

ABSTRACT

Total advertising spent on digital media was increasing within the last three years. The growth of money invested in digital media advertising accounted 18.30% in Asia Pasific countries from 2013 to 2014. Despite of life style and trend driven, the Return on Investment for digital media advertising was higher compared to other advertising medias such as television, radio, printed ad, billboard, etc. As a Telecommunication, Information, Media, Edutainment, Services (TIMES) player, Telkom Indonesia was responding this oportunity with launching U-Ad as digital advertising media. The main problem that faced by U-Ad was that the adoption for this service was remain very low in Indonesia. Eventough the opportunity of digital advertising in consumer goods were increasing and U-Ad offer many advantages, U-Ad has no significant growth in term of advertisers since it launched.

In the process of decision making to buy or to use a service, different variables may play an important role, among others are variable Price, Brand and Performance Expectancy. One variable may have more impact or have more roles when compared to other variables. Knowing the variables that encourage consumers to buy or use the product is important because consumers are the ones who make final decision to purchase of a particular product.

This research focused on predicting consumer goods companies' acceptance of U-Ad as a new digital advertising media by using Modified Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) model. The objectives of the study were to examine the variables in Modified UTAUT 2 model that had influenced the adoption of U-Ad by consumer goods companies Indonesia and if the differences in company and products characteristics had impacts on the relationship of the variables. This research chose the consumer goods that were not use U-Ad but already use other service managed by Enterprise Division of Telkom Indonesia. Restriction to only consumer goods companies was following the reason that consumer goods industry was the biggest spender for advertising.

Data were collected from respondents that were responsible in deciding advertising placement in consumer goods companies. The questionnaires were distributed through online and offline media. It took 7 weeks for data collection, with 161 respondent considered valid. The R-square resulted from calculation of PLS Algorithm was 0.598. In order to measure the influence of two moderating variables, namely company and product characteristic, this study uses group comparison approach. The valid collected data were analyzed by using Smart PLS 3.0 and the result showed that there were six variables in Modified UTAUT2 which positive significant influenced the Behavior Intention of consumer goods companies in Indonesia to adopt U-Ad. The influencing variables, ordered form the highest to the lowest respectively, are Facilitating Condition (0.324), Perfomance Expectancy (0.255), Hedonic Motivation (0.178), Social Influence (0.128), Price Value (0.1) and Habit (0.09). Meanwhile, Effort Expectancy had no significant effect to the behavior intention to adopt U-Ad.

Facilitating Condition is the most influential factor in the tendency of customers to adopt U-Ad. From the results of the assessment of the respondents, it showed that the highest response of customers related to internet access provider. So that in an effort to get positive response from customers, U-Ad provider should be able delivering realiable internet access, thus both advertiser and advertisee prefer to use U-Ad.

Keywords: Digital Advertising, Modified UTAUT2, Behaviour Intention, Adoption, Indonesia