THE INFLUENCE OF PERCEPTION ON CUSTOMER BEHAVIOR OF PRODUCT ADVERTISING THROUGH USEETV 
(CASE STUDY IN BALIKPAPAN CITY OF INDONESIA)

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ABSTRACT

Internet customers in Indonesia, especially Indihome’s customers, experienced significant growth. Indihome National’s customers at the end of December 2016 amounted to about 1,5 million customers. Indihome customers in Balikpapan at the end of December 2016 are about 23 thousand customers, at the end of December 2017 are 31 thousand so growth customer is 35%. Penetration of Internet users in Indonesia continues to grow along with technological developments. Telkom Indonesia launched Indihome product in early 2015, which is bundling product package with fiber optic access consisting of high speed internet service, fixed phone and IPTV by UseeTV brand. Telkom Indonesia launched Indihome product in early 2015, which is bundling product package by fiber optic access consisting of high speed internet service, fixed phone and IPTV, and the brand name is UseeTV. Some advantages of UseeTV Indihome Telkom Indonesia include clear picture and sound, TV service can be replay for 7 days backward, can be pause, many number of TV channel service and some other advantages.

At this time, the companies that promote their products through advertisements on TV media often use free-to-air, TV broadcasts to all TV owners. TV advertising is considered quite expensive and less effective because many target audience that is not a target market of the company’s products. So it makes inefficient. Promotion to advertise the company’s products on UseeTV is expected to be more effective with cheaper cost, because customer of UseeTV can be segmented according to its behavior, geographical segmentation and can be adjusted to the characteristics of the company product. Segmented promotion expected to more effectively attract customers through AIDA, to purchase products advertised by UseeTV.

The research data through questionnaires is distributed online using google docs application to customers of UseeTV Indihome in Balikpapan City for sports genre segment. Data analysis in this research using a simple linear regression statistic method (linear regression). The research got result that customer behavior seen from AIDA to advertised product influenced by consumer perception to advertisement through UseeTV for Indihome customer of sport genre in Balikpapan City equal to 39.66%, while 60.34% influenced by other factor. Linear relationship between variable X and variable Y in research can be formulated with linear regression equation Y = 9.406 + 0.3303X.

Keywords: UseeTV, Indihome, TV commercials, Telkom Indonesia, Sports genre, Balikpapan
1. INTRODUCTION

1.1 BACKGROUND ISSUES

Users UseeTV Indihome Telkom Indonesia is significant to be a target market for the marketing of other derivative products. Indihome National’s customers at the end of December 2016 amounted to about 1.5 million customers. Indihome customers in Balikpapan at the end of December 2016 are about 23 thousand customers, at the end of December 2017 are 31 thousand so growth customer is 35% . Indihome Telkom Indonesia is a triple play product where is one of its services is IPTV by UseeTV brand. UseeTV as an IPTV product has many advantages including picture quality is clearer than analog TV, its can record TV live, its can be play back up to 7 days backwards, its have TV on Demand. UseeTV becomes one of the best choices for customers who want quality television service products in their homes.

At this time promotion of products through broadcast TV media is mass, so TV viewers who are not a target market of advertising products also see ads impressions. In addition, the broadcasting of TV ads is costly and therefore requires a huge advertising expense on TV commercials (wasteful).

In UseeTV products, customers (viewers) can be segmented according to the genre (grouping of TV shows) often watched by customers, one of the dominant genres is the sports genre. The activities of the customers that watching the UseeTV show can be identified, including the duration of watching the event type. Additionally UseeTV customers can also be segmented by geographic area, suppose customers Jakarta, Bandung, Surabaya, and so on. Thus this UseeTV customer segment can be the target market for the appropriate product. Customers UseeTV is a potential market for companies that will promote their products through UseeTV which will be more targeted (minimize promo messages are wasted) and will probably save more budget.

The city of Balikpapan is also known as a mining and trading city with major economic drivers such as mining, trade, fisheries and forestry / plantation. Balikpapan is a city in East Kalimantan Province in Indonesia by a very large Regional Budget. Balikpapan City by the number of customers Indihome Telkom mostly to number 4 in Kalimantan Island is a great opportunity to drive the economy, especially as the business drivers of Balikpapan. So, we need a study to measure the analysis of relationships between a consumer perceptions advertising through UseeTV and response in purchasing products for Indihome customers in Balikpapan City.

1.2 RESEARCH QUESTIONS

By the background issues, research questions as follows:

1. How much the influence of consumer perceptions toward customer behavior viewed by AIDA (Awareness Interest Desire Action) ?
2. What is the formula of linear relationship of this research result ?

1.3 RESEARCH PURPOSES

The purpose of this research is :

To know the influence of consumer perception on customer behavior from AIDA. In addition, to know whether there is a significant linear relationship between consumer perceptions of customer behavior will be advertised products through UseeTV in the genre of sports for Indihome customers in Balikpapan City.
1.4 PROBLEMS IDENTIFICATION

Advertiser companies have not utilized UseeTV media optimally to advertise their products, so as to provide great opportunities for advertising UseeTV to get the business opportunity. The customer's perception of advertisement through UseeTV in Balikpapan City is not currently known, nor is customer behavior to advertisement through UseeTV. So, it is necessary to conduct research related to the influence of perception on customer behavior of product advertising through UseeTV case study in Balikpapan city of Indonesia.

1.5 RESEARCH METHODS

This research is quantitative descriptive research. Descriptive research aims to describe the characteristics of the use of a product and know the user's perception of a product (Indrawati, 2015). Descriptive research in this study aims to describe the characteristics of variables in this study and used to answer research questions. Quantitative research is a method of research that attempts to accurately measure behavior, knowledge, opinions, or attitudes. Quantitative methods are widely used in research because of their compatibility to test models or hypotheses (Chew, 2007; Indrawati 2012). Research conducted by the writer is field research in case study which analyze about consumer perception toward advertisement through UseeTV (variable X) which is expected to affect customer behavior (Y variable) in product purchasing at genre sport event, where X is independent variable and Y is the dependent variable.

2. LITERATURE REVIEW

2.1 BASIC THEORY

2.1.1 MARKETING

Kotler and Keller (2016 : 27), marketing is about identifying and meeting human and social needs. One of the good and short definitions of marketing is "meeting the needs in a profitable way".

2.1.2 MARKET SEGMENTATION

Kotler and Keller (2016: 268), consumer market segmentation is market segmentation to divide the market into well-defined slices. The market segment consists of groups of customers who share a similar set of needs and wants. The consumer market segmentation consists of:

a) Geographical Segmentation
b) Demographic Segmentation
c) Psychographic Segmentation
d) Behavioral Segmentation

2.1.3 CONSUMER BEHAVIOR

Kotler and Keller (2016 : 179) Consumer behavior accordingly is the study of how individuals, groups, and organizations choose, buy, use, and place goods, services, ideas or experiences to satisfy their needs and desires. That's explain by Figure 2.1.
2.1.4 MARKETING MIX

Kotler & Armstrong (2008: 62), marketing mix is a collection of tactically controlled marketing tools that the company combines to generate the desired response in the target market. That's explain by Figure 2.2.

![MARKETING MIX 8 P](image)

Gambar 2.2. The Evolution Of Marketing Management

2.1.5 PURCHASE PROSERSSING

Kotler Keller (2016: 195) stated that basic psychological processes play a very important role in purchasing decisions by consumers. Five model consumer stage in making purchases can be seen in the following figure 2.3:

![Figure 2.3 Five-Stage Model of the Consumer Buying Process (Kotler Keller 2016 : 195)](image)

2.1.6 MARKETING COMMUNICATION

Kotler Keller (2016:580) Marketing communications are which companies attempt to inform, persuade, and alert consumers directly or indirectly about the products and brands they sell. The marketing communications mix consists of eight main communication modes, which include:
Advertising), Sales Promotion), Event and Experiences), Public Relation and Publicity, Online and Social Media Marketing, Mobile Marketing, Direct and Database Marketing, Personal Selling.

2.1.7 ATTENTION, INTEREST, DESIRE, ACTION (AIDA) MODEL
Kotler Keller (2016: 585) and Kotler Keller (2009: 179) explain the theory Attention, Interest, Desire, and Action (AIDA) is a means of delivering a message that is quite ideal to consumers where through a stage consisting of Attention, Interest, Desire, Action.

2.2 PAST RESEARCH

2.2.1 HERE’S THE BEEF : FACTORS, DETERMINANTS, AND SEGMENTS IN CONSUMER CRITICISM OF ADVERTISING
Richard W Pollay and Banwari Mittal (1993) says that advertising is a very important social phenomenon in which will stimulate consumption, economic activity, lifestyle and value orientation. Richard W Pollay and Banwari Mittal also says the behavior that affects advertising includes 3 factors personal uses consist produk information, social role and image, and hedonic pleasure and 4 factors social effects consist good for the economy, materialism, value corruption, and falsity/no sense.

2.2.2 PUBLIC ASSESMENT OF TV ADVERTISING : FAINT PRAISE AND HARSH CRITICISM
Banwari Mittal (1994) says that advertising is a very important social phenomenon in which will stimulate the level of consumption, economic activity, lifestyle and value orientation.
In this research Banwari Mittal offers and presents the 10 main dimensions used to measure these perceptions, ie ; Market Place Information, Buying Confidence, Social Image Information, Entertainment Value, Materialism, Value Convergence, Effects On Children, Economic Effects, Free Television, Manipulation.

2.2.3 INFLUENCE PROGRAM / GENRE / MAIN CONTENT TELEVISION AGAINST CUSTOMER BEHAVIOR
Yanuar Nugroho, Dinita Andriani, and Shita Laksmi (2012: 63) in their research entitled “A Joint Research Project of: Mapping The Landscape Of The Media Industry In Contemporary Indonesia “said that as the most influential media sector, the content of television does have a great impact on society. However, in the ratings show, the most watched types are drama content (soap operas) and sensational news. Inaya Rakhmani, (2014), in a study that is “Television Industry Practice and Trends in Indonesian Sinetron “ in the Asian Journal of Social Science 42 (2014) 435–466, page 438 said that Indonesian commercial television is dominated by sinetron film production, which is 60% - 70% and most popular content by television stations (audience share and most popular content by television station) are sinetron, comedy, drama, music, sport, news, reality show, lifestyle, entertainment.

2.2.4 MIXED-STYLE PRINT ADVERTISING COMBINING FASHION PHOTOGRAPHY AND DIGITAL ILLUSTRATIONS: EXAMINING THE PRINT ADVERTISING OF CONSUMER PRODUCTS IN TAIWAN.
Yu, Yi-Lin, Fulen Catholic University (2013) in their research states that this study reveals a new form of advertising design in the digital age. Attention-desire-desire-action (AIDA) psychological model used as a measuring tool for preparing a quantitative questionnaire to ask for responses / responses of consumers in purchasing products. The results of this study indicate that Art Nouveau’s print advertising style, which combines fashion photography with digital illustrations, is very effective in attracting the attention of consumers, attracting them, and stimulating their desires.

2.3 FRAMEWORK OF THINKING
The framework developed in this study refers to some of the theories already mentioned. The framework of thinking can be described as follows figure 2.4;
2.4 RESEARCH HYPOTHESIS

In this research, hypothesis can be formulated as follows:

Ha1 There is influence of consumer perception simultaneously to customer behavior.
Ha2 There is a linear relationship between consumers perceptions and customer behavior of advertised products through UseeTV.

3. METHODOLOGY

3.1 RESEARCH QUESTIONS

By the problems identification can be described research questions as follows,

1. How much is influence of consumer perception simultaneously to customer behavior viewed from AIDA will be advertised product?
2. Such as whether the linear relationship between consumers’ perception and customer behavior of advertised products through UseeTV?
3.2 MODELING VOLATILITY

Model can be described as follows figure 2.5 ;

![Figure 2.5 Riset Model]

3.3 DATA

3.3.1 POPULATION RESEARCH
The population in this study is Customer UseeTV Indihome in Balikpapan City.

3.3.2 SAMPLE RESEARCH
The method used to determine the number of samples in this study is to use the formula Slovin (Cooper & Schindler, 2011) as follows :

\[ n = \frac{N}{1+Ne^2} \]

n : samples
N : population
e : error tolerance

The sample in this research is Indihome customer in Balikpapan City. The number of sample are 400 customers.

3.3.3 METHOD OF COLLECTING DATA
Data in this research include primary data and secondary data. Data collection method is as follows :

1. Primary Data, is data obtained from direct research Indihome UseeTV customers in the field that became the object of research.
2. Secondary Data, is a data collection conducted by reading, quoting from scientific literature book related to the topic to be studied, and the existence of reference material data from internal PT Telkom, Telecommunication Region in Balikpapan.
3.3.4 DATA COLLECTION TECHNIQUE

In this study the questionnaire contains statements which are indicators of the level of influence of UseeTV advertising campaigns on product purchases. There are five options for each statement that strongly agree (SS), agree (S), Neutral (N), disagree (TS), and strongly disagree (STS). Scores for each positive statement are 5 for SS answers, 4 for answers S, 3 for answers N, 2 for TS answers, and 1 for answers STS. The score for each negative statement is 5 for STS answers, 4 for TS answers, 3 for answers N, 2 for answers S, and 1 for SS answers. Then the scores of each indicator for each variable are summed, and scores for a variable type are obtained.

3.3.5 RESEARCH VARIABLE

In this research used one independent variable and one dependent variable:

1. Independent Variable
   Consumer perceptions of advertising through UseeTV. There are 10 main dimensions of consumer perception of advertising on Television i.e.: Market Place Information, Buying Confidence, Social Image Information, Entertainment Value, Materialism, Value Convergence, Effects On Children, Economic Effects, Free Television, Manipulation.

2. Dependent variable
   The dependent variable in this research is customer behavior of the product advertised, there are 4 dimension of AIDA i.e.; Attention, Interest, Desire, Action.

3.3.6 RESEARCH INSTRUMENTS

In this study, the questionnaires are grouped into three parts:

1. Profile of respondent,

2. Question about indicator of independent variable that is consumer perception to advertisement through UseeTV. There are 10 main dimensions of consumer perception of advertising on Television i.e.: Market Place Information, Buying Confidence, Social Image Information, Entertainment Value, Materialism, Value Convergence, Effects On Children, Economic Effects, Free Television, Manipulation.

3. Question about indicator of dependent variable in this research is customer behavior of the product advertised, that is 4 main dimension about response to TV advertisement Attention, Interest, Desire, and Action (AIDA).

3.3.7 VALIDITY AND RELIABILITY TEST

Validity and reliability test of the data is done to check the consistency of the measuring tool and the validity of each questionnaire.

3.3.7.1 VALIDITY TEST

The calculations use the correlation formula of product moment from Karl Pearson, that is:
In this study validity test was conducted on October 3, 2017 until October 4, 2017 through an online questionnaire, by taking samples of test pilots each of 40 respondents. Measurement of convergence validity by measuring the correlation coefficient using calculation formula compared with r-table significance level of 1%. The result of all items of the questionnaire statement is > 0.4026. From the results of convergence validity testing known that the value of correlation coefficient between items for each variable Market Place Information, Buying Confidence, Social Image Information, Entertainment Value, Materialism, Value Convergence, Effects On Children, Economic Effects, Free Television, Manipulation, Attention, Interest, Desire, Action, all of them are greater than 0.4026. Thus it is concluded that the whole item statement in the instrument has met the criteria convergent validity.

3.3.7.2 RELIABILITY TEST

In this research used Alpha formula to perform reliability test, that is:

\[ r_{11} = \frac{n}{n-1} \left[ 1 - \frac{\sum s_i^2}{s_T^2} \right] \]

with \( r_{11} \) = instrument reliability index,
\( n \) = number of items instruments,
\( s_i^2 \) = variance items to-\( i \),
\( i = 1, 2, 3, 4, \ldots, n \),
\( s_T^2 \) = total score variance the experimental subjects obtained.

An instrument is said to be reliable if \( r_{11} > 0.7 \). Based on the pilot test as many as 40 respondents obtained the reliability test results of 10-dimensional measurement instrument Banwari Mittal obtained \( r_{11} = 0.94 \), the measurement instrument AIDA dimensions obtained \( r_{11} = 0.74 \) (\( r_{11} > 0.7 \)). So these results indicate that the instruments used in this research are reliable.

4. RESULTS AND DISCUSSION

4.1 DATA ANALYSIS TECHNIQUE

From the data collection process will be obtained two groups of data representing variables \( X \) and \( Y \), each of which interval scale. In this study, simple linear regression analysis is used, because it involves only one independent variable and one dependent variable. Analysis of data to be performed include:

4.1.1 CHARACTERISTICS OF RESPONDENTS

Characteristics of respondents in this research as follows table 4.1, figure 4.1, figure 4.2, and figure 4.3:

Table 4.1 Distribution of Respondent Characteristics

<table>
<thead>
<tr>
<th>Personal identity</th>
<th>Respondents Distribution</th>
<th>Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<table>
<thead>
<tr>
<th>Gender</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Man</td>
<td>296</td>
<td>74,00 %</td>
</tr>
<tr>
<td>Women</td>
<td>104</td>
<td>26,00 %</td>
</tr>
<tr>
<td>Amount</td>
<td>400</td>
<td>100 %</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>15 s/d 25 Years</td>
<td>101</td>
<td>25,25%</td>
</tr>
<tr>
<td>26 s/d 35 Years</td>
<td>150</td>
<td>37,50%</td>
</tr>
<tr>
<td>36 s/d 45 Years</td>
<td>97</td>
<td>24,25%</td>
</tr>
<tr>
<td>46 s/d 55 Years</td>
<td>46</td>
<td>11,50%</td>
</tr>
<tr>
<td>56 s/d 65 Years</td>
<td>6</td>
<td>1,50%</td>
</tr>
<tr>
<td>Amount</td>
<td>400</td>
<td>100,00%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior High School</td>
<td>87</td>
<td>21,75%</td>
</tr>
<tr>
<td>Bachelor of D1-D3</td>
<td>53</td>
<td>13,25%</td>
</tr>
<tr>
<td>Bachelor degree S1</td>
<td>217</td>
<td>54,25%</td>
</tr>
<tr>
<td>Master / Doctorate</td>
<td>43</td>
<td>10,75%</td>
</tr>
<tr>
<td>Amount</td>
<td>400</td>
<td>100,00%</td>
</tr>
</tbody>
</table>

Source: Results of Questionnaire

Figure 4.1 Graph of Respondent Characteristics by Gender
4.1.2 DETERMINE SIMPLE LINEAR REGRESSION EQUATION

The linear relationship model between $X$ and $Y$ variables is seen in the following linear regression equation:

$$Y = a + bX$$
In this research, data obtained linear regression equation is \( Y = 9.406 + 0.3303X \).

### 4.1.3 DETERMINING COEFFICIENT OF DETERMINATION

The coefficient of linear regression determination between \( X \) and \( Y \), is presented by,

\[
 r^2 = \frac{JKR}{JKT}, \quad \text{then, } JKT = \sum Y^2 - \frac{(\sum Y)^2}{n}, \quad JKR = a(\sum Y) + b(\sum XY) - \frac{(\sum Y)^2}{n}, \quad \text{and } JK = JKT - JKR = 0.396606203.
\]

In this research, obtained part of the variations that occur in \( Y \) variable explained by the \( X \) variable through linear regression equation is equal to 0.396606203 or 39.66%. In other words, the \( X \) variable affect to \( Y \) variable is 39.66%, while the remaining 60.34% influenced by other factors.

### 4.1.4 DETERMINING THE SIGNIFICANCE OF REGRESSION

To get the significance of regression used approach of variance analysis that is with test statistic \( F = \frac{RKR}{RKG} \), with \( RKR = \frac{JKR}{t} \) and \( RKG = \frac{JKG}{n-2} \).

By the research data obtained \( F = 261.6024053 \), \( F \) table \((F(0.05,1,398)) = 3.84 \) so the value \( F > F(a, 1, n - 2) \) obtained from the distribution \( F \) table, it can be concluded that linear regression between \( X \) and \( Y \) means (significant).

### 4.1.5 DETERMINING THE SIGNIFICANCE OF REGRESSION COEFFICIENTS

To see the significance of regression coefficients used statistical t test by test statistic:

\[
 t = \frac{b}{sb}, \quad \text{with } sb = \sqrt{\frac{\sum x^2}{n} - \frac{(\sum x)^2}{n^2}}, \quad \sum x^2 = \sum x^2 - \frac{(\sum x)^2}{n}, \quad \text{and } s_{Y,x} = \sqrt{\frac{JKG}{n-2}}.
\]

From the calculation of research data obtained, \( t = 16.17412765 \), and \( t \) table \( t \) value \((0.05,398) = 1.654 \). The regression coefficient is said to mean (significant) because the value of \( t > t \) \((n-2) \) obtained from the distribution table \( t \).

### 5. CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 CONCLUSIONS

1. The behavior of customers from AIDA to the advertised product for Indihome customer of sports genre in Balikpapan City influenced by consumer perception on advertising through UseeTV equal to 39.66%, while 60.34% influenced by another factor.

2. The Linear relationship between consumer perception and customer behavior for Indihome customer of sports genre in Balikpapan City in this research, can be formulated by linear regression equation \( Y = 9.406 + 0.3303X \).
5.2 RECOMMENDATIONS

1. The development to further research related TV advertising through Indihome UseeTV (IPTV), especially for Indihome UseeTV customers in Balikpapan City, for other segmentation than sport segment.

2. In order to be maximized by PT Telkom Indonesia as an alternative source of revenue increase, by selling advertising content space through UseeTV in accordance customer segmentation.

References


Elisabeth, Tricia HN. 2007. Implementasi Model Segmentasi Dinamik dengan sistem informasi dalam upaya mengenali customer behaviour untuk meningkatkan performance program marketing bagi gerai IDMR padasuka Bandung. Program Magister Bisnis sekolah bisnis dan manajemen ITB.


