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**| RESEARCH ARTICLE**

## **The Effectiveness of Facebook Advertisements of Subscription-based Video-On-Demand Streaming Services to Filipino Millennials**

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**| ABSTRACT**

Subscription-based Video-on-Demand streaming services (SVODs) are popular hits nowadays on the online platform. The success of these SVODs is indeed dependent on consumer acceptance; however, the preference of the latter might vary. This study focused on targeting the millennials, as they are the biggest consumers of SVODs, by looking at Facebook advertisements, social pressure, consumer attitude, and purchase intention as the driving variables. This study included 196 respondents gathered through convenience sampling and was statistically processed through a linear regression to help determine the significance between variables contributing to a consumer's purchase intention of SVODs. Results show that social pressure and attitude significantly affect millennials' purchase intentions for SVODs in Central Luzon. Thus, the researchers recommend that SVOD companies develop Facebook advertisement content that is vigilant of their consumers' preferences, such as eliciting an attitude and social pressure. This study also suggests different strategies to capture millennials in Central Luzon further.

**| KEYWORDS**

Facebook advertisements, video-on-demand, social media ads, streaming services, purchase intention

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### **1. Introduction**

Having a whole range of digital services has been common nowadays. Wang (2019) mentioned that a way to offer a convenient and flexible means of watching online videos is by streaming video services where files are delivered straightly from a server that users effectively use to play videos using the internet. Along with the entertainment and convenience it brings to its users, video-on-demand continues to evolve online further to give users better experiences. According to Wayne (2017), Netflix and Amazon, being the major new players in the global media landscape, have more than 250 million combined subscribers, which pertains to how video-on-demand is very much into the market. Because it has been easily accessible to people, VOD providers need to produce high-quality content to continue and emerge. According to Allam & Chan-Olmstedb (2020), three main VOD content delivery systems exist. These include subscription-based video-on-demand (SVOD), advertisement-based video-on-demand, and transactional video-on-demand (TVOD). It is typically required to pay a certain amount of flat fees monthly to access an entire library via SVOD. AVOD offers free content for consumers to access. However, advertising revenues finance this. For consumers to purchase content, TVOD does a pay-per-view basis. Along with the entertainment and convenience it brings to its users, video-on-demand continues to evolve online further to give users better experiences. SVODs are a big part of the online mechanism today. With over millions of watch minutes globally, further amplified by the advertisements in Facebook, which, as a result, contributes to the understanding of how these efforts help build social pressure to watch and for consumers to watch, appealing to a consumer's attitude, building a consumer's purchasing intention for SVODs.

The research model applied for this study is shown in Figure 1.

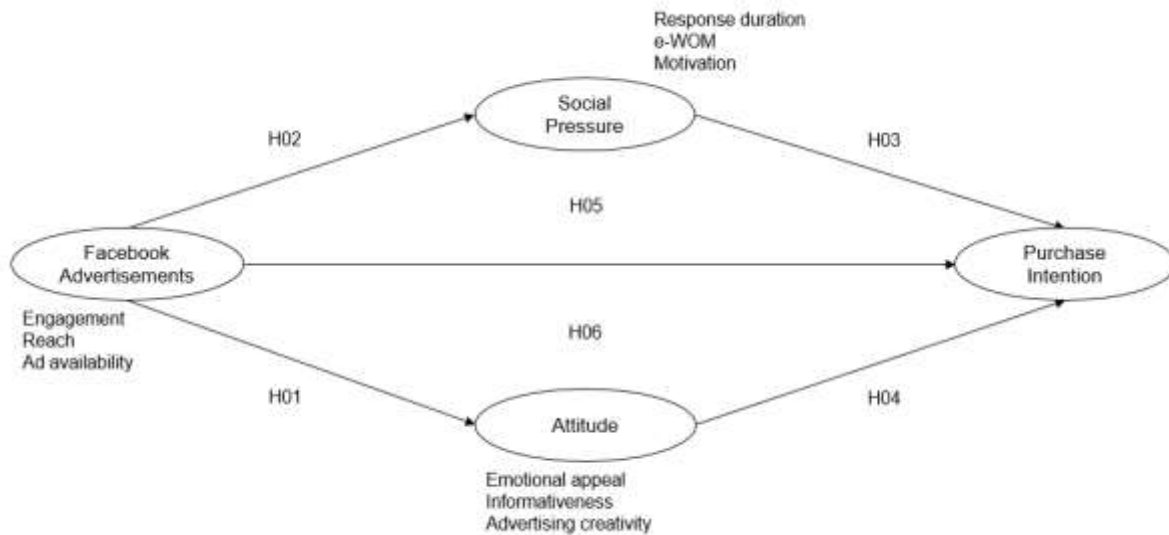


Figure 1. Conceptual Framework of the Study

The explanatory variables are interrelated with each other, and that they serve as key drivers of purchase intention. The Theory of Reasoned Action (TRA) is a theoretical background for the proposed conceptual framework to model users' online behavior regarding online advertisements of video-on-demand services on social media. Lee & Hong (2016) used emotional appeal, informativeness, and advertising creativity to measure the TRA's efficacy. Similar to the study by Ahmed (2018), this research utilizes the U&G model to describe the effectiveness of Facebook advertising for SVODs.

In this study, Facebook advertisements are deemed to be the most effective contributory factor to reach and engage a consumer because of the number of digital footprints from billions of users that enable every company to showcase a product or service effectively. This study's outlook towards facebook advertisements is defined through engagement, number of reaches, and ad availability. These three supporting elements are perceived to be the success criteria that would enable them to potentially lead a customer to purchase, capturing all consumers using mobile and computers to navigate the platform. Advertisements on Facebook do not come for free, so each SVOD company should consider these strategies to invest in a cost-effective mechanism.

Social pressure influences a consumer's conviction as to what his or her referent group, like friends, parents, and colleagues, believes in conducting certain behaviors or functions (Osei-Frimpong et al., 2020). In the context of this study, social pressure includes electronic word of mouth (e-WOM), response duration, and motivation. This study hypothesizes and proves that every consumer digs into social pressure to purchase SVODs. To illustrate, a millennial will be interested in watching a clip, a movie, or a series if other millennials or Facebook users are talking about it over Facebook, as they might have seen it over advertisements or simply through other people's posts. Another delight to a consumer is when the SVOD companies employ a Facebook advertisement by engaging through the posts, either by response or by giving hints and teasers to the readers or watchers. Through quicker response durations, the consumers become more interested in the media being presented through Facebook. Lastly, motivation is the acquisition of a specific set of goods and services (Mejía-Trejo, 2021). Panda & Pandey (2017) stated that apart from the social and cognitive aspects, viewers binge-watch due to the strong marketing and publicity: advertisements across several platforms, appealing pricing arrangements, and recommendations and ratings in different forums and media platforms. Advertisements strategically placed depending on the viewer's surfing history may motivate people to binge-watch, and viewers frequently choose a TV show based on online ratings and recommendations.

Attitude is shaped by an individual's personal beliefs and expectations that do not come from or are affected by external social beliefs (Yzer, 2017). Ruggiero (2000) reported that many researchers had used attitude variables to analyze people's media consumption using their U&G approaches. The variables emotional appeal, informativeness, and advertising creativity will be measured to measure the variables in the context of the study. Emotional appeal in SVODs evokes strong emotions such as fear, anger, happiness, and the likes, rather than the traditional, informative approach. Consumers sometimes appeal to the emotions more so if they can relate to the emotions being delivered by the content. On the other hand, informativeness appeals to some consumers in such a way that, regardless of whether the content invokes an emotional approach, there is still content being delivered as such. Advertising creativity includes different elements such as flexibility of content, originality, artistic value, and

synthesis of content that aims to attract viewers and content consumers. Overall, all of these variables work together to attract people to the content being delivered by SVODs.

All these variables combined and considered; this study sought to answer the following questions:

1. What are the characteristics of the demographics in Central Luzon?
2. Is there a significant effect between Facebook advertisements and attitude?
3. Is there a significant effect between Facebook advertisements and social pressure? Is there a significant effect between social pressure and purchase intention?
4. Is there a significant effect between attitude and purchase intention?
5. Is there a mediating effect between social pressure and the relationship between Facebook advertisements and purchase intention?
6. Is there a mediating effect between attitude and the relationship between Facebook advertisements and purchase intention?
7. What strategy can capture the millennial market for SVODs in Central Luzon?

## 2. Methodology

A descriptive design was used in this paper. It was conducted in Central Luzon, Philippines, as it has a perceived emerging film and entertainment industry. Stratified purposive sampling under the non-probability method was used to obtain the information relevant to the study. The respondents of this study included 196 millennial respondents. The form was distributed through google forms since actual data gathering is impossible in light of the given situation. The survey included screening questions followed by statements that will be quantified using a 4-point Likert scale. Screening questions were used to exclude respondents not part of the study, followed by Likert statements measuring social media use and Likert statements on consumer perception of Facebook advertisements. Prior to disseminating the survey to most respondents, the researchers conducted a validity test that returned a confirmatory alpha value of 0.82. The statistical significance was tested with the use of linear regression between groups.

## 3. Results and Discussion

The researchers successfully collected data from 196 millennials from Central Luzon. The researchers employed simple linear regression to determine how each variable will influence millennials to reach the study's objective. Table 1 shows that the respondents in this study were exclusively millennials from Central Luzon. In Table 2, Facebook advertisements have an effect on and can influence attitude and social pressure. In Table 3, social pressure and attitude significantly mediate the relationship between Facebook advertisements and purchase intention.

**Table 1:** Demographic Profile of the Central Luzon respondents (n=196)

<b>Age</b>	<b>f</b>	<b>%</b>
25-30	150	76.53%
31-35	27	13.78%
36-40	19	9.69%
<b>Sex</b>	<b>f</b>	<b>%</b>
Female	110	56.12%
Male	86	43.88%
<b>Province</b>	<b>f</b>	<b>%</b>
Aurora	4	2.04%
Bataan	14	7.14%
Bulacan	62	31.63%
Nueva Ecija	39	19.90%
Pampanga	41	20.92%
Tarlac	25	12.76%
Zambales	11	5.61%

<b>Most often used platform</b>	f	%
Facebook	114	58.16%
Instagram	33	16.84%
TikTok	23	11.73%
Twitter	6	3.06%
YouTube	20	10.20%
<b>Time spent in social media</b>	f	%
1 - 3 hours	48	24.49%
3 - 5 hours	51	26.02%
30 mins. - 1 hour	15	7.65%
Less than 30 mins.	3	1.53%
More than 5 hours	79	40.31%
<b>Encounter ads of streaming services</b>	f	%
Always	111	56.63%
Never	5	2.55%
Sometimes	80	40.82%

The majority of the respondents in Table 1 are between the ages of 25 and 30 and are predominantly females from the provinces of Pampanga, Nueva Ecija, and Bulacan. They most often use Facebook as a social media platform for more than 5 hours a day and always encounter SVODs advertisements.

**Table 2:** Regression results among the variable groups of the Central Luzon respondents

<b>Source</b>	<b>Dependent Variable</b>	<b>Mean</b>	<b>SD</b>	<b>Sig</b>	<b>Interpretation</b>	<b>Decision</b>
Group	Attitude Facebook Ads	3.09	0.5413	.000	Significant	Reject the Null Hypothesis, Accept the alternative.
Linear Regression						
Group	Social Pressure Facebook Ads	3.09	0.5413	.000	Significant	Reject the Null Hypothesis, Accept the alternative.
Linear Regression						
Group	Purchase Intention Social Pressure	2.73	0.5096	.000	Significant	Reject the Null Hypothesis, Accept the alternative.
Linear Regression						
Group	Purchase Intention Attitude	3.17	0.646	.000	Significant	Reject the Null Hypothesis, Accept the alternative.
Linear Regression						

From the results, the researchers found that the predicted attitude of the respondents increased by 0.692 for every one unit increase in Facebook advertisements. The findings indicate that *attitude is and can be affected by Facebook advertisements*. Similarly, the researchers also found that *Facebook advertisements significantly affect social pressure*. They found that the respondents' predicted social pressure increases by 0.428 for every one unit increase in Facebook advertisements. In the table above, the results show that *social pressure significantly affects purchase intention*. It means that the respondents' predicted purchase intention increases by 0.713 for every one unit increase in social pressure. *Purchase intention is also significantly affected by attitude*. It means that the respondents' predicted purchase intention increases by 0.646 for every one unit increase in attitude.

**Table 3: Mediating effect between variables**

Mediator	Effect of Facebook Ads on mediator	Unique effect of mediator	Indirect Effect	Direct Effect	Total Effect
Social Pressure	.43*	.93*	.40*	.19*	.59*
Attitude	.69*	.53*	.36*	.23*	.59*

Social pressure has a significant mediating effect on the relationship between Facebook advertisements and purchase intention. The proportion of the total effect of Facebook advertisements on purchase intention that operates indirectly is 67.79%. Attitude has a significant mediating effect on the relationship between Facebook advertisements and purchase intention. The proportion of the total effect of Facebook advertisements on purchase intention that operates indirectly is 61.02%. The direct effect of Facebook ads on purchase intention has a score of .19\* without the mediating effect of attitude and social pressure. However, it was found that with the mediating effects of social pressure and attitude, the total effect of Facebook ads to purchase intention would have a score of .59\*, indicating that social pressure and attitude have significant mediating effects.

**4. Conclusion**

The main problem of this research is to describe the effectiveness of Facebook advertisements of SVODs to Filipino millennial audiences. All six (6) null hypotheses were rejected; thus, the researchers accepted the alternative hypotheses. The study found that social pressure and attitude are significantly affected by Facebook advertisements. The study also found that social pressure and attitude affect the purchase intention of SVODs. It is also found that social pressure and attitude mediate Facebook advertising and purchase intention. Based on the study's findings, the researchers conclude that Facebook, being the most popular social networking site in the Philippines, may be utilized by SVODs as an effective tool to target Filipino Millennials.

Thus, the following are recommended by the researchers:

Although international video-on-demand streaming services are widely popular in the Philippines, domestic video-on-demand streaming services may utilize Facebook advertising as a tool to target audiences in Central Luzon. Emerging domestic SVODs such as iWant, and Vivamax may grow viewership by producing advertising content on Facebook that impacts subjective norms and attitudes towards behavior. The main job of filmmakers is to make audiences feel emotions. As SVODs are platforms that sell emotions through moving images and sound, advertisers of these companies could create more impactful advertisements by integrating the sub-variables of attitude (emotional appeal, informativeness, and advertising creativity) into their ads. Advertisers are also in the business of making people talk about their brands. Advertisers of SVODs should take heavy consideration of the sub-variables of social pressure (Response duration, e-WOM, and motivation). Aside from producing ads that are complete of social pressure and attitude, advertisers targeting Central Luzon audiences could specifically target their target audiences by referencing the empirical demographic data gathered from this study. That being said, advertisers must ask specific questions internally to create more impactful ads in the Philippines. Sample questions are as follows: (1) *How does this ad strike the emotions of our audiences?* (2) *How is our ad informative?* (3) *How is our ad unique enough to capture the attention of our target audience instantly?* (4) *How quickly will our audiences interact with this ad?* (5) *Why will this get people to talk?* (6) *How will this make them want to subscribe to our SVOD?*

Attitudes and behaviors would also contribute to the Philippine Entertainment Industry understanding consumer preferences, improving their promotional activities to reach more Filipino audiences. Knowing how Filipino Millennials perceive Facebook advertisements of SVODs can help digital advertising agencies identify the crucial factors they may consider when producing ads to create content that would attract their audience more.

Future researchers may find more information by exploring insights from residents of other regions. Because the study was only conducted on millennials from Central Luzon, a more comprehensive study could be conducted by exploring the topic on a national level. Future researchers may also find value by exploring more advanced advertising methods, such as using artificial intelligence

(AI), specifically machine learning (ML), to produce impactful advertising content online. Furthermore, future researchers may use other models to derive a more effective method of online advertising. With many users in the online media, the effectiveness of advertisements, not just limited to SVOD, in other social media platforms such as TikTok and YouTube can also be studied. In addition, the internet is ever-growing and fastly changing, so future researchers may explore the implications of social pressure and attitude on other digital media that may arise with the development of Web 3.0 and other future developments. The researchers advocate a complete statistical treatment for future research advances because this article was only conducted over three months.

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