CHAPTER II

LITERATURE REVIEW

2.1. Theory Overview

To obtain a strong theoretical framework, it is necessary to conduct a theoretical review. The theories that will be reviewed in this research are Marketing Management, Digital Marketing, Digital Advertising, Personalization, Product Involvement, Brand Engagement, Visual Attractiveness, Information Quality, Click-through Intention and Trust.

2.1.1 Marketing Management

The definition of the American Marketing Association (AMA) in (Kotler & Keller, 2012.), "Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders". According to (Kotler & Keller, 2012.), marketing management is the art and science of determining, achieving, maintaining and growing a predetermined target market by creating, delivering, and communicating superior value to customers. The intended target market includes the grouping of customers and sellers who are considered as industries. Markets can be defined as needs markets, product markets, demographic markets, geographic markets, and so on.

Marketing management is an effort to plan, implement which consists of organizing, directing and supervising or controlling marketing activities within a company in order to achieve company goals efficiently and effectively. Marketing management functions include analyzing activities, namely analyzing what needs to be done to find out the market and its marketing environment, so that numbers can be obtained how big the opportunities are to seize the market and how big the threats will be in the future.

2.1.2 Digital Marketing

According to Dave Chaffey (2015), digital marketing which is the implementation of marketing using electronic media, so it can be said that digital marketing is the application of digital technology that forms online channels to the market such as websites, e-mail, databases, digital TV and including blogs. , feeds, podcasts, and social networks). The purpose of digital marketing is to contribute to marketing activities for profit and to build and develop customer relationships. In addition, to develop a planned approach to increase knowledge about consumers and then integrate targeted communication with online services according to the needs of each individual or specific customer.

2.1.3 Digital Advertising

According to (Kotler & Keller, 2012.), along with the increasingly widespread use of the internet, it influences in encouraging online transactions to expand and is used as a forum for one of the promotional mixes, namely advertising media for marketed products. Advertisers will place their ads on potential publishers, namely websites that have a lot of visitors in accordance with what the company has strategized in its marketing strategy, namely segmenting, targeting, and positioning. Digital advertising is one example that marketing changes from time to time.

2.1.4 Personalisation

In the context of digital advertising, consumers want ads that are delivered personally (DeZoysa, 2002) in (Zhang et al., 2021) research. Personalization for digital advertising refers to the extent to which the information conveyed by advertising is perceived as information that is in accordance with consumer preferences, needs, consumption patterns, special characteristics, and lifestyles (Leppaniemiand Karjaluoto, 2008) in (Zhang et al., 2021) research. Research on digital advertising shows that personalization is perceived positively by consumers. The positive attitude shown by consumers responding to personalized advertisements will affect the value delivered through these advertisements (Dehghani et al., 2016) in (Zhang et al., 2021) research.

Thus, advertisements need to adjust information that strongly reflects their consumer preferences with an approach that is tailored, one of which is digital advertising media rather than only delivering advertisements with mass-produced content.

2.1.5 Product Involvement

Previously, the concept of product engagement has been introduced into banner advertising effectiveness studies (Yoo et al., 2004; Yoo & Eastin, 2017), and has been found to influence individual attitudes towards banner advertising. Argue that individuals with high product engagement are more likely to click on banner ads than those with low product engagement. A higher click-through rate, in turn, leads to a better attitude towards banner ads. Product engagement reflects a situation where the advertised product or service is highly valued by consumers because it fits their needs, values and ideas and thus instigates their unobservable motivations and interests (Kwon et al., 2017). Therefore, based on utilization theory, product engagement is the most important cue and consumer's primary perception of targeted advertising.

2.1.6 Brand Engagement

Brand familiarity is the information that consumers get directly from advertising at first glance and represents consumers' direct and indirect experiences with this retail brand (Mohan et al., 2018). When consumers choose a product, well-known brands immediately attract more attention from consumers and influence their purchasing decisions. A brand known to provoke feelings of warmth and intimacy in consumers. Currently the cognitive aspect is not enough so marketers need to add emotional context by creating brand engagement between brands and consumers. Brand engagement is an individual interaction that shows the tendency of consumers to include important brands as part of how they see themselves (Sprott et al., 2009). Thus, this study proposes that Brand Engagement can promote consumer Click-through Rate towards personalized online advertising.

2.1.7 Visual Attractiveness

Visual Attractiveness refers to the consumer's initial direct perception of the design advertising and reflects the extent to which consumers feel that information systems are aesthetically and visually pleasing (Heijden et al., 2003). According to influence transfer theory, advertising design can provoke positive attitudes towards the advertised product or brand by attracting consumers' positive emotions (Jung et al., 2011a). Identified that Visual Attractiveness can positively influence consumer attitudes towards virtual world products through the mediating effect of perceived entertainment value. Following the same logic, the author assumes that Visual Attractiveness can increase the Click-through Intention of consumers towards personalized online advertising.

2.1.8 Information Quality

Information Quality refers to the level of user satisfaction with the information content provided by personalized online advertising (Schaupp et al., 2006). With respect to the perceived Information Quality of banner ads, consumers mainly rate the level of Information Quality of advertisements according to the richness of the information provided in the advertisements and the consistency between the immediate perceived information and the objective content. In other words, the richness, accuracy, and authenticity of the information are the main criteria. Rich information can reduce the uncertainty that consumers feel about the product, authentic information can increase consumers' positive attitudes towards a product and encourage their willingness to click on advertisements.

2.1.9 Click-through Intention

Click-through Intention is an indication of the user's interest in the ad as well as the success of the ad and is one of the more advanced forms of attitude. Consumer click-through intention towards advertising is considered as a result of product involvement, brand familiarity, visual appeal and quality of information to consumers. The results reveal that higher product engagement from advertising can increase click-through intent.

Technological developments in the digital advertising industry encourage researchers to explore the influence of Internet users' perceptions, namely personalization, concerns (interference and privacy) on users' attitudes towards digital advertising because attitude is an indication of acceptance and the main indicator of behavior that ultimately affects the user's desire to click which is interpreted as performance on the internet. a digital advertisement (Zhang et al., 2021).

2.1.10 Trust

In general, trust has long been treated as a relationship-based attribute experience. This means that when we define trust, we need to define what we believe. Previous research has highlighted that consumers' click-through intentions towards online advertising mainly depend on their trust in retailers or on websites (Aguirre et al., 2015). Customer trust, which can stimulate customer behavior such as online purchases, is a function of the consumer's perceived ability, virtue, and integrity (Bilgihan, 2016). When consumers have higher trust in advertising, they may have a stronger desire to know more about the advertised product or service. Trust based on ability indicates that consumers believe that the manufacturer is able to provide a valuable and reliable product or service. If consumers can quickly build trust in advertising based on the capabilities of the product or service provider, i.e. if they believe that the provider is capable of providing valuable product or service information with superior quality and high price, then positive anticipation of advertising content will promote click-through. consumer intention (Oliveira et al., 2017).

2.2. Past Research

Previous research is research that serves as a reference to support the current research. The studies contained in previous studies consist of who has researched the topic or problem, where the research was carried out, what unit and field of study. what was the approach and analysis, what were the conclusions, and what were the criticisms of the study. The summary of the previous research has the same variables as the research conducted and is listed in the table below.

Table 2.1 Past Research

No	Title	Journal name	Formulation of the problem	Conclusion	Differences with the research to be carried out
1	**Can data-driven precision marketing promote user ad clicks? Evidence from advertising in WeChat moments** Yu, Chuanpeng Zhang, Zhengang Lin, Chunpei Wu, Yenchun Jim (2019)	Industrial Marketing Management	Influence Factors against advertising online that personalized on click-through intention	Click-through intention influenced by involvement product, familiarity brand, power visual attraction, quality information and privacy concerns to consumer	Study which will conducted do not use variable privacy concerns
2	**Exploring determinants of consumers' attitudes toward real-time bidding (RTB) advertising** Zhang, Sixuan	Information Technology and People	How influence emotion, perception and concern to attitude and click-through intention user Internet	Surprise take effect positive to value perception and attitude. Concern	Will not mention the influence of emotions and attitudes on click-through intention

	Wakefield, Robin Huang, Jinsong Li, Xi (2020)			About privacy and intrusiveness take effect negative to attitude	
3	**Internet Advertising is anybody watching** **XAVIER DRE`ZE , FRANC̦OIS-XAVIER HUSSHERR** (2013)	INTERACTIVE MARKETING	Identify traditional brand equity factors that affect click through rate (CTR)	Brand recognition, brand awareness and banner ad quality affect click through rate (CTR)	The absence of visual attractiveness and trust
4	**Understanding online behavioural advertising: User knowledge, privacy concerns and online coping behaviour in Europe** Edith G.Smit , Guda Van Noort, Hilde A.M (2018)	Computer in Human Behavior	Do website users care about their privacy, and how do they deal with OBAs, cookies and consents requested	The results of group comparisons regarding privacy indicate that a dual approach is needed in communicating about OBA, not only to inform but also to reduce concerns	Will not mention how to overcome the privacy of cookies
5	**Advertisement recommendation based on personal interests and ad push fairness** Liu, Duen Ren Liao, Yu Shan Chung, Ya Han Chen, Kuan Yu (2018)	Kybernetes	Identify factors (ad-push fairness and personal interests) that affect user interest, namely click through rate (CTR)	Personal interests have a higher impact on click through rate (CTR) Compared to ad push fairness	The dependent variable used in this study is click through intention (CTI).
6	**Tracking users'**	Computers in	The effect of	Personalized	Do not use

	visual attention and responses to personalized advertising based on task cognitive demand Bang, Hyejin Wojdynski, Bartosz W. (2016)	Human Behavior	personalization on visual attention to advertising	ads significantly affect attention compared to non-personalized ones	attention variable
7	**Differentiation of online text-based advertising and the effect on users' click behavior** Jacques, Jason T. Perry, Mark Kristensson, Per Ola (2015)	Computers in Human Behavior	Identify the effect of differentiation on click behavior in text-based advertising	Click rates decrease when ads have a differentiated and unfamiliar background and content	The dependent variable uses click-intention and the research is limited to text-based advertising
8	**Improving banner ad strategies through predictive modeling** Obal, Michael W. Lv, Wen (2017)	Journal of Research in Interactive Marketing	Looking at the effect of type, ad size, and time on internet user response (clicks, eCPA, & activity)	The intrusive banner type affects activity, the non-animated type increases clicks and reduces costs, and the more ad size is considered more effective	Intrusive is here as a banner type, not as a concern variable

In the research of (Yu et al., 2019), examining the influence of consumer perceptions of personalized digital advertising on click through intention. The conclusion

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obtained in the research of (Yu et al., 2019) is that consumer click-through intention increases as a result of increased product involvement, brand familiarity, visual appeal and quality of information to consumers, banner ads play a mediating role in the process of visual appeal and information quality that affects click-through intention, and higher product involvement can also stimulate consumer privacy concerns, which play a negative moderating effect on the positive impact of product engagement, brand familiarity and trust on click-through intention.

2.3. Framework for Thinking or Conceptual Framework

Referring to the problem and research objectives, along with the variables that are thought to be related, the researcher adopted the model from the research of (Yu et al., 2019), but modified it by removing the privacy concern variable with consideration of the latest existing literature and situation studies. The researcher did not adopt the privacy concern variable on the grounds that there had been a deletion of the cookie feature by Google, which is where the cookie feature has become a concern for most internet users about privacy concerns. So the research will focus on the types of digital advertising that have often appeared to users and want to see how the involvement of the supporting factors in the user's response to digital advertising is.

Because this research is under the umbrella of marketing management, the theories that are adopted to support this research are the theory of consumer behavior and marketing strategy. Yu's research uses theories from the field of psychology. In addition, Yu's research uses moderating variables, namely variables that support the strength or weakness of a relationship between variables. However, according to (Dahlan et al., 2012), in research that intersects with psychology, it is necessary to involve moderator or mediator variables. Due to the emergence of the concept of mediator and moderator variables, many have answered why research results with the same theme produce different findings. The mediator and moderator variables are representations of extra variables which if not included in the study can result in biased research findings. Therefore, in this study, researchers will use the mediator variable as a comparison.

The study adopted the research model from (Yu et al., 2019) with a modification, including the fundamental differences between Yu et al's research and the current research as follows:

1. Yu's research was conducted in China, while the current research is conducted in Indonesia

2. There is a privacy concern variable in Yu's research, while the current study does not use privacy concern because of the deletion of Cookies by Google

3. Yu's research uses the Cue Utilization theory (an approach in psychological theory), while the current research uses the Wheel of Consumer Analysis (consumer behavior & marketing approach).

Based on the framework above, the researchers proposed the following research model:
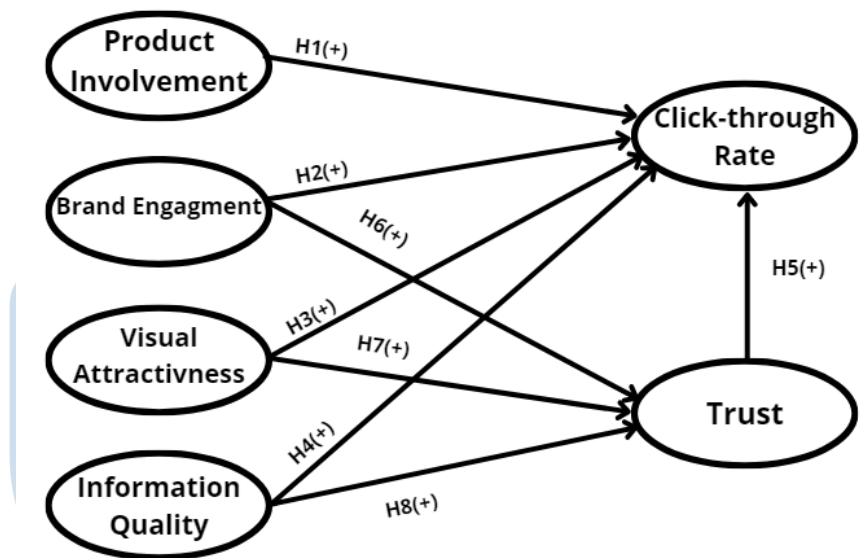
Source : (Research by Yu et al (2019) with modifications)

Figure 2.1 Conceptual Framework

ANALYSIS OF THE INFLUENCE OF PRODUCT INVOLVEMENT, BRAND ENGAGEMENT, AND ADVERTISING QUALITY ON CLICK THROUGH INTENTION THROUGH TRUST MEDIATION IN DIGITAL ADVERTISING, Kresna Aditya, Universitas Multimedia Nusantara

2.4. Hypothesis

Based on the above framework, the hypothesis of this research can be described as follows.

2.4.1 Relationship between Product Involvement and Click-through Intention

Companies use advertising to launch marketing programs that will attract consumers' attention to a particular product and stimulate purchase of that product. Compared to mass advertising, targeted advertising is better able to attract consumers' attention because it fully utilizes data mining techniques to obtain consumer information online. Product engagement reflects a situation where the advertised product or service is highly valued by consumers because it fits their needs, values and ideas and thus instigates their unobservable motivations and interests (Kwon et al., 2017). Therefore, based on utilization theory, product engagement is the most important cue and consumer's primary perception of targeted advertising. Therefore, the researcher proposes a hypothesis:

H1: Product Involvement will have a positive effect on Click-through Intention

2.4.2 Relationship between Brand Engagement and Click-through Intention

When consumers choose a product, famous brand engagement immediately attracts more attention from consumers and influences their purchasing decisions. Brand Engagement is known to provoke feelings of warmth and intimacy in consumers. Consumers will look for brand-related products because the desired product is associated with a particular brand. Consumers will look for brand-related products because the desired product is with a particular brand, which means that brand involvement will affect consumer interest (Halaszovich & Nel, 2017). Consumer Brand Engagement attitudes can have an impact on the Click-through Intention of a digital ad. Therefore, the researcher proposes a hypothesis:

H2: Brand Engagement will have a positive effect on Click-through Intention

2.4.3 Relationship between Visual Attractiveness and Click-through Intention

Visual attractiveness refers to consumers' initial direct perception of advertising design and reflects the extent to which consumers feel that information systems are aesthetically and visually pleasing. According to influence transfer theory, advertising design can provoke positive attitudes towards the advertised product or brand by attracting consumers' positive emotions (Jung et al., 2011b). Verhagen et al. (2012) identified that Visual Attractiveness can positively influence consumer attitudes towards virtual world products through the mediating effect of perceived entertainment value. Therefore, the researcher proposes a hypothesis:

H3 : Visual Attractiveness will have a positive effect on Click-through Intention

2.4.4 Relationship between Information Quality and Click-through Intention

Information Quality refers to the level of user satisfaction with the information content provided by digital advertising (Schaupp et al., 2006). With respect to the perceived Information Quality of banner ads, consumers primarily rate the level of Information Quality of advertisements according to the richness of the information provided in the advertisements and the consistency between the perceived direct information and the objective content. In other words, the richness, accuracy, and authenticity of information are the main criteria (DeLone & McLean, 2004). Rich information can reduce the uncertainty that consumers feel about the product. Authentic information can increase consumers' positive attitude towards a product and encourage their willingness to do Click-through Intention. Therefore, the researcher proposes a hypothesis:

H4: Information Quality has a positive effect on Click-through Intention

2.4.5 Relationship between Trust and Click-through Intention

Trust is "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other party will perform certain actions that are important to the trusting party, regardless of the ability to monitor or control the other party" (Mayer, Davis, & Schoorman, 1995, 1995). P. 712). According to Yu et al., (2019) Click-through consumer's intention to digital advertising depends on their trust in the website. Therefore, trust in advertising itself is a direct factor that affects consumer click-through intention. Customer trust, which can stimulate customer behavior such as online purchases (Bilgihan, 2016), is a function of consumers' perceived ability, virtue, and integrity. This condition increases consumers' desire to understand product information and increases consumer click-through intentions. Therefore, the researcher proposes a hypothesis:

H5: Trust has a positive effect on Click-through Intention

2.4.6 Mediation effect of Trust

Based on social cognitive theory, the formation of individual trust is a process of environment-cognition-behavior interaction. Stimulation of external scenarios shapes individual cognition, which influences their behavior. And then, individual behavior reshape the scenario, which further affects their behavior. When consumers encounter personalized online advertisements, the cues offered by the advertisements stimulate the consumer's senses. According to the cue utilization theory, consumer trust depends on the cues provided by advertisements (Chu & Kim, 2011). In particular, all advertising information, including Brand Engagement, endorsement figures, prices, ad pages, Visual Attractiveness, or Information Quality, are cues that can help consumers to create images about the ad. This image affects the cognition and consumer judgment of the advertised information, which also affects the process of forming consumer trust based on that information. In particular, Product Involvement does not contain information about the features of the product itself, but rather represents the degree to which the advertised product matches the preferences, interests, and needs of consumers. Brand Engagement, Visual Attractiveness, and Information Quality consist of advertising information perceived by consumers and can directly affect the level of consumer trust in the

advertisement. According to (Halaszovich & Nel, 2017), it shows that Brand Engagement refers to consumer knowledge accumulated on products based on direct or indirect experience. Thus, Brand Engagement represents a consumer's psychological association with a particular Brand. According to attitudinal accessibility theory, higher Brand Engagement is correlated with a broader consumer association with the advertised product or service. Therefore, brand information is easily accessible in the minds of consumers and has a greater influence on the trust and evaluation of advertisements (Palmet et al.,2018.). On the other hand, consumers can only access a limited amount of information about unknown brands. Therefore, relevant associations for unknown Brands are difficult for consumers to produce, resulting in the inability of consumers to immediately build Trust in the Brand. Previous research investigated that Brand Engagement has an indirect relationship with brand trust and brand trust can be achieved through a high level of brand familiarity (Ha & Perks, 2005; Naidoo & Hollebeek, 2016).

Visual Attractiveness reflects the extent to which consumers feel that the information system is aesthetically pleasing to the eye (Van der Heijden, 2003). According to Yu, et al.(2019), Visual Attractiveness is assumed to trigger extrinsic and intrinsic reactions. Visual attractiveness attracts consumers' attention to advertisements and increases emotional appeal. According to influence transfer theory, attractive advertising designs that provoke audience happiness result in positive attitudes of consumers towards products, brand engagement, and companies (Gibson, 2008; Jung et al., 2011). Attractive advertising allows consumers to draw the relationship between product involvement and positive emotions such as happiness, joy, and excitement (Lee, Tinkham, & Edwards, 2005). Moreover, such advertisements increase consumer trust by reinforcing the above-mentioned positive attitudes of consumers towards advertised advertisements and Brand Engagement (Alwitt, 2000).

Information Quality refers to the level of user satisfaction with the information content provided by online advertising (Schaupp et al., 2006). Consumers primarily rate Information Quality based on the level of consistency including authenticity, accuracy, timeliness, and integrity that is observed between the information content and objective reality. Consumers generally seek to obtain high-quality information to reduce purchase

risk. Therefore, personalized online advertising that provides authentic, accurate, and complete information about products and services can more quickly gain consumer trust. Therefore, the researcher proposes a hypothesis:

H6: Brand Engagement increases consumer trust in advertising, so Trust mediates the relationship between Brand Engagement and consumer Click-through Intention.

H7: Visual Attractiveness increases consumer's trust in advertisements, so that trust mediates the relationship between Visual Attractiveness and consumer's Click-through Intention.

H8: Information Quality increases consumer's trust in advertisements, so that trust mediates the relationship between information quality and consumer click-through intentions.

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