

ABSTRACT

The usage of social media especially Instagram nowadays is not just only for connecting people online and as a sharing platform, but it has shifted its utility for business owners by promoting their products or service through social media. In Indonesia alone, data shows that Indonesia has the most business account profiles on Instagram. Business owners do market their product or service using social media advertising.

The objective of this research is to analyze the influence of social media advertising using the dimensions of informativeness, entertainment, credibility, and irritation towards purchase intention, mediated with advertising value. The research for influence of this social media advertising is conducted by analyzing the advertisement of local skin care brand Somethinc.

This research uses an online questionnaire platform Google Form to gather information from 385 respondents regarding social media advertising, advertising value and its influence to purchase intention. The sampling used for this research is non-probability sampling with the type purposive sampling. This research has 19 questionnaire items. To analyze the data, this research uses Structural Equation Modelling – Partial Least Square (SEM-PLS), using the software SmartPLS.

Analysis results gathered based on respondents show that social media advertising with informativeness, entertainment, credibility, and irritation as its dimension, mediating variable advertising value, and purchase intention are categorized as good. SEM-PLS analysis results show that all social media advertising dimensions are positively and significantly influencing advertising value except the dimension irritation which negatively influencing, and advertising value is positively and significantly influencing purchase intention. Mediating variable advertising value strengthen social media advertising variable.

Suggestion from this research is to increase purchase intention, informativeness, entertainment, credibility, irritation and other supporting dimensions should be considered to increase advertising value which later will influence consumers' purchase intention.

Keywords: advertising value, purchase intention, social media advertising