

The Impact of Brand Ambassador on Brand Image and Consumers' Purchasing Decision: A Case of BTS as Tokopedia's Brand Ambassador

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Abstract: *E-commerce competition in Indonesia is increasing rapidly, E-commerce in Indonesia is competing to conduct massive promotions to attract the attention of consumers. One of the e-commerce in Indonesia is Tokopedia. Tokopedia requires a promotional strategy that aims to enhance the company's image and attract consumer buying interest. One of the promotional strategy used by Tokopedia is to use brand ambassador in its advertisements. This study aims to see whether there is an impact of brand ambassador on brand image and the consumers' purchasing decision. This research was conducted on Tokopedia's consumers in Indonesia. The study was conducted using quantitative methods with data collection techniques by collecting questionnaires distributed. In addition this study has a total sample of 400 respondents using non-probability sampling methods. The questionnaire filling in this study uses a Likert scale. This study use 19 questionnaire statements for 3 variables. Data processing is performed using SPSS and SmartPLS. The result of this research show that brand ambassador has a significant and positive impact on brand image, brand ambassador has a significant and positive impact on consumers' purchasing decision, and brand image has a significant and positive impact on consumers' purchasing decision.*

Keywords: Brand Ambassador, Brand Image, Consumers' Purchasing Decision, E-Commerce

1. Introduction

Indonesian Internet Service Providers Association (APJII) announces that Indonesia has reported an Internet penetration increase of 10.12 per cent in Indonesia. With a total population of 264.16 million people estimated to have used the Internet as many as 171.17 million people, it indicates that 64.8 per cent of Indonesian citizens have Internet access[1]. Indonesia 's high growth in internet users makes e-commerce is developing into promising business opportunities.

Tokopedia is Indonesia's owned e-commerce platform that was founded in 2009, and grew fast to be a leader in Indonesia's online marketplace. Throughout the years, Tokopedia has investors, the recent one is from Alibaba Group with a nominal of \$1.1 billion or equivalent as Rp. 16 Trillion This raises Tokopedia 's valuation to \$7 billion, or equivalent to Rp. 102 trillion. This makes Tokopedia classified as one of Indonesia's Unicorn start-ups[2]. Tokopedia is an e-commerce firm with the highest transaction value in Indonesia, according to the E-Warung 's Report: Indonesia's New Digital Battleground, published by CLSA. Tokopedia has been leading the highest transaction value since 2014 and is expected to continue doing so by 2023. Noted in 2018, Tokopedia's transaction value is US\$ 5.9bn. The Consumer-to - Consumer (C2) channel is the core business of Tokopedia, with a transaction value of US\$ 5.6 billion, whereas Tokopedia's Business-to - Consumer (B2C) channel is worth US\$ 148 million. CLSA predicts the value of transactions in Tokopedia will reach US\$ 37.45 billion in 2023[3].

The popularity of Tokopedia was also driven by an aggressively followed marketing strategy in introducing Tokopedia and its products to the public, one of which is the use of celebrities that attract the public's attention. A

marketing strategy which is a force to grow and sustain competition is required based on the fast-paced business competition. Using a brand ambassador is one effective marketing technique for delivering deals and drawing a lot of attention. Based on previous explanations, this study aims to analyze the impact of brand ambassador on brand image and the consumers' purchasing decision.

2. Literature Review

Brand Ambassador

A tool used by companies to communicate and correct with the public, regarding how they enhance sales [4].

Brand Image

An association that emerges from a brand memory in the minds of customers. The connection can be taken the form of certain brand-related thoughts and images [5].

Consumers' Purchasing Decision

The process where consumers' make a decision to buy the preferred brand that will be taken by the consumers [6].

3. Methodology

This research uses quantitative method and data were collected using questionnaire that was distributed in a period of time and using Likert Scale.

3.1 Research Framework

Based on previous research conducted by Wang and Hariandja [7], the framework for this research is as shown below:

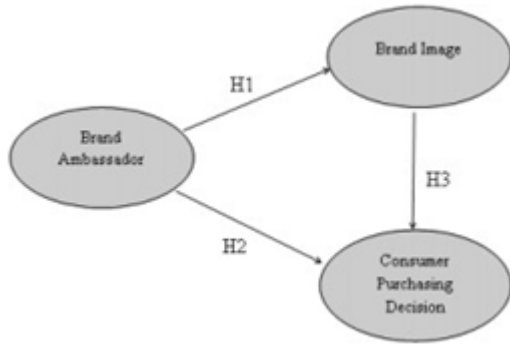


Figure 1: Research Framework

The hypotheses to be tested are as follows:

H1: Brand Ambassador has a positive and significant impact on Tokopedia’s Brand Image

H2: Brand Ambassador has a positive and significant impact on Consumers’ Purchasing Decision

H3: Brand Image has a positive and significant impact on Consumers’ Purchasing Decision

3.2 Data Collection

Author gather data from 429 respondents, data was spread via social media. The criteri as for this questionnaire are, have shopped in Tokopedia at least 3 times and know BTS X Tokopedia advertisement.

Table 3.1: Demographic characteristics of respondents

Characteristic	Frequency	Percentage
Age		
17-25	392	91.38%
26-35	27	6.29%
36-45	8	1.86%
46-60	2	0.47%
Gender		
Male	108	25.17%
Female	321	74.83%
Educational Level		
Below Senior High School	17	4%
Senior High School	238	55.6%
Diploma	8	1.8%
Bachelor	159	37%
Master	7	1.6%
Doctor	0	0%
Occupation		
Students	328	76.5%
Government Employees	13	3.2%
General Employees	54	12.6%
Entrepreneur	25	5.8%
Other	9	1.9%
Income per Month		
<Rp. 1.000.000,00	160	37.30%
Rp. 1.010.000,00 – Rp. 2.000.000,00	94	21.91%
Rp. 2.010.000,00 – Rp. 3.000.000,00	50	11.66%
Rp. 3.010.000,00 – Rp. 4.000.000,00	51	11.89%
>Rp. 4.010.000,00	74	17.25%

The result of respondents characteristic will be discussed in the result and discussion section.

4. Result and Discussions

4.1 Outer Model

SmartPLS 2.0 is used in this research to test model of this

research. Composite Reliability is the internal consistency measure of indicators of a construct which indicates the degree to which each of these indicators indicates a common latent factor or a construct. The reliability test is performed taking into account the importance of composite reliability and Cronbach's Alpha. The tests of composite reliability and Cronbach's Alpha will indicate a good value if the value is above or equal to 0.7 [8]. Below are the results of Composite Reliability and Cronbach’s Alpha of this research:

Table 4.1: Reliability Model

Constructs	Composite Reliability	Cronbach’s Alpha	Description
Brand Ambassador	0.879	0.829	Reliable
Brand Image	0.928	0.913	Reliable
Consumers’ Purchasing Decision	0.883	0.834	Reliable

The constructs of this research have a result of Composite Reliability and Chronbach’s Alpha reliable. It can be concluded that the model of this research is reliable.

The AVE value is used to measure the amount of variance the construct is valid of capturing compared with the variance caused by the error of measurement. It means, the variable still measures the variance of values contained in each variable. The requisite AVE value is > 0.5 so that it could be categorized as valid [9].

Table 4.2: Validity Model

Latent Endogen Constructs	AVE score	Description
Brand Ambassador	0.593	Valid
Brand Image	0.589	Valid
Consumers’ Purchasing Decision	0.602	Valid

The result of the measured AVE score indicates that each variable has a score of more than 0.50 in this study. Convergent validity criteria are therefore applied to each variable in this research.

4.2 Inner Model

Inner model is carried out to test the latent variable to another variable. R² value shows coefficient of determination or percentage of influence of one or several independent variables on one dependent variable. The higher the percentage indicates the stronger the effect, while the lower the percentage indicates the weaker the effect. Below is the results of R² of this research:

Table 4.3: Inner Model Test

Latent Endogen Constructs	R ²
Brand Image	0.2644
Consumers’ Purchasing Decision	0.5019

Based on the result in the table, the R²forBrand Image is 0.2644 and the R² for Consumers’ Purchasing Decision is 0.5019. This means that Brand Ambassador has an impact of 26.4% on Brand Image. Meanwhile, other factors which are not observed in this research impact the remaining 73.6%. This also means that Brand Ambassador and Brand Image has an impactof 50.2% on Consumers’ Purchasing Decision. Meanwhile, another factor which is not observed in this

research impacted the remaining 49.8%. From the result, this can be concluded that the model of this research is acceptable.

4.3 Hypothesis Testing

The estimated value in the structural model for path relationships needs to be significant. The bootstrapping procedure can obtain that significant value. The level of significance used in this research is 5%. By using the 5 per cent meaning level, the t-value must be higher than 1.65 to reject the null hypothesis. If more than 1.65, this implies that the meaning of the independent variable is affected, then H_a is accepted.

Table 4.4: Hypothesis Testing *t*

Hypothesis	Path	Path Coefficient	t statistic	Description
H1	BA -> BI	0.514	13.526	Accepted
H2	BA -> CPD	0.147	2.738	Accepted
H3	BI -> CPD	0.621	16.986	Accepted

From the result above, it shows that H1 which is Brand Ambassador has a positive and significant impact on Tokopedia's Brand Image is tested to be accepted, H2 which is Brand Ambassador has a positive and significant impact on Consumers' Purchasing Decision is tested to be accepted, H3 which is Brand Image has a positive and significant impact on Consumers' Purchasing Decision is tested to be accepted.

4.4 Discussion

From the result of the respondents characteristic, it can be seen from the total of 429 respondent, age category are from 17-25 years old as many as 392 people with a percentage of 91.38%. The result of consumers' gender is dominated by female as many as 321 people with a percentage of 74.83%. The majority of consumer's educational level that participated in the research is from senior high school as many as 238 people with a percentage of 55.6%. The majority of consumers' occupation in this research are students as many as 328 people with a percentage of 76.5%. Lastly, the majority of consumers' income level is <Rp. 1.000.000,00 as many as 160 people with a percentage of 37.30%.

From the outer and inner model test, it can be concluded that the model that is used in this research is applicable to be tested. The hypothesis testing result shows that all hypotheses are accepted; brand ambassador has a positive and significant impact on Tokopedia's brand image, brand ambassador has a positive and significant impact on consumers' purchasing decision, and brand image has a positive and significant impact on consumers' purchasing decision. This finding is consistent with previous research conducted by Wang and Hariandja (2017), Weerasiri and Herath (2017) [10], Mudzakir (2018) [11], Arora (2017) [12], Samreen (2016) [13], Magdalena et al (2015) [14], and Foster (2016) [15].

5. Recommendations

As a result of the research that has been discussed, the author has provided the company with some suggestions. Each variable will be discussed with the suggestions made by the author. Suggestions are made for the company and future researchers.

For future researchers, variables used in this research model, which are Brand Ambassador, Brand Image and Consumers' Purchasing Decisions, have a positive and significant impact on each other. Although the variables have a positive and significant impact on each other, the R2 scores are not that high. With an R2 score of 0.2644 for Brand Image and 0.5019 for Consumers' Purchasing Decision, it is expected that the results of this study can be used as a reference for future researchers to develop this research by considering other variables other than the variables included in this study. This research is aimed at Tokopedia, which uses BTS as their brand ambassador. Meanwhile, BTS is well known to be an artist who has become many brand ambassadors to many brands: Fila, Hyundai, Line, Lotte Duty-Free, LG, Mattel, and many more. Therefore, in the next BTS research as a brand ambassador, the object can be analyzed by the different brands mentioned above, so that the results of the study can be compared to each other.

For the company, which is Tokopedia. For brand ambassador, the appearance of BTS in the eye of Tokopedia's consumers still needs improvement, and this could be improved by making more events that can link Brand Ambassador to Tokopedia's consumer. The event could be held in a meeting and greeting format, and Tokopedia could carry BTS to Indonesia and meet and greet with the participants. Thus consumers as participants can ask the Brand Ambassador directly about Tokopedia itself, thus the the memory of BTS as the brand ambassador for Tokopedia. For brand image, the same day service that Tokopedia provides is not fully completed. It can be reduced if Tokopedia cooperates with more delivery companies on the same day shipment. Tokopedia currently only cooperates with Grab and Gojek on the same day for shipping services, but if Tokopedia cooperates with more couriers providing the same day delivery service, more courier can be deployed to send the same day packages, increasing the number of packages that can be delivered on the same day. Thus, all packages ordered on the same day by the consumers can be delivered on time and there will be no delay in delivery service. Lastly, for consumers' purchasing decisions, consumers did not feel happy when they made purchases on Tokopedia. Consumers feel disorganized as a result of the User Interface (UI) and User Experience (UX) of Tokopedia. This can be avoided by upgrading the user interface that Tokopedia consumers feel messy so that the user experience they have is more enjoyable. Upgrading user interfaces is not easy and inexpensive, but it can be started by displaying a cleaner-looking home screen.

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