

# CHAPTER I

## INTRODUCTION

### 1.1 Background

In globalization, there are more and more ways to find out about the culture and interests of other countries. The community's interest is influenced by other countries. Especially in Indonesia, many people are interested in foreign cultures in music, spectacle, fashion, beauty, etc. There are so many foreign cultures that enter Indonesia, such as Western culture, European culture, Chinese culture, Korean culture, Japanese culture, and other countries. From other countries, South Korea is one of the countries that has a big influence on Indonesian society—starting from fashion, beauty, drama, music, etc.

Korean Wave or Hallyu is a term given to South Korean popular culture, which is spread globally in various countries, including Indonesia. The Korean wave covers multiple cultures and the entertainment industry in South Korea. When talking about the Korean wave, it will be close from Korean Pop (K-Pop) and Korean Drama (K-Drama). K-Pop is a term for Korean pop music combining music and energetic dance moves. This is a particular selling point to attract the wider community. What is K-pop? K-pop stands for Korean popular music. It is best known as K-pop, mainstream music originating from South Korea. The term K-pop covers many different elements and genres of music. (Thohir, 2022) K-Pop has grown not only in its own country but also globally. Many other countries are starting to show their interest in the Korean Wave. This can be proven from social

media (Twitter) that K-Pop will be one of the most dominating topics in 2021. The number has reached 7.5 billion tweets from July 2020 to June 2021. This number is up 22.9% compared to the same period in 2017. From July 2019 to June 2020, there were 6.1 billion tweets about K-Pop (Dihni, 2021). K-Pop gain more interest around the world including Indonesia. Indonesia is known to have a large and loyal fanbase in the K-pop world. This makes Indonesia a potential South Korean economy market with the Korean Wave. As for viewing K-pop videos on YouTube by country, Indonesia ranks 2nd from the other country (Fadilah, 2022). According to a Twitter report released on Wednesday 26<sup>th</sup> January 2022, and based on unique authors, Indonesia is a country with the largest number of K-Pop fans in the world in 2021 (Alifah, 2022), as illustrated at the following figure.



**Figure 1.1** 20 Negara dengan Jumlah Fans K-Pop Terbanyak  
Sources: (Alifah, 2022)

In Indonesia, the spread of culture from Korea began in 2002 after South Korean and Japan World Cup. The moment was held on an Indonesian television station, then used to introduce the South Korean drama series or K-Drama. After K-Drama became popular in Indonesia. Other than K-Drama, one of the most widespread cultures in Indonesia originating from South Korea is K-pop. After K-Pop started to emerge and become popular among the public, K-Pop fan began to spread out in Indonesia society.

With the increasing number of K-Pop fans in Indonesia, the interest in buying K-Pop goods also increases. K-Pop fans are willing to spend a lot of money to buy concert tickets and idol merchandise that they like. Fandom activities are diverse, like looking for the latest information on idols, sharing information between fans, purchasing albums and Korean products, buying concert tickets, etc. In short, the collective experience of fan groups and fan circles makes fans activities broader and deeper.

**Table 1.1** K-Pop Fan Behaviour

NO.	Description	Result	
		Yes	No
1.	Do you buy the physical album (CD) of your favourite K-Pop group?	98 (69,5%)	43 (30,5%)
2.	Do you buy the digital Kihno / KIT album of your favourite K-Pop group?	71 (50,4%)	70 (49,6%)
3.	Do you buy the merchandise of your favourite K-Pop group?	115 (81,6%)	26 (18,4%)

*Sources:* (Arassy et al., 2021)

Based on the data above, it can be seen that K-Pop fans are willing to spend their money to buy official albums from their favourite groups. 69.5% of the survey results said they prefer to buy the official album of their favourite group. The activity of K-Pop fans makes people interested by taking benefit of this opportunity to start a business. In the end, more is needed for a fan to love their idol via the Internet, they collect all types of items related to idol. As the number of K-Pop fans increases, many businesses have sprung up providing South Korean products that fans seek, such as albums, merchandise, etc.

This research aim to understand the Purchase Decision which refers to the consumer behaviour. Purchase Decisions are part of consumer behaviour. Consumer behaviour is the study of how individuals, groups, and organizations choose, buy, use, and how goods, services, ideas or experiences to satisfy their needs and desires. Purchase Decisions are still related to consumer behaviour, so consumers have different purchasing habits (Kotler & Keller, 2008). Before consumers make their purchasing decisions, they will look for product information. One way to provide information to consumers is through marketing. Marketing is a social managerial process, by which individuals and groups obtain what they need and want, creating and exchanging products and value with others (Kotler & Armstrong, 2008). Online shop that selling K-Pop goods are increasing in Indonesia. For selling activity K-Pop goods, of course, marketing is still needed to attract customers. The purpose of marketing is to understand the wants and needs of consumers so that the product or service is suitable for the consumer that the product or service can sell itself. Therefore, marketers are required to be able to

understand the main problems in their field. Marketing can provide a clear and directed picture of what the company is doing and develop strategies in achieve company goals. Marketing is crucial for a company/business because it is the base of buying and selling activities. When it comes to marketing, you will remember the marketing mix. The marketing mix consists of 4 p's: Place, Promotion, Price, and Product. This research will focus on promotion.

Promotion is one of the most important things in business. With promotion, the shop and the goods sold will be better known by the public, which will increase the probability of purchasing decisions. There are many ways to promote a business. It can be through advertising, word of mouth, promotion through events, and many other ways to promote a business. The owner of the business should promote it well so it can attract customers. If the business is already known to the public, there is a high possibility that the public will also start buying goods from the business. Promotion aims to introduce the business and inform the public about the products. By promoting a product, potential buyers can find out what type of product is being sold, the benefits of the product, and the usefulness of the product so that they can determine whether to buy the product or not. If the promotion is successful, the business will become more familiar among the people, which makes it very profitable for the business. The more popular a business in the public's eye, the more likely people will choose it over other businesses when buying a product, which means it is very profitable.

Promotions can be done in a variety of ways and through a variety of media. These days, social media is very popular among the public. Social media became

popular because anyone could get information about anything there. Some people get famous on social media and influence the public. All the celebrities on social media can give much information to the public about anything on their social media. Because the celebrity gained the public's trust, the public began to follow it. The public is more interested in anything that celebrities use or do. That is why all the businesses start to do some endorsements for the celebrity because the celebrity gets much trust from the public. According to Shimp & Andrews (2013) Celebrity endorsers can be interpreted as individuals or groups that are widely known by the public (television stars, YouTubers with millions of subscribers, Instagram accounts with millions of followers, etc.) that can influence consumer attitude and behaviour in recognizing the products they support. This is why celebrity endorsement is an effective way to promote the product now, because the public trusts celebrities so much.

Besides Celebrity Endorsement, there are a lot of way to promote a product. Some of them can be explained through promotion mix. The promotion mix explains the various types of promotions. Various tools can be used to promote a product in the promotion mix itself. One or several ways can be chosen, including advertising, sales promotion, publications, face-to-face sales, public relations, and direct marketing (Kotler & Armstrong, 2008). With the many tools in this promotion mix, it is very helpful for entrepreneurs to promote their businesses. Entrepreneurs can use these tools to provide broad information about the products they offer to the public.

Sales promotion is one component of the promotion mix. Sales promotion is the basis of marketing campaigns, consisting of various incentive media, most of which are not long-term, that are planned to stimulate the faster or more excellent purchase of products by consumers. Sales Promotions according to Kotler & Armstrong (2016) are short-term incentives for encourage the purchase or sale of products or services. Sales promotions usually provide gifts, discount coupons, and other interesting things to attract new customers. The general public would be intrigued by things like coupons and giveaways. Therefore, this method is widely used to attract new consumers. Not only do businesses prepare gifts for new customers, but they also do so for existing customers so that they continue to buy products or use the business's services. That way, this method attracts new customers and retains their old ones. This allows the business to attract customers away from competitors. Sales promotion is quite effective in increasing sales and encouraging consumers to purchase.

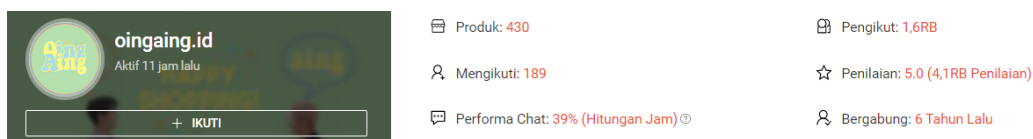
Promotion is one of the most important things in doing business. Without promotion, the business will not be known to people and will be difficult to develop. Those who need promotion the most are start-ups because they must introduce their businesses to the general public. It's the same with online-based businesses on Instagram, Shopee, TikTok, and other social media. In today's social media environment, many online businesses use social media platforms for promotional media and buying and selling activities. One of the most popular businesses on social media is the K-pop business. As I explained above, K-pop fans are creeping up in Indonesia, which has led to many online businesses selling

K-pop goods through social media. But the growth of online K-Pop businesses in Indonesia is very fast, so there are hundreds or even thousands of online businesses selling K-Pop items on social media. Therefore, to differentiate their online business, promotion is needed. To distinguish one business from another, it is necessary to have a promotion that can attract the hearts of K-Pop fans to shop at one business. There are many ways to promote a business. A business must be promoted properly to create something that will attract customers to shop there. If a business is not promoted properly, it will not be known among the public and people will choose another business. Therefore, promoting and introducing the business to the public is important. If the business is already known to the public, there is a high possibility that the public will also start buying goods from the business.

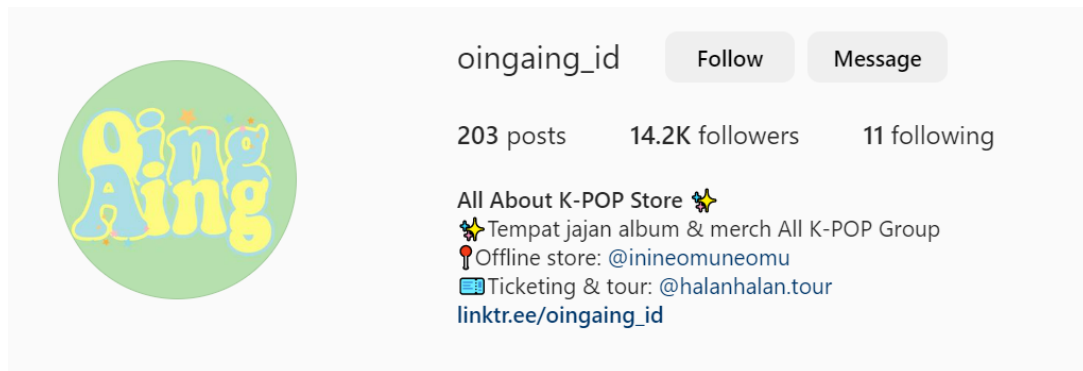
One online business that sells K-Pop goods are "OINGAING\_ID." OINGAING\_ID itself was only established in 2020. OINGAING\_ID is a small personal business made by Destya Sasmita. For now, OINGAING\_ID has one admin to handle the social media and one admin for packing. OINGAING\_ID is a K-Pop online business that sells K-Pop goods such as albums (CDs) that contains the artist song, merchandise (magazines, t-shirt, hat, keyring etc) , and other stuff from K-Pop groups such as NCT, EXO, ENHYPEN, and others. The most frequently ordered items at OINGAING\_ID are albums (CDs), because OINGAING\_ID provides albums (CDs) from various types of K-Pop groups. OINGAING\_ID helps K-Pop fans purchase their K-Pop stuff by importing the goods from South Korea. Every time K-Pop groups release a new album (CD) at a



certain time, then OINGAING\_ID will help to order it from the official Korean website and import it to Indonesia. For all the K-Pop goods, because it release at a certain time, OINGAING\_ID only open the order in certain time (when it just release) so, customers cannot order goods again if the release period is over. OINGAING\_ID typically has a pre-order system and the Ready Stock system for their customers. The goods arrived 2-4 weeks after the order was made for the Pre-order stuff because they needed to be imported from South Korea. The ready stock stuff will usually appear on OINGAING\_ID Shopee account for a stock. Anyone can purchase it through Shopee. OINGAING\_ID is based in Palembang, South Sumatera, Indonesia. OINGAING\_ID uses social media, including Instagram, Twitter, and Shopee, to promote, buy, and sell. OINGAING\_ID now has 14,200 followers on Instagram (@oingaing\_id), 5,350 followers on Twitter (@oingaing\_id), and 1,600 followers on Shopee (@oingaing.id).



**Figure 1.2** OINGAING\_ID on Shopee  
*Source:* ([https://Shopee.Co.Id/Oingaing\\_id](https://Shopee.Co.Id/Oingaing_id))



**Figure 1.3 OINGAING\_ID on Instagram**  
 Sources: ([https://www.instagram.com/oingaing\\_id/.](https://www.instagram.com/oingaing_id/))



**Figure 1.4 OINGAING\_ID on Twitter**  
 Sources: ([https://twitter.com/Oingaing\\_id,](https://twitter.com/Oingaing_id))

OINGAING\_ID has previously done celebrity endorsements. Because OINGAING\_ID products are all about K-Pop, they choose social media celebrities who can influence people about K-Pop. One K-Pop influencer that already endorsed by OINGAING\_ID are @jw2213 with 174,000 followers on Instagram, 255,000 subscriber on YouTube.



**Figure 1.6** Jenifer Wirawan on Instagram  
*Sources:* (<https://www.instagram.com/jw2213/>)

Jw is an abbreviation of her real name, Jenifer Wirawan. Jw's content on Instagram and other social media mostly contains content about K-Pop such as video reactions, K-Pop covers, unboxing K-Pop stuff, etc.



**Figure 1.7** Jenifer Wirawan on Youtube  
*Sources:* ([https://www.youtube.com/watch?v=mCGFD\\_Y1JS4](https://www.youtube.com/watch?v=mCGFD_Y1JS4))

Jw is active on social media Instagram, TikTok, and YouTube in uploading K-Pop content. With all the content that she make, her followers are mostly

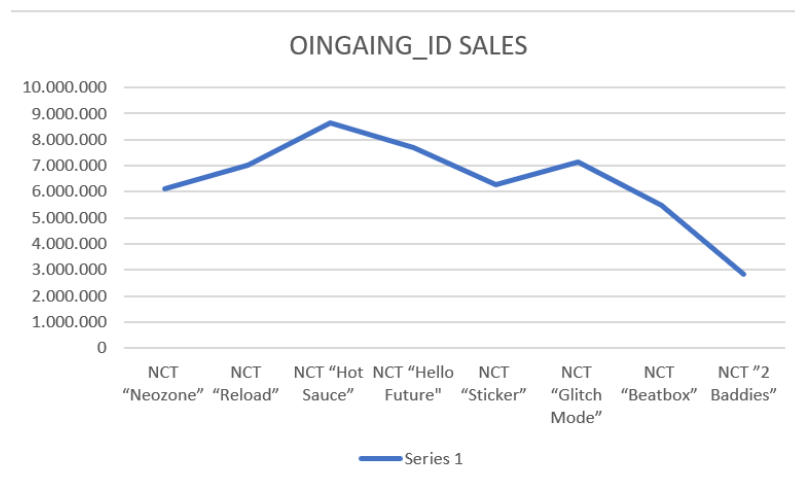
people who are interested in K-Pop. That's why OINGAING\_ID decided to endorse JW because her followers match OINGAING\_ID's target customer. OINGAING\_ID once endorsed Jw in 2022 with NCT album. Aside from celebrity endorsement, OINGAING\_ID also gives some promotions like giveaways and discounts to attract new customers.

But seeing the growth of K-pop fans who have grown a lot in Indonesia since 2009, there are many online businesses on social media that sold K-Pop goods since 2009. With the opening of OINGAING\_ID in 2020, it seems that this is a bit late because there have been many once an online business that is more famous than OINGAING\_ID before that. For example, @kpopconnection (Instagram) already had 85,700 followers. Not only that, there is also @allaboutmerch.kpop (Instagram) which also has 313,000 followers on Instagram. @midevio (Instagram) has 97,200 followers on Instagram. And there is a lot more online shop that have a big name. The three online businesses above are just a few examples of online K-Pop businesses in Indonesia. There are many more K-Pop online businesses that are well known and have many customers. Whereas OINGAING\_ID only had 14,200 followers on Instagram (@OINGAING\_ID). This shows the popularity gap between OINGAING\_ID and other K-Pop online businesses. It can be seen from the number of followers alone that OINGAING\_ID is less popular than other K-Pop online businesses. It can also be inferred that the sales from OINGAING\_ID are not as good as those from other K-Pop online businesses. For K-Pop goods, Because it release at a certain time, OINGAING\_ID only open the order in certain time (when it just release) so,

customers cannot order goods again if the release period is over. Here is some example of OINGAING\_ID sales within two years (divided according to the group because the enthusiasts from each group are different).

For grup NCT albums (CDs) (same product):

1. NCT “neozone” release 6<sup>th</sup> March 2020 sold, 204
2. NCT “Reload” release 29<sup>th</sup> April 2020 sold, 234
3. NCT “Hot Sauce” release on 10<sup>th</sup> may 2021, sold 288
4. NCT “Hello Future release on 28<sup>th</sup> June 2021, sold 256
5. NCT “Sticker” release on 17<sup>th</sup> September 2021, sold (209 pcs).
6. NCT “Glitch Mode” release on 28<sup>th</sup> March 2022, sold (238 pcs album).
7. NCT “Beatbox” release on 30<sup>th</sup> May 2022, sold (183 pcs album).
8. NCT ”2 Baddies” release on 16<sup>th</sup> September 2022 sold (95 pcs album).



**Figure 1.8** OINGAING\_ID Sales  
Sources: (Sasmita, 2023)

According to the data above, we can see that OINGAING\_ID sales are unstable, sales are begin to decrease after time. This decrease might have occurred because people did not know OINGAING\_ID or it could also be that customers have moved to another online shop because it looks more attractive. Therefore, OINGAING\_ID needs promotions to attract new customers and to hold their customer. They need something to attract new customers so people know about their shop and can purchase some products on OINGAING\_ID. If they don't do anything about promotion, they will lose to their competitor. OINGAING\_ID needs promotion to make more customers aware of their shop. The owner said that she wants more people to be aware of her shop to increase sales, because there is still a lack of customer interest in purchasing decisions. From the statement above, I am interested in doing a research entitled "THE EFFECT OF CELEBRITY ENDORSEMENT AND SALES PROMOTION TOWARDS PURCHASE DECISIONS ON ONLINESHOP: OINGAING\_ID CUSTOMER"

## **1.2 Problem Formulation**

OINGAING\_ID is one of the K-Pop online businesses among many other online K-Pop businesses. Therefore its important to attract customers to make purchasing decisions at OINGAING\_ID Based on the background above, the research question consists of:

1. Is there any influence of the Celebrity Endorsement on Purchase Decision at OINGAING\_ID?

2. Is there any influence of the Sales Promotion on Purchase Decision at OINGAING\_ID?
3. Is there any influence of Celebrity Endorsement and sales promotion toward Purchase Decision on OINGAING\_ID?

### **1.3 Research Purposes**

When conducting a research, it is important to understand the purpose of the research. When you know your intended purpose, it will be easier to produce the expected results.

1. Knowing influence of the Celebrity Endorsement on Purchase Decision at OINGAING\_ID.
2. Knowing the influence of the Sales Promotion on Purchase Decision at OINGAING\_ID.
3. Knowing the influence of Celebrity Endorsement and sales promotion toward Purchase Decision.

### **1.4 Research Function**

1. For academics

The results of this study are used as a reference for conducting further research, increasing knowledge, insight, and understanding of promotion mix and Purchase Decision.

2. For the business

The results of this study can be used to help problems OINGAING\_ID to solve their problem, or as input and additional information for

OINGAING\_ID that can be considerate, so that they can evaluate and improve their marketing in order to win the other competitors.

### 3. For Researchers

By conducting this research, it is hoped that the research results obtained will increase the knowledge and insight of researchers in the field of promotion regarding Purchase Decision. And in addition, understand the importance of Celebrity Endorsement and Sales Promotion for some business.

## **1.5. Theoretical framework**

This research aim to understand the Purchase Decision which refers to the consumer behaviour. Purchase Decisions are part of consumer behaviour. Consumer behaviour is the study of how individuals, groups, and organizations choose, buy, use, and how goods, services, ideas or experiences to satisfy their needs and desires. Purchase Decisions are still related to consumer behaviour, so consumers have different purchasing habits (Kotler & Keller, 2008). Before consumers make their purchasing decisions, they will look for product information. One way to provide information to consumers is through marketing.

The grand theory that used for this research is marketing. The purpose of marketing is to understand the wants and needs of consumers so that the product or service is suitable for the consumer. Marketing is a social managerial process, by which individuals and groups obtain what they need and want, creating and exchanging products and value with others (Kotler & Armstrong, 2008). Marketers



are required to be able to understand the main problems in their field. Marketing can provide a clear and directed picture of what the company is doing and develop strategies in achieve company goals. Marketing is crucial for a company/business because it is the base of buying and selling activities. When it comes to marketing, you will remember the marketing mix. The marketing mix consists of 4 p's: Place, Promotion, Price, and Product.

### **1.5.1 Factors that affect Purchase decision**

Purchase decision is one part of customer behavior. Purchase behavior activities can be done if the customer is interested in the goods or services offered. This interest can arise as a result of marketing. this is why marketing is so important for a business.

#### **1.5.1.1 Marketing**

Marketing is a social managerial process, by which individuals and groups obtain what they need and want, creating and exchanging products and value with others (Kotler & Armstrong, 2008) In marketing there are 4p namely, product, price, price and promotion. According to Kotler (2016) marketing mix is a general expression of strategy used in marketing to determine and offer products or services that are often associated with / the method used is the 4P elements, namely Price, Product, Promotion and Place. The 4p's are:

1. Product is everything that is offered to the public to see, hold, buy or consume.
2. Price is the amount of money consumers pay to buy a product.

3. Place is the company's various activities to make the products produced/sold affordable and available to the target market.

4. Promotion (promotion) is a variety of company activities to communicate and introduce products to the target market.

According to the 4p's above, one of the factors that can influence a purchase decision is promotion. Promotion can be done on social media. Social media can help promotional activities more easily because information can be spread more quickly from social media, and buying and selling of products or services can be done efficiently on social media. One way to spread information from a business is through a celebrity endorsement. According to Shimp & Andrews (2013) Celebrity endorsers can be interpreted as individuals or groups that are widely known by the public (television stars, YouTubers with millions of subscribers, Instagram accounts with millions of followers, etc.) that can influence consumer attitudes and behaviour in recognizing the products they support. By spreading product and service information through endorsements made by celebrities, this will help promotional activities carried out by a business.

Promotion also have promotion mix. Promotion Mix or also called the marketing communications mix is a combination of promotional tools used by companies to communicate value to consumers and build relationships with consumers (Kotler, 2016). The 5 elements of promotion mix is:

1. Advertising (Advertising)

Advertising is any form of non-person presentation and in the form of promotion of ideas, goods or services by a predetermined sponsor.

## 2. Sales Promotion

Sales Promotion is a variety of short-term incentives to encourage people to try or buy a product or service.

## 3. Personal Selling (Personal Selling)

Personal selling is face-to-face interaction with one or several prospective buyers for the purpose of making presentations, answering questions, and obtaining orders.

## 4. Direct Marketing

Direct Marketing is the use of mail, telephone, facsimile, e-mail, or the internet, to communicate directly or solicit feedback or dialogue with specific customers and potential customers.

## 5. Public Relations

Public Relations are programs designed to promote or protect the image of a company or its respective products.

Once again, promotion can be done in many ways including the promotion mix above. For this research the promotion mix that will be used is sales promotion. Apart from sales promotion, the role of celebrity endorsements on social media cannot be ignored either. So that this research will focus on celebrity endorsement and sales promotion.

### **1.5.2 Purchase Decision**

According to Kotler & Keller (2016) Purchase decision is the stage where the consumer has formed their preferences over a set of available choices and has the intention or interest to make a purchase. The purchase decision indicators are:

1. Products

The buying process that is done by consumers in buying the desired goods or services.

2. Brands

The buying process by consumers who only consider the brand of their product.

3. Distribution

Every item that consumers want to buy must be selected first in the purchasing channel.

4. Time of purchase

Every consumer wants to buy a product or item that the consumer wants, must first determine when the purchase time has been scheduled by the consumer.

5. Quantity

How much of the product the consumer wants or buys.

### 1.5.3 Sales Promotion

Sales Promotion is a marketing activity that proposes the added value of a product within a certain period of time in order to encourage consumer purchases, sales effectiveness, or encourage the efforts of the sales force (Hermawan, 2012). (Grewal & Levy, 2014) argue that Sales Promotion is a special incentive or program that encourages consumers to buy certain products or services, usually used in conjunction with advertising or direct sales programs. Sales Promotions according to Kotler & Armstrong (2016) are short-term incentives for encourage the purchase or sale of products or services. The dimensions of Sales Promotion consist of:

1. Consumer Promotional Tools

including product samples (samples), coupons, cash refunds, discount, premium gifts, special advertising, customer rewards, point-of-purchase displays and demonstrations, as well as contests, giveaway , and games.

2. Trade Promotion Tools

consisting of direct discounts on the list price of each pack purchased during a certain period, the offer of allowances in the form of large discounts per pack in exchange for a retailer's agreement for displaying the manufacturer's product in a certain way, as well as the offer of free goods constituting a package additional merchandise to trade intermediaries who purchase a certain amount.

3. Business Promotion Tool

Which is used to generate business pioneers, encourage purchases, reward customers, and motivate sales force.

### **1.5.4 Celebrity Endorsement**

According to Shimp & Andrews (2013) Celebrity endorsers can be interpreted as individuals or groups that are widely known by the public (television stars, YouTubers with millions of subscribers, Instagram accounts with millions of followers, etc.) that can influence consumer attitudes and behaviour in recognizing the products they support. Five special dimension of celebrity endorsers with The concept of TEARS is explained as follows:

1. Trustworthiness

Trustworthiness refers to the extent to which sources are seen to be honest and have honesty, sincerity, and are considered trustworthy. Trustworthy source able to support a product and gradually make the audience believe in what they say

2. Expertise

Expertise refers to the public's assessment of the knowledge, experience or expertise possessed by a celebrity endorser associated with the brand or product being supported. A celebrity endorser who is accepted as an expert on the brand he supports will be more persuasive in attracting an audience than a celebrity endorser who is not accepted as an expert.

3. Attractiveness

Attractiveness can be interpreted as attractiveness seen from the physical appearance or delivery of a Celebrity endorser. Celebrity endorsers who have attractive physical attractiveness and nice delivery will be able to

show a positive impact on the products and brands associated with the celebrity endorser, besides that attractive sources tend to get more attention than less attractive sources and can convey messages effectively.

#### 4. Respect

Respect is defined as the quality of a Celebrity endorser which can be judged by an achievement or achievement that becomes its appeal to the public who can be considered as potential consumers of a particular product.

#### 5. Similarity

Similarity can be interpreted as the level or position where the celebrity endorser is considered to have something in common with the audience, for example in terms of age, gender, ethnicity, and so on. The more similarities or similarities between sources and consumers, the process of delivering the message will increasingly attract the attention of consumers.

The use of celebrity endorsers gives the impression that consumers are selective in choosing and increasing status by owning what celebrities use (CL, 2014). According to McCracken (1989) Celebrity Endorsement is someone who gets public recognition and uses his popularity to influence consumers with these advertisements.

## **1.6 Corelation Between Research Variables**

### **1.6.1 The effect of Celebrity Endorsement on Purchase Decision**

Celebrity is someone who already known by the public and easily can influence the public. Celebrity influence is quite big for the public. The public tend to follow the trend that used by the celebrity. That's why celebrity can build awareness of a product. Public will start to attract to the product and they start to purchase it. According to Septiani (2020) There is a positive and significant influence of celebrity endorsers on purchasing decisions. It means that the celebrity endorsement can attract new customer to purchase the product. Based on the explanation above, it can be conclude that the research hypothesis is formulated as follows:

H1: It is expected that there will be a positive and significant effect of Celebrity Endorsement on Purchase Decision.

### **1.6.2 The Effect of Sales Promotion on Purchase Decision**

One form of promotion is Sales Promotion. Sales Promotion can affect purchasing decisions because the methods of Sales Promotion can attract customers quickly. If you carry out Sales Promotion well, customers will also be quickly decided to buy the product. According to previous research, it appears that Sales Promotion has a positive and significant effect on purchasing decisions (Abdillah et al., 2013) This means that if the Sales Promotion is carried out properly, it will increase the Purchase Decisions of the customers. Based on the explanation above, it can be concluded that the research hypothesis is formulated as follows:



H2: It is expected that there will be a significant and positive effect of Sales Promotion on Purchase Decision.

### 1.6.3 The Effect of Celebrity Endorsement and Sales Promotion toward Purchase Decision

With the attractiveness of celebrity, public start to put more interest to them. With that, all the product that they promote will gain more interest. Public will start to gain interest and then decided to purchase it. According to Pranitasari (2017) Celebrity Endorser has and Sales Promotion has direct influence on Purchase Decision. Based on the explanation above, it can be conclude that the research hypothesis is formulated as follows:

H3: It is expected that celebrity endorsement and sales promotions have a direct influence on Purchase Decision

### 1.7 Previous study

Previous research is used as a reference for researchers in conducting this research. There are several supporting studies conducted by previous researchers, namely as follows:

**Table 1.2** Previous Study

NO	Researcher and year	Title	Variable	Difference	Result
1.	(Zahra & Rina, 2018)	Pengaruh Celebrity Endorser Hamidah Rhmayanti Terhadap Keputusan Pembelian	Celebrity endorsement, Purchase Decision	<ul style="list-style-type: none"> <li>The research locus is different.</li> <li>The year of this research is 2018.</li> </ul>	The result of this research is that Celebrity Endorsement have a positive effect on

NO	Researcher and year	Title	Variable	Difference	Result
		Produk Online Shop Mayaoutfit		<ul style="list-style-type: none"> <li>• The researchers only focused on the consumers in Bandung</li> <li>• there is no sales promotion variable in this research</li> </ul>	Purchase Decision
2.	(Anggraini, 2015)	Pengaruh Promosi Penjualan Pakaian Wanita Almira Shop di Instagram Terhadap Keputusan Pembelian	Sales Promotion, Purchase Decision	<ul style="list-style-type: none"> <li>• The research locus is different.</li> <li>• The year of this research is 2015.</li> <li>• There is no celebrity endorsement variable.</li> </ul>	The result of this research is Sales Promotion has a positive effect on Purchasing Decisions.
3.	(Septiani, 2020)	Pengaruh Celebrity Endorsement dan Harga terhadap Keputusan Pembelian Produk Baju Bayi di Instagram @preloved1402	Celebrity Endorsement, Purchase Decision	<ul style="list-style-type: none"> <li>• The research locus is different.</li> <li>• There is another variable which is price</li> <li>• The year of this research is 2020.</li> </ul>	The result of this research is celebrity endorsement has a significant positive effect on purchasing decisions.
4.	(Abdillah et al., 2013)	Pengaruh Promosi Penjualan Melalui Media Twitter	Sales Promotion, Purchase Decision	<ul style="list-style-type: none"> <li>• The research locus is different.</li> </ul>	The result of this research is Sales Promotion

NO	Researcher and year	Title	Variable	Difference	Result
		Terhadap Keputusan Pembelian Jersey Manchester United Pada @JERSEYMU19		<ul style="list-style-type: none"> <li>This previous research only focused on twitter followers</li> <li>The year of this research is 2013.</li> </ul>	has a positive significant effect on Purchase Decision
5.	(Pranitasari, 2017)	Pengaruh Celebrity Endorser Dan Promosi Penjualan Terhadap Keputusan Konsumen Membeli Produk (Studi Kasus Pada Produk Dr. Ricks Denim)	Celebrity Endorsement, Sales Promotion, Purchase Decision	<ul style="list-style-type: none"> <li>The research locus is different.</li> <li>The year of this research is 2017.</li> </ul>	celebrity endorsers and sales promotions have a direct influence on Purchase Decision.
6.	(Nauvallia et al., 2020)	Pengaruh Celebrity Endorser Gita Savitri terhadap Keputusan Pembelian Produk Online Shop Femme Outfit di Media Sosial Instagram	Celebrity Endorsement, Purchase Decision	<ul style="list-style-type: none"> <li>The research locus is different.</li> <li>This research only focus on instagram followers</li> <li>The year of this research is 2015.</li> </ul>	Celebrity Endorsement has positive and significant effect on purchasing decisions

Based on the table previous research, the difference between this research and the previous research are:

The object in this research has never been used in the previous research, this research focus on OINGAING\_ID customer. The similarity is the variable in this

research is also has the same variables as previous research. This research might be have a different result from the previous research.

### 1.8 Hypothesis

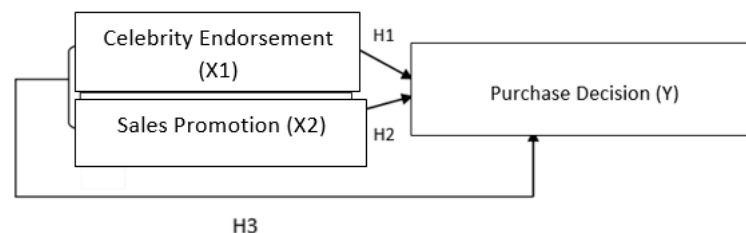
A hypothesis is a statement about a phenomenon (concept) that is observed and proven whether the hypothesis is true or false. Hypothesis in this research is expected that there will be a significant and positive effect of Celebrity Endorsement and Sales Promotion on Purchase Decision in OINGAING\_ID.

H1: It is expected that there will be a positive effect of Celebrity Endorsement on Purchase Decision.

H2: It is expected that there will be a significant and positive effect of Sales Promotion on Purchase Decision.

H3: It is expected that celebrity endorsers and sales promotions have a direct influence on Purchase Decision

This hypothesis is formed based on references from the previous study.



**Figure 1.9** Hypothesis Model

X1 : Celebrity Endorsement

X2 : Sales Promotion

Y : Purchase Decision

## **1.9 Conceptual definition**

A conceptual definition is a definition that is still in the form of a concept and its meaning is still very abstract, although it can still be understood intuitively.

### **1.9.1 Celebrity Endorsement**

According to Shimp & Andrews (2013) Celebrity endorsers can be interpreted as individuals or groups that are widely known by the public (television stars, YouTubers with millions of subscribers, Instagram accounts with millions of followers, etc.) that can influence consumer attitudes and behaviour in recognizing the products they support.

### **1.9.2 Sales Promotion**

Sales Promotions according to Kotler & Armstrong (2016) are short-term incentives for encourage the purchase or sale of products or services.

### **1.9.3 Purchase Decision**

According to Kotler & Keller (2016) Purchase decision is the stage where the consumer has formed their preferences over a set of available choices and has the intention or interest to make a purchase.

## **1.10 Operational Definition**

Operational definition is giving or assigning meaning to a variable by specifying the activities or implementation or operations needed to measure, categorize, or manipulate variables.

### **1.10.1 Celebrity Endorsement**

According to Shimp & Andrews (2013) Celebrity endorsers can be interpreted as individuals or groups that are widely known by the public (television stars, YouTubers with millions of subscribers, Instagram accounts with millions of followers, etc.) that can influence consumer attitudes and behaviour in recognizing the products they support. The indicators are:

1. Trustworthiness
2. Expertise
3. Attractiveness

### **1.10.2 Sales Promotion**

Sales Promotions according to Kotler & Armstrong (2016) Sales Promotion are short-term incentives for encourage the purchase or sale of products or services. The indicators that will be used in this research are:

1. Free gift
2. Giveaway

### **1.10.3 Purchase Decision**

According to Kotler & Keller (2016) Purchase decision is the stage where the consumer has formed their preferences over a set of available choices and has the intention or interest to make a purchase. The purchase decision indicators are:

1. Products

The buying process that is done by consumers in buying the desired goods or services.

## 2. Time of purchase

Every consumer wants to buy a product or item that the consumer wants, must first determine when the purchase time has been scheduled by the consumer.

## 3. Quantity

How much of the product the consumer wants or buys.

### 1.10.5 Table of Variables, Indicators, and Items

**Table 1.3** Concept Matrix

No.	Concept	Variable	Indicators	Items
1.		Celebrity Endorsement	Trustworthiness	I believe that the celebrity can be trusted by the customer
			Expertise	I believe that the celebrity already expert and know the product well
			Attractiveness	I believe that the celebrity have a good image by the consumer
2.		Sales Promotion	Free Gift	I believe that the free gift can satisfy customer
			Giveaway	I believe that giveaway will attract customer attention
3.		Purchase decision	Product	OINGAING_ID provide product that needed for their customer
			Time of	OINGAING_ID

			Purchase	customer purchase the product when it meet their need and desire
			Quantity	The customer decide the quantity of the product

## **1.11 Research Method**

### **1.11.1 Research Type**

The type of research used by researchers in this study is explanatory research with the approach with a quantitative approach.(Sugiyono, 2013)

### **1.11.2 Population and sample**

#### ***1.11.2.1 Population***

According to Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied or then drawn conclusions. The population in this study were consumers who bought album from OINGAING\_ID. The population in this study are people who decide to buy album products at OINGAING\_ID. However, the exact number of people who bought the album on OINGAING\_ID is not known (unidentified) .

#### ***1.11.2.2 Sample***

(Sugiyono, 2013)said that the survey method is a method used to obtain data from certain natural (not artificial) places, but researchers carry out treatments in data collection, for example by distributing questionnaires, tests,



structured interviews and so on. The population in this study are people who decide to buy album products at OINGAING\_ID. Because the number of population in this study is not known with certainty, According Hair et al., (2010), to determine the sample for this research the author uses the sampling technique according which the number of populations is a minimum of 5 times and a maximum of 10 times from the number of indicators in this research. So, the number of samples used in this research are:

Minimum  $n = \text{number of indicators} \times 5$

Maximum  $n = \text{number of indicators} \times 10$

### **1.11.3 Sampling technique**

This research will use non-probability sampling. sampling technique is a sampling technique (Sugiyono, 2013). Sampling techniques are basically grouped into two, namely probability sampling and non-probability sampling. According to Sugiyono (2013) the definition of probability sampling is a sampling technique that provides equal opportunities for each element (member) of the population to be selected as a sample member. The definition of non-probability sampling is a sampling technique that does not provide equal opportunities/opportunities for each element or member of the population to be selected as a sample. The criteria in this research are:

- Customers who have bought goods at OINGAING\_ID in the last year.
- All customers of OINGAING\_ID within the age range are 15-30 years old.
- Customers who are able to fill out the questionnaire.

- Live in Indonesia.

The questioner shared through @OINGAING\_ID social media (Instagram, twitter and also LINE group of OINGAING\_ID).

#### **1.11.4 Type and sources data**

##### *1.11.4.1 Type of data*

according to Sugiyono (2013) there is quantitative and qualitative research

#### **1. Quantitative Research**

Quantitative methods are called traditional methods, because this method has been used for a long time so that it has become a tradition as a method for research. Quantitative research can be defined as a research method based on the philosophy of positivism, used to examine certain populations or samples, sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is quantitative with the aim of testing hypotheses that have been established. In this research, using a questionnaire and distributed to customers from OINGAING\_ID.

##### *1.11.4.2 Source data*

According to Sugiyono, (2013) data collection can use primary data sources and secondary data sources.

#### **1. Primary Data**

According to Sugiyono (2013), primary data sources are data sources that directly provide data collection to data collectors. In this research, the

primary data will be obtained from the questioner that will distributed to OINGAING\_ID customer. The questioner will contains by researcher by research indicator about OINGAING\_ID. And also an interview from the owner of OINGAING\_ID.

## 2. Secondary data

Secondary data sources are data sources that do not directly provide data to data collectors, for example through other people or through documents (Sugiyono, 2013). Secondary data used in this research is data from books, journals, and websites related to this research.

### 1.11.5 Measurement data

measurement scale is an activity in the form of giving a value for each answer given by the respondent to obtain quantitative data. In compiling the data, respondents' answers to questions consist of 5 alternative answers according to a Likert scale which will be scored with the following provisions:

**Table1.4** Likert Scale

NO.	Answers	Score
1	Strongly agree	5
2	Agree	4
3	Neutral	3
4	Disagree	2

5	Strongly disagree	1
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### 1.11.6 Data collection technique

According to Sugiyono (2013) data collection techniques are the most strategic steps in research, because the main purpose of research is to obtain data.

#### 1. Questionnaire

Questionnaire is a data collection technique that is carried out by giving a set of questions or written statements to respondents to answer. Questionnaire is an efficient data collection technique if the researcher knows with certainty the variables to be measured and knows what can be expected from the respondent. This questionnaire was distributed to respondents, namely customers from OINGAING\_ID.

#### 2. Interview

According to Sugiyono (2013) Interviews are used as a data collection technique, if researchers want to conduct a preliminary study to determine the problems that must be studied, and also if researchers want to know things from respondents more deeply. In this research, the researcher do the interview with the owner of OINGAING\_ID.

#### 3. Literature

This collection technique aims to obtain theories or concepts that are related to the research to be carried out obtained from journals or books.

### **1.11.7 Analysis technique**

The method used in this research is explanatory research. The purpose of explanatory research is to test hypotheses and test the effect of the independent variable on the dependent variable (Sugiyono, 2013). This study uses quantitative methods. The data proceed by smartPLS 3.2.9 software.

#### **1.11.7.1 Outer Model Measurement**

measurement model testing is showing how the latent variable to be measured which represented by the manifest or observable variable. The measuring model was evaluated in order to determine its validity and reliability.

##### **1. Validity test**

An instrument is said to be valid if it is able to measure what is desired. An instrument is said to be valid if it can reveal data from the variables studied appropriately. An instrument is said to be valid if it is able to measure what is desired. An instrument is said to be valid if it can reveal data from the variables studied appropriately.

##### **2. Reliability Test**

Reliability refers to an understanding that something the instrument is reliable enough to be used as a data collection tool because the instrument is already good. A good instrument will not tend to lead respondents to choose certain answers. Instruments that can be trusted and reliable will produce reliable

data as well. If the data is indeed true according to reality, no matter how many times it is taken, the result will still be the same.

#### **1.11.7.2 Inner Model Test**

This test is done to test the hypothesis. The structural model can be evaluated by looking at R<sup>2</sup> (indicator reliability) for the dependent construct and the statistical t value of the path coefficient test. The higher the R<sup>2</sup> value means the better the prediction model of the proposed research model. Path value coefficients indicate the level of significance in hypothesis testing.