CHAPTER I INTRODUCTION

1.1 Background

The dynamics of business competitiveness in the fast-changing world of information technology have been felt by most people. From a simpler to a more modern and fast-paced era, this has impacted information behavior in all fields, including education, health, entertainment, labor, business, and communication without regard for geographical or temporal boundaries. The demand for more economical and timely information requires that information providers have internet media via which consumers may easily and quickly obtain the information given. This is possible through the use of the internet.

Technological advancements that continue to accelerate year after year result in the digitalization of human life. Indonesia is a market leader in the region's digital economy. According to Emasek, Google, and Bain & Company's latest e-Conomy SEA 2021 report, Indonesia's digital economy worth US\$ 70 billion in 2021, the highest value among Southeast Asian countries. This figure climbed significantly year on year by 49 per cent when compared to the digital economy's value in 2020, which was just US\$ 47 billion. Indonesia's future potential for the digital economy will also develop, with a compound annual growth rate (CAGR) of 20 per cent, resulting in a GMV of US\$146 billion in 2025 (Karnadi, December 8, 2021).

From a series of transformed industries, e-commerce has emerged as the primary driver of Indonesia's digital economy development. *Electronic Commerce* (E-Commerce) is the term used to describe the use of the internet for business transactions. E-commerce is a business process that involves producers and consumers trading goods and services over electronic media, with the goal of facilitating people's needs fulfillment. Digitalization also accelerates the growth of e-commerce penetration. According to a survey conducted by We Are Social, up to 88.1 per cent of internet users in Indonesia have used e-commerce services in the last few months to purchase specific products. By April 2021, Indonesia has become a country with the highest e-commerce users in the world. Indonesia

surpasses United Kingdom in second place, with 86.9 per cent of internet users engaging in e-commerce (Lidwina, June 4, 2021).

Figure 1.1 Data Worldwide E-commerce Adoption

Source: Digital 2021 - Global Overview Report

The e-commerce industry's rapidly growing prestige cannot be separated from the role of the COVID-19 pandemic, which forced people to migrate from conventional to digital systems. According to a report by Deloitte titled Technology-empowered Digital Trade in Asia Pacific, Indonesia's e-commerce industry reached \$43,351 billion in 2021, just behind South Korea as the third largest in the Regional Comprehensive Economic Partnership (RCEP). Between 2021 and 2015, the e-commerce market's growth rate is anticipated to reach 10.2 per cent, indicating that the Indonesian e-commerce market has enormous potential. Meanwhile, Indonesia's proportion of cross-border e-commerce consumption reached US\$17.34 billion, just behind China as a mature market and relatively high among developing markets (Deloitte, December 14, 2021). Additionally, revenue in the e-commerce market is forecast to reach US\$62,593 million in 2022 and rise at a 12.95 per cent annual rate (CAGR 2022-2025), resulting in a projected market volume of US\$90,192 million by 2025, according to data from Statista (Statista, December, 2021). Indonesia is a country with a high youth population which will provide opportunities for further development in the world of digital technology.

Online shopping in Indonesia shows considerable trends and opportunities. The rapid development of e-commerce in Indonesia has fostered various types of ecommerce brand platform. There are several types of e-commerce in the Indonesian market, such as Shopee, Tokopedia, Blibli, Bukalapak, Zalora, and so on. Blibli is one of the platforms that is quite considered in the e-commerce industry in Indonesia. Blibli is an Indonesian e-commerce company founded in 2011 that specializes in B2B, B2C, and B2B2C business models. Blibli collaborates with over 100,000 business partners to offer a diverse range of high-quality products focusing on primary necessities, technology and gadgets, daily needs, and lifestyle needs. Blibli's vision is to be the leading e-commerce site in Indonesia, with the most devoted customers, and to commit to offering the most easy and gratifying shopping experience possible with 24/7 Customer Care, 15 days warranty policy, and safe payment methods. Blibli also applies the concept of e-shopping entertainment which incorporates elements of entertainment in order to make the shopping experience more enjoyable (Blibli, n.d).

The development of technology and information encourages competition between companies in the business world to be increasingly fierce. Today's businesspeople are competing in creating and innovating. The role of technology in society also affects the mindset of its users so that they are more considerate in choosing the goods or services to be used. Seeing the state and importance of technology in today's commercial world, business professionals seize all available opportunities to communicate about the products and brands they sell. Several e-commerce companies in Indonesia continue to compete to be the best and the first choice in online shopping. Numerous marketing strategies are used by e-commerce to increase the traffic.

Marketers must understand how to communicate their products effectively to stimulate consumer interest. According to Kotler and Keller (2008, p. 172), company's marketing communication informs, persuades, and reminds customers about the brands and goods being marketed. To achieve high popularity, Blibli carries out several marketing strategies to develop its business, one of which is by using brand ambassadors. According to Greenwood (2012, p. 78), brand ambassadors play a very important role in helping smooth marketing activities both locally and globally. Brand ambassadors contribute to the development of a stronger emotional connection between a brand or company and its consumers,

thereby indirectly influencing purchasing decisions and product use. (Royan, 2005, p. 8).

One of the creative ways to convey messages in advertisements is the use of figures as resource persons (Kotler & Keller, 2006, p. 506). This is implemented by the Blibli by using a figure in some of their advertisements and brand ambassadors can be a way to convey messages and make it easier to attract attention from consumers. According to Rossiter and Percy (1997) in their book "Advertising Communications and Promotion Management", a marketing strategy to boost communication objective is to use well-known celebrities. The company hopes that through enabling brand ambassadors, they can serve as brand spokespersons, ensuring the products to reach consumers' minds so that consumers can use the product. The figure chosen as a brand ambassador must be able to fit with the image of the product. According to Royan (2005, p. 6), a brand must examine numerous factors when determining a celebrity, including popularity, conformity to the product's character, and corporate finances.

Park Seo Jun
Blibli Brand Ambassador

Figure 1.2 Advertising Poster '10 Tahun Bareng Kamu' with Park Seo Jun

Source: Blibli's Website

In February 2021, Blibli presented an International Brand Ambassador, namely Park Seo Jun, a famous actor from South Korea. The release Park Seo Jun as Blibli's brand ambassador is broadcast through advertising campaigns on conventional and digital media. Blibli also presented brand ambassador Park Seo Jun in a promotional program entitled "10 Tahun Bareng Kamu" or '10 Years with You' as a celebration of Blibli's 10th anniversary on July 25, 2021. This program

presents the entertainment program 'Live Show' and broadcasted live on Indonesian television stations.

Besides Blibli, other competitors have already implemented the same strategy in using Korean Wave-themed brand ambassadors. For example, Shopee hired the girl group 'Blackpink' as a brand ambassador at the end of 2018. After that, Tokopedia followed up by introducing BTS as a brand ambassador in October 2019. BTS is a global megastar boyband group from South Korea under Big Hit Entertainment which has extraordinary achievements that managed to break records in recent years. Until now, BTS is still active as a Tokopedia brand ambassador. Not only that, Tokopedia even made Blackpink, previously a Shopee brand ambassador, become their brand ambassador in January 2021. At the end of 2020, a famous actor from South Korea, Lee Min Ho, was introduced as Lazada's brand ambassador. In August 2021, Lazada is collaborating with another famous Korean actor named Hyun Bin, as the first regional brand ambassador for LazMall. Not only that, Lazada also introduce another new brand ambassador, the South Korean boyband namely Seventeen in October 2021. Another Blibli competitor, Bukalapak, also made the well-known actor Song Joong Ki as their brand ambassador in April 2022. Based on this phenomenon, it can be concluded that almost all of the top e-commerce in Indonesia have carried out their marketing strategy using well-known celebrities from Korea South as a brand ambassador to represent their brand.

Bilang semua
belanja di Blibli
pasti puas

PASTI
GRATIS ONGKIR
BERKALI-KALI
PASTI PUAS PASTI DE ARANGHYA
ORI

PASTI PUAS PASTI di Blibli

Figure 1.3 Advertising Poster #PastiPuasPastidiBlibli

Source: Blibli's YouTube Channel

Blibli continues to launch their marketing strategy to attract customers by introducing another new brand ambassador. Unlike the previous Blibli campaign which presented a brand ambassador from South Korea, this time Blibli presents a brand ambassador who is a public figure from Indonesia. Ahead of the National Online Shopping Day (Harbolnas) in November 2021, Blibli introduces Boy William, a well-known actor, rapper, and celebrity from Indonesia as their brand ambassador. On December 15, 2021, Blibli released a new advertising campaign with the tagline #PastiPuasPastidiBlibli, featuring Boy William and another new brand ambassador, Bunga Citra Lestari. Bunga Citra Lestari or BCL is a famous singer from Indonesia.

Blibli still continue to launch their newest marketing strategy to compete with other e-commerce competitors. Closer to Blibli's 11th anniversary celebration, Blibli announced their latest collaboration by cooperating with the South Korean boyband 'NCT 127' as brand ambassador. NCT 127 is the most popular sub-unit of NCT and one of the most popular K-pop music groups in the world today, including in Indonesia. Not only that, NCT 127 is also a group that has won various achievements and awards. With nine members – Taeil, Johnny, Taeyong, Yuta, Doyoung, Jaehyun, Jungwoo, Mark, and Haechan – NCT 127 is famous for songs such as "Cherry Bomb", "Favorite (Vampire)", "Kick It", to " Stickers".



Figure 1.4 Advertising Poster Blibli X NCT 127

Source: Blibli's YouTube Channel

Millennials and Gen Z currently dominate the Blibli consumer market, where not a few of them like K-pop. This is also in line with Indonesia's position as

a country with the largest K-pop fans in the world. Indonesian netizens are also the most active in discussing K-pop on social media. Blibli chose NCT 127 as their newest brand ambassador to get closer to customers. NCT 127 also has similar sharing values with Blibli. The presence of NCT 127 as a brand ambassador and star in the celebration of its 11th anniversary is a momentum for Blibli to get closer to customers and provide a more satisfying shopping experience. Blibli has prepared various special programs and initiatives including a special appearance of NCT 127 on Blibli's birthday live show on July 24, 2022. Blibli's collaboration with NCT 127 is published through its latest advertising campaign which was released not only in advertisements on television, but Blibli also actively conducts online advertisements and OOH (Out of Home) advertisements.

The proliferation of social media and smartphone devices has also contributed to the widespread use of the internet. Akhtar, et al. (2016) noted that developments such as mobile phone technology and the internet gave rise to social media, which ushered in a new marketing era. Social media is a commonly accessible and relatively inexpensive electronic tool that enables individuals to share and access information, build relationships, and participate on collaborative projects. These are computer-mediated technologies that allow corporations and individuals to produce, share, and exchange information, ideas, and interests in virtual communities and networks. Facebook, YouTube, Twitter, Instagram, WhatsApp, and Pinterest are among the most popular social media platforms.

The use of social media can facilitate commerce marketing, hence facilitating the sale of their products. By offering multiple platforms for the broadcast of brand-related material, social media has increased brand owners' capacity to interact with their customers (Straker, et al., 2015). Presently, advertising content is one of the most common types of marketing communication given by brand managers on social media (Keller, 2009). Social media has evolved into a great platform for advertising content dissemination. Consequently, advertising sent through social media are often known as social media advertisements.

Advertisements must include specifics about the offered goods and the factors that motivate advertisers and customers to connect reliably. Thus, the two

most enduring metrics of customer trust in advertising are informativeness and entertainment (Ducoffe, 1995). This style of advertising encourages customers to actively engage with adverts and share ad material with their social networks (Palmer & Koenig-Lewis, 2009). Since the perceived advertising value metric integrates media experience with advertising experience, advertising value gives a more accurate method for evaluating the potential usefulness of social media (Logan, et al., 2012).

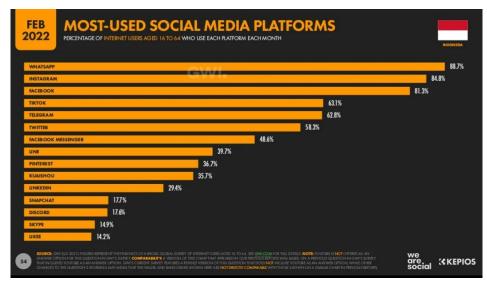
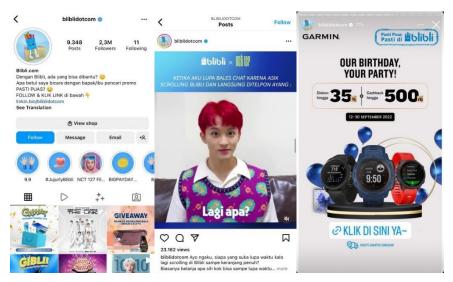


Figure 1.5 Most-Used Social Media Platform Reports

Source: Digital Report 2022: Indonesia

We Are Social reports that in 2022, Instagram is in the second place behind WhatsApp, on most widely used social platform in Indonesia, with 84.8 percent of the population using it. Regularly, Blibli's deliver informative and engaging content about products and other offers through Instagram. The official Instagram account for Blibli has over 9,800 posts and 2.3 million followers. Comparing Blibli's Instagram followers to those of Shopee (8.7 million), Tokopedia (5.2 million), and Lazada (3.1 million), the Blibli account lags significantly behind. Blibli is superior to its nearest competitor, Bukalapak, which has only 2.1 million Instagram followers. Despite this, Blibli actively promotes content advertisements on Instagram in the form of up-to-date information about Blibli, product information, various types of engaging promos, interactive content such as quizzes, and giveaways.

Figure 1.6 Blibli's Instagram official account and contents posted



Source: Blibli's Instagram Account

Blibli also represented NCT 127, their newest brand ambassador, in a variety of social media posts. Through the Blibli Instagram account (@bliblidotcom), NCT 127 has made a total of 18 appearances in content (as of September 14, 2022). This is an internet campaign conducted by Blibli to encourage the public to utilize Blibli for online shopping. The advertising content published both via "feeds" posting and "story" function on Instagram. Therefore, this study will concentrate on Blibli's Instagram social media advertising content.

Figure 1.7 Map of E-commerce in Indonesia on Q1 2021 and Q1 2022



Find Out E-commerce Competition in Indonesia



Source: Iprice Insight

Although Blibli has executed various promotional strategies including its brand ambassador and social media advertising, unfortunately, this does not significantly increase the public's desire to use Blibli as their platform preference for online shopping. Blibli has been operating for 10 years in Indonesia, unfortunately, until now Blibli has still not been able to achieve its company vision to become the number one e-commerce in Indonesia. Based on the data above obtained from iPrice.co.id, within one year from Quarter 1 2021 to Quarter 1 2022, Blibli which previously was in the 5th position with a total of 19,590,000 monthly web visitors in the Indonesia's e-commerce competition based on Monthly web visitors, experienced a decrease in position to rank 6th with 16,326,700 monthly web visitors. Blibli's position was defeated by Orami, that previously in Q1 2021 was ranked in the 7th position.

Meanwhile, when Shopee and Tokopedia have continued to have a drastic increase of monthly website visitors. When compared to Blibli's closest competitor, Lazada, which also uses Korean Celebrity as their brand ambassador, it can be seen that Lazada experienced an increase in the number of Monthly Web Visitors. Where previously in the 3rd quartal of 2020 Lazada had 22,674,700 monthly visitors, increasing to 27,670,000 visitors in the 3rd quartal of 2021. In fact, the latest data in Q1 2022 shows that Lazada is in 3rd place under Tokopedia and Shopee with 24,686,700 monthly web visitors.

Figure 1.8 Most Used E-Commerce Platform Report



Source: Snapcart Research in 2022

Additionally, Snapcart has conducted consumer research on the "Characteristics of Consumer Behavior and Preferences in Online Shopping" or the past three months. From August 11 to August 17, 2022, 1000 respondents aged 20 to 35 from various regions of Indonesia participated in the survey, which was conducted online. One of the research findings regarding the most used ecommerce platforms in the previous three months is shown in Image 1.8. According to the research findings, Shopee is in first position with a percentage of 78 per cent. Meanwhile, 20 per cent of respondents chose Tokopedia and another 2 per cent of respondents chose Lazada (Snapcart, September 8, 2022).

Figure 1.9 Indonesia Marketplace's Gross Merchandise Value (GMV)

2020, Indonesia marketplace¹ Gross Merchandise Value (GMV)

Total size: US\$ 40.1 B

GMV (US\$ B)F

Market share (%)
2020 web visits (M)
2020 downloads (M)
Employee (K)

9.1

Lozoda

tokopedia

tokopedia

14.2

4.5

14

3

7%

104

356

143

7.0

Employee (K)

9.1

4.5

4.5

2.5

Source: The Low Down by Momentum Asia

Apart from that, the Gross Merchandise Value (GMV) can be used to measure e-commerce businesses performance. Gross Merchandise Value (GMV) defined as the entire value of goods sold in a customer-to-customer (C2C) exchange platform over a specified time period (Hayes, July 25, 2021). Typically, GMV is utilized as a benchmark for business growth or the site's ability to sell third-party items. According to the Momentum Works report, Quoting Momentum Works, e-

commerce GMV in Indonesia has reached US\$ 40.1 billion (Rp 577.9 trillion) in 2021. This means that in an hour, Indonesian e-commerce processes transactions worth Rp 6.5 trillion. In Indonesia, Shopee has the biggest hourly transaction value with a total of US\$ 14.2 billion, meaning that its hourly transaction value is US\$ 1.6 million, giving it a market share of 37%. Tokopedia, which merged with Gojek earlier this year, is in second place. On Tokopedia, the GMV hit US\$ 1.59 million every hour. Within a year, Tokopedia's gross merchandise value (GMV) surpassed US\$ 14 billion, with a 35% market share. Lazada is third with an hourly transaction value of US\$ 513,700, a total GMV of US\$ 4.5 billion, and a market share of 11%. Finally, Bukalapak, in fourth place, with an hourly transaction value of US\$342,500. Within a year, Lazada had a gross merchandise value (GMV) of US\$ 3 billion and a 7% market share. Blibli, JD.ID, and others fill in the gaps (Domagala, May 31, 2021).

Until now, Blibli has not been the market leader in terms of monthly web visitor, most-used e-commerce platform, and gross merchandise value (GMV). This demonstrates that Blibli's lack of usage intention has prevented it from ascending the ranks of Indonesia's top e-commerce. Most users do not use Blibli primarily for shopping and prefer to use other e-commerce sites. Therefore, this study will focus on examining the use of brand ambassadors and social media advertising on Instagram @bliblidotcom as Blibli's marketing strategy.

1.2 Research Problem

In recent years, celebrities from South Korea have been widely used as brand ambassadors for top e-commerce such as Shopee, Tokopedia, and Lazada. As a competitive effort, the strategy of using Brand Ambassador is one of the major strategies that has been carried out by Blibli to attract the attention of its target market as well as compete with other competitors. Blibli has introduced a well-known celebrity from South Korea, Park Seo Joon, as a brand ambassador since February 2021. On December 15, Blibli presented another new brand ambassadors namely Boy William and Bunga Citra Lestari through a new advertising campaign entitled #*PastiPuasPastidiBlibli*. This ad starring national celebrities actually got

more viewers on Youtube than the previous ad campaign starring South Korean celebrity, Park Seo Jun.

Blibli does not stop to launch their marketing strategy to keep competing with other e-commerce. On July 5, approaching Blibli's 11th anniversary celebration, Blibli introduced NCT 127, a well-known K-Pop boyband, as their brand ambassadors through various advertising campaigns in both conventional and digital media. Blibli also prepared events and made NCT 127 as a guest star in the 11th anniversary celebration. Therefore, this study will focus to evaluate the use of Blibli's newest brand ambassadors who are international celebrities, which is NCT 127. Blibli is also actively promoting through social media advertising on Instagram, with an official account that has a total of 2.2 million followers and a total of more than 9,300 content posts. Various latest information, interesting promos, to interactive content are published through social media accounts to attract audience interest. However, Blibli experienced a gap between expectations and reality in its marketing strategy.

Even though they have attempted a marketing strategy using brand ambassadors at a significant cost and intensively done promotion through social media advertising. In fact, Blibli's position as a e-commerce in Indonesia is still in the same order. Based on the data presented, from Q1 2021 to until Q1 2022 shows that Blibli experienced a decrease in ranking and the total number of monthly site visitors, which was originally in the 5th position to 6th position under Orami.

Moreover, this is supported by the findings of a Snapcart's survey to 1000 respondents in 2022 regarding the most used e-commerce platform, shows that Shopee is in the first position with 78 per cent, followed by 20 per cent respondents chose Tokopedia, and 2 per cent respondents chose Lazada as e-commerce platform they used the most in the past three months. Based on this, Blibli is not even included in one of the main choices for transactions for e-commerce users in Indonesia.

Additionally, according to Momentum Works data in 2020, Shopee has the greatest Gross Merchandise Value (GMV) of US\$ 14.2 billion with a market share of 37, followed with Tokopedia with a market share of 35%. Lazada is third position with a total GMV of US\$ 4.5 billion, and a market share of 11%. Finally,

Bukalapak, in the fourth place, with a total GMV of US\$ 3 billion and a 7% market share. Blibli, JD.ID, and others fill in the gaps. This shows that Blibli's transaction value is low because it is not included in the top GMV which determines e-commerce performance.

Based on the data described above, a study is needed to test "Is there any influence of brand ambassador credibility, social media advertising perceived informativeness, and social media advertising perceived entertainment on Instagram @bliblidotcom towards intention to use Blibli as online shopping platform?"

1.3 Research Objective

The research objective is to find out the influence of Brand Ambassador Credibility, Social Media Advertising Perceived Informativeness, and Social Media Advertising Perceived Entertainment on Instagram @bliblidotcom towards Intention to Use Blibli as Online Shopping Platform.

1.4 Research Significance

1.4.1 Practical Significance

Practically, the result of this study is expected to be useful in conveying understanding and contribution of thoughts regarding the influence of Brand Ambassador Credibility, Social Media Advertising Perceived Informativeness, and Social Media Advertising Perceived Entertainment on Instagram @bliblidotcom towards Intention to Use Blibli. This research is also expected to provide knowledge, advice, and input for marketers of Blibli Indonesia and similar industries on whether the marketing strategies carried out using brand ambassadors.

1.4.2 Academic Significance

Academically, the information presented in this research is expected to contribute to the study of Communication Science related to communication marketing strategies using Brand Ambassadors and Social Media Advertising on Instagram. This research is also expected as an additional reference for similar research in the future.

1.4.3 Social Significance

Socially, the results of this research are expected to increase public understanding of the influence of Brand Ambassador Credibility, Social Media Advertising Perceived Informativeness, and Social Media Advertising Perceived Entertainment on Instagram towards Intention to Use Blibli as Online Shopping Platform.

1.5 Theoretical Framework

1.5.1 Research Paradigm

This research used a positivist paradigm as the research paradigm. The positivist paradigm emphasizes that there are problems that can be classified and a single reality that connects the problem and causal reality. The paradigm utilized in this research is aimed at clarifying the causal link between variables (Baxter & Babbie, 2003, p. 52). In this study, the positivist paradigm will determine a variable. These theories explain the influence between variables that we might theoretically predict. According to Neuman (2015, p. 97), The positivist paradigm is a method for identifying and validating a set of probabilistic causal laws by merging deductive reasoning with detailed empirical observations of individual behavior to predict broad patterns of human activity.. This study seeks the influence of Brand Ambassador Credibility, Social Media Advertising Perceived Informativeness, and Social Media Advertising Perceived Entertainment towards Intention to Use in Blibli as Online Shopping Platform.

1.5.2 State of The Art

A similar study was conducted by Khan, et al. (2019) in Market Forces Volume 14, Issue 2, entitled "Celebrity Endorsement and Purchase Intentions: The Role of Perceived Quality and Brand Loyalty". The primary purpose of this research is to examine the effect of celebrity endorsement (including attractiveness, credibility, and product match-up), perceived quality, and brand loyalty on purchase intention. This research also investigated the effect of perceived quality as a mediator between brand loyalty and purchase intent. The survey was administered to 800 young adult customers, but only 560 responses were considered usable. The data was processed using Smart PLS. Source Credibility, Source Attractiveness,

and Product Match-up are the model used to explain the relationship between celebrity endorsement and Purchase Intention. The results indicate that three features of celebrity endorsement are associated with higher Purchase Intention. Additionally, brand loyalty and perceived quality influence purchase intention. Furthermore, perceived quality influences brand loyalty, whereas brand loyalty mediates the relationship between perceived quality and purchase intention.

The second research is a study entitled "The Effect of Celebrity Endorsement on Consumer Behavior: Case of the Lebanese Jewelry Industry" conducted by Hani, et al. (2019) in the Arab Economic and Business Journal, Volume 13, Issue 2, page 190-196. This research investigated how celebrity endorsement of jewelry commercials influences consumer behavior, particularly among Lebanese women. This research also examined customer perceptions, decision-making processes, and attitudes, since they are all impacted by celebrity endorsements. This research used Source Credibility and Source Attractiveness Model to explain the influence of credibility and attractiveness and ad recall. However, for the influence to purchase intention, the Match-Up Hypothesis and Meaning Transfer Model are used. The survey was conducted on 584 women aged 20-44 years, then the data were analyzed using Chi-Square. The results indicated that three of the four hypotheses were accepted. The attractiveness of a celebrity endorser has a positive effect on ad recall but has no significant effect on purchase intention. Meanwhile, the credibility of celebrity endorsement has a positive impact on consumer ad recall and purchase intention.

Third, a similar study entitled "Investigating The Impact of Social Media Advertising Features on Customer Purchase Intention" by Alalwan (2018) on International Journal of Information Management 42, page 65–77. This study aims to discover the most predictive elements linked with social media advertising. The conceptual model presented is based on three components of the Unified Theory of Acceptance and Use of Technology (UTAUT2), namely performance expectations, hedonic motivation, and habits, which are expanded from interactivity, informativeness, and perceived relevance. 437 participants completed a questionnaire to collect data. According to the principal findings of structural equation modeling (SEM), performance expectations, hedonic motivation,

interactivity, informativeness, and perceived relevance significantly influence purchase intention.

Fourth, a similar study was also conducted by Weismueller, et al. (2020) in Australasian Marketing Journal entitled "Influencer endorsements: How advertising disclosure and source credibility affect consumer purchase intention on social media". This research focuses on the impact of advertising disclosure and source credibility on the influence of social media influencer endorsement on purchase intention. The applied theory suggests that advertising disclosure has a significant effect on the credibility subdimensions of attractiveness, trustworthiness, and expertise, which positively affect consumer purchase intentions. The results of 306 German Instagram users between the ages of 18 and 34 indicate that source attractiveness, source trustworthiness, and source expertise have a substantial impact on purchase intent.

Finally, a similar study was also conducted by Warsame, et al. (2021) entitled "The Influence of Social Media Advertising Values on Consumers Purchasing Intention in Somalia" in International Fellowship Journal of Interdisciplinary Research Volume 1, Issue 2, page 91-112. The primary purpose of this study is to determine the effect of social media advertising on consumer purchase intention using Ducoffe advertising model. The study was done in Mogadishu, Somalia, using a convenience sample of 182 participants. Through Facebook and WhatsApp, a structured questionnaire was used to collect data, which was then analyzed using exploratory factors and multiple regression. All independent factors (informative, entertainment, dependency, and perceived value of social media advertising) have a significant impact on a purchase intention.

Compared to the five previous studies, the position of this research is that this research focused on the influence of Brand Ambassador Credibility, Social Media Advertising Perceived Informativeness, and Social Media Advertising Perceived Entertainment to Intention to Use, which has a similar meaning to Purchase Intention. The author adopted several models from the reference journals above, such as the use of the Source Credibility model and Expectancy Value Theory. In addition, this study examined different phenomena and objects,

especially regarding the use of brand ambassadors and social media advertising as a marketing communication tools of e-commerce industry in Indonesia.

1.5.3 Brand Ambassador Credibility

Brand ambassador is a marketing strategy used by companies to communicate and connect companies with audiences that are expected to increase sales. Companies use brand ambassadors to influence or invite consumers (Greenwood, 2012, p. 88). Meanwhile, according to Royan (2005), the use of brand ambassadors is intended to influence consumers or invite target consumers to choose or use products from a company, usually famous celebrities are chosen. Brand Ambassador can also be regarded as an advertising support element and a spokesperson chosen by the company to attract attention and also remind consumers about the company or a product. Brand ambassadors create a strong emotional relationship with the company so that it has an impact on audience purchasing decisions.

In this research, "credibility" refers to the audience's perception of the brand ambassador's relevant expertise, abilities, and experience, as well as their trust in the brand ambassador to convey objective information (Belch & Belch, 2004). Ohanian (1990) defined credibility as the extent to which they are considered believable. The audience's view of a brand ambassador is depending on their trustworthiness or motivation to promote the brand. Credibility is, at its most fundamental level, a person's tendency to trust. The internalization process alters the audience's perception when a source of information is considered credible (Shimp, 2014, p. 260).

According to Ohanian (1990), attractiveness, expertise, and trustworthiness are critical for persuasion because they are the three defining characteristics of source credibility.

1. Attractiveness

Attractiveness defined as the degree to which a brand ambassador is considered as classy, sexy, and beautiful (Erdogan, 1999). he most powerful feature of a celebrity endorsement's influence on consumer purchase behavior is attractiveness (Kahle & Homer, 1985). Attractiveness is a non-physical appearance that is attractive and able to support an advertisement

or product (Greenwood, 2012). It is one of the characteristics held by celebrities, since a spokesperson hired as a brand ambassador must be able to attract target consumers

2. Expertise

Expertise is the degree to which a celebrity is considered experienced, knowledgeable, qualified, and generally a valid source (Erdogan, 1999). According to Rossiter, et al. (2018), Expertise refers to the perceived knowledgeability of the presenter regarding the product or service category. Expertise relates to the communicator's level of experience, expertise, knowledge, qualification, and skill (Lord & Putrevu, 2009).

3. Trustworthiness

Therefore, the term "trustworthiness" relates to the degree of confidence and acceptance shown by the audience toward the communicator (Rossiter, et al., 2018). According to Erdogan (1999), trustworthiness refers to the perceived reliability, dependability and honesty of an endorser. Dependability, honesty, trust, reliability, and sincerity are all characteristics of trustworthiness (Lord & Putrevu, 2009).

Munnukka, et al. (2016) developed a measurement of credibility based on the measurement compiled by Ohanian (1990). This measurement consists of attractiveness, expertise, and trustworthiness using a Likert scale. This study adapted the use of this measurement to measure brand ambassador credibility.

1.5.4 Social Media Advertising Perceived Informativeness

Social media advertising defined as an umbrella phrase that encompasses all types of advertising given via social networking sites, whether explicit such as commercial banner and commercial video, or implicit such as brand pages or company-related "tweets" (Chu, et al., 2013). Numerous companies are presently promoting brand involvement using social media platforms including Instagram, Facebook, YouTube, and Twitter. Social media advertising content is considered as any kind of original, creative, or informative material published via social media by a brand in order to directly or implicitly urge people to purchase their products

or services (Raji, et al., 2019). Social media advertising consists of brand-created social media profile sites that allow users to search for information, as well as like, post, and share comments (Chu, et al., 2013). Therefore, social media advertising is as any type of creative, original, or informational content produced through social media by a brand representative to persuade their consumer explicitly or implicitly.

In evaluating the efficacy of social media advertising, there are three types of previous studies. At first, technology-related models, such as the technology acceptance model, are utilized to explain consumer behavioral intentions. Second, cognition and evaluation of social media advertising have been identified as a driver of consumer behavior, including advertising relevance variables, informativeness, and entertainment content. Third, in terms of ad avoidance in mobile social media ads.

Ducoffe (1995) defines advertising's value as the customer's perception of its usefulness or relative importance. Advertising has three important components, including: informativeness, entertainment, and irritation. Informativeness refers to the extent to which customers perceive an advertising to give comprehensive and clear information about the advertised product. Entertainment refers to customers' favorable perceptions of the entertainment they receive through advertisements. Because mobile advertising is supplied via mobile devices that customers constantly carry, consumers may quickly verify whether the advertisement is accurate. Consumers may feel irritated by commercials since they may become annoyed by advertisements. Therefore, irritation is seen as a factor with a negative impact.

Research on advertising attitudes demonstrates the significance of informativeness in evaluating advertisements. It has received considerable attention in a number of prior works. Social media advertising informativeness refers to its ability of advertising to provide audience with diverse product or service information, so enabling them to choose the most valuable option (Ducoffe, 1995). Informative refers to the amount to which a firm provides clients with enough information about a product or service to make more informed purchase decisions. Rotzoll & Haefner (1990) define informativeness as the ability of a brand to provide its target consumers with adequate information about its products over several

media channels in order to facilitate their purchasing choices. Additionally, informativeness is connected with advertising's ability to inform the product performance and value to audience (Arora & Agarwal, 2019). Meanwhile, Perception is the process through which a person chooses, arranges, and analyzes information in order to construct a cohesive overall view (Kotler & Keller, 2012). Perception can be understood as a selective categorization and interpretation process. In other words, perception is the means through which customers interpret and make sense of their surroundings.

According to study conducted by Rodgers & Thorson (2000), consumers may intentionally seek out online advertising to receive the information required to satisfy their utilitarian requirements, so enabling them to address specific issues or perform certain activities. Customers seek for information online since it is more convenient and accessible. When customers learn about new items, product advantages, and product comparisons, they view information as a positive feature of advertising.

According to Alalwan (2018) the measurement of Social Media Advertising Perceived Informativeness using Likert scale which consist of:

- 1. Social media ads provide the information I need about the product.
- 2. Social media ads provide timely information about the product.
- 3. Social media ads are a good source for up-to-date product information.
- 4. Social media ads are an easily accessible source of information about the product.
- 5. Social media ads provide complete information about the product.

1.5.5 Social Media Advertising Perceived Entertainment

Advertising generally satisfies the hedonic needs of consumers by offering enjoyment, emotional release, distraction, and satisfaction. Advertising entertainment may be seen as the enjoyment of an advertisement in addition to the joy and satisfaction experienced by the target audience from the advertisement (Hamouda, 2018). One of the most powerful factors in developing a psychological link between customers and brand messages is advertising's capability to entertain (Wang & Sun, 2010).

As previously indicated, this behavior is motivated by the fact that the primary reason individuals use social media is to relax, have fun, and spend their time (Muntinga, et al., 2011). In a market saturated with advertising messages competing for people's attention, an advertisement must be engaging and entertaining in an original manner to capture the attention of the target audience. The ability of advertising to entertain is considered as one of the primary aspects that can affect advertising's success in establishing an emotional connection between brand messaging and consumers (Wang & Sun, 2010). The ability of advertising to entertain is considered as one of the primary aspects that can affect advertising's success in establishing an emotional connection between brand messaging and consumers.

Entertainment refers to customers' perceptions of an advertisement's pleasant to look at. If consumers perceive advertising as entertaining, it can enhance the consumer experience (Alwitt & Prabhaker, 1992). Finally, the importance of entertainment in social media advertising has been proven. Marketers can create entertainment on social media platforms by providing their target audience with entertaining, amusing, and interesting information (Gallaugher & Ransbotham, 2010).

According to Logan, et al. (2012), the assessment for Perceived Entertainment using a Likert-type scale by selecting the option that best indicated respondents' perception about social media advertising:

- 1. Is entertaining
- 2. Is enjoyable
- 3. Is pleasing
- 4. Is exciting

1.5.6 Intention to Use

According to (Fishbein & Ajzen, 1975), Intention to Use defined as the degree of one's purpose to engage in a certain behavior. Meanwhile, Moven & Minor (2002, p. 322) describe Behavioral Intentions are consumer desires to behave such as using or disposing of products/services in a certain way. In this study, the

term "Intention to Use" has the same meaning and understanding as Purchase Intention.

According to Kotler, et al. (2016, p. 198), Purchase Intention is a type of consumer behavior in which a customer want to purchase or select a product based on their experience with, use of, and desire for the product. Meanwhile, according to Morwitz, et al. (2002), Purchase Intention may be considered as a collection of metrics that can be used to assess customer attitudes toward a certain brand. Schiffman & Kanuk (2008), Purchase intention can be used to determine the possibility of consumers to buy a goods, because the greater the intention to buy, the stronger the possibility of consumers to buy a product. Purchase intention is desire to achieve a goal by performing a certain behavior (Peter & Olson, 2005, p. 235). This definition can be interpreted as behavior that arises from the user's response to the product and also shows the user's desire to use it repeatedly.

In addition, Percy (2018, p. 185) states that Purchase Intention is the target audience's instructions to themselves to buy or use the brand. In other words, it is a commitment to act, but not necessarily to ensure the actual purchase or use of the brand. Target audience instruct themselves to respond the message immediately. Purchase intention is a critical metric for assessing customer behavior when it comes to purchasing items. Thus, Spears & Singh (2004) continues by defining a purchase intention concisely as a person's conscious choice to make an attempt to purchase a brand.

Belch & Belch (2012, p. 830) define purchase intention as the tendency to purchase a certain brand. Two elements impact a person's purchase intention: other people's attitudes and unexpected situational factors. From the definition, it can be said that "Intention to Use" can be interpreted as a form of the target audience's willingness to use or reuse on the product/service. Therefore, Intention to Use is measured using indicators adapted from Venkatesh, et al. (2012) with Likert-type scale which consists of:

- 1. The intention in using the product.
- 2. The effort to use the product in daily life.
- 3. The plan to use the product in the future.
- 4. The prediction to use the product in the future.

1.5.7 The Influence of Brand Ambassador Credibility to Intention to Use

To explain the influence of Brand Ambassador Credibility to Intention to Use Blibli, this study used Source Credibility Model. This model was developed by Hovland, Janis & Kelly (1953) in the book "Communication and Persuasion" which states that "people are more likely to be persuaded when the source present itself as credible". Source Credibility assumes that the effect of a particular communication is a change in attitude that is seen in the extent to which the communication is noticed, understood, and accepted. Essentially, it asserts that the success of a message is dependent upon the perceived credibility of an endorser (Hovland, et al., 1953).

The model illustrates the extent to which the perceived attractiveness, trustworthiness, and expertise of an endorser influence the endorsement's effectiveness (Ohanian, 1990). Hovland, et al. (1953) states what matters most is how the target audience perceives the endorser, not his or her level of expertise. The more credible the source, the easier it will be to influence the audience's perspective.

According to McGuire (1969) in Belch and Belch (2004), when the audience receives information from a credible source, they will be impacted by the endorser's views, viewpoints, behaviors, and actions, and they will adopt that perspective because they believe it to be accurate. Once a recipient internalizes a viewpoint or attitude, it gets embedded in his or her beliefs and may be kept even if the source of the communication is forgotten. This occurs when receivers embrace a source of influence based on their unique value structures and attitudes (Erdogan, 1999, p. 297).

Ohanian (1990) noted that source credibility is commonly used to emphasize the communicator's positive attributes that impact the message's reception on the audience. In addition, Hunter (2010) claims that source credibility increases consumer confidence, enhances consumer reactions to a brand, and alters negative predispositions. The source credibility model facilitates comprehension of message efficacy by identifying the three most significant source impacts on

purchase intent, brand attitude, and attitude towards advertising (Amos, et al., 2008).

According to Glover (2009), consumers perceive that a credible source has more product knowledge; hence, they pay more attention to the recommendations of credible sources, which stimulates purchase intention. Multiple studies have shown that the credibility of the communicator will promote purchase intention. According to the findings of Khan et al. (2019) there is a positive influence of endorser credibility and purchase intention. Similarly, Muda, et al. (2014) found that credible advertisements not only encourage consumers to purchase the brand, but also persuade others purchase. In this study, the role of the brand ambassador credibility is considered to have sufficient credibility to increase Intention to Use Blibli. The connection is how the credibility is able to make the audience to use Blibli and behave in accordance with the message to be conveyed.

1.5.8 The Influence of Social Media Advertising Perceived Informativeness and Social Media Advertising Perceived Entertainment to Intention to Use

This research used the Expectancy Value theory proposed by Fishbein (1963) to explain the influence of social media advertising perceived informativeness and entertainment on Instagram @bliblidotcom towards intention to use. Expectancy Value theory discusses how responses to an object rely on an individual's beliefs, in other words how an individual's reaction to an object depends on his or her own viewpoints. According to this theory, belief is a person's subjective understanding of something (e.g., social media advertising) that is tied to the object's features (e.g., informativeness & entertainment). When an individual accepts the link between an object and certain attributes, a belief will develop. As belief grows, the expected value of an individual's seen object might increase, and so the belief reflects the expectation component of Expectancy Value theory (Smith & Swinyard, 1982).

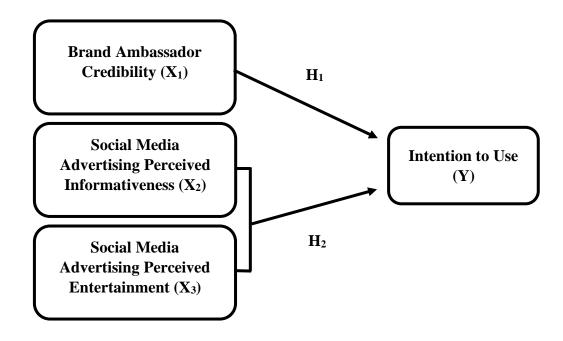
An individual's attitude toward an object is a consequence of his or her beliefs about the object and the evaluative features of those beliefs, according to this theory. Thus, a belief about an object can be described as the possibility dimension of a concept, where the concept is an individual's relational assertion about an object. This theory explains the process that begins when an individual holds belief about a particular object, then associates it with each related object and generates an evaluative response in the form of an attitude, then associates the attitude object with the evaluative response and ultimately motivates an action.

In accordance with this theory, the attributes of the object are subsequently evaluated unconsciously by the individual. Thus, evaluations that were once connected with qualities (e.g., the perceived informativeness of social media advertising) became conditioned on objects (e.g., valuable social media advertising). Ultimately, a generalized, summed response or overall evaluation of the object is generated (Fishbein & Ajzen, 1975). This evaluation will then result in behavioral intentions including purchase intention (Wolin, et al., 2002).

Several prior research have discovered that perceived informativeness and perceived entertainment influence purchasing intention. According to Ducoffe (1995), advertising with a higher level of visual complexity and enjoyment tend to foster a more favorable attitude in consumers and may also impact their purchasing behavior. In a study conducted by Sarraf & Teshnizi (2020), social media advertising entertainment is proven to have a significant effect on purchase intention. Likewise, Arora & Agarwal (2019) conducted a study on Indian millennials and proved that informativeness strongly influences the purchase intention. Furthermore, a study conducted by Warsame, et al. (2021) also found a positive influence of social media advertising informativeness and entertainment on purchase intention.

In accordance with the Expectancy Value theory and previous research findings, it is predicted that social media advertising would be seen as informative and entertaining by consumers, resulting in a positive intent to use it. Moreover, audiences will evaluate the intuitive entertaining potential of social media advertising. If it generates an emotional bond with customers and simplifies their delight, satisfaction, and pleasure, consumers will value and appreciate the commercial. With the entertainment and informativeness value on social media advertising, it is assumed that social media advertising perceived informativeness and perceived entertainment will positively influence intention to use.

Figure 1.10 Theoretical Framework



1.6 Hypotheses

The hypotheses of this research are:

 H_1 : There is a positive influence of Brand Ambassador Credibility (X_1) to Intention to Use (Y) in Blibli as online shopping platform.

 H_2 : There is a positive influence of Social Media Advertising Perceived Informativeness (X_2) and Social Media Advertising Perceived Entertainment (X_3) to Intention to Use (Y) Blibli as online shopping platform.

1.7 Conceptual Definitions

1.7.1 Brand Ambassador Credibility

Brand Ambassador Credibility refers to the extent to which the attractive, expert, and trustworthy the celebrity appointed as brand ambassador in conveying the product information advertised.

1.7.2 Social Media Advertising Perceived Informativeness

Social Media Advertising defined as any type of creative, original, or informational content produced through social media by a brand to persuade their consumer explicitly or implicitly. Social Media Advertising Perceived Informativeness is the extent to which customers view social media advertising to provide adequate information about the advertised product.

1.7.3 Social Media Advertising Perceived Entertainment

Social Media Advertising Perceived Entertainment refers to customers' favorable perception of the entertainment they receive through social media advertising.

1.7.4 Intention to Use

Intention to Use is a form of the target audience's willingness to use Blibli as online shopping platform.

1.8 Operational Definitions

1.8.1 Brand Ambassador Credibility

To determine brand ambassador credibility, this study measured using indicators adapted from Munnukka, et al. (2016) which consists of:

a. Attractiveness

- I consider the brand ambassador very appealing.
- I consider the brand ambassador very stylish.
- I think the brand ambassador is good looking.
- I think the brand ambassador is sexy.

b. Expertise

- I feel the brand ambassador knows a lot about the product.
- I feel the brand ambassador is competent to make assertions about the product.
- I consider the brand ambassador is proficient on the product.
- I consider the brand ambassador sufficiently experienced to make assertions about the product.

c. Trustworthiness

- I feel the brand ambassador was honest.

- I consider the brand ambassador reliable.
- I feel the brand ambassador was truthful.
- I consider the brand ambassador earnest.

1.8.2 Social Media Advertising Perceived Informativeness

To determine social media advertising perceived informativeness, the indicators referred to the measurement derived by Alalwan (2018) which consists of:

- Social media advertisements of Blibli provide the information I need about the product.
- Social media advertisements of Blibli provide timely information about the product.
- Social media advertisements of Blibli are a good source for up-to-date product information.
- Social media advertisements of Blibli are an easily accessible source of information about the product.
- Social media advertisements of Blibli provide complete information about the product.

1.8.3 Social Media Advertising Perceived Entertainment

Social media advertising perceived entertainment is measured through several indicators that have been compiled and derived by Logan, et al. (2012) as follows:

- Social media advertisements of Blibli are entertaining.
- Social media advertisements of Blibli are enjoyable.
- Social media advertisements of Blibli are pleasing.
- Social media advertisements of Blibli are exciting.

1.8.4 Intention to Use

To determine intention to use, this study used indicators adapted from Venkatesh, et al. (2012) which consists of:

- I intend to use Blibli in the future.
- I will always try to use Blibli in my daily life.

- I plan to use Blibli in future.
- I predict I would use Blibli in the future.

1.9 Research Method

1.9.1 Research Type

This study uses quantitative method with explanatory research method. The explanatory research method explains how variable relates to other variables. This study aims to see the Influence of Brand Ambassador Credibility (X_1) , Social Media Advertising Perceived Informativeness (X_2) , and Social Media Advertising Perceived Entertainment (X_3) as the independent variables towards Intention to Use (Y) Blibli as Online Shopping Platform as the dependent variable.

1.9.2 Population

The population in this study is male and female with an age range between 18 - 33 years old in Indonesia, know Blibli's latest brand ambassador, and have seen social media advertising content on Blibli's official Instagram account @bliblidotcom in the past two months (August to September, 2022). The population selected based on data obtained from results of the Katadata Insight Center (KIC) and Kredivo research, that shows the age range of e-commerce users is mostly the younger generation and adults aged 18 - 35 years old (Lidwina, June 9, 2021). Under these conditions, the number of population is unknown.

1.9.3 Sampling

1.9.3.1 Sampling Technique

The sampling technique used is purposive sampling. According to Neuman (2015), Purposive sampling is a nonprobability sampling technique which use a variety of techniques to identify all potential members of a very particular and difficult-to-reach community. This technique is used because of the number of male and female populations aged 18 - 33 years old in Indonesia know Blibli's latest brand ambassador and have seen social media advertising content on Blibli's official Instagram account @bliblidotcom in the past two months (August to September 2022) is unknown.

1.9.3.2 Sample Size

The number of samples in this study is 256 respondents. According to Roscoe (1975, p. 150), the proper sample size is between 30 and 500.

1.9.4 Types and Sources of Data

The types of data utilized in this study is primary data, which the researcher collects directly from the respondent. Primary data were obtained directly from respondents in the field directly answered by respondents. The source of this data can be obtained from the results of the survey filled out by the target respondent and processed by the researcher.

1.9.5 Research Instrument and Data Collection Techniques

1.9.5.1 Instruments

Questionnaires were used to collect data, as an efficient data collecting instrument when the researcher is sure of the exact variables to be measured and understands what the respondent is expected to do.

1.9.5.2 Technique of Collecting Data

In this study, the technique of collecting data used is self-administered, which is a data collection technique that involves submitting or delivering a set of questions for respondents to fill. The platform utilized to collect data is Google Form.

1.9.6 Data Processing

The data in this study processed through three stages, namely:

a. Editing

This stage is the stage where the researcher has finished collect the results of the questionnaire from the field. Editing is the activity of checking or reselecting respondents' answers. This is intended to avoid errors, incompleteness, falsity, and discrepancies.

b. Coding

Coding is an activity of grouping and classifying answers from respondents by using certain signs or codes in the form of numbers.

c. Tabulating

The last stage is the stage of including the data in the form of tables and convert and calculate in the form of numbers. Tabulation presents the data obtained in tabular form so that readers can see the research results clearly. After the tabulation process is complete, then the data is processed with the SPSS program for the next testing stage.

1.9.7 Validity and Reliability Test

1.9.7.1 Validity Test

According to Neuman (2015), validity test is essential to determine the dependability or consistency of a variable's measurement. The validity test determines if the outcomes of research and data analysis are valid, recognized, and acceptable. The level of validity is determined by comparing the calculated r value to the r table value for the degree of freedom df = n - k with an alpha of 0.05. If the calculated r value exceeds the table r value and is positive, the questionnaire is considered valid. Likewise with the opposite (Ghozali, 2009, p. 49).

1.9.7.2 Reliability Test

Reliability is a test that measures the consistency of a questionnaire after going through several stages with the subject under the same conditions. At this stage of reliability testing using a Statistical Test with Cronbach Alpha on the SPSS (Statistical Product and Service Solutions) application. Ghozali (2009, p. 48) argues that if the Cronbach's Alpha value is greater than 0.60, a variable is considered reliable. Conversely, if the value of Cronbach's Alpha < 0.60 then it is not reliable.

1.9.8 Data Analysis Technique

To analyze the data in this study, statistical test was used using the analysis of Linear Regression. According to Palmer & O'Connell (2009), analysis of linear regression is a statistical technique used to identify the relationship between a single dependent variable and one or more independent variables. Based on the linear combination of the independent variables, the method predicts a value for the dependent variable.