	38
6	Google+	36
7	FB Messenger	31
8	Line	30
9	LinkedIn	28
10	BBM	26

Source : Simon Kemp (2017), WeAreSocial January 2017, Hootsuite 2017

The growth of social media users has been supported by the growth of the mobile phone uprising in Indonesia, especially smartphone users. There are as much as 162.3 mobile users in Indonesia, which is 63% of the population in Indonesia. The growth of the internet using mobile devices is even much bigger than the population of Indonesia itself as the number of mobile connections or subscriptions for the citizen of Indonesia is 326.3 million subscribers, which is 126% of the mobile population. The trend of the total number connection can be inferred that the average number of connections per mobile users is 2.01, which is

that for every individual that holds a smartphone, they have at least 2 different numbers that have been subscribed (EMarketer:GSMA Intelligence Q4 2015).

Facebook holds the largest share in social media in the world as the number of people who uses Facebook worldwide has exceed 1 Billion users worldwide. Facebook has a significant growth which is that at 2004, the number of the Facebook monthly users are only 1 million users, whereas at the end of 2015, the Facebook users has exceeded 1,5 Billion people worldwide that becomes an active users. The growth of Facebook users overtime is presented in table below:

Table 1.3 GROWTH OF FACEBOOK USERS OVERTIME (IN MILLION)

Year	Global Facebook Active User
2010	431
2011	608
2012	845
2013	1,056
2014	1,228
2015	1,393
2016	1,591
2017	1871

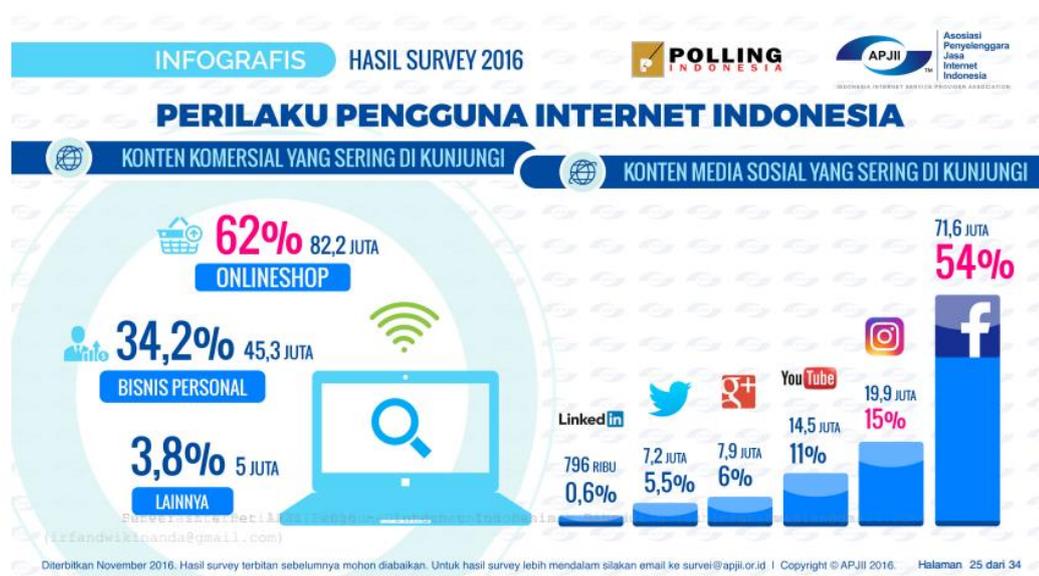
Source : Simon Kemp (2017), Facebook, Shift Communications, Penn 2015,

WeAreSocial 2016 – 2017, HootSuite 2017(accessed 16 March 2017)

The growth of Facebook's users overtime also happened in Indonesia whereas Indonesia is nominated as one of the country that has the largest number of active users. The growth of Facebook users especially in Indonesia is affected by the fact that the internet penetration percentage has hit some of the Indonesian

population. By the fact that the increasing use of mobile usage, the number of Facebook users also increasing. Indonesia population that has access to Facebook is as much as 71.6 million people (APJII report 2016). The ease of access to mobile data also support the internet usage especially in accessing social media.

Figure 1 APJII Report 2016



Source: APJII report 2016

Facebook, as a company, persevere in the market as the social media network that has succeeded in growing their company in advertisements as their business model heavily relies from advertising to their users. The number of growth in Facebook users worldwide has stimulate the growth of advertisers that has in Facebook. As for 2 March 2016, Facebook has more than 3 Million advertisers, which 70% are outside of United States of America. In terms of segments, mobile is the most promising advertising form for the company. In 2015, Facebook's

mobile advertising revenue already accounted for 77 percent of the social network's total advertising revenue. The following tables are the revenue growth in Facebook:

Table 1.4 FACEBOOK ADVERTISEMENT REVENUE GROWTH 2009 – 2016 (IN MILLION DOLLAR US)

Year	Revenue
2009	764
2010	1,868
2011	3,154
2012	4,279
2013	6,986
2014	11,492
2015	17,079
2016	26,885

Source : Statista 2016, Facebook's Annual Statement Income 2009 – 2016

(accessed from investor.fb.com)

Advertisements have a significant effect when afflicted with elements that are able to engage consumer to view the product that is narrative advertisements elements. Narrative advertisements have several elements which are interactivity, vividness, entertainment and self-referencing. When viewing an advertisement, consumers often engage in self-referencing, a process in which they apply the advertisement's relevance to themselves to judge its usefulness (Debevec and Iyer, 1988). This act of self-reference is practiced through encouraging customers toward an advertisement, which is related on product or situation, to their experience or self. Individuals who were high in self-referencing possessed more positive

attitudes toward advertisements and products and consequently had more favorable purchase intentions than individuals who were low in self-referencing (Debevec and Romeo, 1992). The following figure below is one of the narrative online advertisement that has been shown in the Facebook. This advertisement is the one that is published in Facebook by a third-party company that promotes their product which can be identified with a sponsored tag below the company's name.

Figure 1.2 An Example of Narrative Online Advertisement at Facebook

Wall's Indonesia
Bersponsor · 🌐

Sukai Halaman

Tau gak sekarang Waktu Indonesia bagian apa? Waktu Indonesia Bagian Ngemil es krim Wall's dong.
Yang mana nih camilan es krim pilihan kamu?
Screenshot dan share yah
#Walls25Tahun

159 rb

120 Komentar 139 Kali Dibagikan
249 rb Tayangan

Suka Komentari Bagikan

Source: Facebook accessed at 21 July 2017

A person's high involvement in a message's content is frequently associated with higher personal self-referencing, personal goals, and product consumption (Wang and Calder, 2006). Advertisement that has been provided by Facebook to the users has compelled its user to look at the product. Facebook gathered the consumers' data which would be used to manage what kind of advertisement that they actually want which would make the users to have their own self-reference. The advertisements that Facebook showed has a certain degree of effectiveness, which is measured by click-through rate (CTR), which is the ratio of users who click on a specific link to the number of total users who view a page, email, or advertisement (American Marketing Association Dictionary 2012). The following table is the list of countries that has the highest number of CTR globally:

Table 1.5 COUNTRIES WHICH HAS HIGHEST CTR

Rank	Country	CTR (Click Through Rate) percentage
1	Germany	1,64
2	Australia	1,57
3	United Kingdom	1,01
4	United States	0,98
5	France	0,49
6	Canada	0,44
Global	Global	1,00

Source: Salesforce Advertising Index Report 2016

The development of the companies has made some social media platform to promote a product that is given by the companies. For the potential consumers are able to buy a product, there are some prerequisite for a product to be consumed. It

is that the consumer must firstly aware of the product, the consumer develop an interest for the product, the consumer desire the product then the consumer take an action to purchase a product. Facebook is one of the company who has implemented such goal in order to advertise the product that is given by the companies. Facebook has been chosen as research object as Facebook has implemented the narrative online advertising when promoting products toward their users. Based on the described background, researcher had shown interest to do a research entitled “THE EFFECT OF NARRATIVE ONLINE ADVERTISING ON PURCHASE INTENTION MEDIATED WITH CUSTOMER’S ATTITUDE AT FACEBOOK.”

B. Problem Formulation

Despite the advertisement growth on Facebook, there is a scepticism in considering Facebook as one of the effective medium of advertising as the global CTR is still considered low which amounted as 1 percent of total Facebook usage for all of the population existed. This indicates despite the fact that Facebook is used in a daily basis among active users of Facebook, there is no guarantee that an advertisement on Facebook will be able to be effective in influencing consumers.

Based on the problem stated above, several questions comes up as follows:

1. Does narrative advertisement has effect toward customer’s attitude?
2. Does narrative advertisement has effect toward purchasing intention?
3. Does customer’s attitude has effect toward purchasing intention?
4. Does consumer’s attitude mediate narrative advertisement in affecting purchase intention?

C. Research Purposes

The purpose of this research are:

1. To know the effect of interactivity toward purchasing intention
2. To know the effect of vividness toward purchasing intention
3. To know the effect of entertainment toward purchasing intention
4. To know the effect of self-referencing toward purchasing intention

D. Research Benefits

1. For Entrepreneur

As a conceptual contribution in solving the problem faced in the society as internet advertisement has low rate for social media users to engage.

2. For the academic

Results of this study are expected to be used as a comparison reference for future studies with similar problems

3. For author

An additional insight into learning about the science of marketing and the effect of narrative online advertising to the purchasing intention.

II. LITERATURE REVIEW AND HYPOTHESIS

A. Marketing Communications

Marketing communications are the means by which firms attempt to inform, persuade, and remind consumers, directly or indirectly, about the products and brands they sell.(Kotler, Keller, 2012). Within the definition of marketing communication itself, the goal of it is to deliver a certain information about the product to the consumers so that the information keep retained within the consumer. The marketing communication inherently have certain methods for each environment in which for every environment has different cases and backgrounds as for why certain method are more effective than the others. The product that is being offered also have different method in order for the product's brand can be communicated effectively as it pertains within the value of the product itself. There are some way of the product can be communicated with marketing communications mix (Kotler, Keller, 2012):

1. Advertising

Any form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor via print media (newspapers and magazines), broadcast media (radio and television),

network media (telephone, cable, satellite, wireless), electronic media (audiotape, videotape, videodisk, CD-ROM, Web page), and display media (billboards, signs, posters).

2. Sales Promotion

A variety of short-term incentives to encourage trial or purchase of a product or service including consumer promotions (such as samples, coupons, and premiums), trade promotions (such as advertising and display allowances), and business and sales force promotions (contests for sales reps).

3. Events and Experiences

Company-sponsored activities and programs designed to create daily or special brand-related interactions with consumers, including sports, arts, entertainment, and cause events as well as less formal activities.

4. Public Relation and Publicity

A variety of programs directed internally to employees of the company or externally to consumers, other firms, the government, and media to promote or protect a company's image or its individual product communications.

5. Direct Marketing

Use of mail, telephone, fax, e-mail, or Internet to communicate directly with or solicit response or dialogue from specific customers and prospects.

6. Interactive Marketing

Online activities and programs designed to engage customers or prospects and directly or indirectly raise awareness, improve image, or elicit sales of products and services.

7. Word-of-mouth Marketing (WOM)

People-to-people oral, written, or electronic communications that relate to the merits or experiences of purchasing or using products or services.

8. Personal Selling

Face-to-face interaction with one or more prospective purchasers for the purpose of making presentations, answering questions, and procuring orders.

B. Advertisement Purposes

Advertisements were mainly used for two purposes, the first to encourage retailers to stock a certain product for which in return they got a free advertisement, and the second for manufacturers to promote their products and make the public trust them (Sofia, 2015). There are some decisions to be considered for a manager to make an advertisements, as there are some goals that is being needed for an advertisers in order to be able to ensure that an advertisement are able to meet the

company's purposes. Kotler (2006) explained that there are 5 main decision for a manager to develop their advertisements:

1. Mission

What kind of goals held by the advertisement that will be made? The goal of advertisement will determine the purpose and on how the advertisements will affect the customer in such a way that will benefit the advertisers.

2. Money

The budget that an advertisement has will determine on how the strength of message that is being held within an advertisement. This will determine on how long will the advertisements will be shown, how far an advertisement will reach the customer, how much an advertisement will be shown to the customer, and so forth.

3. Message

Message is the information that an advertisers want to convey to the consumers. An information will be able to be delivered perfectly if the information that an advertisement pertains with the core value of consumers and within a certain alignment that will make an advertisement be remembered for a consumer.

4. Media

The medium that an advertisement choose will determine on where the advertisement will be shown, how much money will it need, how far will it reach the consumer, and how much money that is needed

by the advertisers. The media also holds as one of the factors that should be aligned with the content of the product being advertised as some product are not compatible if being advertised within a certain media.

5. Measurement

How the value of product will be perceived for the consumer has to be evaluated within the market, or have to be evaluated for future purposes on how the advertisement can be improved or even on how an advertisement have a negative influence in the product's purchase.

C. Narrative Advertisement

Narrative advertising involves storytelling or communicating a lived experience that unfolds in a sequence of events, conveys the storyteller's reactions to the events, describes the location and time, and captivates the audience (Padgett and Allen, 1997). The distinct quality that narrative advertisement has compared to another form of advertisement it is that, compared to other types of advertisement which only delivers a certain information related to the product, narrative advertisement has taken another step in interacting with the customer in such a way that a customer might be engaged within the advertisement as narrative advertisement can take the form of of drama, transformation, or a slice-of-life (Mick, 1987; Stern, 1994; Swatman et al., 2006). As the narrative advertisement focused on the affective side of the human itself, narrative advertisement has taken a form as to not only give information related to the product, but also give an entertainment

for the one who engaged with it in such a way. Narrative advertising is processed through appeals to viewers' subjective feelings and empathy (Deighton et al., 1989), allowing viewers to construct mental simulations of hypothetical and self-relevant scenarios that elicit transportation and narrative persuasion (Escalas, 2004).

According to Russell, Pingsheng .et.al (2012) there are 5 narrative online advertisements elements:

1. Interactivity

Interactivity is defined as the degree to which an individual can act on and react to (i.e. influence or be influenced by) a particular stimulus (Florenthal and Shoham, 2010). In an online advertising setting, interactivity allows consumers to control what and how much they want to view through active links or control buttons embedded in the screen or through their responses to events in the story. Highly interactive advertisements give consumers a considerable level of control and choice to help shape their online experience.

2. Vividness

Vividness is defined as the "representational richness of a mediated environment as defined by its formal features, that is, the way in which an environment presents information to the senses" (Steuer, 1992). It includes breadth, the number of senses that are engaged, and depth, the quality or proximity to replicating parts of the human

senses (e.g. three-dimensional animations). A vivid advertisement is likely to attract a viewer's attention, emotionally engage him/her, provoke concrete imagery, and excite the imagination (Nisbett and Ross, 1980). Vividness involves the clarity of images and significantly improves consumers' understanding of a product, enhances their beliefs that their virtual experiences are compatible with their physical shopping behavior, and improves their shopping enjoyment (Jiang and Benbasat, 2007).

3. Entertainment

Entertainment satisfies the pleasures of perusing the internet. Prior research reveals that many people use the internet to seek enjoyment, relaxation, and entertainment value (Childers et al., 2001; Mathwick et al., 2001), and they expect high entertainment value in online advertising as well. Entertainment involves the appreciation and savoring of all the nuances of an experience or the appreciation of the retail spectacle (Mathwick et al., 2001). The experience can produce enjoyment and fun (Babin et al., 1994), an intrinsic, personal, and emotional reward, a hedonic value, including increased arousal, heightened involvement, perceived freedom, fantasy fulfillment and escapism (Bloch and Richins, 1983), and vicarious consumption (MacInnis and Price, 1987).

4. Self-referencing

When viewing an advertisement, consumers often engage in self-referencing, a process in which they apply the advertisement's relevance to themselves to judge its usefulness (Debevec and Iyer, 1988). Self-referencing is a cognitive processing strategy that relates input information to an individual's self construct (Burnkant and Unnava, 1995). It is practiced by encouraging consumers to relate a product or situation to their experiences or self. Debevec and Romeo (1992) found that individuals who were high in self-referencing possessed more positive attitudes toward advertisements and products and consequently had more favorable purchase intentions than individuals who were low in self-referencing. Furthermore, a narrative that references landmarks may be more successful in forming a positive attitude toward an object or advertisement because it lends greater relevance to the object (Debevec and Romeo, 1992).

D. Purchase Intention

Purchase intention is the final consequence of a number of various factors in an online shopping context (Ling *et al.*, 2010). Purchase intention is required by company to be able to market their product as customer's preferences on a particular type of products might have a significant role in company's decision in what to make, how to promote it, and how to deliver that product. The intention

are derived from the result of information process that a customers have based on their particular needs. This process happened as consumer have to make a certain trait of selection for a product that they have encountered so that a consumer are able to get satisfaction on their product effectively. AIDA model is one of the model that have the correlation within the purchase intentions. As described by Priyanka, R (2013), AIDA process are divided to 4 categories:

1. Awareness

The consumer has a certain awareness for the product or brand through advertisement

2. Interest

The consumer are starting to have a desire to know about the information of the product that they have interest in.

3. Desire

The consumer develops a favorable disposition towards the product

4. Action

The consumer has a certain train of having an intention to purchase the product, which often result in purchasing the product.

E. Attitude

Attitude can be viewed as an index of the degree to which a person likes or dislikes an object and carries favorable connotations (Ajzen and Fishbein, 1980). A consumers' attitude towards an advertisements and a product plays a significant

role as it indicates a shaped belief within a consumers toward a certain product that it represent on the degree in which a product viewed by a consumer. Attitudes plays an important part in determining a person's behavioral choices and intentions (Dabholkar, 1994) as it reflects a person's evaluation of an object (Ajzen and Fishbein, 1977) or evaluative judgment (Bagozzi et al, 1999).

F. Research Model and Hypotheses

This study analyze the effect of the narrative online advertisement which can be exhibited via interactivity, vividness, entertainment and self-referencing.

1. Effect of Narrative Advertisement on Customer's Attitude

In the study that has been published by Ching and Tong (2013), the four narrative online advertisement elements have an effect on the attitude which is that the higher the degree of involvement on those qualities within an advertisement, the more favorable customer's attitude toward the product. The favorability of the customer that views a narrative online advertisement is gotten through the stimulation in which that the advertisement's story and experiences might related with the customer's experiences. Therefore,

H1: There is an effect on narrative online advertising toward customer's attitude

2. Effect of Consumer's Attitude on Purchase Intention

The consumer's attitude toward the product might alter the way in which a customer sees the product as needed or not. The favorability of customer's attitude determines on whether the customer might see the product as one of the necessity in their life

or not. As Fishbein and Ajzen (1975) said that the favorable attitudes toward a product lead to higher intentions to purchase the product simply because consumers can perceive the benefit of consuming the product. Therefore,

H2: There is an effect on consumer's attitude toward purchase intention

3. Effect of Narrative Advertisement on Purchase Intention

Prior researches regarding the elements of narrative advertisement show that its element has significant effect on how the narrative advertisement affect the purchase intention. Constantinides et al. , Mandel and Johnson has suggested that the experience a customer sees inside an advertisement, which consists of its atmosphere, physical attributes of the advertisement (i.e. color, hue, visualizations, graphics and sound) have a significant effect on the purchase intention of a customer. When an advertisement is viewed by consumers, the engagement process in judging the relatedness of a product in their life, which can be called self-referencing, will determine whether a consumer will buy a product or not. The judgment of whether a product will have impacts in their live will determine on how the individuals will but the product. Nevertheless, for a product that has a high relevance to the consumers' experience will have a high rate of self-referencing. Debevec and Romeo (1992) found that the process of an individual in administering the advertisement's information in themselves which involves in self-referencing will have a significant effect in purchase intention whenever the rate of self-referencing is high and vice versa. Therefore,

H3: There is an effect on narrative online advertising toward purchase intention

4. Consumer's Attitude Mediation in Narrative Advertisement for Affecting Purchase Intention

The goal of the narrative advertisement itself is to gather as many consumers as possible to maintain a good experience toward customer in hope for customers to have an intention to buy a product. A highly interactive, vivid, entertaining advertisement to which a consumer can relate facilitates the development of favorable product attitude (Ching, Tong, et al 2013). The attitude of the customers have toward the product will determine on whether a customer have an intention to purchase a product or not. Consumer's attitude toward the product in return will be able to support the narrative advertisement toward customer to have an intention to purchase. Therefore,

H4: The consumer's attitude mediate narrative advertisement in affecting purchase intention

Table 2.1 Previous Research

No	Authors	Research Title	Correlation With This Research	Conclusion
1	Jiang, Benbasat 2007	Investigating the Influence of the Functional Mechanisms of Online Product Presentations	Serves as one of the main basis of research for this journal as the theoretical backgrounds used for this research are based from this journal which is the correlation between narrative advertisement (X1) and purchase intention (Y)	separating the two aspects of online product presentation design: interactivity, i.e. the way in which consumers interact with products, and vividness, i.e. the representational richness of products' reaction to consumer input
2	Ching, Tong, et.al 2013	Narrative online advertising: identification and its effects on attitude toward a product	This study is the basis of this research as the narrative online advertisement's variables (interactivity, vividness, entertainment and self-referencing)(X1) and its involvement toward attitude toward the product(X2) are adopted from this journal.	Effects of narrative online advertising elements on consumer's attitude toward the product within advertisement

Table 6 Continued:

3	Duffet 2015	Facebook advertising's influence on intention-to-purchase and purchase amongst Millennials	This study is the basis on how the social media's advertisement (X1) affects purchase intention (Y) toward people that has seen the advertisement provided by the object of this research which is Facebook	The effect of the Facebook's advertisement on how consumer's behavior change which is within the scope of purchase intention and purchase amongst Millennial
4	Duffet 2017	Influence of social media marketing communications on young consumers' attitudes	Serve as the basis of attitude with the link on how the consumer's behavior(X2) on a product advertised will impact their purchase intention toward the product (Y)	The study finds that the advertisement on the social media has a significant impact on how people on generation Y are able to perceive the value of product advertisement that influence their purchase intention and purchase behavior

Table 6 Continued:

5	Meng Li 2015	Consumers' attitude towards social media advertising and their behavioural response The moderating role of corporate reputation	The attitude of consumers toward an advertisement of a product (X2) that they intended to purchase is determined by how positive their attitude is toward the advertisement (X1)	Consumers with a favorable attitude toward an attitude-related object are likely to take actions that reflect their attitude. Thus, consumers with favorable attitude to social media advertising are likely to respond favorably to social media advertising; buy a product advertised on social media; or look for further information
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I. Framework

Narrative advertising tells a story about product consumption or related experiences or presents the consequences of the product's usage and achieves persuasion by appealing to the consumer's affective and emotional responses (Phillips and McQuarrie, 2010). The consumer's progress in knowing the product and purchasing it can be understood from AIDA or hierarchy-of-effects model, which is the explanation about stages of customer's pre-purchasing progression to a purchase intention. From both an academic and marketing practitioner perspective, the hierarchy-of-effects model has received extensive attention as a detailed explanation of how advertising works, and hence is a base for measuring advertising effectiveness (Yoo et al., 2010). If the customer have the proper knowledge about

a product, the customers have at least more desire to buy it rather than not knowing at all, especially if the customer have engaged in a positive emotion toward the product. Powers et al. (2012) disclosed that over 20 per cent of consumers believed that social media was important for their final purchase decision. This happened has there are many people that access social media and encounter an advertisement that somehow compelled them for looking into the products. A more positive attitude towards advertising is correlated to more favorable advertising judgments in terms of entertainment, information and acceptance, which result in greater advertisement recall and higher purchase intention (Wang and Sun, 2010). The proposed research model for this research were referenced from the research that have been conducted by Russel, Pingsheng, et. al. (2012) which resulted in the relation and effect of narrative online advertisement to purchase intention.

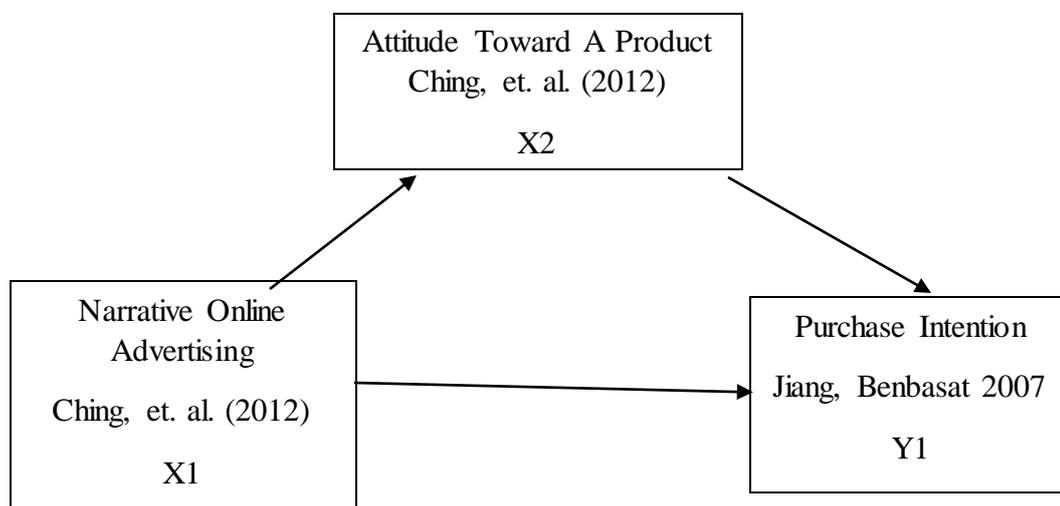


Figure 3. Proposed Research Model, source: Ching, et. al. (2012); Jiang, Benbasat (2007)

III. RESEARCH METHODS

A. Research Design

This research uses descriptive design. Model descriptive analysis is a method that is carried out to explain the characteristics of the variables examined in a situation. According to Sanusi (2014: 12) descriptive study is a design research compiled in order to provide a systematic overview of scientific information derived from the subject or object of research.

B. Data collection method

1. Research Library

The research library serve as the purpose as reference for this study which consists of journals, books, and other source that is related to this study.

2. Field Research

Field research is field data collection conducted by:

- Questionnaire, the data collection method is applied by giving general directions to the respondents as for fulfilling the questionnaires.
- Observation, is a method to analyze by observing a phenomenon of a certain groups or individuals directly.

- Interviews, is a method to gather information which is necessary for the study to the respondents.

C. Population and Sampling Research

Population can be described as a segmented group of people that can be categorized as an object of targeted research. According Sugiono (2004), population is "Territory generalization which consists of object / subject has a certain quantity and characteristics defined by the researchers to be studied and then drawn conclusions". The study population is a set of objects is determined by certain criteria which can be categorized into the object that could be a human, files or documents which are viewed as objects of research. The population that is determined in this study is Facebook users who has seen advertisement that has published by Facebook in Indonesia.

The sample is part of the elements selected population (Sanusi, 2014: 87). One of the sampling method, nonprobability sampling, do not provide equal opportunities for every element of the population to be selected into the sample, or random sampling. Another sampling method can be called purposive sampling. Purposive sampling also called judgmental sampling, the sampling based on the evaluation (judgment) by researchers about who those are appropriate and meet the requirements to be sampled. Consideration of the sample is Facebook users who have an experience in viewing Facebook's advertisements in Indonesia. Samples according Sugiono (2004: 73) is part of the number and characteristics possessed by this population.

Hair et al (2006:112) suggests that if the amount of sample is not known due to the unknown exact number of the population, a minimum of sample is

determined by indicator questions times five. The number of questions in this study is 26, which determines the number of samples to be researched.

$$\begin{aligned} \text{Number of Samples} &= 5 \times \text{variable of indicators} \\ &= 5 \times 26 \text{ variable of indicators} \\ &= 130 \text{ samples} \end{aligned}$$

Based on this calculations, the number of respondents in this research is 130 respondents to represent Facebook Users who have seen the advertisement in Facebook, which is not known exactly.

D. Operational Variables

In this study, the operational variables that exists in this study are independent variables and dependent variables. Explanation of the variables according to Sugiyono (2009: 38): "The research variable is an attribute or trait or value of people, objects or activities that have a particular variation defined by researchers to be studied and drawn conclusions." Operationalization of variables needed to determine the type, indicators, and the scale of variables -variable involved in this research. The variables involved in this research are:

1. The independent variable

The independent variable are variables that affect another variables and causing change within a variable to become a dependent variable. The independent variable (variable X) in this study is Narrative Online Advertisement. Narrative online advertisement is one of the advertisement that exists in the scope of advertising which compels a customers into seeing their product as the elements within this

advertisement has interactivity, vividness, entertainment and self-referencing qualities.

2. The dependent variable

The dependent variable is the variable that is affected or that become due, because of the independent variables. And the dependent variable (Y) in this study is purchase intention.

3. The mediating variable

The mediator function of a third variable, which represents the generative mechanism through which the focal independent variable is able to influence the dependent variable of interest (Baron and Kenny, 1986). The mediating variable in this reasearch is attitude toward the product. According to Allport in Suryani (2008:161) says that attitude is a learned predisposition to respond to an object in a form of like or dislike.

Sanusi (2014: 49) defines the variables are all things that shaped what is defined by the researchers to be studied in order to obtain information about it then drawn conclusions. The variables in this study is the dependent variable (Y), is a variable that is influenced by other variables and independent variables (X), is a variable that is influenced by other variables.

Table 3.1 Variable Operational Definition

Variable	Variable Definition	Indicators	Scale
Narrative Advertisement (X1)	Narrative advertising involves storytelling or communicating a lived experience that unfolds in a sequence of events, conveys the storyteller's reactions to the events, describes the location and time, and captivates the audience (Padgett and Allen, 1997).	<ol style="list-style-type: none"> 1. Interactivity <ol style="list-style-type: none"> a. Control over experience b. Choose freely what customer wanted to see c. Stay longer for details 2. Vividness <ol style="list-style-type: none"> a. Clear appearance b. Vivid appearance c. Lifelike appearance d. Euphonious sound effects e. Rich and vivid advertisements 3. Entertainment <ol style="list-style-type: none"> a. Fun content b. Cool content c. Entertaining process d. Flow (time passed fast) 4. Self-referencing <ol style="list-style-type: none"> a. Ad made me think about product b. Ad written with me in mind c. Ad related to me personally d. Ad made me think about my experiences in life 	Likert Scale

Table 3.1 Continued

Attitude Toward A Product (X ₂)	Attitude can be viewed as an index of the degree to which a person likes or dislikes an object and carries favorable connotations (Ajzen and Fishbein, 1980).	<ol style="list-style-type: none"> 1. Product advertisement on social media is a good thing 2. Rate of pleasant toward product 3. Attractiveness on advertisement 4. Perceived value of the product 5. Favorability toward the product 	Likert Scale
Purchasing Intention (Y)	The intention of the consumer to buy the product	<ol style="list-style-type: none"> 1. Likelihood to buy the product advertised 2. Likelihood to purchase a product whenever there is a need arise 3. Recommendation to buy a product advertised 4. Trying a product 	Likert Scale

Self-completion questionnaire

A questionnaire is a predetermined written set of question in which the objects are able to answer those question within a set of alternative answers in which will be recorded for the sake of study. Questionnaires are an efficient data collection mechanism when the researcher knows exactly what is required and how to measure the variables of interest (Sekaran and Bougie, 2010:197). In other words, the questionnaires itself provides a system in which the objects of the study are able to answer without unnecessary interferences that are able to make the questionnaire process becomes more efficient and effective.

Questionnaire Design

As said previously a selfcompletion questionnaire seems to be the best approach for the quantitative method. There are 22 questions separated in 2 sections.

The first section uses a single item scale (using a Likert scale, from 1=the less purchased to 5= the most purchased) to determine which kind of advertisement has the tendencies to be liked and be paid attention to from the social media Facebook users. As for the literature review, the advertisement that has the most appealing and immersing content will be likely to be looked by the Facebook users.

The second sections permit authors to obtain more specific data about factors in which influence social media user's attitudes toward the products. Thus the section 2 is composed of perception measures by using multiple item scales with Likert scales (from 1= 'Strongly disagree' to 5= 'Strongly agree').

The next third sections measures by using multiple item scales with Likert scales (from 1= 'Strongly disagree' to 5= 'Strongly agree'), to measure the purchase intention of the product that is being advertised toward the Facebook users in which is related personally for each users.

E. Measurement variable

The Likert scales is a measurement in which it has a design to measure on how a subject strongly agree or disagree within a statements in a five-point scale. The responses over a number of items tapping a particular concept or variable can be analyzed item by item, but it also possible to calculate a total or summated score for each the Likert scale is also referred to as a summated scale (Sekaran and Bougie, 2010: 152) e.g: relatedness, vividness, attitude, etc.

F. Data collection

The method used in this research is done by field research. The field research was conducted aiming to obtaining primary data. The collection of such data is directly involved organization or institution which we will examine. This field research done by observation, interviews, questionnaires, dissemination questionnaires, and documentation.

1. The Research Literature

This research is intended to obtain foundations to support the theory of primary data obtained during research or data obtained from the Internet as well as other references such literature is presented and recommended, materials obtained during the course plus other ingredients dealing with the problems examined.

2. Field Research

Namely research data directly on the object of research for obtain primary data by:

- a) Interview. namely questions verbally (asked direct responsibility) to those required by the problem in the proposed study.
- b) Observation, namely the collection of data by way of observation directly to the company.

G. Analyzing Data Method

According to Hair et. al. (2010) mediation requires significant correlations among all three constructs which can be done in Sobel Test. Theoretically, a mediating construct facilitates the relationship between the other two constructs involved. If the mediating construct completely explains the relationship between the two original constructs, then the term this complete mediation. But if we find that there is still some of relationship between independent variable and dependent variable that is not explained away by the mediator, then denote this as partial mediation. The step mediation are

1. Establish that the necessary are individual relationship have statistically significant relationships:
 - a. Independent variable is related to dependent variable: this establish that the direct relationship does exist
 - b. Independent variable is related to mediation variable: this establish that the mediator is related to the “input” construct.
 - c. Mediation variable is related to dependent variable: this establish that the mediator does have a relationship with the outcome

2. Estimate an initial model with only the direct effect between independent variable and dependent variable. Then estimate a second model adding in the mediating variable and the two additional path estimate (a and b). Then assess the extent of mediation as follows:
 - a. If the relationship between independent variable and dependent variable remains (C) significant and unchanged once mediation variable is included in the model as an additional predictor (independent variable and mediation variable now predict dependent variable), then mediation is not supported.
 - b. If C is reduced but remains significant when mediator is included as an additional predictor, then partial mediation is supported.
 - c. If C is reduced to a point where it is not statistically significantly after mediator is included as a mediating construct, then full mediation is supported

Analyzing data tools can be categorized as:

1. Qualitative Analysis

Qualitative data is data research that is not a number, which nature can not be calculated in the form of information or explanation based on theoretical approaches and logical assessment. Qualitative analysis is used to provide a descriptive overview of the responses given on the questionnaire or the respondents were given a list of questions and associated with marketing theories or approaches relating to green marketing, consumer behavior and purchase intention.

2. Quantitative Analysis

Quantitative research analysis is a way of processing the data is calculated using the systematic analysis. This study used a descriptive statistical analysis was used to analyze statistical data in ways that describe or depict the data that has been collected as and using multiple linear regression. Multiple linear regression test used to check the strength of the relationship between the independent variable and the dependent variable. Multiple linear regression can be seen in the following equation:

$$X2 = \alpha + bX1$$

$$y = \alpha + bX2$$

$$y = \alpha + bX1$$

Descriptions:

y = Purchase Intention

α = Constans

X1 = Narrative Advertisements

X2 = Attitude

b = Regression Coefficients

Testing the validity of this research carried out by the factor analysis done because the factor analysis is appropriate procedures in reducing and summarizing data correlated (Hair et al, 2006). Size will show the extent to which the validity of the measurement instrument able to measure what you want to measure. Stages look at the size of the test the validity using the following criteria:

a) *KMO value*, size KMO sampling adequacy is use index to test the suitability of factor analysis. KMO value between 0.5 to 1 identifies, that factor is adequate.

b) *Index Measure Of Sampling Adequacy (MSA)*, used to see intercorrelations between variables of factor analysis. MSA index between 0 and 1, the value of MSA approaching a perfect means predictable variables without error (Hair, 2006)

c) *Communalities value*, is the estimate of the share or common variance between the variables. Index communalities more than equal to 0.5 ($\geq 0,5$), then the variable can still be predicted and analyzed further.

d) *Factor loading*, is an indicator of the magnitude of the correlation factor is formed (Malhotra, 2007). Criteria for the validity of an otherwise valid indicator forming a factor if greater factor loading equal to 0.5 ($\geq 0,5$) or it would be better if a greater factor loading equal to 0.7 ($\geq 0,7$). Since the original loadings may not be readily interpretable, it is usual practice to rotate them until a “simpler structure” is achieved (Johnson and Wichern, 2007). If the factor loading resulted in more than 1 component, then it is necessary for the factor to be rotated to make it possible to achieve a greater detail of the data in order to achieve a more accurate result.

Reliability testing according Arikunto (2006: 145) is intended to determine the consistency of measuring instruments in use, or in other words the instruments have consistent results when used repeatedly at different times for reliability test used technique Cronbach Alpha, where a instrument can be said to be reliable (reliable) if you have or alpha reliability coefficient of 0.6 or more.

Hypothesis testing is a method of decision-making that is based on the analysis of the data, either from controlled trials, as well as from observations (uncontrolled). In statistics a result can be said to be statistically significant if the incident is almost impossible due to accidental factors, in accordance with the limits of probability is predetermined.

F-Test is used to determine whether the independent variables are at the 95% confidence level or $\alpha = 5\%$. F test test results can be found in the table Anova (analysis of variance) of output SPSS 21.0. To answer the statistical hypothesis, namely:

Ho = variable X no positive and significant influence to variable Y.

Ha = variable X positive and significant influence to variable Y.

Criteria:

- a. Ho is not support and Ha is support, if the value of a significant (P Value) >0.05 .
- b. Ho is support and Ha is not support, if the value is significant (P Value) <0.05 .

T-Test is used to determine whether the independent variables in the regression model partially significant effect on the dependent variable (Y) at a rate of 95% or $\alpha = 5\%$.

With the hypothesis:

- a. If the value of a significant (P Value) <0.05 , (Ho) not support and support alternative (Ha) which means there is influence between independent variables and the dependent variable.

b. When significant value (P value) > 0.05 then (Ho) support and not support alternative (Ha) which means there is no influence between independent variables and the dependent variable

V. CONCLUSION, SUGGESTION, AND LIMITATION OF RESEARCH

A. Conclusion

Based on the analysis result of the previous chapter explained in the discussion, it can be concluded that the hypothesis proposed by the researcher are supported based on:

1. The test from hypothesis 1 points a positive and significant value of narrative online advertisement dimension on consumer's attitude. Thus, it can be concluded that hypothesis 1 is accepted.
2. The test from hypothesis 2 points a positive and significant value of consumer's attitude on purchase intention. Thus, it can be concluded that hypothesis 2 is accepted.
3. The test from hypothesis 3 points a positive and significant value of narrative online advertising on purchase intention. Thus, it can be concluded that hypothesis 3 is accepted.
4. The test from hypothesis 4 points a positive and significant value of narrative online advertising with the mediation of consumer's attitude on purchase intention. Thus, it can be concluded that hypothesis 4 is accepted.

B. Suggestion and Limitation

There are some suggestion related form this research:

1. For the managers of the company:

Within the application of online advertisement, there are some skeptical thinking of whether an online narrative advertisement is effective or not. Perhaps this is derived from the click through rate percentage of an advertisement compared to the people who have seen them which amounted as 1 percent of people who has seen the advertisement clicked it within the global scope. The application of the narrative online advertisement provides a significantly broader range of people to see it, however it also poses another challenge different from a traditional advertisement. The online advertisement provides a significant benefits from the advertisers and viewers alike. However, there must be an increase in the online advertisement quality that enables it to be engaged to a specific customers who wants and needs it in order to be more effective than before.

2. For further research:

It is advisable to add more variables that are able to support the influence of narrative online advertisement as the topic of narrative online advertisement is not as much as researched. Within the scope of the narrative online advertisement, there are also limitation of the research regarding the object of the research or research samples. Furthermore, there should be some focus on further research regarding the samples as there are a significant differences between the internet usages between those who are adept in using internet or social media alike whereas there are some of those who are not as adept as the other. Nevertheless, there is a very limited number of narrative online advertisement research conducted that makes this topic is still yet uncovered to be researched further.

Some issues related within this research is that the number of respondents listed in this research to represent society as a whole is very limited. Although the samples in this research might be able to represent a certain groups of people within the society, this research lacks in explaining the effect within a general public in Indonesia for which a different segment of people may produce perhaps a different culture, exposure to the internet, norms and social culture. However, within the scope of the people who is exposed to Facebook, there is still a significant result in explaining on how the narrative online advertisement, customer's attitude, purchase intention and its moderating effect that it can be inferred that the model of this research performs well.

The increasing of social media and internet usage offers opportunities and advancement for the advertisers and researchers alike. This research offers the analysis of narrative online advertisements' effect on the purchasing intention with the customer's attitude as the mediation. Future research could improve this study further by adding another variables or explaining this topics with another mediating variables.

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