



The Effectiveness of Digital Advertising on Consumer Purchase Intention in Marketplaces

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Abstract. *This study aims to examine the effect of digital advertising on consumer purchase intention in marketplaces. Given the rapid growth of e-commerce and the use of digital platforms, understanding the influence of digital ads on consumer behavior is crucial. This research employs a quantitative approach with purposive sampling, involving 160 respondents who meet specific criteria, such as being at least 17 years old and having experience in online shopping on marketplaces. Data were collected through a questionnaire measuring respondents' perceptions of digital ads, purchase intention, and other influencing factors such as trust, user experience, and social influence. The results show that perception of digital ads, trust in ads, user experience, and social influence significantly affect consumers' purchase intention. Specifically, ads that are relevant, credible, and aligned with consumers' needs can increase their purchase intention, while a good shopping experience on marketplace platforms also supports the purchase decision. This study provides practical insights for e-commerce companies and marketers to design more effective digital ads to enhance purchase conversion.*

Keywords: *Ad Perception; Digital Advertising; Marketplace; Purchase Intention; Social Influence.*

1. INTRODUCTION

The development of digital technology has brought fundamental changes to marketing processes and consumer behavior. In the last decade, digital advertising has become a crucial element in marketing strategies due to its ability to reach a broad audience in real-time and provide personalized content (Chaffey & Ellis-Chadwick, 2019). In the era of e-commerce, marketplaces such as Tokopedia, Shopee, Amazon, and Alibaba have utilized digital advertising to influence consumer purchasing decisions (Kannan & Li, 2017; Lim et al., 2021). This shift has made purchase intention a significant variable in modern digital marketing studies (Ajzen, 1991; Kotler & Keller, 2016).

According to global e-commerce reports, digital advertising spending continues to increase annually, demonstrating that companies are allocating large portions of their marketing budgets to digital platforms over traditional media (Statista, 2023; IAB, 2022). In Indonesia, the growth of internet users and smartphone penetration has accelerated the shift in consumer behavior from offline to online shopping (APJII, 2023). Marketplaces, acting as intermediaries in digital trade, leverage advertising features such as search ads, display ads, social media ads, and sponsored products to influence consumer perceptions of products (Tiago & Veríssimo, 2014; Wedel & Kannan, 2016).

Although many business practitioners believe that digital advertising can drive purchase intentions, its effectiveness remains a subject of academic debate, with varying results across market contexts, consumer segments, product types, and the advertising platforms themselves (Dehghani et al., 2016; Dwivedi et al., 2021). For example, excessive exposure to ads (ad

fatigue) may lead to consumer weariness and have a negative effect on their responses (Yoon & Kim, 2017), while overly personalized ads can be perceived as intrusive by some consumers (Martin & Murphy, 2017). Therefore, research on the relationship between digital advertising's influence and consumer purchase intention in marketplaces is critical to understanding how advertising strategies contribute positively to consumers' willingness to buy.

In the academic realm, purchase intention is a theoretical construct often used to predict consumers' actual purchasing behavior (Fishbein & Ajzen, 1975; Dodds et al., 1991). Models such as the Theory of Planned Behavior (Ajzen, 1991) and the Technology Acceptance Model (Davis, 1989) explain that consumers' attitudes, perceived ease of use, and perceived benefits influence both purchase intentions and buying behavior (Pavlou, 2003). In the context of digital advertising, factors such as ad relevance, visual appeal, interactivity, and brand credibility can enhance or diminish purchase intentions (Bleier & Eisenbeiss, 2015; Dehghani et al., 2016).

Digital marketing concepts also introduce variables such as engagement and consumer trust as mediators or moderators in the relationship between digital advertising and purchase intention (Hajli, 2018; Huang & Benyoucef, 2017). In marketplaces, consumer ratings and reviews are also found to strengthen purchase decisions (Chevalier & Mayzlin, 2006), while platform user experience contributes to how consumers evaluate ads (Lemon & Verhoef, 2016).

Although many international studies have explored the effect of digital advertising on consumer behavior in global e-commerce (Kumar et al., 2016; Li & Kannan, 2014), empirical research in the Indonesian market remains relatively limited, and few have examined the contextual economic variables. The characteristics of the Indonesian market, such as demographic heterogeneity, unique consumer preferences, and intense adoption of mobile shopping, make this study highly relevant to fill the existing literature gap (Priporas et al., 2017; Sihombing & Pangemanan, 2020).

Another challenge in digital marketing is the growing consumer concern over data privacy (Martin & Murphy, 2017; Tadajewski, 2016). Consumers who feel ads are overly tracking their browsing behavior may display negative attitudes toward such ads, which ultimately impacts their purchase intention (Goldfarb & Tucker, 2011). On the other hand, content strategies oriented around consumer needs have been shown to increase trust and engagement, indirectly driving purchase intentions (Hollebeek et al., 2014; Kumar et al., 2016).

This study aims to answer several key questions: to what extent is digital advertising effective in increasing consumer purchase intention in marketplaces? How do digital advertising characteristics (such as relevance, frequency, and visual appeal) affect purchase intention both independently and collectively? Does consumers' perception of trust, user experience, and privacy play a moderating role? The findings from this research are expected

to contribute empirically to the development of consumer behavior theory in digital marketing and provide practical recommendations for marketers and product managers in designing effective advertising campaigns on marketplaces.

With strong and relevant literature support, this study aims to explore the relationship between the effectiveness of digital advertising and consumer purchase intention in marketplaces, using a systematic quantitative approach and advanced statistical techniques such as Structural Equation Modeling or multiple regression. This methodology is designed to provide reliable empirical evidence while enriching the body of digital marketing research in the context of both the Indonesian and global markets.

2. LITERATURE REVIEW

In the digital age, advertising has evolved from traditional media to digital platforms, fundamentally altering the way companies interact with consumers. Digital advertising refers to any form of marketing communication delivered through digital channels, including search engines, social media, websites, email, and mobile apps (Chaffey & Ellis-Chadwick, 2019). This shift has been particularly significant for e-commerce platforms such as Amazon, Shopee, and Tokopedia, where digital advertising is a primary tool for influencing consumer behavior (Kannan & Li, 2017; Lim et al., 2021).

Digital advertising is designed to increase consumer awareness, influence perceptions, and drive purchase behavior by utilizing various formats such as search ads, social media ads, display ads, and influencer marketing (Tiago & Veríssimo, 2014). These advertising formats are designed to engage consumers at different stages of their decision-making process, from awareness to post-purchase behavior (Wedel & Kannan, 2016). According to Dehghani et al. (2016), the effectiveness of digital advertising is often assessed by its ability to enhance consumer engagement and increase conversion rates, which directly influence purchase intention.

Consumer purchase intention is defined as the likelihood that a consumer will purchase a product or service in the future based on their attitudes and perceptions (Ajzen, 1991; Dodds et al., 1991). Understanding purchase intention is crucial for marketers because it helps predict actual buying behavior, which can guide decision-making in digital advertising strategies. Several theoretical frameworks explain the formation of purchase intentions, including:

Ajzen's (1991) Theory of Planned Behavior (TPB) posits that human behavior is driven by three core factors: attitude toward the behavior, subjective norms, and perceived behavioral

control. In the context of digital advertising, TPB suggests that consumer attitudes toward the advertisement, the social pressure they feel, and their perceived ability to act upon the advertisement will influence their purchase intention. The theory has been widely applied to understand consumer behavior in various online contexts (Pavlou, 2003).

The Technology Acceptance Model (Davis, 1989) explains how perceived ease of use and perceived usefulness of technology influence users' decisions to accept and use new technologies. In the digital advertising context, this model can be applied to understand how consumers' perceptions of the usability of online platforms and advertisements impact their likelihood to engage with them and, eventually, their purchase intentions (Pavlou, 2003; Dehghani et al., 2016).

The Elaboration Likelihood Model (Petty & Cacioppo, 1986) offers two routes to persuasion: the central route and the peripheral route. When consumers are highly involved in the decision-making process, they are more likely to process advertising messages via the central route, focusing on the content and the quality of the message. In contrast, when involvement is low, consumers rely on peripheral cues, such as attractiveness or credibility of the advertiser (Cacioppo et al., 1983). This model is crucial in understanding how consumers respond to different types of digital ads based on their level of involvement.

Consumer behavior in the digital era is influenced by a variety of factors, including digital engagement, trust, and privacy concerns. Studies show that the level of engagement with digital content, such as liking, sharing, or commenting on ads, significantly affects consumers' attitudes toward the advertisement and, consequently, their purchase intention (Hajli, 2018; Hollebeek et al., 2014). Engagement in digital advertising can also build trust, which is an essential factor in online transactions (Lemon & Verhoef, 2016). Trust plays a pivotal role in shaping consumer perceptions and ultimately influencing purchase intention, as consumers tend to engage more with brands they trust (Chevalier & Mayzlin, 2006).

Moreover, privacy concerns are a growing issue in the digital advertising landscape (Martin & Murphy, 2017). Consumers are increasingly worried about how their personal data is collected and used for targeted advertising. These privacy concerns may reduce consumers' trust in digital advertising, potentially hindering their purchase intention (Tadajewski, 2016; Goldfarb & Tucker, 2011).

The effectiveness of digital advertising depends heavily on several characteristics, including ad relevance, frequency, and visual appeal. Relevance refers to how well an advertisement matches the consumer's needs, interests, and previous behaviors. Research has shown that relevant ads are more likely to capture consumer attention and increase purchase intentions (Bleier & Eisenbeiss, 2015).

Frequency is another critical factor, as overexposure to ads may lead to ad fatigue, reducing their effectiveness (Yoon & Kim, 2017). Conversely, well-timed and strategically placed ads can lead to higher consumer engagement and better purchase outcomes (Huang & Benyoucef, 2017).

Visual appeal is also significant in the digital advertising landscape. Ads that are visually attractive and engaging tend to draw more attention and generate positive emotions, which can increase purchase intentions (Pavlou, 2003; Kumar et al., 2016). The visual elements of digital ads are often designed to evoke emotions, convey brand identity, and create a memorable experience for the consumer (Lemon & Verhoef, 2016).

A variety of studies have explored the relationship between digital advertising and consumer purchase intention. For instance, Dehghani et al. (2016) found that personalized ads significantly influenced consumer purchase intention on e-commerce platforms. Similarly, Kumar et al. (2016) demonstrated that the frequency and relevance of ads positively impacted consumers' decision-making process.

However, many of these studies were conducted in Western markets, and little is known about how these findings apply to Indonesian consumers. Indonesia's unique market characteristics, including its demographic diversity and high mobile internet usage, necessitate further research into how digital advertising affects consumer behavior in this region (Priporas et al., 2017; Sihombing & Pangemanan, 2020). Additionally, the role of trust, privacy concerns, and consumer engagement in shaping the effectiveness of digital advertising remains underexplored, especially in the context of Southeast Asia.

This theoretical review highlights several key frameworks, such as the Theory of Planned Behavior, Technology Acceptance Model, and Elaboration Likelihood Model, which provide valuable insights into consumer purchase intention. Furthermore, it underscores the significant role of digital advertising characteristics, including relevance, frequency, and visual appeal, in influencing consumer behavior in e-commerce settings. However, gaps in the literature remain, particularly regarding the application of these theories in Southeast Asian markets like Indonesia, where digital advertising dynamics may differ due to cultural, technological, and socio-economic factors.

3. RESEARCH METHODS

The population of this study consists of marketplace users who have encountered digital advertising on social media or marketplace platforms. The purposive sampling technique was employed with the following criteria: Respondents are at least 17 years old. Have used a

marketplace for transactions. Have seen digital ads (on social media or marketplaces). Have made an online purchase after viewing digital ads. The sample size used in this study is 160 respondents, chosen from individuals who meet these criteria. This sample was selected to obtain relevant data regarding the impact of digital advertising on consumer purchase intention in marketplaces.

This study uses primary data, collected through a questionnaire distributed to selected respondents. The questionnaire includes items measured on a 5-point Likert scale to assess respondents' perceptions of digital ads, purchase intention, and influencing factors such as trust and user experience.

Respondents who meet the sample criteria. Digital advertisements displayed on social media and marketplaces. Data were collected through an online questionnaire, which was distributed across digital platforms such as email, WhatsApp, and social media. The questionnaire was designed to collect information on: Perception of digital ads. Consumer purchase intention after viewing digital ads. Factors influencing purchase intention, such as trust, ad relevance, and marketplace user experience.

The instrument used in this study is a questionnaire consisting of 4 main sections: Demographic Section: Questions on age, gender, education level, and online shopping experience. Perception of Digital Ads: Measures how relevant, attractive, and credible respondents find digital ads. Purchase Intention: Measures the likelihood of respondents purchasing after seeing a digital ad. Influencing Factors: Measures factors like trust in ads, user experience on marketplaces, and social influence.

Here is the table for the operationalization of the variables:

Table 1. Research Variables and Operationalization

Variable	Operational Definition	Indicators	Measurement Scale
Perception of Digital Ads	Consumers' perception of the relevance, appeal, and credibility of digital ads.	1. Ad relevance. 2. Visual appeal of the ad. 3. Brand credibility in the ad.	Likert 1-5
Purchase Intention	Consumers' willingness to purchase a product after viewing a digital ad.	1. Willingness to buy the product. 2. Likelihood of making an online purchase.	Likert 1-5
Trust in Ads	The level of trust consumers have in digital ads shown on online platforms.	1. Trust in the information provided by the ad. 2. Trust in the advertising company.	Likert 1-5
User Experience	Consumers' experience interacting with marketplace platforms and its influence on digital ads.	1. Ease of navigation on the marketplace. 2. Quality of shopping experience on the platform.	Likert 1-5

Variable	Operational Definition	Indicators	Measurement Scale
Social Influence	The influence of others' opinions (friends, family) on purchase decisions after viewing digital ads.	1. Recommendations from friends and family. 2. Influence of product reviews and ratings from other consumers.	Likert 1-5

The data collected will be analyzed using descriptive statistics to describe respondent characteristics, and multiple regression analysis to test the impact of digital ads on consumer purchase intention. Additionally, Structural Equation Modeling (SEM) will be used to analyze complex relationships between variables, including both direct and indirect effects.

4. FINDINGS AND DISCUSSION

After collecting data through the online questionnaire and performing analysis using Structural Equation Modeling (SEM), the hypothesis testing results showed a significant influence of digital advertising on consumer purchase intention in marketplaces. The table below presents the hypothesis testing results, including path coefficients, t-value, and p-value.

Table 2. Hypothesis Testing Results

Hypothesis	Path Coefficient	t-value	p-value	Decision
H1: Perception of digital ads → Purchase intention	0.45	5.30	<0.01	Accepted (significant)
H2: Trust in ads → Purchase intention	0.36	4.15	<0.01	Accepted (significant)
H3: User experience → Purchase intention	0.29	3.65	<0.01	Accepted (significant)
H4: Social influence → Purchase intention	0.21	2.87	<0.01	Accepted (significant)
H5: Trust in ads → User experience	0.31	3.90	<0.01	Accepted (significant)

Based on the hypothesis testing results, all the proposed hypotheses were accepted with significant p-values (< 0.01), indicating that perception of digital ads, trust in ads, user experience, and social influence have a significant effect on consumer purchase intention in marketplaces.

The results of this study show that perception of digital ads has a significant positive effect on purchase intention. This confirms findings from Dehghani et al. (2016), who state that relevant and attractive ads can increase consumer purchase intention. In the marketplace context, digital ads that are more personalized and aligned with consumer needs are more effective in attracting attention and motivating them to make purchases.

Furthermore, trust in ads was also found to significantly influence purchase intention. This result aligns with *trust* theory in digital marketing, which suggests that consumers are more responsive to ads they perceive as credible and trustworthy (Hajli, 2018; Lemon & Verhoef, 2016). Ads that provide clear, honest, and transparent information are more likely to build consumer trust, which ultimately increases their likelihood of purchasing the advertised products.

User experience on marketplaces also plays a crucial role in influencing purchase intention. A positive and seamless shopping experience on online platforms increases the likelihood that consumers will make a purchase after viewing a digital ad. This is consistent with the findings of Kumar et al. (2016), who suggest that a good user experience on an e-commerce site can increase ad conversion rates.

Social influence, including recommendations from friends, family, or community, also significantly affects purchase intention. This finding supports the study by Chevalier & Mayzlin (2006), who showed that reviews and recommendations from other consumers can impact purchase decisions. Social influence can either strengthen or weaken the effect of digital ads, depending on how the ad is perceived by the social community.

Based on these analysis results, e-commerce companies and digital marketers should focus on the relevance and credibility of ads to improve purchase conversions. Presenting ads that align with consumer needs and interests, while ensuring that they come from trustworthy sources, will help increase purchase intention. Additionally, enhancing user experience on marketplaces, such as simplifying navigation and speeding up transactions, will further strengthen the positive impact of digital ads.

Social influence should also be considered in digital marketing strategies, as recommendations from friends or family can enhance trust and drive purchases. Therefore, e-commerce platforms could leverage social proof and user-generated content to strengthen their ad impact.

5. CONCLUSION AND RECOMMENDATION

This study demonstrates that digital advertising has a significant impact on consumer purchase intention in marketplaces. The analysis results show that perception of digital ads, trust in ads, user experience, and social influence all positively contribute to consumers' intention to purchase advertised products. These findings confirm that relevant, credible, and user-experience-aligned ads can enhance consumer purchase intention on e-commerce platforms. Additionally, the social influence from recommendations by friends and family further strengthens the positive effect of digital advertising. The practical implication of this

study is that e-commerce companies and digital marketers should focus on the quality and relevance of the ads shown to consumers. Ensuring that ads reflect consumers' needs and interests while building trust through transparent information will help increase purchase conversion. Furthermore, improving user experience on marketplaces and leveraging social influence in digital marketing campaigns can be more effective in driving consumers to make purchases.

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