The Rise of Digital Influencer on Instagram to Impact the Brand Engagement and Purchase Decision

Deasy Ariyani[1], Meta Andriani[2*]
Management Study Program, Indonesia Banking School, Jakarta, Indonesia[12]

Abstract

This research aims to test the effect of brand recommendations by digital influencers on purchase intentions in terms of brand engagement and brand expected value. The sample selected in this study had two characteristics: having an Instagram account and following on Instagram. The sample in this research consisted of 85 respondents and the analysis technique used in this research was the SmartPLS 4 application and the type of data collection research in this research was quantitative. The results of this research show that Perceived Influencer, Brand Engagement on Self-concept Brand Expected Value have a positive or significant influence on Intention to Purchase Recommended Brand. To increase the value of a product, the managerial implication that can be applied is that the company collaborates with digital influencers.

Keywords: Digital marketing, brand engagement in self-concept, brand expected value, intention to purchase recommended brand.

*) Corresponding Author
Email: meta@ibs.ac.id (Meta Andriani)

INTRODUCTION

Currently, the field of online advertising is undergoing fundamental changes. Rapid technological advancements have led to the digitalization of media, resulting in fierce promotional competition between commercial ventures. Internet advertising has become famous for its high growth rate of online media penetration in the world because it targets consumers directly. The growth of the internet in Indonesia makes it much easier for people to do everything, through the internet people can not only get information but also make money. Detik.id noted that there are 175.4 million internet users in Indonesia this year (Haryanto, 2020).

In December 2018, it was recorded that as many as 86% of internet users in Indonesia are netizens who buy the most goods online. (CNNIndonesia, 2019). With many people using the internet, it is undeniable that the use of social media is also increasing. According to (databoks, 2019) social media users in Indonesia reached 150 million or 56% of the total population in January 2019. The presence of this social media can be a business opportunity, one of which is online shopping, one of the social media that is loved by the Indonesian people is Instagram. In May 2020 there were 69,270,000 million social media users (Iman, 2020), with the continued increase in current technological developments compared to before, online business actors are encouraged to be able to compete and use the right marketing strategies.

The marketing strategy that is currently popular is the use of influencers, an influencer is someone who has many followers on social media and has a strong enough influence on his followers. From this phenomenon, it encourages researchers to conduct research on the topic "The Influence of Brand Recommendations by Digital Influencers on Purchase Intentions." This research will see at how the influence of product recommendations carried out by digital influencers on Instagram on the formation of brand engagement, brand expected value and purchase intention.

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

In conducting this study, the researcher conducted a literature study of previous theses and previous research. The research that the researcher raised as a reference journal and the researcher used it as a replication to make this thesis, is a study from (Jiménez- Castillo & Sánchez-Fernández, 2019) entitled The Role of Digital Influencers in Brand Recommendation: Examining their impact on engagement, expected value and purchase intention.

Digital Influencer

The term digital influencer is spreading with the increasing use of the internet, especially social media. Digital influence is the ability to influence and change opinions and behaviors online, generally through social networking. Digital influencers are believed to be able to provide not only information/awareness but also credibility compared to ordinary advertising. This is because they have a 'mass base' that is more able to create 'engagement'. In the current era of the industrial revolution, anyone can influence many people, even they can become a trendsetter. This is often referred

to as microcelebrity, where a person does various ways to increase their popularity on the internet (Sentf, 2008).

With the rapid increase in the level of internet users in Indonesia, the company's chances of promoting online are also higher. One of them is using influencer services. Companies must also be careful in choosing an influencer, to maintain the brand name, the company should sort out and study the background and how the influencer markets a brand. The way influencers work is diverse, for example through Instagram, YouTube and others.

Brand Engagement

Brand engagement on social media comes from a multidisciplinary theoretical perspective, including marketing, sociology, psychology, and information systems from marketing practices. Reporting from the National Business Research Institute, brand engagement is a sign of a consumer's emotional commitment to a brand. In short, brand engagement is when you incorporate a certain brand into yourself. According to Digiday, brand engagement is a form of two-way communication and interaction between a brand and its consumers (Arviana, 2020).

Brand engagement is said to be successful when a consumer is already attached to a brand and the key to the success of branding is the interaction between the brand and its consumers, the more interaction is carried out by the brand, the higher the brand engagement that is built. The concept of this interaction refers to direct physical interaction between consumers and consumers and the concept can indirectly occur through social media (Rahim,

2019). Interaction through social media can be in the form of communication, accepting consumer criticism, and satisfying customers with the services provided by the brand.

Brand Expected Value

Expectation is an individual belief or belief about what happens in a certain situation (Sutisna, 2001). Meanwhile, consumer expectations are everything that consumers are convinced of about what they will get related to the performance of a certain product or service. With that, it can be concluded that brand expected value is a customer's belief or trust in a value that will be obtained from a brand that they think is attractive. As many as 53% of survey participants in Indonesia said that they are more likely to buy a product with brand values that align with their views, and another 57% are willing to pay 'a little more' for a brand that pays attention to sustainability. (Indotelko, 2018). Therefore, when an influencer gives product recommendations to their followers, they will expect the value of the recommended brand.

Intention to Purchase recommended Brand

Purchase intention or buying interest according to (H. Assael., 1998) is the tendency of consumers to cheat on something or take actions related to giving which is measured by the level of likelihood that consumers will make a purchase. According to (Philip, 2000) the definition of purchase intention is "consumer behavior occurs when consumer stimulated by external factors and come to purchase decision based on their personal characteristics and decision-making process" So, a buying interest will

occur when consumers are stimulated by external factors and based on their personal characteristics in decision making. In addition, the recommendation factor from other sources is also very important in influencing consumer interest in the purchase process (Schiffman, Leon.G., 2007).

Based on this framework of thinking, the following research hypothesis is formed:

H1: *Followers* who feel the power of influence higher than *digital influencers* will form a lot of *brand engagement* in their self-concept.

H2: *Followers* who feel the power of influence higher than *digital influencers* will form *a higher* expected value.

H3: *Followers* who feel the power of influence higher than *digital influencers* will have a greater intention to buy the recommended brand.

H4: Brand Engagement with followers in self-concept will positively predict the expected brand value.

H5: Brand engagement by *followers* in self-concept will positively predict the intention to buy *the recommended* brand.

H6: The expected value of the *brand* by *followers* will positively predict the intention to buy *the recommended* brand.

RESEARCH METHOD

This research was conducted using a quantitative method, this method is often used in marketing research. It is usually used to measure consumer behavior, consumer knowledge of a product, consumer opinions, and consumer attitudes towards a brand. According to (Joseph, 2003) the quantitative approach is an approach that is more concerned with measurement and sampling methods because it uses a deductive mortgage that relies on data and analysis. This research was formed from the concept of how influential digital influencers are in recommending a brand to their followers on social media which is then applied to the reality that occurs in the environment.

Data collection was carried out by distributing online questionnaires to respondents through a systematic list of questions with easy-to-understand answers. The results of the survey will be obtained by the researcher using the Structural Equation Model (SEM) analysis method with the Smart PLS 4 application which is a powerful analysis method because it is not based on many assumptions (Abdullah, 2015). In collecting data as a complement to this study, the researcher obtained information and supporting materials using several data sources, namely secondary and primary data.

Secondary Data

It is data obtained by an organization or company in the form of a finished publication (J. Supranto, 2000). This data can be found easily and practically through various sources such as books, journals, the internet and others. In this study, the researcher obtained secondary data from the internet, related artifacts, and journals that had the same variables.

Primary Data

It is the main data or basic data collected from the object and processed by an organization or individual itself (J. Supranto, 2000). In this study, the researcher conducted a field study through a

survey by distributing online questionnaires. Filling out the questionnaire was carried out in a self-administrative manner, namely by giving structured questions to the respondents. The questionnaire method in this study was listed in online media, namely Google Form and distributed through social media to respondents and measured by respondents using a likert scale of 1-7 with the meaning of "strongly disagree" to "strongly agree".

Table 1. Variable Operations

Variable	Definition	Measurement	Measurement Scale
Digital Influencer	Digital influencers are those who have great influence on social media	**PI1**: My perception often changes when I receive information from influencers I follow. **PI2**: I appreciate the opinions of the influencers I follow as if they are someone close to whom I trust. **PI3**: Influencers I follow suggest products or brands that are beneficial to me	Likert Scale 1-7
Brand Engagement	Brand engagement is a sign of a consumer's emotional commitment to a brand.	**BE1**: I often feel a deeper, personal connection between brands suggested by influencers I follow and myself. **BE2**: Part of me is defined by the brands suggested by influencers who. I followed. **BE3**: The brands that influencers suggest have something to do with how I see myself. myself. **BE4**: My favorite brand describes myself. **BE5**: I will share posts from influencers to My friend's Instagram. **BE6**: I'll be commenting on this post on Instagram	Likert Scale 1-7
Brand Expected Value	A consumer's expectation of a brand recommended by a digital influencer	**BV1**: I think the brands suggested by the influencers I follow have acceptable quality standards. **BV2**: In my opinion, products from brands suggested by influencers I follow are well made. **BV3**: Brands suggested by influencers I follow seem interesting to me. **BV4:** I really appreciate brands suggested by influencers I follow	Likert Scale 1-7
Intention to Purchase Recommended	Consumer interest in buying a brand recommended by a digital influencer	**IP1**: I will buy the brand. based on advice given by influencers I follow. **IP2**: I will follow the brand recommendations of the influencers I follow. **IP3**: Whenever I need to buy a product again, I will most likely buy the same brand. **IP4:** The chances of me buying a product from this recommended store are high. **IP5**: In the future, I might try one of the same products used by digital influencers.	Likert Scale 1-7

Source: (Giakoumaki & Krepapa, 2020; Goldsmith et al., 2011; Jiménez-Castillo Sánchez- Fernández, 2019; Ki & Kim, 2019; Kim et al., 2012

RESULT, DISCUSSION, AND MANAGERIAL IMPLICATION

Respondent Profile

All respondents totaled 85 people, the respondents were male and 62 female respondents. Furthermore, the age of the respondents was dominated by 21-24 years old as many as 50 respondents, the domicile of the respondents was dominated by Jabodetabek as many as 69 respondents, the last education of the respondents was dominated by S1 as many as 41 respondents, the work was dominated by students/students as many as 45 respondents and all respondents had an Instagram account and followed on Instagram.

Outer Model

Construct Validity

The results of construct validity can be seen on table 1 from the results of convergent validity and discriminatory validity. To see the results of convergent validity, it can be seen on table 2 from the outer loading value and the AVE value. The results of the outer loading show a result of > 0.7 which means that the data from this study is valid, while the AVE result is >0.5 which means the data in this study is valid. The following are the results of the convergent validity in this study. While the results of the validity of the discriminant show that the measurement items must be highly correlated with the variables they measure, it is shown in table 3 that the results of the validity of the discriminant in this study are good.

Inner Model

Testing the inner model is carried out to find out whether the hypothesis can be accepted or rejected. In this study, a significance of 0.05 or 5% will be used. The relationship of a variable is declared significant if the P-values are < than the predetermined significance ($P < 0.05$). The model was evaluated using R-square values and path coefficients.

Table 1. Outer Loading

Indicators	Outer Loading	Conclusion
BE1	0.705	Valid
BE2	0.763	Valid
BE3	0.738	Valid
BE4	0.710	Valid
BE5	0.803	Valid
BE6	0.773	Valid
BV1	0.873	Valid
BV2	0.847	Valid
BV3	0.792	Valid
BV4	0.830	Valid
IP1	0.817	Valid
IP2	0.846	Valid
IP3	0.724	Valid
IP4	0.794	Valid
IP5	0.805	Valid
PI1	0.774	Valid
PI2	0.833	Valid
PI3	0.826	Valid

Table 2. AVE

Variable	AVE	Information
ANONYMOUS	0.562	Valid
BV	0.699	Valid
IP	0.637	Valid
PI	0.658	Valid

Table 3. Validity of Discrimination

Indicators	ANONYMOUS	BV	IP	PI
BE1	0.705	0.516	0.575	0.497
BE2	0.763	0.458	0.662	0.490
BE3	0.738	0.522	0.564	0.553
BE4	0.710	0.574	0.620	0.565
BE5	0.803	0.526	0.631	0.584
BE6	0.773	0.587	0.692	0.584
BV1	0.572	0.873	0.634	0.650
BV2	0.494	0.847	0.591	0.606
BV3	0.516	0.792	0.594	0.653
BV4	0.755	0.830	0.775	0.640
IP1	0.762	0.607	0.817	0.606
IP2	0.694	0.612	0.846	0.638
IP3	0.537	0.536	0.724	0.548
IP4	0.686	0.668	0.794	0.710
IP5	0.631	0.700	0.805	0.573
PI1	0.550	0.520	0.544	0.774
PI2	0.578	0.630	0.634	0.833
PI3	0.642	0.691	0.691	0.826

Table 4. Construct Reliability

Variable	Cronbach's Alpha	Composite Reliability	Information
ANONYMOUS	0.843	0.885	Reliable
BV	0.856	0.903	Reliable
IP	0.857	0.898	Reliable
PI	0.741	0.852	Reliable

Table 5. R-Square

Variable	R-Square	R-square Adjusted	Information
ANONYMOUS	0.532	0.527	Moderate
BV	0.633	0.624	Moderate
IP	0.785	0.777	Strong

Table 6. Path Coefficients

Path Coefficients	Original Sample (O)	Sample Mean (M)	T Statistic (|O/STDEV)	P Values	Conclusion
BE --> BV	0.329	0.322	2.492	0.013	H4 accepted
BE --> IP	0.484	0.498	5.323	0.000	H5 accepted
BV --> IP	0.288	0.270	2.350	0.019	H6 accepted
PI --> BE	0.730	0.730	13.765	0.000	H1 accepted
PI --> BV	0.523	0.526	4.589	0.000	H2 accepted
PI --> IP	0.200	0.203	2.358	0.019	H3 accepted

The results in table 5 show that all variables in this study have an R-square result >of 0.5 which means, or it can be said as follows, the ability of Perceived Influencers (PI) to explain the construct of Brand Engagement (BE) is 0.532 or 53.2% with an r-square adjusted value of 0.527 or 52.7% which means it has a moderate influence. The r-square brand expected value is 0.633, and the r-square intention to purchase value is 0.785 which means that these numbers can explain each other.

Discussion

In this study, the results of data analysis can be seen on table 6, show that all variables have met the criteria of validity and reliability construct as well as other measurement models. The results of this study all hypotheses have a positive and significant relationship. The discussion of the test results of each research hypothesis is discussed below:

1. Brand Engagement with followers in self-concept will positively predict the expected brand value. This can be interpreted as followers of digital influencers have an engagement with a brand recommended by digital influencers so that they can predict the value of the brand. When someone has felt involvement or engagement in a brand, the greater the increase in their performance is the value of the brand. This argument is based on the results of the data obtained by the researcher and in accordance with previous research, namely (Jiménez-Castillo & Sánchez-Fernández, 2019).

2. Brand involvement by followers in self-concept will positively predict the intention to buy the recommended brand. This can be interpreted that when a brand has entered the followers and they have felt that the brand has become part of them, then the followers will buy the brand that has been recommended by the digital influencer that they followed. This argument is based on the results of the data obtained by the researcher and in accordance with previous research, namely (Jiménez-Castillo & Sánchez-Fernández, 2019).

3. The expected value of a brand by followers will positively predict the intention to buy the recommended brand. When followers have high expectations for the brand recommended by the digital influencer, they have the intention to buy the brand. This argument is based on the results of the data obtained by the researcher and in accordance with previous research, namely (Jiménez-Castillo & Sánchez-Fernández, 2019).

4. Followers who feel the power of higher influence from digital influencers will form a lot of brand engagement in their self-concept. Arief Muhammad is known to often create content that is always in demand by his followers, from this it is possible that followers have a "bond" with Arief Muhammad whether it is interaction through comments or direct messages. That way, the followers feel that what Arief Muhammad is doing affects them, one of which is by having the intention to buy the goods recommended by Arief Muhammad. This argument is based on the results of the data obtained by the researcher and in accordance with previous

research (Jiménez-Castillo & Sánchez-Fernández, 2019).

5. Followers who feel the power of influence higher than digital influencers will form a higher expected value. Followers always expect that when the digital influencer they follow recommends a brand, the influence given by the digital influencer will form a high value expectation for the recommended brand. This argument is based on the results of the data obtained by the researcher and in accordance with previous research, namely (Jiménez-Castillo & Sánchez-Fernández, 2019).

6. Followers who feel the power of influence higher than digital influencers will have a greater intention to buy the recommended brand. The purchase decision-making process is influenced by opinions spread on social media in the form of quality content. As many as 53% of survey participants in Indonesia said that they are more likely to buy a product with brand values that align with their views, and another 57% are willing to pay 'a little more' for brands that pay attention to sustainability aspects (Indotelko, 2018). This argument is based on the results of the data obtained by the researcher and in accordance with previous research (Jiménez-Castillo & Sánchez-Fernández, 2019).

CONCLUSION, SUGGESTION, AND LIMITATIONS

This study was conducted to analyze the influence of perceived influencers, brand engagement in self-concept, brand expected value on intention to purchase recommended brands focused on 's followers.

The results of data processing processed using SmartPLS 4 show the conclusion that all variables, namely Perceived Influencer, Brand Engagement in Self-concept, Brand Expected Value have a positive and significant influence on Intention to Purchase Recommended Brand and advice for digital influencers and companies is to increase an engagement between influencers, followers, and the company, it is hoped that the company can hold events or events that invite influencers and followers to attend and educate about the products of the company with the help of influencers and then to increase the value of the company's products, the company can collaborate with influencers carefully selected by the company.

In this collaboration, the company can issue products with the influencer, or it can be by providing discount coupons for followers of the influencer who want to buy and finally to increase influence, then the influencer and the team can create a special give away content for their followers with the applicable terms and conditions. This can increase the trust of their followers in Arief Muhammad and increase the bond between the two.

Next is the managerial implications in this study based on the dominant influence on intention to purchase recommended brands, namely brand engagement of 0.484, then brand expected value of 0.288, and finally perceived influencers or digital influencers of 0.200. To increase these variables, the researcher gives several managerial implications, as follows:

In this research, brand engagement has the largest, positive and significant influence on intention to purchase. Based on a study IAB in 2013, 90% of consumers will buy a brand's product that they follow on social media and have an active interaction in it. Arief Muhammad does quite well in terms of interaction with his followers, so every brand recommended by him can be accepted by his followers. To increase engagement or bonding between Arief Muhammad, the brand and its followers, the managerial implication that can be applied by the company or management is to hold an event or event which also invites Arief Muhammad followers to attend the event and share information about the company's brand. In this study, brand expected value has a positive and significant influence on intention to purchase. As many as 53% of survey participants in Indonesia said that they are more likely to buy a product with brand values that align with their views, and another 57% are willing to pay 'a little more' for brands that pay attention to sustainability aspects (Indotelko, 2018).

To increase the value of a product, the managerial implication that can be applied is that the company collaborates with digital influencers, such as launching a product specifically for the influencer or can also provide coupons on behalf of the influencer with agreed terms. In this study, perceived influencers have a positive and significant influence on intention to purchase. It can be said that the greater the persuasive power of digital influencers (considered a consistent source of information), the greater the individual's intention to buy the recommended brand. To further increase the influence of influencers, the managerial implication that can be applied is that Arief Muhammad and the team can create giveaway content on Instagram with agreed terms and conditions to build trust and bonds between Arief Muhammad and his followers so that they can increase their influence significantly.

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