

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Instagram, a convenient photo and video sharing application, also a very well-known online media platform, has rapidly evolved as a business platform in the advancing years. They are consistently creating new opportunities to advertise services or goods, known as Instagram Advertisements. Instagram Advertisements provides features for business owners to approach more customers to build business image. Instagram takes advantage of online shoppers' social network, prompting expanded trust (Hajli, 2015). Customers' trust is gained by building business image. Therefore, trust has a substantial direct impact on purchase intention.

Instagram Advertisements assist business owners in targeting the audience better. The owners can focus on the clients by area, interests, socioeconomics status, and behaviours. This condition implies that the advertisements will show up on the feeds of an accurate interest group, expanding the shot at targeting clients and making a deal (Dongre, 2020). One more incredible motivation to start using Instagram Advertisements is to support the general business image among a broader audience. People will be more familiar to the businesses because of their massive number of users being targeted.

This study is trying to reveal whether Instagram Advertisements can help create, build and support business purchase intention through targeted audiences (Dongre, 2020) who give their opinions on the influence of Instagram Advertisements in their purchase intention in buying the products at a particular shop. Furthermore, the study will examine whether or not it is practical to use Instagram Advertisements to create business purchase intention.

To the best of the researcher's knowledge, studies about Instagram Ads have been done previously. A study about the effects of Instagram Advertising on ad intrusiveness, business attitude, and purchase intentions found that Instagram photo Advertisement led to higher engagement compared to Instagram story Advertisement and Influencer Marketing. The study implies that influencer marketing might not constantly be considered to be advertising (de Jong, 2018). Another study that discusses customers' attitudes towards Instagram Advertisements in Egypt found that credibility, informativeness, entertainment, and lack of irritability are all essential aspects that influence the perception of the customers on Instagram Advertisement (Gaber et al., 2019). Unlike the studies of de Jong (2018) and Gaber et al. (2019), this study mainly focuses on the effectiveness of using Instagram Advertisements on building customers' purchase intention.

1.2 FIELD OF THE STUDY

The field of the study is a creative economic industry.

1.3 SCOPE OF THE STUDY

This paper focuses on Instagram as an online marketing platform used by particular business to build customers' purchase intention.

1.4 RESEARCH QUESTION

What is the use of Instagram Advertisements to develop customers' purchase intention in Semarang?

1.5 OBJECTIVE OF THE STUDY

The objective of the study is to reveal the use of Instagram Advertisements to develop customers' purchase intention in Semarang.

1.6 SIGNIFICANCE OF THE STUDY

This research has two kinds of significance, i.e.:

1. Theoretical Significance

This study provides some knowledge in building customers' purchase intention as an essential aspect in developing the marketing strategy of new businesses.

2. Practical Significance

This research can be used as a reference to business owners to understand the importance of customers' purchase intention in developing their businesses and provide additional information for other researchers who wish to conduct further research in the related fields. The researcher hopes

that this research will be helpful for business owners in building customers' purchase intention as the most crucial aspect in developing new business.

1.7 DEFINITION OF TERMS

1. Customers

Customers are the number of people who may benefit from a company's offering (Majava et al., 2013).

2. Instagram Advertisements

Instagram Ads is Instagram's business tool that allows businesses to promote online while also showcasing their creative side with videos, pictures, and other visual content (de Jong, 2018).

3. Purchase intention

Purchase intention refers to a customer's willingness and desire to buy a service or product (Hajli, 2015).