CHAPTER I

INTRODUCTION

1.1. Background

The expansion of technology is getting more superior from time to time. Almost all people experience the effect of technology in many aspects of life. Technology has changed the way people communicate, without any boundary; it allows us to talk to each other every day and everywhere. Distance is no longer a problem. In this era, people are always connected to the internet and it has slowly become our primary need. It makes people become more modern and super-fast in receiving information about entertainment, education, health, and even business. Even in Indonesia, the growth of internet users is increasing rapidly. According to the newest report from Hootsuite and We Are Social, the internet users in Indonesia reaches 202,6 million people by early 2021.

Source: WeAreSocial, accessed on March 8, 2021

Picture 1.1

The Growth of Internet Users in Indonesia

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The amounts of mobile connections has jumped to 345,3 million and the active social media users of any platforms also increased to 170 million. According to We Are Social in kompas.com (accessed February, 23 2021) Indonesia spend an average 8 hours 52 minutes per day to access the internet and hang out on social media at least 3 hours 14 minutes per day. Based on this data, it makes sense that the marketers are now shifting into the social media platforms to sell their products. In other words, without the limitations of space and time, purchase intention can easily be created.

Purchase intention is the feeling stimulated after seeing a product, and then the desire to buy and own it comes up. Purchase intention is usually also influenced by some factors such as product price, quality, celebrity endorsement, fashion, consumer attitude, as well as family relation (Shafiq, 2011). When an advertised product successfully creates a positive attitude toward the consumer, the consumer will be more likely to purchase the product. Consumer's purchase intention is mostly depends on the level of satisfaction that the consumers expects and receives (Shahid *et al.,* 2017). With the existence of social media, business players are challenged to create a unique method and different message toward the product in order to attain consumer's attention and form a positive consumer's attitude.

Source: Google, March 17th, 2021

Picture 1.2

Social Media Logo

Nowadays, social media has become a popular way to establish businesses. There are some social media platforms such as Facebook, Twitter, Instagram, WhatsApp, and more.
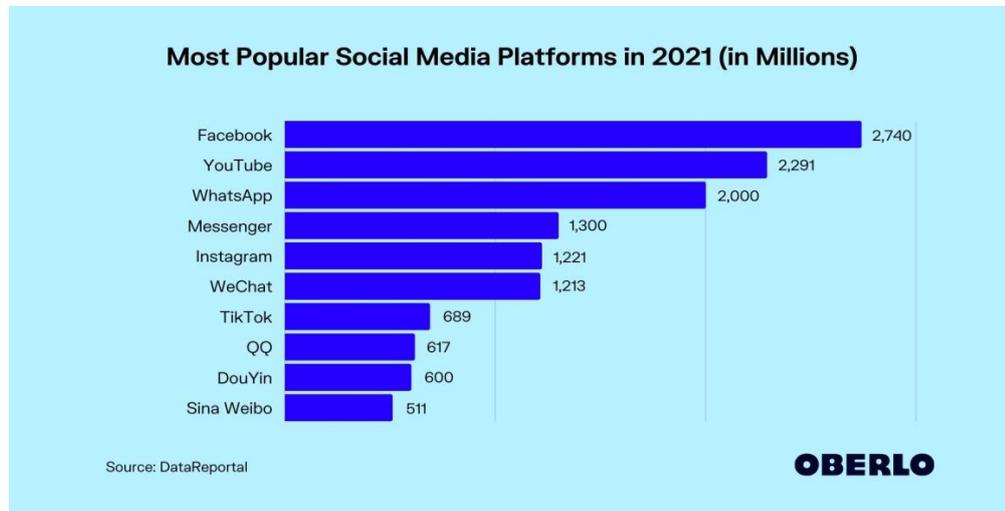
Source: Data Reportal/Oberlo, accessed on March 18th, 2021

Picture 1.3

Most Popular Social Media Platforms in 2021

However, Instagram is the most preferred platform in social media for shopping purposes. Many small Indonesia businesses have utilized Instagram as their online platform to sell their product. Instagram is an application that enables users to take pictures or record videos and share it to other users for free. Instagram also provides some features such as direct message and comments section which allows people to interact with each other and it creates the best way to create a closer relationship. These features will be very beneficial for businesses to help maintain relationships with their consumers. One of the most popular ways of digital marketing in Instagram is by doing endorsement.

Endorsement has become one popular way to advertise on Instagram in recent years. This endorsement activity seems to be more effective in building brand

awareness and consumer's engagement because the product is being promoted by famous people or usually known as endorsers.

Source:www.instagram.com/pevpearce,accessed on March 18th, 2021

Picture 1.4

Celebrity Endorsement in Instagram

The advertising cost of endorsement is also way cheaper rather than placing an advertisement on television. Pitoko (2018) mentioned that nowadays, there are three industries that are being heavily advertised on Instagram such as culinary, fashion, and travel business. This research will be focused on a unique culinary business marketing method by using endorsers or commonly known as a foodstagram endorsement.

Foodstagram endorsement is an activity about promoting some food & beverages businesses from small to medium scale, through social media Instagram. Foodstagram accounts have become a guideline for consumers these days to decide where and what to eat. The information obtained from the foodstagram account will help the consumer in making decisions whether the culinary product is worth buying. Therefore, activating the promotion through a foodstagram account on Instagram social media is considered as an effective and efficient way that is mostly applied by

culinary businesses owners, especially in Yogyakarta, to gain new customers and improve the number of visitors. There are so many foodstagram endorsers promoting food & beverages businesses in Yogyakarta, some of them will be listed in the table below.

Table 1.1

List of Foodstagram Account Followers in Yogyakarta dated on March

18th, 2021

Foodstagram	Followers
Jogjafoodhunter	470,000
Kulineryogya	417,000
Jogjataste	438,000
Jogjabikinlaper	314,000
Voilajogja	311,000
Javafoodie	195,000

Source: www.instagram.com, accessed on March 18th, 2021

From Table 1.1 it can be seen that Jogjafoodhunter has the highest number of followers among other accounts. Jogjafoodhunter is one of many foodstagram accounts on Instagram promoting the culinary around Yogyakarta. Established in 2015, the foodstagram account has 470,000 followers up until today (March 18th, 2021).
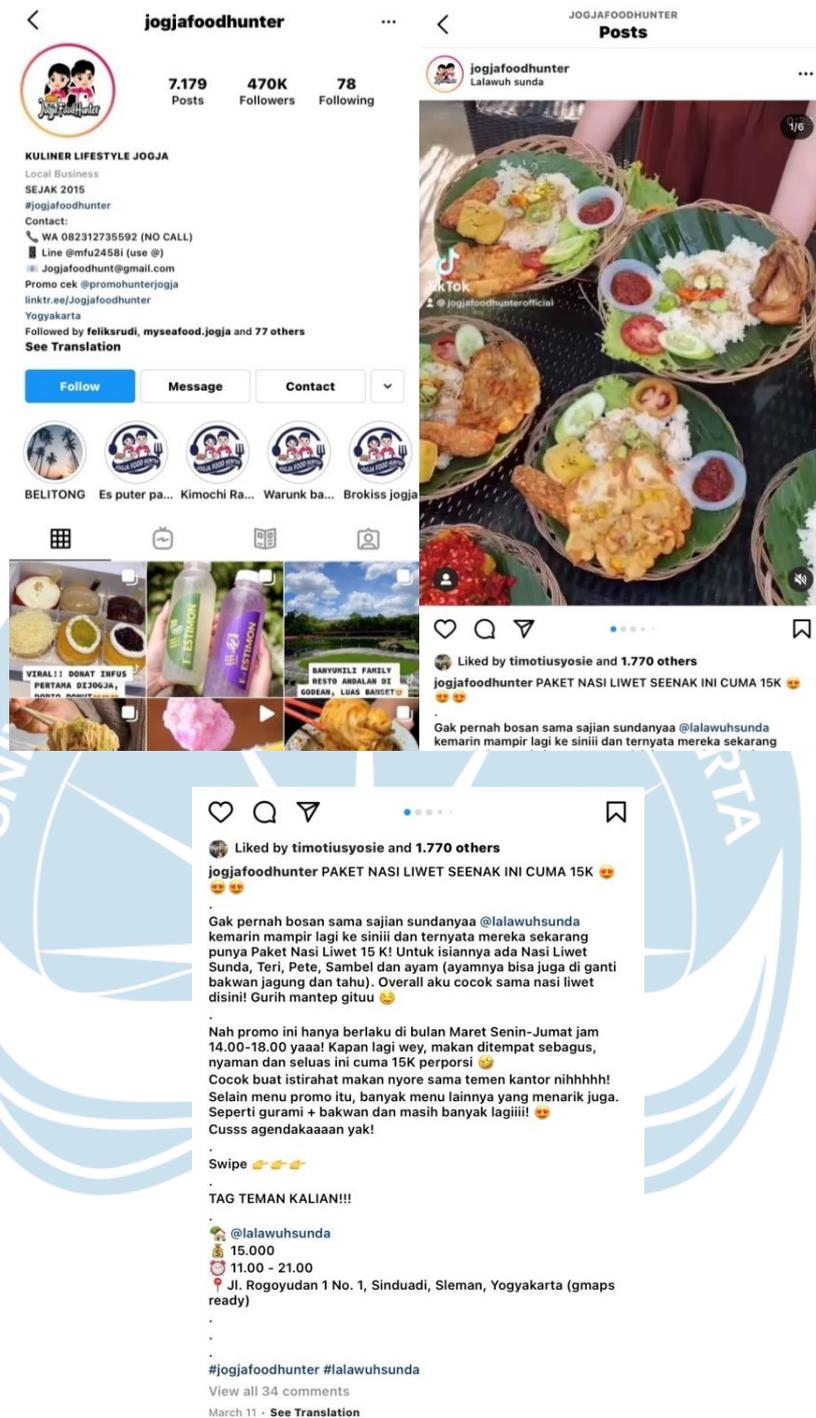
Source: www.instagram.com/jogjafoodhunter,accessed on March 18th, 2021

Picture 1.5

Jogjafoodhunter Foodstagram Account

Jogjafoodhunter accounts provide clear information related to the food and beverages menu, price range, and the café/restaurant address. The food pictures posted

in the account are real and appetizing enough for consumers who see it. Jogjafoodhunter also made a persuasive, creative, and informative caption in each picture to attract consumers. Jogjafoodhunter also put a complete contact detail for endorsement purposes. Besides Instagram, Jogjafoodhunter also does the endorsement in other mediums such as YouTube, Facebook, and Twitter.

Jogjafoodhunter foodstagram account will be evaluated by some elements which consist of source of attractiveness, source of credibility, and product congruency. Business owners must choose the right endorser who is able to represent the product characteristics. Therefore, when an endorser possesses attractiveness, high credibility, and has product congruence it is more likely to form a positive consumer attitude toward the product.

As time goes by, foodstagram is recognized as a trend and also a guideline for consumers both local and outside Yogyakarta. Tourists from outside Yogyakarta can easily explore through the foodstagram account to find good culinary destinations in the city. The growth of foodstagram accounts in Yogyakarta has continued to increase, making it difficult to decide which account has the best credibility, especially in Yogyakarta. It also makes consumers often concerned about the risks and fears that the food didn't satisfy and not as expected as in the foodstagram pictures the consumer have seen. Consumers also doubt the validity of information, the food taste, and the comfortable of the place after seeing the foodstagram account. The content of the foodstagram account no longer consists of pictures only, but they also come up with videos. With all of the comprehensiveness and effectiveness, no wonder if the recommendation made by a foodstagram account can immediately generate a purchase intention.

Based on the description above, this research aims to study and investigate the influence of attractiveness, credibility, and product congruency of the foodstagram endorsement in driving consumer's attitude and purchase intention.

1.2. Research Questions

Based on the background explained above, the research questions designed for this research are:

1. Does the source of attractiveness of Jogjafoodhunter influence consumer attitude towards the culinary product offered in its account?

2. Does the source of attractiveness of Jogjafoodhunter influence consumer purchase intention?

3. Does the source of credibility of Jogjafoodhunter influence consumer attitude towards the culinary product offered in its account?

4. Does the source of credibility of Jogjafoodhunter influence consumer purchase intention?

5. Does the product-congruency of Jogjafoodhunter influence consumer attitude towards the culinary product offered on its account?

6. Does the product-congruency of Jogjafoodhunter influence consumer purchase intention?

7. Does consumer attitude towards the culinary product offered in Jogjafoodhunter account influence consumer purchase intention?

8. Does the source of attractiveness of Jogjafoodhunter influence consumer purchase intention and consumer attitude towards the culinary product offered in its account as the mediating variable?

9. Does the source of credibility of Jogjafoodhunter influence consumer purchase intention and consumer attitude towards the culinary product offered in its account as the mediating variable?

10. Does the product-congruency of Jogjafoodhunter influence consumer purchase intention and consumer attitude towards the culinary product offered in its account as the mediating variable?

1.3.   Research Objectives

1. To analyze the influence of source attractiveness of Jogjafoodhunter towards consumer attitude on the culinary product offered in its account.

2. To analyze the influence of source attractiveness of Jogjafoodhunter towards consumer purchase intention.

3. To analyze the influence of source credibility of Jogjafoodhunter towards consumer attitude on the culinary product offered in its account.

4. To analyze the influence of source credibility of Jogjafoodhunter towards consumer purchase intention.

5. To analyze the influence of product-congruency of Jogjafoodhunter towards consumer attitude on the culinary product offered in its account.

6. To analyze the influence of product-congruency of Jogjafoodhunter on consumer purchase intention.

7. To analyze the influence of consumer attitude on the culinary product offered in Jogjafoodhunter account towards consumer purchase intention.

8. To analyze the influence of source attractiveness of Jogjafoodhunter towards consumer purchase intention and consumer attitude on the culinary product offered in its account as the mediating variable.

9. To analyze the influence of source credibility of Jogjafoodhunter towards consumer purchase intention and consumer attitude on the culinary product offered in its account as the mediating variable.

10. To analyze the influence of product-congruency of Jogjafoodhunter towards consumer purchase intention and consumer attitude on the culinary product offered in its account as the mediating variable.

1.4. Research Benefits

This research is expected to be able to provide benefits to the reader, which will be described as follows:

1. For the industry

    The result of this research is expected to be able to deliver an important information and contribution for the industry in the field of foodstagram endorsement, especially Jogjafoodhunter foodstagram account, in managing and provide an excellent service to culinary business owners who execute the promotions through Jogjafoodhunter foodstagram account.

2. For the researcher& academic development

    The existence of this research as the first step for the researcher to apply the marketing management theories and also the knowledge of attractiveness, credibility, product congruency, consumer attitude, and purchase intention that relating with the promotion form.

    This research is also expected to give a positive contribution for the development of marketing management knowledge and able to serve as a source reference about foodstagram endorsement especially the influence of

attractiveness, credibility, and product congruence towards purchase intention mediated by consumer attitude.

1.5. Research Systematics

To make it easier to understand the discussion in this research as a whole, it is necessary to develop a systematic as a framework and guideline for this research writing. The systematic is structured as follows:

CHAPTER I: Introduction

This chapter consists of research background, research problem, research questions, research objectives, research benefits, and research systematics.

CHAPTER II: Literature Review

This chapter consists of critical literature review, previous studies, hypotheses development, and theoretical framework. The critical literature review explains the variable of foodstagram endorsement, including attractiveness, credibility, and product congruency. Another variable discussed in the critical literature review are consumer attitude and purchase intention.

CHAPTER III: Research Methodology

This chapter consists of research location, object and subject of the research, population, sampling method, operational definition, research design, research instrument, data collection method, and analysis tool.

CHAPTER IV: Result and Discussion

This chapter consists of the description of research results, analysis of research results, and discussion.

CHAPTER V: Conclusion

This chapter consists of the conclusion of the research that has been done. This chapter also elaborates the advantages and disadvantages of the research, including recommendation for a better research in the future.