

CHAPTER II

LITERATURE REVIEW

In this chapter, author will describe the theoretical background of this research. the author later will explain about brand ambassador, brand image, and buying decision. Also this chapter will explain the previous studies, research hypotheses and conceptual framework of this research.

2.1 Theoretical Background

Kotler defines that marketing as the science and art of exploring, creating, and delivering some values to satisfy the needs of a target market at a profit. Marketing should identify what consumer needs and desire that have unfulfilled. it defines measures and quantifies the size of the identified market and the profit potential.

2.1.1 Brand Ambassador

Companies use brand ambassador usually to draw in the eye of the consumers, also to extend consumers' interest to their products or services. In the line with Anderson and Ekman (2009) brand ambassador authenticates validity of features which distinguish products and give them attractive and might affect other networks and relationships by word of mouth effects. Using brand ambassador is not only costly effective. Brand ambassador can be described as a missionary sales representative for the company. Brand ambassadors, who are also recognized as

opinion leaders, can begin to use a new product or idea and create the statement that consumer will believe (Rehmet and Dinnie, 2013). Brand ambassador is a mediator between the company and customer and they have a significant impact as well on customer perception of brands, company, organizations and in general. the brand ambassadors are the representatives who confirm brands by their reputation (Harris and De Chernatony, 2001).

Brand ambassadors are often related with celebrities or public figure because usually celebrities and public figure have many followers and they have their own audience. Celebrity's believed to be one of few factors that can affect the consumers' psychology. Evaluating celebrity usage should use the VisCap Model. According to Royan (2004) VisCap Model has four elements, such as:

1. Visibility is about how good the popularity that brand ambassador has and they will represent the product. Popularity can be determined by the celebrity's fans amount and how often the celebrity appear in front of the audience.
2. Credibility is the level to which consumers see brand ambassador who has the knowledge, expertise or experience relevant and they can be trusted to give objective information and unusual to the audience. The advertised products or services fits the perception, desired by the audience. Credibility consist of expertise, objectivity and trustworthiness.
3. Attraction Consumers' acceptance depends on the attractiveness. Attraction has these following attributes:

- a) Physical Likeability is consumer perception to brand ambassador's physical appearance.
 - b) Non-physical Likeability is consumer perception to non-physical appearance, usually known as inner beauty.
 - c) Similarity is when the consumer has something similar or relate with the brand ambassador.
4. Power is the charisma that brand ambassador should have to influence the consumer to decide that they want to buy the product or use the service. This character is usually followed by the significance of influence a public figure has. The high rank or magnitude of the name possessed by public figures is very supportive of this character.

The usage of celebrity or public figure as Brand Ambassador need to be classified based on their role:

a. Testimonial

Brand ambassadors use the companies' products and services personally, and they share the testimony based on their experiences after using the products or services.

b. Endorsement

Endorsement use the celebrity's name for advertising where the brand ambassador is not necessarily an expert. Usually the brand ambassador delivers the information about function, positive content, and primacy product or service even though they haven't fully understood about the products and services.

c. Actor

Celebrities are only asked to advertise in using the products or services. The advertising can be seen on television, like when celebrities do eating or drink scenes and they also say “delicious”. The reality not necessarily they actually use or consume the product.

d. Spokesperson

Celebrities who act as representative of a company, in a certain period of time they will appear in every advertisement or campaign directly to introduce products or services from the company. Usually the contracted brand ambassador in a certain period of time as company spokesperson.

According to Shimp (2003:470) there are five attributes for brand ambassador it is called TEARS, which stands for:

a) Trustworthiness

It means that brand ambassador can be trusted and had integrity in order to get trust from consumer.

b) Expertise

Brand ambassador has knowledge, experience or expertise that can relate to its brand. The audience will more attract to the brand ambassador that has experience and expertise rather than the one who does not.

c) Attractiveness

As brand ambassadors, they should be physically attractive in order to get consumer attention.

d) Respect

The quality that is respected and liked by people is personal quality.

e) Similarity

It is the similarity between brand ambassador and the audience such as, age, gender, ethnic, social status and etc.

2.1.2 Brand Image

It is important to think about brand image when build business because costumer's emotional and perception refers to brand image. (Yuan et.al., 2016; Lahap et al., 2016). Customers like to purchase through online of famous brands and brand image of the company has good impact on customer buying decision. (Keller, 2013; Lee and Tan, 2003). Brand Image can reflect how customer's thought and what they feel about the brand. (Roy and Banerjee, 2007).

According to Peter & Olson (2000), they defined that brand image is consumer perception and preference for the brand. It is also reflected by various brand associations that exist in consumer memory. Although brand associations might occur in various forms, they can be differentiated into performance associations and imagery, associations that are related to brand attributes and advantages.

Brand image might be crucial competitive advantage. it helps in creating by differentiate the brand, forming purchasing rationales, constructing sense and feeling, and big value for organizations. In the elemental purpose of a brand is to impress confidence, exclusivity, strength, trust, durability, and security then these are often considered a very important value of decreasing uncertainty and providing

useful data that will help in directing consumer decision making processes (Erdem et al., 2002). The author will indicate a significant relationship between brand image towards buying decision (Shukla, 2010; Wu et al., 2011; Lien et al., 2015).

According to Keller (2008:56), the level of brand image can be measured from as follows:

1. Strengthens means that brand image has physical privilege which the competitors do not have it. Physical product, price and facility of the product are including as strength.
2. Uniqueness is the superiority that differentiate from other brand. This uniqueness appears from product attribute which makes it the reason why potential consumers will buy the product. The company should make their own product as uniqueness as it can be and different from the competitors. For the example, people who buy product through online, they will expect they will get the best service that easy to understand, safety, responsible, trusted, and etc. to make it different from others online shops, marketer should make sure that their product has strength, favorable, uniqueness and different from competitors.
3. Favorable To choose which one is favorable and which one is uniqueness, marketer should analyze about consumer and competition to decide which one is the best for its brand. Favorable is the ability to make its brand easy to remember such as, pronunciation, easy to use the product, and etc.

There are several indicators that cover brand image according to Parengkuan (2014:1796):

- a) Brand image towards the product. Kotler said that attitude and action toward product is really rely on its brand. It means that trustworthiness, idea and impression have big impact to respond that might happen.
- b) Brand image towards company. Brand image is people perception towards company or its product.
- c) Brand image toward service. Every action that offer to other people, basically it is intangible and it causes no ownership.

2.1.3 Buying Decisions

According to Kotler (2002), the buying decision is the act of consumers to want to buy or not to the product. Of the various factors that influence consumers in the purchase of a product or service, the consumer usually always considers quality, price and the product is already known by the public. Therefore, the customer buying decision is a process of selecting one of several alternative settlement of problems with follow-up is real.

According to Schiffman and Kanuk (2000: 437) it is the selection of an option from two or more choices. May imply, the buying decision is a decision someone where they chose one of the few alternative choices. There are some factors that affect buying decision such as culture, social, individual, and physiologies:

1. Culture is the values, perception, desire, and act that have been taught by family or institution.

2. Social can be a group that have the same goals such as family, or people around them
3. Individual are several things that can affect individual such as age, jobs, economic situation, and their lifestyle.

Consumer buying decision is a series of choices made by consumer before they decide to make a purchase. Pride and Ferrell (2012) as cited in Sagala, Destriani, Putri, and Kumar (2013) stated that to understand consumer buying decision, the marketer must know the consumption process and the utility of products from consumers' perceptions. They also declared that when consumers are purchasing products unconsciously, they will go through several steps in the making of buying decision:

1. The first step decision is problem recognition where the consumers are able to differentiate between what they need and want. usually the marketer will use advertising, sales person, and packaging in order to stimulate recognition of the needs or wants.
2. The second step is searching of the information where the consumer seeks the information from their memory about the products, seeking the information from outside sources, such as from friends and their relatives, government reports, publication, sales person, website, packaging label, and display, or by repetition.
3. The third is evaluating of some alternatives where the consumers will establish criteria which consist of characteristic for what they need.

4. The fourth step is the buying decision where the customer will decide whether to buy the product after evaluating among alternatives or not.
5. The last step is the post-purchase decision when the consumer decides to keep purchasing the product whether they are satisfied or stop purchasing the product if they feel dissatisfied.

2.2 Previous Studies

These are the previous studies that related with this research. The previous studies will be shown in the form of in the following table. it related with the effect of using brand ambassador and brand image on buying decision.

Table 2.1
Table of Previous Study

Author	The title of Article	Variable	Analysis Tools	Conclusion
1. Puspita Astaria (2015)	The Impact of Brand Ambassador on International Brand Image and Decision Buying.	1. Brand Ambassador 2. International Brand Image 3. Decision Buying	Multiple regression analyses	Brand Ambassador positive significantly influence to International Brand Image and Decision Buying
2. Alireza Naser, et al (2018)	Evaluating the Role of Brand Ambassador in Social Media	1. Brand Ambassador 2. Brand Awareness 3. Brand Image 4. Ewom Advertising	Multiple regression analyses	The brand ambassador can affect the electronic word of mouth advertising. This effectiveness can be strengthened through creation of a brand image and increase in the brand awareness.
3. Ligia Stephanie, et al. (2016)	The Effect of Brand Use Ambassador "Dewi Sandra" Against Consumer Purchase Decisions Wardah Cosmetics in Bandung City.	1. Brand Ambassador 2. Purchase Decision	Simple linear regression	18.4% of purchasing decisions Wardah cosmetics consumer in the City Bandung is influenced by usage Dewi Sandra as the brand ambassador

4. Nurvita Septya (2016)	The Influence of Brand Ambassador to Purchase Intention MD Clinic by Lazeta's Consumer	1. Brand Ambassador 2. Purchase Intention	Simple linear regression	Brand Ambassador positive significantly influence purchase intention.
5. Noor Endah, et al (2016)	The Effect Of Brand Ambassador, Brand Image, Product Quality, And Price On Purchase Decisions Samsung Smartphones	1. Brand Ambassador 2. Brand Image 3. Product Quality 4. Price 5. Purchase Decision	SEM techniques	The variables that have a major influence on purchasing decisions is the Product Quality. Meanwhile, the variables that have a low impact on the purchase decision is the Brand Ambassador. brand Ambassador has a negative coefficient indicates that not too influential in purchasing decisions.

2.3 Hypothesis Development

2.3.1 The Effect of Brand Ambassador Usage Towards Buying Decisions

When the image displayed by the brand ambassador is in accordance with the characteristics of a product, it will form an association between the brand ambassador, the brand, and the product. Advertising using a brand ambassador who consistently matches the goods or services will make the effect of advertising on to consumers (Pritzen, 2012). A good impression would cause an increase in buying decision. A product that is using the famous people will get easily its brand awareness and positive impact. Therefore, there are many ways that companies can grab the benefits of brand ambassador. That's the reason why companies spend money to promote their products with brand ambassador (Gautam, 2013).

H1: Brand Ambassador usage will positively influence buying decision of Wardah cosmetic consumers.

2.3.2 The Effect of Brand Image Towards Buying Decision

Peter & Olson (2000) defined brand image is consumer perception and preference for the brand, as reflected by various brand associations that exist in consumer memory. Although brand associations can occur in various forms, they can be differentiated into performance associations and imagery, associations that are related to brand attributes and advantages. Brand Image refers to a memory scheme which contains how consumer sees the product such as the attributes, benefits, how to

use, conditions, users and marketers characteristic or characteristics of the maker of the product or the brand.

According to Schiffman and Kanuk (2000:141) consumer always choose brand based on its image. If the consumer does not have experience towards its product, therefore they tend to “believe” the famous and trusted brand. Brand image positively relate to customer loyal, trustworthiness to the positive brand. It means that potential consumer will choose the brand that has great image and already known as good product.

From some of the experts can be concluded that Brand Image is representation of the overall perception of the brand and is formed of information and past experience to the brand. That suggested that Brand Image has a significant influence on buying decisions.

H2: Brand Image will positively influence buying decision of Wardah cosmetic consumers.

2.4 Conceptual Framework

The conceptual framework is suggested of two independent variable or key factors, which are brand ambassador and brand image. Those two independent variables will influence buying decisions.