

Analysis of the Effectiveness of Promoted Listings Using the Method of EPIC Model

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Abstract—In the world of advertising, various types of advertisements continue to be developed in accordance with time, technological advances, and current patterns of consumer behavior. However, the most common problem nowadays is that most people do not like advertisements while browsing on the internet. Presently, many internet users install adblocker so that the ads do not appear because they will be blocked automatically. Now, marketers and advertisers are busy using native advertising to handle this. The purpose of this study is to provide an overview of native advertising on promoted listings of the Bukalapak's site and to measure the level of effectiveness. The study used quantitative method with EPIC Model. The sample was 100 people of Bukalapak's Instagram followers generated by non-probability sampling technique. The results of this study indicate that native advertising on promoted listings on the Bukalapak's site is in a positive category according to the respondents. The results of the effectiveness analysis with the EPIC Model method show that the advertisements have a relatively high level of effectiveness.

Keywords—native advertising; promoted listings; EPIC models

I. INTRODUCTION

In essence, internet users do not like advertisements in digital media, the internet. Advertisement is considered as disturbance (Nusantara, 2016). For example, when someone wants to watch a video on YouTube, he/she wants the video to play directly without having to watch the ad before. Likewise, when readers open a news portal, they feel annoyed when they have to pop-up ads on the edge, or even in the middle of the page, which certainly disturbs their concentration while they are reading news or articles [1].

This phenomenon leads to the appearance of applications that enable these ads to disappear or be blocked automatically. Apparently, the internet users immediately welcomed the application enthusiastically. One of the most popular applications in the world is adblock, which can be added as add-ons or enhancements in web browser like Google Chrome or Mozilla Firefox [2]. A study of *pagefair* in 2016 shows that ads-blocker applications market-penetration in Indonesia reached 58 percent, equivalent to 3.5 million active users per month. Adblock users continue to increase in number and the applications are expected to penetrate mobile devices such as Android and iOS [3]. The number of Adblock users in the world continues to increase annually. From December 2015 to

December 2016, there was a significant increase in active adblock users, namely 30% (mobile) and 3% (desktop).

Unquestionably, this phenomenon is a serious threat for advertisers or marketers who expose digital marketing to introduce and to market products. If this phenomenon is left unattended and there is no alternative solution, the costs incurred by marketers to use digital marketing such as banners ads, videos, and so on will become less effective or even useless because the ads may not be noticed. There is even possibility that the internet users will block the ads automatically by installing adblock on gadgets or other devices.

Therefore, many advertisers today handle this phenomenon by using native advertising as one of the developed solutions. According to Howe and Manic, the term native advertising refers to advertisements that appear as if they are part of an internet page [4,5]. It means that advertisements of native advertising type blend with content or web pages so that internet users are not bothered because the users will not find difficulties to distinguish content and advertisement content. Based on Indonesia Advertising and Influencer Marketing Report 2018 [6], native advertising is divided into three categories, including programmatic native ads, native ad units, and sponsored content.

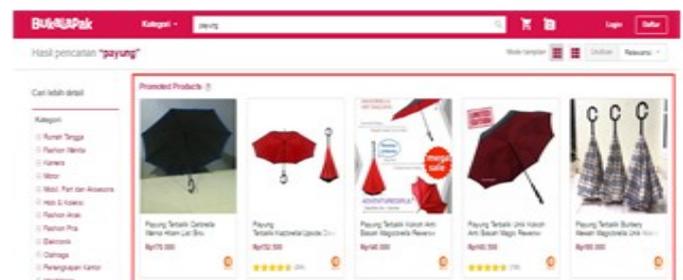


Fig. 1. Promoted Listing of Bukalapak.

There are various forms of native advertising and one of them is promoted listing. One of the promoted listings can be seen on the Bukalapak's site shown in Figure 1. The promoted listing of Bukalapak's site is a feature that serves to display products sold in a special area marked "Promoted Products", which is found on the search page. The Bukalapak is the marketplace with the highest number of sellers in Indonesia with almost two million registered sellers [7].

The results of previous studies show that advertisements such as promoted listings generate a high percentage of clicks from the total number of ad impressions and the results of previous studies indicate that promoted listing ads have a high level of effectiveness measured by using the EPIC Model. The EPIC Model is one of the measuring tools for advertising effectiveness with a communication approach. A company engaged in the field of marketing research, the AC Nielsen, developed it. The purpose of this study is to provide an overview of native advertising on promoted listings of the Bukalapak’s site and to measure the level of their effectiveness.

II. METHOD

Native advertising is a way to make an advertising content incorporated into a content design on a particular website or platform as if it were part of the content. This practice has received more attention by most viewers. Native advertising becomes more popular because it is considered to be a type of advertising that is quite effective. Most people seeing it on the internet do not feel bothered by the advertisement. Few people even do not realize that a content is an advertisement [5,8,9].

Promoted Listing is a marketing method where someone advertises something by placing ads in a list of search engine results, or in an online shopping site each time the ads is clicked or when the ad is displayed [5,10,11]. Promoted listing ads are a type of native advertising and are a type of advertisements for a product or an item that is integrated in a list of products or similar items that are sold and are being sought or wishlist to be purchased by a customer in an e-commerce site [12,13].

According to the American-European-based advertising business organization, the Interactive Advertising Bureau [14], the promoted listing ads have the following characteristics.

A. Invisible

Promoted listing looks like part of original content. It has a personality or a style that is similar to the characteristics of other products that are not parts of advertisement. Therefore, it does not look like an ad content.

B. Organic Content

Promoted listing content works naturally like original content that is not advertising content. It does not look directly persuasive. Promoted listing only appears in search results of products or other items.

C. Relevant

Promoted listings ad content has relevance or suitability with the products that are searched or are purchased by customers of e-commerce sites.

Various models have been created to measure the effectiveness of advertising. The effectiveness of an ad can be measured by using the EPIC Model. Durinto and Budianto explain that the EPIC Model is one of the measuring tools for advertising effectiveness with a communication approach [15,16]. A company engaged in the field of marketing research, the AC Nielsen, developed it. It includes four critical

dimensions: Empathy, Persuasion, Impact, and, Communication [17,18].

III. METHOD

This study aims to measure and to analyze the effectiveness of promoted listings on the Bukalapak’s site by using the EPIC Model. Based on the nature, this study used the explanatory method. The unit of analysis is Bukalapak’s active followers who already have shopped at Bukalapak site at least once. The samples covered 100 respondents generated from non-probability purposive sampling technique. This study used literature study and questionnaires as the data collection techniques.

IV. RESULTS AND DISCUSSION

The effectiveness level of the Bukalapak’s promoted listings is analyzed and measured by using the EPIC Model. The model consists of four critical dimensions: Empathy, Persuasion, Impact, and Communication [15-18]. After each dimension revealed, the study found the average of EPIC rate to determine the level of effectiveness. The four values of each dimension are summed to get the average value and the EPIC rate. Overall, the score table of the four dimensions can be seen in table 1.

TABLE I. THE RECAPITULATION OF EPIC MODEL DIMENSIONAL SCORE

No.	Dimension of EPIC Model	Score	Result
1.	<i>Empathy</i>	5,05	Quite High Effectiveness
2.	<i>Persuasion</i>	4,84	Quite High Effectiveness
3.	<i>Impact</i>	4,95	Quite High Effectiveness
4.	<i>Communication</i>	5,23	Quite High Effectiveness

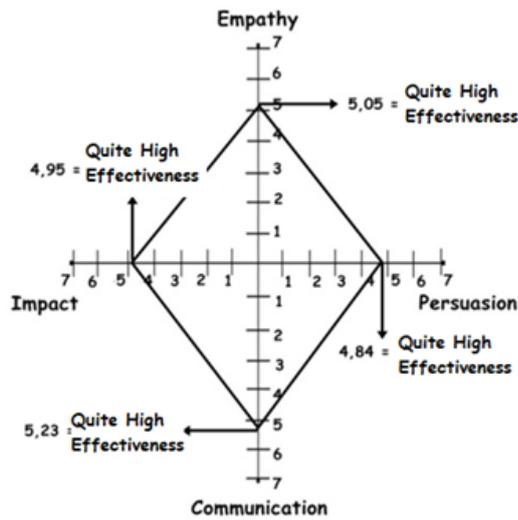
Source: Questionnaire Processing, 2018.

$$EPIC Rate = \frac{Empathy + Persuasion + Impact + Communication}{4}$$

$$EPIC Rate = \frac{5,05 + 4,84 + 4,95 + 5,23}{4}$$

$$EPIC Rate = 5,02$$

Based on the calculation, the final result of the EPIC rate is 5.02, which is in the category of quite high effectiveness. This shows that the promoted listing of the Bukalapak’s site has a high level of effectiveness. All in all, the results of the effectiveness analysis on the Bukalapak’s site are presented in Figure 2 below.



Source: Questionnaire Processing, 2018

Fig. 2. EPIC model analysis results.

Based on the results, the indicator that obtained the highest average score is the indicator of information clarity. It means that the majority of respondents feel the products advertised by promoted listings provide clear information regarding the name, the type, and the price. Therefore, the respondents can find out information about the Bukalapak's products that are advertised by promoted listings. On the other hand, the indicator with the lowest average value is the indicator of referential. It illustrates that the respondents' desire to recommend Bukalapak's products advertised in the format of promoted listing to others is still not so high.

Analysis of the effectiveness level of the Bukalapak's promoted listings by using EPIC Model was performed with simple tabulation. The average score of each dimension of the EPIC Model then was calculated by using the EPIC Rate. The results show that the promoted listing of Bukalapak's site is in a high level of effectiveness.

The display of the promoted listing ads on the Bukalapak's site must be packed more convincingly and more interesting. For example, it can be done by making rules concerning products. Let say that the products that can be advertised by the seller on the Bukalapak site's promoted listings are only products with quality and authenticity. Alternatively, the price of the products can be regulated to be discounted. Therefore, when the Bukalapak consumers see the products with promoted listing ads, they will feel interested and have a buy interest. There will also be a greater sense of feeling to recommend the products to others.

V. CONCLUSION

Based on the results of the study, it was revealed that the promoted listings on the Bukalapak's site have a high level of effectiveness. Further studies are expected to conduct other forms of native advertising, such as recommendation widgets, paid search ads, in-feed units, in-ad with native elements, custom ads, etc. They can be done to get a comparison of the

level of effectiveness among the native advertising types. Therefore, the later study will be able to reveal the best or the highest level of effectiveness. It is also intended to obtain a clearer and a more comprehensive picture of native advertising, especially promoted listings.

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