

The Impact of Instagram Endorsement on Consumer Buying Interest in Indonesian Local Cosmetic Product

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Abstract

The current era of technology makes Smartphones bring new changes in social activities. People are starting to use gadgets with the internet and cell phones being an essential item to carry. In fact, many people use two phones at the same time. In particular, gadgets or smartphones have ruled the world in the last ten years. Indonesia is one of the countries that is also affected by technological developments. Smartphones have brought a new way of doing social activities. It's related to "Social Media". Instagram as a photo-sharing application has changed functions but can also be used for e-commerce activities, as well as a place to market a business, one of which can be through celebrity support. In Indonesia, celebrity endorsements have gained popularity as a means of product promotion, particularly for regional cosmetics. A celebrity endorsement is a type of advertising campaign or marketing approach used by businesses, nonprofits, and other brands in which well-known people utilize their social standing or notoriety to help sell goods and services or even to spread awareness of social or environmental issues.

Keywords

instagram; celebrity;
endorsement; campaign



I. Introduction

In this technological era, smartphones have been an important item to bring everyday besides a wallet. It is like everyone cannot live without it for a day. What people usually do with the phone is basically scrolling through the Internet, especially Instagram. It is a fun thing to do because sometimes people can find things and people can buy anything just from Instagram. Now, Instagram is not only a place for socializing but it is also a place to sell things. On the various social platforms, customers who engage with a brand can influence others through word-of-mouth, and those with positive emotional bonds can become advocates for the company (Sashi, 2012). Social media is an example of a relatively recent development of information technology (Marbun et al, 2020). Communication through social media promises a comfortable state of communication, where someone who cannot compose words can be someone who is very poetic, with a very relaxed appearance and state, someone can carry out communication activities with others, lecturers, or someone when we communicate with it must take care of all things, appearance and style of language, but communicating through social media do not have to pay attention to it, sit back with a cup of coffee and use casual clothes a person can carry out communication activities (Marlina, 2020).

This observation is noted by (Robert, Hope, & Andrea, 2008) and (Michael, Yi, & Stephen, 2009) who mention that the emergence of an advanced communication technology has changed the attitude of consumers from that of being submissive contributors to one of lively originators and manipulators as seen in the social media.

On a related issue, Phillips and Noble (2007) contend that the traditional mass media has lost some of its effectiveness as a marketing tool due to the growth of social media platforms. In contrast to traditional marketing techniques, they predicted that social media advertising would be the instrument of the future that would have a significant impact on consumers.

Celebrity / influencer endorsement has been a popular way to market a product in Indonesia, especially for local cosmetics products. In Indonesia itself since 2014, there is a brand new local cosmetics brand, and most of them are growing really fast. The way the celebrity sells their product is just online through Instagram or other e-commerce platforms such as Shopee, and Tokopedia (local e-commerce platform). Not the entire new coming brand is selling their product online, even though people publicly know.

In addition to channeling hobbies, social media can also be used as a way to earn money. Until now, there are many young people who are successful in getting money from social media. These young people are usually called "Influencers". What they do is to influence, and convince people to buy a product that has been endorsed to them.

In recent years, Indonesia's local beauty companies have improved so much on their products, specifically cosmetics. Consumers are starting to appreciate local products by purchasing and using the local product. Often the author found that consumers stating they prefer to use local products instead of international products because of the quality they have are the same as international. Indonesia's beauty sector is currently making progress. According to information from the Ministry of Industry (2016), the industry's market growth averaged 9.67% annually during the previous six years (2009–2015). The market (market size) for cosmetics is projected to be Rp. 46.4 trillion in 2017. With this sum, Indonesia represents a potential market for both domestic and international business people in the beauty sector. (2017) Sigma Research Indonesia.

The aims of this research are: (1) to know the impact of Instagram endorsement on consumer buying interest in Indonesian local cosmetics products. (2) To identify the effect of Instagram endorsement advertisements on consumer interest. (3) To identify how endorsement on Instagram can make consumers desire to make a purchase.

II. Review of Literature

Online advertising shifts away from passive consumption of packaged goods and toward interactions, connections, and shared control. Traditional media advertising was based on the interruption and upsetting of customer life. (Tuten, 2008).

The strength of Web 2.0 and brand innovators' sincere desire to communicate with consumers have resulted in the landscape of online advertising that exists today. The influence of the Internet on consumer life was well-seen by Bruner in a paper titled "The Decade in Online Advertising, 1994–2004." For consumers, the Internet is essentially a hands-on experience, allowing them to read, study, watch, listen, write, email, meet, organize, post, program, purchase, and do much more using a variety of low-tech devices over a massive network of millions of connections and destinations. (Tuten, 2008).

Online advertising comes in a wide variety of formats. Paid search ads, display ads, classified ads, rich media, lead generation, referrals, promotional emails with integrated adverts, and sponsorships are some of these. (Tuten, 2008).

The best way to study advertising is as a form of social communication about material culture; as an institution that coordinates and negotiates the relationship between the market economy and culture; and as a cultural resource that people use for a variety of

purposes, many of which may have little to do with the purchase of the product featured in a particular advertisement. In order to approach advertising in this manner, we must adopt a broad perspective on our topic, one that is supported by two pillars: history and culture. (William, Stephen, Jacqueline Sut, Kyle, & William, 2018).

Advertising became the crucial bridge between the activities of selling products and communication as both spheres expanded rapidly. This is a simple but much overlooked aspect of its significance in modern society. The commission system was dissolved in the 1980s, and now advertisers often pay for media and advertising separately, but these new practices have not severed the advertising subsidy to the media. One of the major uses of this bridge, then, was to help allocate a proportion of the income accruing to industry from consumers to the development of media. Money, influence, and information crossed the bridge. (William, Stephen, Sut, Jacqueline, & Kyle, 2018).

Pessala (2016) Users' free expression about Instagram advertisements was primarily negative, and even though the phenomenon has been around for a year, there is still much to be done to improve it, as suggested by the literature review. This was supported by both the user survey results and some of the Ad Manager metrics, which provided evidence that Instagrammers are not happy with the advertisements. Advertisers would profit from careful targeting and user-focused content production given that many users complain that there are too many advertisements and that the ones they view are pointless and "on the way" to utilizing the service. However, if businesses want to guarantee their high quality, they shouldn't use too many resources to create the adverts, and juggling the time and resources allocated for their creation might be difficult.

(Pütter, 2017). The study demonstrates that as social media is used more often globally, people are beginning to think of it as a useful tool for promoting consumer interaction. Companies are constantly looking for novel ways to interact with customers and influence consumer behavior, such as brand loyalty and purchase intentions. As a result of the changing technology environment, social media platforms like Facebook, YouTube, and Twitter have seen increased activity as a result, and all three have developed ways for users to interact with and build relationships with brand-specific content. In the future, businesses that are skilled at combining strategic approaches with the use of social networking platforms are expected to be most effective in reaching, engaging, and keeping a customer base. The social mechanism that shapes consumer viewpoints and the opinions expressed and displayed in social media posts are only two examples of the factors that have an impact on brand perception and purchase intention. Utilizing user-generated content, which is content produced by customers in response to certain brands or brand requests and influences the perceptions of other consumers, is a growing strategic focus. Companies using this strategy should be ready to dedicate a marketing service to the administration of online client connections because it requires a high level of maintenance.

According to (Aqsa, 2015):

1. Internet consumers have positive perceptions of online advertising that appears on this network. It focuses on how a positive perception of online advertising can be created by the way advertisements look and are designed. However, because Internet consumers find the layout of online advertisements irritating, the placement of online advertisement layout demands attention.
2. Consumer views are significantly impacted by online advertising. Online ads create both aesthetically pleasing display ads and advertising information messages that include product quality, price, and other information to elicit a range of emotions and judgments from viewers. These emotions and judgments influence consumers' attitudes

toward advertising and the trust, they place in online advertising. It also shows how customers react before acting; frequently, they want to act based on the likelihood that an attitude or action will be displayed.

3. The desire to make an online purchase is significantly influenced by attitude. In general, it may be claimed that a consumer's interest in making the planned purchase is stronger the better he feels about himself. Instead, interest is thought of as a determining factor for real behavior, which means that the more motivated customers are to make purchases or achieve their goals, the more successful behavior or behavioral goals may be predicted.

(Putri, 2016), study that:

1. Social media has a significant direct effect on consumers buying interest.
2. Social media and buying interest have a significant direct effect on Cherie's consumer purchasing decisions.
3. Social media has a significant indirect effect on purchasing decisions of Cherie consumers through buying interest.

Rizwan Raheem Ahmed (2015), This study came to the conclusion that celebrity-endorsed advertising is more attractive than non-celebrity-endorsed advertisements. TV and, secondly, the Internet were chosen by respondents as the preferred media for seeing commercials. It was further concluded that the strongest correlation between perception and purchasing behavior was also found. Between celebrity attractiveness and perception, there is the weakest correlation. All of the celebrity's characteristics have a major link. In the end, it has been determined that there is a considerable connection between consumer behavior and celebrity endorsement. Respondents made it abundantly clear that they do buy the goods and services that celebrities recommend. According to the findings, celebrity endorsements have a reasonable impact on consumers' attitudes and purchasing intentions. Customer perception of the marketed product is influenced by the celebrity's physical beauty, credibility, and consistency with the reference in the approved advertisement. Additionally, it has been noted that celebrity endorsement advertising increases sales and product purchases. People are more likely to buy a product if it is supported by a celebrity, and this demonstrates how media-savvy and media-influenced today's consumers are.

III. Research Method

The approach that the author used in this research is by doing a survey questionnaire through Indonesian Instagram users with their preferred gender, women, in order to get a maximum result. The survey questionnaires are spread on the author's Instagram personal account, using Instagram Story feature, and also the author is approaching the author's friend through Instagram Direct Message feature to get more respondents. It is very effective because there are more when it is directly messaged to them.

IV. Result and Discussion

Social networking works through certain social media sites which allow users to create their profiles, share information, interact and communicate with other users within the same sites (Kaplan & Haenlein, 2010). Strategic marketers use social media advertisement as a marketing tool because these social media are hugely popular among individuals and thus become visible sites for advertising.

Advertising is a tool of communication of products delivered through various media at the initiator's expense so the public is interested to approve and follow (Pujiyanto,

2001). According to Djayakusumah (1982) advertisement can be said to succeed in stimulating buyer action if the advertisement meets the criteria AIDA, AIDA is:

1. Attention: contains traction
2. Interest: contains attention and interest
3. Desire: bring up a desire to try or to have
4. Action: leads to action to buy

Customers see celebrity endorsers as a medium via which businesses can promote and market their goods as well as persuade customers to buy them. Shimp (2003) claims that celebrity endorsers are supposed to employ the artist as media, including print, social media, and television. According to Sumarwan (2004), a celebrity can have a significant impact on a consumer's decision to buy goods and services as well as their choice of brand. Celebrity may be an effective marketing tool for a product because of its immense appeal, and having a large following can be something no other person could have.

Social media is an online platform designed to enable users to share their thoughts, knowledge, and previous experiences through blogs, content sections, and social networking sites (Kaplan & Haenlein, 2010). using social media for advertising. Any type of paid non-personal communication about a company, service, idea, or product that uses social media as its medium is referred to as advertising on social media (Belch, 2009). (Taprial & Kanwar, 2012) claim that social media offers a number of benefits that make it more effective than traditional media, including:

1. Accessibility: social media is easy to access because it requires little or free
2. Speed: content created in social media is available to everyone who is in a network, forum, or community once it is published
3. Interactivity: social media can accommodate two or more communication channels
4. Longevity/Volatility: content on social media remains accessible for a long time, or even forever
5. Reach: the Internet offers unlimited reach to all available content

The aforementioned explanation leads to the conclusion that social media is a digital advertising tool that can reach all audiences for little to no cost at all. It is also used to establish a community, forge connections with other users, and share information with them over an endless period of time.

(Peter & Jerry, 2013) mentioned that: "Most of the strategies and promotions are aimed to increase the possibility that the consumer will buy the brand or increase their desire to behave. The desire to behave can be activated from memory as a stored decision plan. The desire to buy a brand is based on consumer attitudes toward the purchase of a brand besides the influence of social norms on what others expect. Based on a chain of end-to-end beliefs about the consequences and values associated with buying or using the brand."

Based on what is stated above, consumer buy interest is developed by their behaviour. Behaviour (behavioural) is a specific action aimed at some target object. Behaviour always appears in an environment or situation and at a certain time. Thus it can be concluded buying interest is the desire to buy. The profile of survey respondents are Indonesian, (mostly) women, and in the age of 17 – 26 years old, who wear and have Indonesian Local Cosmetics Product. According to (Sugiyono, 2016); "Purposive sampling is the technique of sampling data sources with certain considerations."

The reason for using a purposive sampling technique is because not all samples have criteria that are in accordance with the phenomenon under the study. Therefore, the author chooses a purposive sampling technique that specifies certain considerations or criteria that must be met by the samples used in this study.

There are three criteria for the respondent that the author stated; first, must be an Indonesian citizen. Second, you must be 18 – 25 years old. Third, (preferred) women. Authors have a specific area of occupation and education level which will determine their cosmetics need.

Quantitative research has been done in order to reach this stage of the research, which is the research synthesis. Using an online survey method with 114 respondents, the results have shown different perspectives from one to another. The highest percentage of age was 21 years old with 42.2%, and the least percentage of age was 17 years old with 0.9%.

The author received 99% of female respondents, and 1% of male respondents. This means that 99% out of 114 respondents mostly who wear and use Indonesian Local Cosmetics Product are female and most respondents are students, and most education levels are degrees. The author found that respondents are mostly familiar with the Wardah brand when the author provided a question about what local brand sounds familiar to them. Which is impressive to know because the author thought the Make Over brand is more familiar since Make Over and Wardah have a slightly different target market. Wardah are more targeting to Muslim women, and Make Over are targeting to millennial.

The authors who received the highest voted cosmetics product used by respondents at least once a week are lipstick, gloss, or tint with a result of 78.1% or equal to 89 respondents. It made sense to the question where the author asked the respondents about which cosmetics product they often influenced by the Endorsement, and the author got a result of 59.6% or equal to 68 respondents. It has proven that lipstick, gloss, or tint has been an essential thing to use by women.

According to a question that the author gave, about what the respondents think about celebrity/influencer endorsement on Instagram, and ask them to explain. 68% or equal to 77 respondents are pro with celebrity / influencer endorsement on Instagram. Each of 77 respondents have a different perspective, but for the conclusion the respondents are saying celebrity / influencer endorsement is really affecting their buying interest in a cosmetics product, with a note if the celebrity/influencer is saying the truth about the product. The respondents are saying their products reviewed on Instagram are really helpful for consumer buying decisions.

64% respondents or equals to 73 respondents think that endorsement on Instagram is effective to influence people to buy products. It is the same as the author stated on assumptions. Where the author is assuming that endorsement on Instagram is effective to influence people to buy a product. However, not all of them agree that endorsements on Instagram are effective to influence people to buy a product. There are 9% or equal to 10 respondents who agree with it. In conclusion, the respondents are saying they can't really trust the Instagram endorsement because sometimes the celebrity / influencer is only doing it for the sake of advertisement and money, most of them said that they are not telling the truth about the product.

From the research, respondents agreed that celebrity / influencer has the power to change their perception, and agreed that celebrity / influencer in advertising encourages people to buy the product. But despites, most of the respondents do not agree on the Purchase product because it is endorsed by respondent's favourite celebrity / influencer. However, the type of celebrity endorsement that persuades them to purchase the products is trustworthy. It is very impressive as the author assumes that attractiveness would impact them more on purchasing products.

V. Conclusion

The results of this research are very surprising where most of the respondents are familiar with Indonesian local cosmetics products, and most of them are having Indonesian local cosmetics products. In this research finding, the author found that respondents found celebrity / influencer endorsements are very effective to the respondents. It is very impactful to encourage the respondents to have a buying interest.

But on the other side, some respondents criticize celebrity / influencer endorsement for fooling the consumer because some celebrity / influencer are only promoting a product without trying it out first. The celebrity / influencer is calling it a good product, has good ingredients, etc. Some respondents are disappointed because they are often fooled by it.

In this circumstance, endorsement is a way to promote, or market a product. Celebrity / influencers have an agreement to cooperate with the company or enterprise to say good things about a product. But it does not rule out the possibility, if the celebrity / influencer is not allowed to say the pros and cons about the product they are trying to promote. It all depends on the agreement.

In conclusion, the impact of celebrity / influencer endorsement on Instagram to consumer buying interest on Indonesian local cosmetics products is very effective to encourage consumer buying interest. Respondents agree that endorsement is a new way to promote or market a product, to the millennial generation and it is more effective than other advertising platforms.

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