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The Effect of Endorser Credibility on Purchasing Decisions of NEO Coffee Products (Study of the 2019 Palembang NCTzen Community Members Who Consumed NEO

Coffee Products)

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ABSTRACT

The purpose of this study is to determine whether there is an influence of endorser credibility on purchasing decisions of NEO Coffee products and how much influence is given. The theory used to measure the effect of endorser credibility (independent variable) is the TEARS Model Theory proposed by Shimp (2014) and for purchasing decisions of NEO Coffee products (dependent variable) using Kotler and Keller's (2009) theory. The method applied is a quantitative method with descriptive analysis techniques and explanatory techniques that use simple linear regression parametric statistical analysis tools. Data collection was carried out through the distribution of questionnaires to 70 respondents of the 2019 Palembang NCTzen Community Consumers who consumed NEO Coffee Products with a purposive sampling technique. The findings from the analysis of the data in this study were obtained through hypothesis testing using the t test that itungcount greater than abeltable where itungcount 8.404> abeltable 1.994, which means that there is an influence of endorser credibility on purchasing decisions of NEO Coffee products, and the effect exerted at 50.9 % and the rest are influenced by other factors. The linear regression equation obtained is $\hat{z} = 8.269 + 0.879 y$ which means that each addition of one endorser credibility value will give an increase of 0.879 to the decision of purchasing NEO Coffee products among 2019 NCTzen Palembang community members who consume NEO Coffee products.

Keywords: Effect of endorser credibility, product purchase decision



Introduction

Advertising is a commercial communication to promote products that are owned and then sent to the target audience through mass media such as television, radio, newspapers, magazines, outdoor billboards, or public vehicles.

Advertising began to enter the radio media in Indonesia since the late 1960s, after which advertising in television media developed, which first appeared on March 1, 1963 on TVRI station (Jaiz, 2014). Advertising becomes a very important promotional instrument, especially for companies that produce goods or services that are shown to the wider community (Morissan, 2010: 18). The purpose of holding an advertisement, the audience is expected to obtain information about a product or service, brand, company, or an idea.

In promoting a product, endorsers are considered to be able to influence the audience to be able to receive messages that are well conveyed and influence to make a purchase decision. Endorsers are advertising stars who support the advertised product or service (Shimp, 2014: 258). An endorser is expected to have high credibility in the community so that it can provide a good image of a product or service that it promotes so that the community can be interested and take an action on purchasing decisions.

With the times, now the endorsers of advertisements in Indonesia are more varied. Not only endorsers who come from Indonesia, which are used as advertising stars. However, currently many artists and idol groups from abroad are used, one of which is South Korea. This also has to do with the entry of Korean Wave (K-Wave), or better known as hally to various countries in Asia and continues to expand along with the advancement of technology and internet access in this globalization era. So with this, the spread of culture from various countries will be very easy to enter other countries, one of which is Indonesia. Until now, hallyu has succeeded in introducing South Korean culture such as music, drama, food, fashion, and so on.

Hallyu's entry into Indonesia had an impact in the world of advertising. In 2015, for the first time a South Korean actor, Lee Minho managed to become an endorser of one of Indonesia's coffee products, Luwak White Coffee. Then followed by many more South Korean artists who became endorsers of products and services in Indonesia. With the influence of Korean Wave in Indonesia, there have been several local products that use Korean artists and



idols that are used as endorsers of a product or service. Some local products or services that use Korean artists as endorsers can be seen in the following table:

No	Product Name	Endorser	Years
1	Luwak White Coffee	Lee Minho	2105
2	NEO Coffee	Lucas 'WayV'	2019
3	Sedap noodles	Siwon'Super Junior'	2019
4	Oreo	Winner	2019

Table 1. Products / Services Using Korean Artists as Endorsers in Indonesia

Source: Processed by researchers

NEO Coffee, an output from Wings Food which is part of the Wings Group Indonesia, was first released on July 12, 2019. In NEO Coffee commercials, Wings Food hooked one of the idol group members from South Korea and China, Lucas, as its endorsers. Lucas is a member of the NCT and Super M groups in South Korea, and a member of the group 'WayV' in China. These three groups are under the number 1 agency in South Korea, namely SM Entertainment.

The proliferation of cafes that provide coffee drinks and packaging in Indonesia, can increase consumption of processed national coffee beans. The emergence of these stalls is also expected to encourage the growth of the creative economy of the coffee commodity, both in the domestic and export markets. According to data from the International Coffee Organization (ICO), coffee consumption in Indonesia in the 2016/2017 period reached 4.6 million packs of 60kg / lb (60kg) which places Indonesia 6th as the country with the largest coffee consumption in the world in 2017 ago.

The reason the researchers chose Palembang NCTzen as the object of this research was based on a survey conducted by researchers of 150 Palembang NCTzen members, there were 92 Palembang NCTzen members who consumed NEO Coffee products, and there were 58 members who did not consume NEO Coffee products.



Figure 1 Number of Palembang NCTzen Members Consuming NEO Coffee Products Source: Pre-research, 3 October 2019 - 20 October 2019

Based on Figure 1, the percentage of the number of Palembang NCTzen members who consume NEO Coffee products shows that 61% or 92 NCTzen Palembang members consume NEO Coffee products, and 39% or 58 other Palembang NCTzen members do not consume NEO Coffee products.

Literature Review

Purchasing decisions are consumer decisions that are influenced by finance, technology, politics, culture, products, prices, locations, promotions, physical evidence, people and processes. Thus forming an attitude on consumers to process all information and draw conclusions in the form of responses that appear as to what products will be purchased (Buchari Alma, 2013: 96). According to Kotler & Armstrong (2016: 177), purchasing decisions are part of consumer behavior, namely the study of how individuals, groups and organizations choose, buy, use, and how goods, services, ideas or experiences to satisfy their needs and desires.

Purchasing decisions, are one of the main components of consumer behavior. A purchasing decision involves a choice between two or more alternatives for consumers. Consumer behavior is the study of processes that involve when individuals or groups choose, buy, use, or arrange products, services, ideas, or experiences to satisfy their needs and desires (Hasan, 2013: 4). In addition, purchasing decisions also have a definition that is the activities of individuals who are directly involved in obtaining and using these goods and services in the



decision making process in the preparation and determination of these activities (Dharmmesta and Handoko, 2000: 10).

In this study, the theory used to measure a person's purchasing decisions is a purchasing decision according to Kotler and Keller (2009). The reason researchers use this theory is because this theory includes dimensions that are considered appropriate for viewing a person's purchasing decisions. In this theory, purchasing decisions can be measured by 5 dimensions, namely introduction of needs, information seeking, alternative evaluation, purchasing, post-purchase behaviour.

a. Introduction of Needs

Someone recognizes their needs or desires and encourages the beginning of a process. Someone will see a product advertisement and will begin to ask themselves whether the product must be purchased or not in order to meet their needs and desires.

b. Information Search

Someone will search for information about the product or service they need and to convince buying. Someone will start to find out information about a product that is watched through an advertisement display both on television and other media.

c. Alternative Evaluation

After getting information about a product, the information will be evaluated first before deciding to make a purchase. After getting information about a product or service.

d. Purchase

This phase is the phase where when someone has decided to buy a product or service and they have bought the product or service. Some purchasing factors can also be influenced by the influence of endorsers and the price of the product.

e. Post Purchase Behaviour

In the last phase of the purchasing decision process is after someone buys the product, then he uses the product. After buying and using a product, the person will re-evaluate the product.

Endorser credibility is the trust given by an endorser or group in promoting a product or service so that consumers who have been targeted can be influenced to use the product or service. Several studies describe findings that endorser credibility greatly influences the process of receiving messages by consumers (Friedman, 1979 in Hunt, 2000). If the endorser



is well received and credible, then consumers can trust the product starring the endorser. On the other hand, if the endorser is not accepted and is not credible, then the consumer will find it difficult to trust the product starring him.

Endorser credibility can be measured using the TEARS Model from Shimp (2014), namely:

a. Trustworthy

This dimension refers to the honesty and trust of the source.

b. Expertise

Refers to the knowledge and experience possessed by an endorser in promoting a product or service.

c. Physical Attractiveness

Physical Attractiveness, is a trait that is considered pleasant in terms of the concept of attractiveness.

d. Respect (respect)

Respect is a quality that is admired or even valued for one's personal qualities and achievements.

e. Similarity

Similarity is the degree to which an endorser fits the audience in terms of characteristics related to support relationships such as age, gender, ethnicity, and so on.

According to Shimp (2003: 464), endorser's credibility can be trusted and considered to have insight on certain issues, such as brand reliability, will be the person most able to convince others to take an action in purchasing decisions. Endorser credibility has a significant role in influencing consumers in the sale of products or services. Due to the more credible an endorser is expected to have a good influence in the sale of a product or service.

Methods

This study uses a quantitative method that aims to systematically and measurably describe the overall object of the study regarding the effect of endorser credibility on purchasing decisions of NEO coffee products among members of the Palembang NCTzen community in 2019 who consume NEO Coffee products. The selection of quantitative methods was based on data sources consisting of members of the Palembang NCTzen community in



2019 who consumed NEO Coffee products. The number of data sources is 235 people, this number is classified as a lot so it is not possible to do in-depth interviews in the context of data collection. Therefore, in testing the research hypothesis, the data will be collected by questionnaire distribution techniques as a basis for the authors to draw conclusions.

In this study, the validity test of the research instrument was conducted to find out that the question items used to measure variables were valid. The method used by researchers to test the validity of the data is by using the Pearson product moment Atwar Bajari formula (2015: 87). To facilitate the validity test, the researchers tested the instrument through IBM SPSS Statistics 25 computer software. With the condition that if *t hiuvng* is greater than *t ubcel* seen per item statement from the Correlate \rightarrow Bivariate analysis results through IBM SPSS Statistics Computer software 25 The value of *t* table is obtained by looking at the product moment t table.

In this study, a research reliability test was conducted to find out that the results of the measurements can be trusted. If a measuring instrument is used in different places or used on two measurement occasions at different times and gives the same results, the gauge can be said to have a high degree of reliability. Atwar Bajari (2015: 87). The reliability test in this study used the Alpha Cronbach (α) method.

Similar to the validity test, instrument reliability test calculations are also carried out with the help of IBM SPSS statistical software 25. The instrument criteria are said to be reliable if the Cronbach's Alpha value > 0.60 then the instrument is said to be reliable. This test is performed on the Scale \rightarrow Reliability Analysis menu on the IBM SPSS Statistics 25 computer software.

Results and Discussion

In this study, the data collected through the distribution of questionnaires in the Google form were then analyzed using two analytical techniques. Namely quantitative descriptive analysis techniques (descriptive statistics), and descriptive explanative analysis techniques (explanative).

Analyzing data using a descriptive approach in this study is to provide a score on each questionnaire, which later the score will be accumulated in accordance with the dimensions and research variables to get a final conclusion. The number of respondents in this study were



70 members of the Palembang NCTzen community in 2019 who consumed NEO Coffee products. Respondents were given a questionnaire to be filled with 21 questions. Each question in the questionnaire provided alternative answers to the Likert scale 1-5. To get a value category from the acquisition of scores, there are several criteria such as the following:

- a. The cumulative score for each question item is the sum of each question item that is the answer of 70 respondents.
- b. To get a cumulative score, the number of respondents is multiplied by the largest and smallest value scales on the rating scale. The largest scale value is 5 while the smallest scale value is 1, the calculation is: The highest cumulative score is $70 \times 5 = 350$, the lowest cumulative score is $70 \times 1 = 70$
- c. To get the range of scores, the highest cumulative score is subtracted by the smallest cumulative score then the results are divided by the number of rating scales, where 350 70 = 280, and 280 ÷ 5 = 56. The results can be seen in table 5.1 below:

Range of scores	Category
298>	Very good
241 - 297	Good
184 - 240	Enough
127 – 183	Not good
70 - 126	Very Not good
	298> 241 - 297 184 - 240 127 - 183

 Table 2. Rating Categories Based on Average Scores

Source: Processed by researchers

In descriptive analysis, the indicators in the research which are operationalized into several indicators are explained one by one in accordance with the results of the data that have been collected to give a score on each indicator / questionnaire statement. This is of course so as to make it easier to identify how much the value of each research variable.

In this study, there are two variables, namely the variable influence of endorser credibility and NEO Coffee product purchasing decision variables, to explain one by one these variables, the author will describe the dimensions followed by the indicators.

When someone watches a product advertisement on television, he will be influenced to buy the product. One of the reasons is that an endorser who advertised the advertisement was someone he idolized. So in the end the audience decided to buy the product.



Value Scale	Frequency	Percentage	Score
Very agree	41	59%	205
Agree	24	34%	96
Doubtful	3	4%	9
Disagree	2	3%	4
Very disagree	0	0	0
Total	70	100%	314

 Table 3. Lucas As Endorser of NEO Coffee Products Affects Your Decision of

 Buying Products

Source: Processed from primary data, December 2019

Based on the data above, from 70 respondents, 41 respondents or 59% answered strongly agree, 24 respondents or 34% answered agreed, 3 respondents or 4% answered doubtfully, 2 respondents or 3% who answered disagree. The score owned by this indicator is 314, which means this indicator falls into the excellent category. With this high percentage, it shows that by making Lucas the endorser of NEO Coffee products, it can influence respondents' decision to buy NEO Coffee products.

Someone who is chosen to be the endorser of a product is, of course, expected to have a positive image. Because, with the positive image, there will also appear a positive opinion from the audience to the endorser that can affect the product. With the aim, the audience will make an action purchase.

Here are the results of the score of variable X based on descriptive analysis:

The Effect of	The Effect of Credibility Endorser		
Dimension	Score	Category	
Trustworthy	306	Very good	
Expertise	327	Good	

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Total	306	Very good
Similarity	243	Good
Respect	322	Good
Physical Attractiveness	331	Very good

Source : Primary Data

Decision to purchase NEO coffee products		
Dimension	Score	Category
Introduction of needs	314	Very good
Infomation search	301	Very good
Alternatif Evaluation	294	Good
Purchase	316	Very good
Post purchase behavior	305	Very good
	306	Very good

Here are the results of the score of variable X based on descriptive analysis:

Source: Primary Data

The analysis technique used next is the explanatory technique, from this technique the research will answer the problem formulation along with testing the proposed hypothesis. Explanative analysis included in inferential statistics, in this analysis want to see the relationship between one variable with another variable, the form of the relationship to be tested is causality.

This study contains two independent variables (X) and the dependent variable (Y), the X variable in this research is the influence of endorser credibility while the Y variable is the decision of purchasing NEO Coffee products. There are two formulations of the problem to be answered, is there any influence between X and Y and the magnitude of the effect exerted.

The analytical tool used to answer the problem formulation is simple linear regression, in making calculations to be faster and reduce human error, researchers use IBM SPSS Statistics 25 computer software. Before entering the regression analysis there are several conditions that must be met, such as validity test, reliability test, ordinal data conversion to interval, normality test, linearity test, and heteroscedasticity test.



Conclusion

Based on the analysis using quantitative descriptive techniques, it can be concluded that the endorser of NEO Coffee products is credible. This can be seen from the five indicators namely trustworthiness, expertise, physical attractiveness, repect, and similarity.

The number of respondents who decided to buy NEO Coffee products. This is evident from the five indicators namely problem recognition, information seeking, alternative evaluation, purchasing, and post-purchase behavior.

Explanative analysis using simple linear regression showed that there was an influence of endorser's credibility on the purchase decision of NEO Coffee products. This can be seen from the value of *hiuvng hiuvng* 8,404> *t ubcel* 1,994.

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