

Factors Influencing the Adoption of Online Advertising within Podcast Episodes among Generation Z in Ho Chi Minh City (Vietnam)

Tu Ngo Dan Thu

Undergraduate student, UEH-International School of Business
17 Pham Ngoc Thach Street, Vo Thi Sau Ward, District 3
Ho Chi Minh City, Vietnam
Email: 22003190@student.westernsydney.edu.vn

Abstract

The study is an approach on the quantitative method. Accordingly, the survey is conducted on 246 respondents who are Gen Z (10-25 years old) and living at Ho Chi Minh City (Vietnam). Based on the qualitative method with literature review and expert evaluation, six factors of entertainment, informativeness, irritation, credibility, narrative engagement, and social aspect are explored and employed in the research model. The quantitative method of Exploratory Factor Analysis is applied to test how a relationship between six factors and attitude toward podcast ads and between attitude toward podcast ads and the adoption of online advertising within podcast episodes. In parallel, the group testing is also taken into account of the study, this is a support to confirm which group of gender, income, and online time are more involved in the adoption of online advertising within podcast episodes.

Keywords

Online advertising, Gen Z, Podcast, Podcast advertising

Introduction

It is remarkable how quickly podcasts have expanded in popularity since the advent of digital media, particularly in more industrialized nations. This matter is establishing a pattern among the younger generation in Vietnam. Over the past few years, there has been a rise in podcast awareness in Vietnam, and the market for podcasts is expanding within the media and entertainment industry. In point of fact, various podcast systems and programs like Spotify, Apple Podcasts, and SoundCloud have opened up shop in Vietnam, providing users with access to a wide variety of information in a format that is both handy and accessible. The introduction and expansion of these platforms have helped to contribute to the expansion of podcast outreach and marketing.

Podcasts in Vietnam range from entertainment and personal discussion shows to educational programs, news broadcasts, and sports coverage. This ensures that listeners can pick from a wide range of options and piques the interest of diverse demographics. The number of Vietnamese people making podcasts is growing. Numerous podcasts are released, and those already in existence improve and expand. The podcasting sector in Vietnam has benefited from this enhanced community interaction. Podcasting has gained popularity and attention in Vietnam, but it is still in its infancy and confronts obstacles like competition from other media and the need to diversify its material to attract listeners.

Launched in 2017, the Podcast Trends Report is an effort to better understand podcast listener behavior, set standards for podcast trends, and assess the effectiveness of podcast advertising. According to the 2019 Podcast Trends Report, based on the survey, 82.4% of people listen to podcasts for more than 7 hours per week, 33.2% of people listen to podcasts using smart speakers, 59% of people say they spend more time listening to podcasts than they do on social media, and 55.6% of people make a purchase after hearing an advertisement during a podcast. Sixty-one percent of podcasters say that building an audience and promoting their shows are the biggest challenges they face.

Podcasting is a popular kind of media that is starting to break out internationally. The growing number of Vietnamese podcasts indicates that the industry is actively exploring and expanding opportunities in the country. As a result of their mobility, originality, popularity, efficiency, and capacity to target certain niches, the podcast business is set to boom in Vietnam and internationally in the near future.

Based on the above information and viewpoints, the paper aims to measure possible influences of potential factors on the adoption of online advertising within podcast episodes among generation z in Ho Chi Minh city, Vietnam. Then, relevant recommendations as proposed ideas to increase the effectiveness of online advertising suitable to the Gen Z age group.

Concepts and framework of research

Currently, many concepts of podcast is defined. Generally, a podcast is a digital audio or video file series that is made available for streaming or downloading on the internet. The term "podcast" is a combination of the words "iPod" (referring to the popular portable media player) and "broadcast." Although podcasts can be listened to on iPods or other portable media devices, they can also be accessed and enjoyed on various devices such as smartphones, tablets, computers, and smart speakers. Additionally, Apple podcast derived from apple operating system is audio streaming service and application of media player, while google podcast is a source of google.

With the increasing popularity of podcasts, podcast hosts and producers are actively seeking additional avenues to generate revenue from their channels. However, in order for the audience to be more interested in podcast, podcast ads must ensure information and images to be trust, authenticity, and credibility (Brinson & Lemon 2022). According to (Moe, 2021), podcast ads is an effective trigger to recall and persuade customer's buying intension and it was found to receive high approval ratings from listeners, leading to favorable consumer behavior.

Advertisers, in turn, possess distinct options to effectively target and engage listeners through the integration of advertisements into podcast content. Podcast advertising presents distinctive advantages for brands; yet, each creative advertisement medium offers its own specific benefits. Podcast advertising can be categorized into three distinct classifications: types, places, and delivery techniques. By comprehending the distinctions, advantages, and limitations, advertisers possess the ability to direct their efforts towards certain listeners based on genre, area, or device type. Consequently, this approach facilitates the provision of a gratifying listening experience for customers.

Aktan, Aydogan, & Aysuna (2016) employed four factors of entertainment, informativeness, irritation, and credibility to measure web advertising value. The study is a quantitative approach with the sample of 413 observation, in which the method of structural equation modeling (SEM) is used. The finding is a confirmation of significant impacts of informativeness, irritation and credibility on web advertising value. Additionally, to test the audience's motivation to use podcasts, McClung & Johnson (2010) conducted a survey of 354 respondents. Using a quantitative approach of exploratory factor analysis, McClung & Johnson explored key factors, such as entertainment, timeshifting, library building, and social aspect, they are related to increase of use of podcast user. The research result also confirms that social aspect is considered a significant additional factor that increases the audience's interest in using podcasts.

A good advertisement needs a interesting storytelling, because it make people feel more emotionally and easy to remember. Kang, Hong, & Hubbard (2020) has a study on 300 respondents and show the role of storytelling in advertising, which narrative engagement level is concerned and has asignificant impact on word-of-mounth intention. Unlikely, the study of Snyder, et al. (2023) examined the insult of advertising to podcast listeners, which factors of perceived humorousness, attitude toward advertisement, attitude toward the brand, attitude toward the podcast, perceived podcaster credibility, and word of mouth.

Based on previous arguments of scholars, the research model employed in this study is depicted in figure 1, which six factors are concerned, such as entertainment, informativeness, credibility, irritation, narrative engagement, and social aspect. Each factor plays as an independent variable and its impact on attitude toward podcast ads is hypothesis and tested. Items belong each factors can be seen in table 2. In addition, the relationship between attitude toward podcast ads and adoption of online advertising within podcast episodes is also taken into account.

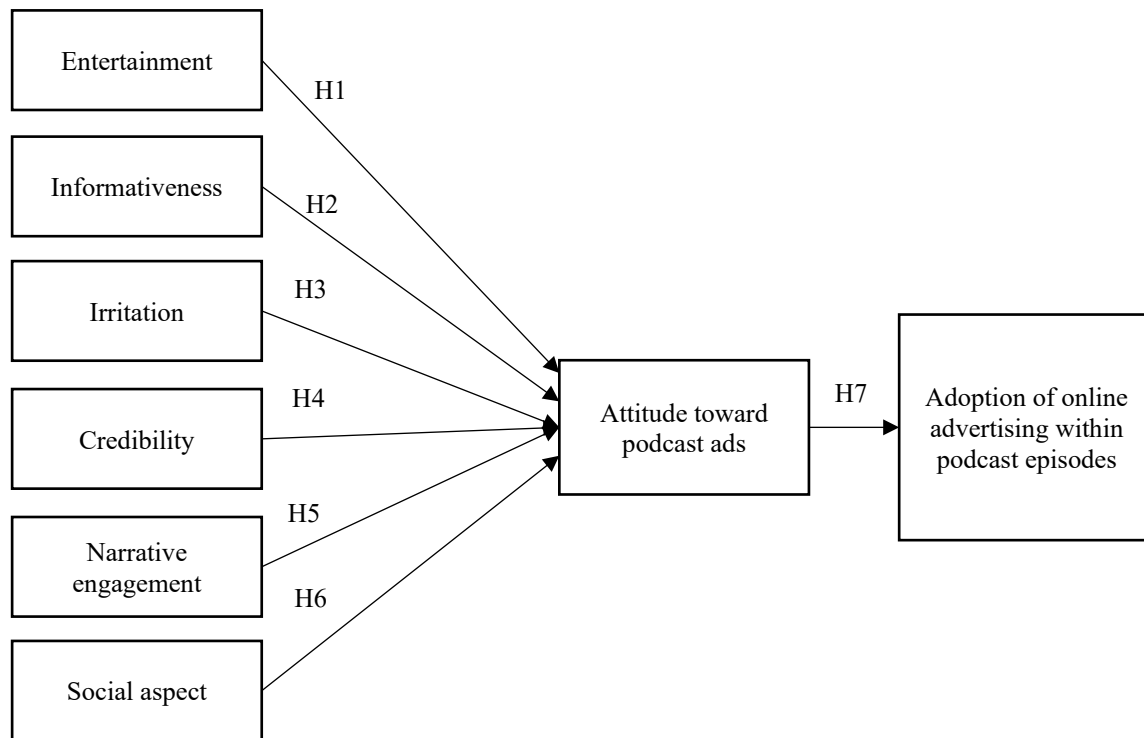


Figure 1. Research model proposed

Based on research model proposed, hypotheses are stated as below

H1: An increase in favorable entertainment causes a raise in attitude toward podcast ads

H2: An increase in favorable informativeness causes a raise in attitude toward podcast ads

H3: An increase in irritation causes a decrease in attitude toward podcast ads

H4: An increase in credibility causes a raise in attitude toward podcast ads

H5: An increase in narrative engagement causes a raise in attitude toward podcast ads

H6: An increase in favorable social aspect causes a raise in attitude toward podcast ads

H7: There is a significant relationship between attitude toward podcast ads and the adoption of online advertising within podcast episodes.

Research methodology

Data collection

The study is conducted through online survey of Gen Z groups living in Ho Chi Minh City. Respondents selected in the study has watched and know the podcast. The group of interviewees is Vietnamese, aged between 10 and 25 years old. The survey was conducted with the goal of serving the subject that I am taking a marketing class at the International Business School, University of Economics Ho Chi Minh City. The initial study took a relevant literature approach to explore factors related to the adoption of gen z towards the online advertising podcast. After the research approach framework was determined, the quantitative method was deployed to initially survey on 250 respondent. But the process of cleaning data, four questions are not fully answered well and are remove. The final sample of this study is 246 observations. The sampling is convenient and the respondents are interviewed through social media.

Although Ho Chi Minh City has 22 districts, because the research serves as an exercise to assess the completion of the course of “marketing research”, the number of surveys is only concentrated in the 8 districts as shown in Table 1. The survey method is to send the link of the questionnaire designed from google form to popular social media in Vietnam such as Zalo, Facebook. The survey period was from April to May 2023. Due to the more requirements of the international conference with respect to the academic research, this paper is edited and rewritten based on the course report of marketing research subject.

The questionnaire structure consists of two main part. The first part includes questions with respect to demographic information, such as gender, education, age group. The second part includes 31 observed variables, which are asked on a 5 point Likert scale, 1 being unlikely to 5 being likely. All observed variables are distributed in different factors: entertainment (4 items), informativeness (5 items), irritation (4 items), credibility (4 items), narrative engagement (4 items), social aspect (4 items), attitude toward podcast ads (4 items), and adoption of online podcast ads (Table 2). Measure of observed variables is by five point Likert scale.

Table 1. Sample distribution in districts of Ho Chi Minh City (Vietnam)

District	Number of observation	Percent
District 1	20	8%
District 2	28	11%
District 3	30	12%
District 4	34	14%
District 5	32	13%
District 6	28	11%
District 7	35	14%
District 8	39	16%

Source: Own survey

Table 2. Variables and its measure

Variable name	Factors and items	Author
EN	Entertainment	(Aktan et al., 2016)
EN1	Listening to Podcast advertising is interesting for me	
EN2	It takes fun once I have time for Podcast advertising	
EN3	I don't mind watching podcast ads	
EN4	The episode of podcast ads interests me	
IN	Informativeness	(Aktan et al., 2016)
IN1	Podcast ads give me more information about products, services and product brands	
IN2	Podcast ads create my demand for products and services	
IN3	Advertising Podcast helps me get more information about promotions	
IN4	Podcast ads give me accurate information	
IN5	Podcasts ads provide information rather than social media	(Aktan et al., 2016); (Brinson & Lemon, 2022)
CR	Credibility	
CR1	Podcast advertising channel give me credibility	
CR2	Podcast promotion content give me more conviction	
CR3	Brands mentioned in Podcast ads give me confidence	
CR4	Podcast ad does not change my buying	(Aktan et al., 2016)
IR	Irritation	
IR1	Podcast ads really annoy me	
IR2	I am distracted by podcast ads	
IR3	I feel dishonest when podcasts have ads	
IR4	I became bored listening to podcasts with a lot of ads.	

NA	Narrative engagement	(Kang et al., 2020)
NA1	Podcast ads are not difficult for me to store and capture information	
NA2	The plot and content of podcast ads are logical and convincing	
NA3	Images and podcast ads keep make me focused while watching	
NA4	Podcast ads make it easy for me to follow and understand the content	
SO	Social aspect	(McClung & Johnson, 2010)
SO1	I tell my friends about the podcast I downloaded	
SO2	I talk to other fans about downloaded shows	
SO3	I get podcasts from friends who tell me about them	
AT	Attitude toward podcast ads	(Aktan et al., 2016); (Brinson & Lemon, 2022); (Snyder et al., 2023)
AT1	My general view is that podcast ads are beneficial	
AT2	I'm interested in podcast ads because they give me little useful information	
AT3	I'm happy every time I watch podcast ads	
AT4	I believe podcast ads help me get authentic product and service information	
AD	Adoption of online advertising within podcast episodes	(McClung & Johnson, 2010)
AD1	I learned a lot of podcast ads	
AD2	I enjoy listening to podcast ads online	
AD3	I will share information online podcast ads with people I know	

Data analysis

As mentioned in the previous section, 246 generation Z respondents are surveyed through an online questionnaire. The result of descriptive statistics show that gender of female is 54% and the rest of male is 46%. The group of respondents with income < 5 million VND/month accounted for 38%, next as 5 - < 10 million VND/month accounting for 27%, 10 - < 20 million VND/month accounting for 18%, and ≥ 20 million VND/month accounting for 17%.

When asked about the number of hours per day, respondents use their mobile phone or computer to read news online and watch content or video on social media such as YouTube, Facebook, internet, etc. The result of descriptive statistics provide that the majority of respondents spend time online on social media from 1 – 3 hours per day accounting for 43%, next as <1 hour per day accounting for 32%. Respondents take time of 3 - < 5 hours per day occupy 12%, next as 5 - < 7 hours/day with 9%, and ≥ 7 hours per day with 4%.

Testing reliability of observed variables through the method of Cronbach's Alpha is resulted in table 3. Accordingly, Cronbach's Alpha of observed variables all are reliability, due to its Cronbach's Alpha larger than 0.7 (Hair, Black, Babin, & Anderson, 2017). As a result, these observed variables are employed in the method of Exploratory Factor Analysis (EFA) to support testing hypotheses as mentioned in figure 1.

With application of EFA based on Varimax rotation, its result is seen in Table 4. Accordingly, all loading values of informativeness with five item, of credibility with four items, of narrative engagement with four items, of entertainment with four items, of irritation with four items, and of social aspect with three items are larger than 0.5. As a result, these six factors are accepted (Hair, Black, Babin, & Anderson, 2017). They are played as independent variables to be tested their relationship with the attitude toward podcast ads (as the dependent variable). Accordingly, the regression model is applied to test hypotheses of H1, H2, H3, H4, H5 and H6. The result of regression model is resulted in Table 5.

Table 3. Reliability test of observed variables

Variable name	Factors and items	Cronbach's Alpha
EN	Entertainment	0.830
EN1	Listening to Podcast advertising is interesting for me	0.837
EN2	It takes fun once I have time for Podcast advertising	0.794
EN3	I don't mind watching podcast ads	0.763
EN4	The episode of podcast ads interests me	0.744
IN	Informativeness	0.876
IN1	Podcast ads give me more information about products, services and product brands	0.861
IN2	Podcast ads create my demand for products and services	0.821
IN3	Advertising Podcast helps me get more information about promotions	0.854
IN4	Podcast ads give me accurate information	0.864
IN5	Podcasts ads provide information rather than social media	0.849
CR	Credibility	0.897
CR1	Podcast advertising channel give me credibility	0.858
CR2	Podcast promotion content give me more conviction	0.863
CR3	Brands mentioned in Podcast ads give me confidence	0.853
CR4	Podcast ad does not change my buying	0.893
IR	Irritation	0.840
IR1	Podcast ads really annoy me	0.810
IR2	I am distracted by podcast ads	0.769
IR3	I feel dishonest when podcasts have ads	0.838
IR4	I became bored listening to podcasts with a lot of ads.	0.764
NA	Narrative engagement	0.860
NA1	Podcast ads are not difficult for me to store and capture information	0.829
NA2	The plot and content of podcast ads are logical and convincing	0.839
NA3	Images and podcast ads keep make me focused while watching	0.790
NA4	Podcast ads make it easy for me to follow and understand the content	0.826
SO	Social aspect	0.803
SO1	I tell my friends about the podcast I downloaded	0.766
SO2	I talk to other fans about downloaded shows	0.803
SO3	I get podcasts from friends who tell me about them	0.797
AT	Attitude toward podcast ads	0.894
AT1	My general view is that podcast ads are beneficial	0.864
AT2	I'm interested in podcast ads because they give me little useful information	0.875
AT3	I'm happy every time I watch podcast ads	0.871
AT4	I believe podcast ads help me get authentic product and service information	0.842
AD	Adoption of online advertising within podcast episodes	0.845
AD1	I learned a lot of podcast ads	0.813
AD2	I enjoy listening to podcast ads online	0.720
AD3	I will share information online podcast ads with people I know	0.804

**Table 4. Factors loading based on Varimax rotation
Rotated Component Matrix^a**

	Component					
	Informativeness	Credibility	Narrative engagement	Entertainment	Irritation	Social aspect
IN2	.830					
IN3	.779					
IN1	.758					
IN5	.724					
IN4	.612					
CR1		.879				
CR3		.874				
CR2		.745				
CR4		.689				
NA3			.856			
NA4			.812			
NA1			.786			
NA2			.780			
EN4				.875		
EN3				.841		
EN2				.796		
EN1				.709		
IR4					.817	
IR2					.782	
IR1					.701	
IR3					.693	
SO1						.896
SO2						.787
SO3						.695

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

Continuously, hypotheses testing is based on the regression model. As resulted in table 5. The coefficients of informativeness, credibility, narrative engagement, irritation, social aspect are significant at 1%. However, the factors of informativeness, credibility, narrative engagement, and social aspect positively impact on attitude toward podcast ads, due to their coefficients are positive. In contrast, irritation negatively impact on toward podcast ads. This means an increase in irritation cause a decrease in attitude toward podcast ads. Unluckily, there is not enough evidence to conclude a significant relationship between entertainment and attitude toward podcast ads.

The estimated regression is presented as below

$$\begin{aligned} \text{Attitude toward podcast ads} = & -0.002 + 0.149 * \text{informativeness} + 0.106 * \text{credibility} \\ & + 0.265 * \text{narrative engagement} + 0.036 * \text{entertainment} \\ & - 0.170 * \text{irritation} + 0.773 * \text{social aspect} \end{aligned}$$

**Table 5. Estimation result of regression
Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.002	.034		-.053	.958
Informativeness	.149	.050	.148	2.972	.000
Credibility	.106	.029	.105	3.642	.000
Narrative engagement	.265	.035	.263	7.661	.000
Entertainment	.036	.097	.036	0.376	.292
Irritation	-.170	.035	-.169	-4.921	.000
Social aspect	.773	.035	.768	3.993	.000

a. Dependent Variable: Attitude toward Podcast ads

**Table 6. Result of relationship between attitude toward podcast ads and adoption of online podcast ads
Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.018	.097		.185	0.891
Attitude toward Podcast ads	.794	.039	.794	20.373	.000

a. Dependent Variable: Adoption of online podcast ads

Testing a significant relationship between attitude toward podcast ads and adoption of online advertising within podcast episodes is derived in table 6. Because the coefficient of attitude toward podcast ads is positive and significant, the hypothesis H7 is accepted. That means an increase in attitude toward podcast ads cause a raise in the adoption of online advertising within podcast episodes.

As resulted above, the hypothesis confirmation after testing can see in table 7.

Table 7. Result of hypotheses testing

Hypotheses	Result of hypotheses
H1: An increase in favorable entertainment causes a raise in attitude toward podcast ads	Rejected
H2: An increase in favorable informativeness causes a raise in attitude toward podcast ads	Accepted
H3: An increase in irritation causes a decrease in attitude toward podcast ads	Accepted
H4: An increase in credibility causes a raise in attitude toward podcast ads	Accepted
H5: An increase in narrative engagement causes a raise in attitude toward podcast ads	Accepted
H6: An increase in favorable social aspect causes a raise in attitude toward podcast ads	Accepted
H7: There is a significant relationship between attitude toward podcast ads and the adoption of online advertising within podcast episodes.	Accepted

Testing difference in adoption of adoption of online advertising within podcast episodes among demographic groups, such as gender, income and time expenditure for podcast ads is depicted in table 8. Accordingly, the method of Independent sample T test for male and female is not different, this means there is not enough evidence to conclude a significant different adoption of online advertising within podcast episodes between male and female. Similarly, there is not different in the adoption of online advertising within podcast episodes among income groups and online time.

Table 8. Group testing

Demographic variable	Kind of test	Sig.	Conclusion
Gender	Independent sample T test	0.307	Not different between male and female
Income (three groups)	Analysis of Variance (ANOVA)	0.603	Not different between and within groups
Online time (hours/day)	Analysis of Variance (ANOVA)	0.546	Not different

Conclusion and recommendations

Research results of 246 respondents in the age group of Generation Z give a general picture of their behavior. Attitude towards podcast ads is depended on impacts of informativeness, credibility, narrative engagement, irritation, and social aspect. In which irritation has a negative impact. In addition, a significant impact of attitude towards podcast ads on the adoption of online advertising within podcast episodes is confirmed. It's also important to note that, different genders, incomes, and time spent online watching and listening to podcast ads, don't all have different views on the adoption of online advertising within podcast episodes.

As resulted, some recommendations should be considered. Firstly, a successful podcast adds requires an understanding of who are target audience. At the same time, it is also necessary to pay attention to their interests and preferences. This will help the company choose advertisers and products that align with your audience's needs and interests. Secondly, be mindful of the frequency and placement of ads. Too many ads can be overwhelming and lead to listener drop-off. Consider spacing out ads throughout your episode or concentrating them at the beginning or end. In sum, Encouraging audience to embrace online advertising within podcast episodes requires a strategic approach that maintains their trust and keeps them engaged. Here's how the company can make the adoption of online advertising more appealing to your podcast audience:

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