CHAPTER I

INTRODUCTION

I.1. Background

Word of mouth (WOM) is the main reason of 20 to 50 percent of all purchasing decisions. In fact, Misner (1999), described WOM as the world's most effective, yet least understood marketing strategy. Its greatest influence is when consumers are buying a product for the first time that tend to make people conduct more research, seek more opinions, and deliberate longer than they otherwise would (Bughin, Doogan, & Vetvik, 2010). This is simply because people tend to trust any information given to them from their closed ones such as friends and family or opinion leader such as specialist or blogs rather than a bias marketing advertisement (Berger, 2013).

As computer technology evolves, the nature of communication changes whereby computer based technology such as handphones, laptops, computers, and tablets allow people to search for information in addition with synchronously and asynchronously interacting with each other, spreading information globally (Romiszowski & Mason, 1996). As a result, theorists adapted the WOM theory in relation with this information technology advancement to *Electronic Word-of-mouth* (eWOM). The spark of all these inventions possibility is by the birth of *new media.*

Manovich (2001), described *New media* as the technological breakthrough that digitalize each media elements (images, sounds, shapes) in and out of a computer which automatically scripted as structural digital codes to be distributed and exhibited as online newspapers, social media, and blogs through the *internet* technology. *Internet* is a global computer network providing a variety of information and communication facilities, consisting of interconnected networks using standardized communication protocols (Oxford Dictionary, 2018). This enlarges the range of the bi-directional communication capabilities of the *word of mouth,* where it is no longer an act of intimate, one-on-one communication but product reviews can be posted online, opinions communicated through social networks. Modern consumers, entrepreneurs, or marketers now creates *blogs* to praise or punish brands. As Wright (2005) stated, *"With blogs, ideas and news really do travel like the proverbial wildfire!"*

According to Flew (2008), *blog* is basically a web-based informal journal that makes it easy for individuals or groups to publish short articles called *posts* that can be accessed globally through the internet technology. *blog* is basically conversational in tone as it supports participation for interactive discussion, identified as *comments*, relating to the matter of the *posts*. Moreover, even mainstream TV news reporters are now quoting from the more popular blogs on the air, which shows the credibility value of a blog (Wright, 2005). Besides that, there is also *microblog,* typically posting of frequent brief messages about personal activities done with severe space or size constraints such as *Instagram* (Merriam-Webster, 2018).

Instagram is a mobile app created by, Kevin Systrom and Mike Krieger that allow users to capture photos and videos with a series of *filters* such as *Clarendon, Gingham, Moon, Lark, Reyes,* provided to enhance the appearance of the image and share instantaneously to their *followers*. *Followers,* are the subscribers who receive the *posts* (videos and photos) from the Instagram account. And in opposite, *following* is the term used for the Instagram account who subscribes multiple users to receive their *posts*. These *posts*, shared photos and videos, will be seen on the *feeds* of the Instagram user. In October 2010, Instagram has achieved to attract more than 150 million active users, with an average of 55 million photos uploaded by users per day, and more than 16 billion photos shared so far in 2013 (Hu, Manikonda, & Kambhampati, 2014). In September 2017, Instagram already has 500 million daily active users (Statista, 2017). This shows that, *Instagram* is an app that keeps growing rapidly. One of the famous user on Instagram based in Indonesia is Anak Jajan.
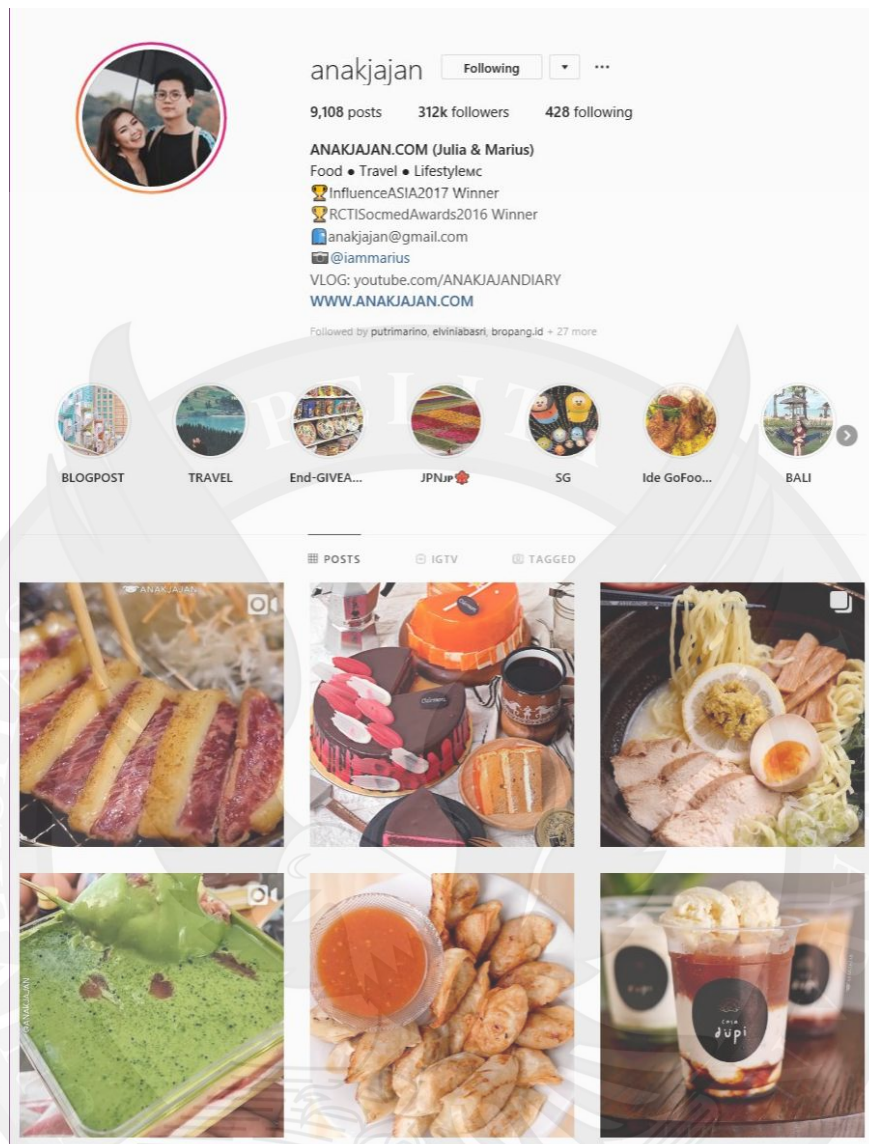
Figure 1.1 Anak Jajan User Page
source: instagram.com/anakjajan 2018

Anak Jajan is a food, travel and lifestyle blog created by husband and wife, Marius Tjenderasa and Julia Veronica. Their post relates mostly to cooking recipes, food reviews, and restaurants and cafes recommendation that are exposed through Instagram. In 2018, Anak Jajan have massive 312 thousand *followers* in *Instagram*.
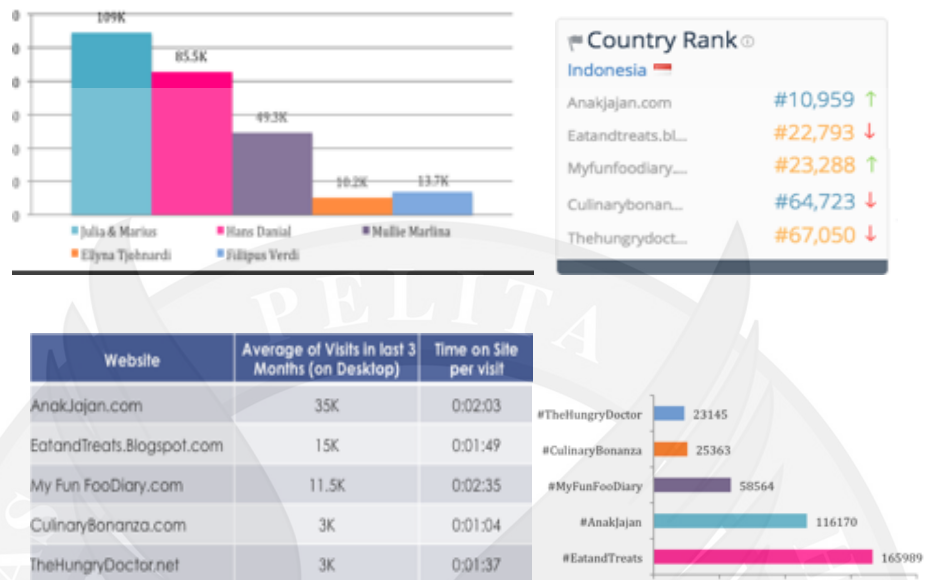
| 109K | 85.5K | 49.3K | 10.2K | 13.7K |

■Julia & Marius ■Hans Danial ■Mullie Marlina
■Ellyna Tjahnardi ■Filipus Verdi

Country Rank

Indonesia

Anakjajan.com	#10,959 ↑
Eatandtreats.bl...	#22,793 ↓
Myfunfoodiary....	#23,288 ↑
Culinarybonan...	#64,723 ↓
Thehungrydoct...	#67,050 ↓

Website	Average of Visits in last 3 Months (on Desktop)	Time on Site per visit
AnakJajan.com	35K	0:02:03
EatandTreats.Blogspot.com	15K	0:01:49
My Fun FooDiary.com	11.5K	0:02:35
CulinaryBonanza.com	3K	0:01:04
TheHungryDoctor.net	3K	0:01:37

#TheHungryDoctor	23145
#CulinaryBonanza	25363
#MyFunFooDiary	58564
#AnakJajan	116170
#EatandTreats	165989

Figure 1.2 Anak Jajan Statistics
source: tothenew.com 2015

And based on the calculated data above by Samantha (2015), Anak Jajan is the
number one food blogging influencer in Indonesia.
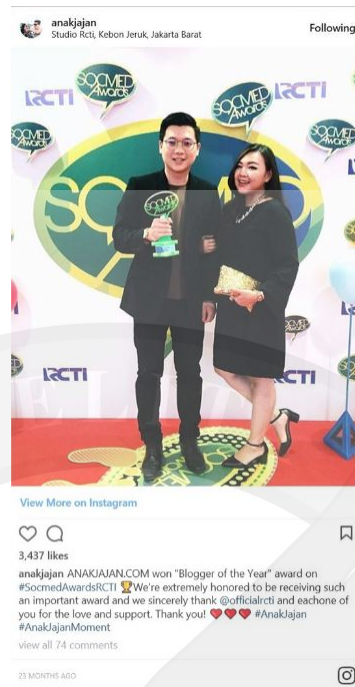
Figure 1.3 Anak Jajan RCTI Socmed Award
source: anakjajan.com 2018

Furthermore in 2016 Anakjajan.com has already won RCTI "Socmed Awards" as "blogger of the year".

In all their posts of food, Anak Jajan use a feature on Instagram called "tag a profile", where they paste the link of another Instagram page on their photo or video post. Assuming a viewer take his/her curiosity of the food product to another level, by tapping the image once, user will see the link pop up from the image.

Figure 1.4 Tag a profile Feature on Instagram
source: *instagram.com/anakjajan 2018*

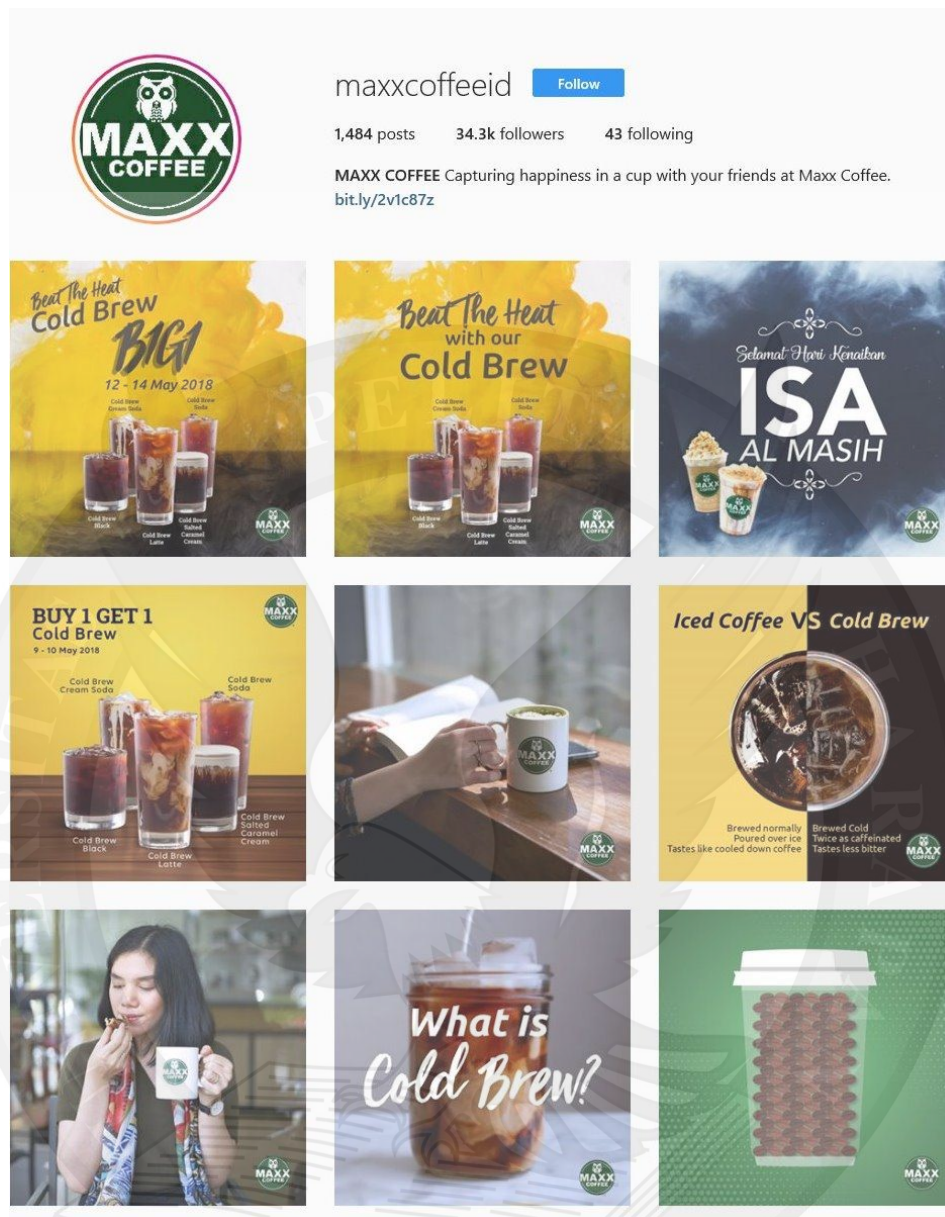By tapping the link, user will be directed to another Instagram page, in this example below, @maxxcoffeeid.

Figure 1.5 Tagged Profile Page
source: www.instagram.com/maxxcoffeeid 2018

This feature of *Instagram* provides an opportunity for marketers to raise their brand awareness through exposing their products to the followers of Anak Jajan on Instagram. This modern method of promotion is identified as *celebrity endorsement*.

Celebrity Endorsement is a form of advertising campaign or marketing strategy used by brands, companies, or a non-profit organization which involves celebrities or a well-known person using their social status with qualities such as attractiveness, likeability, and trustworthiness to promote a product or service (Erdogan, 2010). Moreover, a phenomenon called "correspondence bias" suggests that consumers are bias to the extent that they believe particularly celebrities genuinely adore the product regardless of endorsement fees (Silvera & Austad, 2004). Furthermore Kelman (1961), explained that in their objective to convince consumers to purchase a product, it will be more effective if the receivers perceive them as attractive and credible. And judging from the awards and statistics above, the researcher assumed that Anak Jajan are qualified with those qualities.

I.2. Problem Identification

For marketers to perform better, they must understand the consumer behavior of the potential customer goes through. This could be achieved by studying the AISAS model by Dentsu (Sugiyama & Andree, 2010). The benefit of this is to accomplish more effective design in marketing strategies for achieving marketing objectives. One of the strategy is promotion, to influence the *attention* stage in the AISAS model. In this *attention* stage, consumers notice the promoted product while they are exposed to various information.

In this digital era, people tend to be exposed to information from the internet as it provides instant results and practical usability. However, the internet

provides massive exposure of information to consumers from advertisements, websites, online journal, social media, and blogs. Despite that, only few can get the attention and trust of the consumers. However according to Berger (2013), people have the tendency to trust any information given to them from their closed ones such as friends and family or opinion leader such as specialist or blogs rather than a bias marketing advertisement.

According to Saravanakumar & SuganthaLakshmi (2012), blogs influence roughly one in five viewers at important purchasing decision stages as blogs help consumers discover products and services, refine choices, get support and answers, and decide on a specific product or service. Therefore, the researcher chooses to research on Anak Jajan, a well-known micro-blogger with 312 thousand followers on Instagram that focuses on food, travel and lifestyle.

The researcher uses the modern AISAS (Attention, Interest, Search, Action, Share) model by Dentsu to analyze this effectiveness as modern consumers tend to share with their closed ones as well as the online community the information that they have obtained (Sugiyama & Andree, 2010).

I.3. Statement of Problem

Therefore, based on the background and problem identification, the writer wants to analyze the effectiveness of celebrity endorsement through Instagram account of Anak Jajan in promoting food products. Do they succeed to the extent of purchasing decision of their consumers or furthermore, sharing the product generating new ripples of eWOM?

I.4. Purpose of Study

1) To measure the effectiveness of Anak Jajan's Instagram account in generating brand awareness to their followers.

2) To understand better that the availability of social media creates new approach for advertising.

3) To understand the consumer behavior of the digital era.

I.5. Significance of the Study

1) Practical benefit:

From this research, marketers could understand better the advantages of celebrity endorsement promotion using Instagram.

2) Theoretical benefit:

To add an academical literature related to the advantages of promotion using Instagram.