THE EFFECT OF CELEBRITY ENDORSEMENT TOWARDS CONSUMER PURCHASE INTENTION

(Study of the use of Karin Novilda as a Celebrity Endorser on Instagram)



RESEARCH PAPER

Submitted as a Partial Fulfillment of the Requirement for Obtaining a Bachelor Degree of Management at the Faculty of Economics and Business

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MANAGEMENT DUAL DEGREE PROGRAM ECONOMICS AND BUSINESS FACULTY UNIVERSITAS MUHAMMADIYAH SURAKARTA

2020

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It has been maintained in front of the Board of Examiners Faculty of Economics and the Business Muhammadiyah University of Surakarta On Thursday, December 31, 2020, and declared to have met the requirements

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If in the future there is evidence of untruth in my statement above, then i will take full responsibility.

Surakarta, 30th December 2020

Writer

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Abstrak

Penelitian ini dilakukan untuk menguji pengaruh kredibilitas endorser yang terdiri dari daya tarik, keahlian, dan kepercayaan terhadap niat beli konsumen. Endorser yang digunakan dalam penelitian ini adalah Karin Novilda, seorang selebriti di Instagram. Penelitian ini menggunakan 120 responden di Surakarta yang termasuk dalam generasi milenial. Metode analisis data yang digunakan adalah metode analisis regresi linier berganda. Penelitian ini menggunakan penelitian kuantitatif untuk mengetahui hubungan antara Attractiveness, Expertise, dan Trustworthiness terhadap niat beli konsumen. Dengan menggunakan 18 item kuisioner dan metode purposive sampling, data dikumpulkan dari 120 orang yang merupakan generasi milenial dan pernah melihat iklan yang dilakukan oleh Karin Novilda. Analisis data menggunakan uji regresi linier berganda. Uji-T digunakan untuk menguji hipotesis yang diajukan. Hasil penelitian menunjukkan bahwa Attractiveness dan Expertise tidak berpengaruh signifikan terhadap Purchase Intention, sedangkan Trustworthiness berpengaruh signifikan terhadap Purchase Intention.

Kata Kunci: Celebrity Endorsement, Niat Membeli Konsumen, Daya Tarik, Keahlian, dan Kepercayaan.

Abstract

This study was conducted to examine the effect of endorser's credibility on attractiveness, expertise, and trustworthiness on consumer purchase intentions. The endorser used in this research is Karin Novilda, a celebrity on Instagram. This study used 120 respondents in Surakarta, who was included in the millennial generation. The data analysis method used is the multiple linear regression analysis methods. This study uses quantitative research to determine the relationship between Attractiveness, Expertise, and Trustworthiness on consumer purchase intentions, using 18 items of questionnaire and purposive sampling method, data were collected from 120 people who are of the millennial generation and have seen advertisements conducted by Karin Novilda. Data were analyzed using linear regression test multiple. The T-test is used to test the proposed hypothesis. The results show that Attractiveness and Expertise have no significant effect on Purchase Intention, while trustworthiness significantly affects Purchase Intention.

Keywords: Celebrity Endorsement, Consumer Purchase Intention, Attractiveness, Expertise, and Trustworthiness.

1. INTRODUCTION

Tight business competition is now demanding and forcing a company to have advantages such as superior product quality, excellent in the services offered, and so forth. The company's benefits must be well managed so that consumers can know and understand the advantages of a company's products or services. Advertising is one of the right ways for companies to introduce their products or services. According to Morissan (2015), advertising is one of the best known and most talked-about forms of promotion; this relates to broad reach. Advertising is considered very effective in increasing consumer awareness of a product, service, or brand. Advertising is an effective and efficient element in building the image of a product or service used to increase consumer purchasing decision-making (Kurniawan and Kunto, 2014). One of the advertising media that is often used by companies today is through the internet. With the internet and the many social media that have sprung up like Facebook and Instagram, it has become easier for companies to promote and introduce their products to the general public. The use of the internet as an advertising medium is carried out considering that company advertisements must be visible to the public with a wide area and reach the public quickly, inexpensive, and attractive. Several other companies also use artists to support and introduce their products through social networks like Instagram. Celebrity endorsement is a common advertising strategy. Celebrity endorsements are someone famous or someone who has the visibility, credibility, Attractiveness, and strength in communicating messages in a product to attract consumers' attention, increasing the purpose of buying consumers for the advertised products (Wijaya, 2015). For a marketer, brand personality is critical because, like humans, a character makes a product's brand look different from other brands. While competitors will easily imitate features and prices, personality is more difficult to replicate.

In marketing, celebrities' testimonials become a benchmark for consumers in determining what products they will buy (Ohanian, 1990). The selection of stars in conveying messages about products is expected to impact brand awareness and recognition. According to Hardiman (2016), an endorser is defined as a person who is chosen to represent the image of a product. Usually from potential consumers, artists who have prominent characters, good careers, high popularity, and have many fans will immediately increase consumer awareness of the products they are advertising. The

suitability of the image and popularity of celebrities must be following the brand that is being carried. Gupta et al. (2015) state that one of the models used to evaluate celebrities as endorsers is to measure endorsers' credibility by using three dimensions: Attractiveness, Expertise, and Trustworthiness. Attractiveness is related to the physical attractiveness or celebrity characters that stand out, such as personality, lifestyle, attitudes, etc. Expertise is associated with the experience, knowledge, or skills possessed by a celebrity or endorser for the products it offers. At the same time, Trustworthiness is related to honesty, integrity, responsibility. It can be trusted by celebrities (the endorser) as a source.

Understanding the importance of the relationship between celebrities and products to increase consumer purchase intention for their brand or products triggers company management to use appropriate stars and under the company's products or brands as supporters. According to Shimp (2003), Celebrity Endorser uses artists as commercials in media, ranging from print media, social media, and television media. Also, celebrities are used for their famous attributes, including good looks, courage, talent, grace, strength, and sexual attractiveness, which often represent the desired attractiveness of the brands they are advertising. One of the most widely used Indonesian celebrity endorsements is Karin Novilda, with her Instagram @awkarin social media account. The beauty and attractiveness of Karin Novilda are no doubt what makes many companies, especially on social media Instagram, use and offer to collaborate with Karin Novilda. Of course, Karin's popularity is expected to attract public interest to buy company products advertised through Instagram social media.

2. METHOD

This research is understood as a quantitative causal analysis, which means that the researcher aims to evaluate the direct and indirect effects of the independent variables, attractiveness, expertise and trustworthiness on purchase intention. The sampling technique used in this study is purposive sampling. The selection is made by selecting subjects based on specific criteria that have been determined by researchers and consider to have a close relationship with population characteristics. The sample used in this study is people belonging to generation millennials or those aged around 17-30's and have seen advertising products advertised by Karin Novilda at least 3-5 times in the past month. This

study uses questionnaire to collect data. In the measurement, each respondent asked for their opinion on a question, the respondent can choose the answer in accordance with his perception. Data measurements taken in this study are 1-7 Likert scale to represent the opinions of the respondents. The number of representative samples is 120 respondents.

3. RESULT AND DISCUSSION

3.1 The influence of Attractiveness on Purchase Intentions

Based on the results of the regression analysis on the first hypothesis, Attractiveness variables obtained regression coefficient values (beta) 0.178 with probability (p) 0.194. Based on the provisions of the t-test where the probability value (p) > 0.05 concluded that H_1 rejected, which means that Attractiveness does not significantly influence purchase intentions on products advertised by Karin Novilda on Instagram. This analysis implies that the higher Attractiveness of Karin Novilda as an ad star cannot increase substantially consumer Purchase intentions on products advertised by Karin Novilda, as an advertising star, cannot influence buyers in Purchasing intentions, even though Karin Novilda is a beautiful and classy celebrity.

3.2 The influence of Expertise on Purchase Intentions

Based on the results of the regression analysis on the second hypothesis, Expertise variable obtained regression coefficient (beta) 0.044 with a probability (p) 0.780. Based on the provisions of the t-test where the probability value (p) > 0.05 concluded that H_2 rejected, which means, Expertise has no significant influence on purchase intentions on products advertised by Karin Novilda on Instagram. This analysis implies that the higher Expertise of Karin Novilda as an advertising star cannot significantly increase consumer Purchase intentions on products advertised by Karin Novilda on Instagram. This variable means that Karin Novilda's Expertise could not control the increase in consumer purchase value even though Karin Novilda was an advertising star who has a lot of experience and good quality skills.

3.3 The influence of Trustworthiness on Purchase Intentions

Based on the results of the regression analysis on the third hypothesis, Trustworthiness variable obtained regression coefficient (beta) 0.415 with a probability (p) 0.003. Based on the provisions of the t-test where the probability value (p) \leq 0.05 concluded that H_3 is accepted, which means that trustworthiness has a significant influence on Purchase intentions on products advertised by Karin Novilda on Instagram. This analysis implies that the higher level of honesty Karin Novilda as an ad star can significantly increase Purchase intentions or consumer confidence in the products advertised by Karin Novilda on Instagram. The results of this study provide evidence that in delivering advertisements, Karin Novilda is an artist who can be relied on because she conveys the content of advertising messages sincerely and honestly. Besides, the information in an advertisement with an ad star, Karin Novilda, can be trusted. Some of these things cause people to believe in Karin Novilda as an advertisement star and have the intention to buy the products advertised by Karin Novilda.

4. CONCLUSION

The results showed that Attractiveness and Expertise did not have a significant effect on purchase intention, while the Trustworthiness variable had a significant positive effect on purchase intention.

4.1 Implication of The Study

Every company must carry out various ways or strategies to increase consumer purchase intentions of the products or services being sold. There are many ways that companies can do to improve consumer purchase intentions:

• Create attractive and informative advertisements is one way to communicate the company's product or service brand to the public. There are many benefits that companies can get by running advertising programs such as: providing information on new products or services offered, reminding consumers of the company's products or services, persuading people to buy the company's products or services, and so on.

• One of the ways that many companies do to streamline marketing programs is by using an endorser. The use of artists or celebrities as commercials is done to make consumers more interested in the products or services. Companies use well-known celebrities because stars can build a company's brand image, which will arouse consumer purchase intentions.

4.2 Research Limitations

By the results of the data analysis and the discussions, the limitations of the study are:

• There are no specific types of products such as fashion, makeup, food or other products endorsed by Celebrity endorsers, and the majority of respondents in this study were men or women aged 18-20 years and were students. If the coverage of respondents in this study is broader, the results of the study will better reflect the conditions in which celebrity endorsement can influence a person's purchase intention.

4.3 Suggestions

For future researchers, use certain types of products and distribute the questionnaire more widely and evenly to get more effective results about the effect of celebrity endorsers on consumer purchase intentions. As for brands and influencers, the selection of celebrity endorsers for consumers is not only beautiful or elegant but celebrities with good images and can provide good examples, especially for young people. Information in advertisements by celebrities must be honest, more communicative and interactive. An attractive product or service advertisement must have a clear storyline or concept because a useful and eye-catching ad setting will increase consumers' desire to see the ad from beginning to end.

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