THE EFFECT OF PRODUCT PLACEMENT IN MOVIES AND CELEBRITY ENDORSEMENT ON CONSUMER PURCHASE INTENTION OF SAMSUNG SMARTPHONE IN MANADO

PENGARUH PENEMPATAN PRODUK DALAM FILM DAN SELEBRITI PENDUKUNG PADA NIAT BELI KONSUMEN TERHADAP SMARTPHONE SAMSUNG DI MANADO

by:
Ridsa Septiyan Tangkuman[1]
David P.E. Saerang[2]

[1,2,3] International Business Administration,
Faculty of Economics and Business,
Sam Ratulangi University, Manado, Indonesia

e-mail: ridsaseptiyan@ymail.com[1]
d_saerang@lycos.com[2]

Abstract: Information and communication technology has made great strides in recent years which also had an effect on advertising such as product placement and celebrity endorsement. Smartphone is one of products that is often to be found on advertising media. This study aims to analyze the effects of product placement in movies and celebrity on consumer purchase with Samsung smartphone as its case study. This is a causal type of research which uses primary data obtained from questionnaires and uses ordinal regression analysis. The population observed is people in Manado who have purchased Samsung smartphone products with 110 respondents as the sample size. The result of this study shows that product placement and celebrity endorsement have significant effects on consumer purchase intention. To increase consumer purchase intention, the recommendations for Smartphone Company are to maintain exposure, high profile/star liking, product familiarity, and movie involvement on product placement in movies as well as consistently show physical attractiveness, celebrity congruence, trustworthiness, and expertise on celebrity endorsement which motivate purchases.
Keywords: consumer purchase intention, advertising, product placement, celebrity endorsement

Abstrak: Teknologi informasi dan komunikasi telah membuat langkah besar dalam beberapa tahun terakhir yang juga memiliki efek pada iklan seperti penempatan produk dan selebriti pendukung. Smartphone merupakan salah satu produk yang sering ditemukan pada media iklan. Penelitian ini bertujuan untuk menganalisis efek dari penempatan produk dalam film dan selebriti pada niat beli konsumen dengan Samsung smartphone sebagai studi kasusnya. Ini adalah jenis penelitian kasual yang menggunakan data primer yang diperoleh dari kuesioner dan menggunakan analisis regresi ordinal. Populasi yang diamati adalah orang di Manado yang telah membeli produk smartphone Samsung dengan 110 responden sebagai sampel. Hasil penelitian ini menunjukkan bahwa penempatan produk dan selebriti pendukung memiliki efek signifikan pada niat beli konsumen. Untuk meningkatkan niat beli konsumen, rekomendasi untuk perusahaan smartphone adalah untuk mempertahankan eksposur, tinggi profil / karakter di film, kepopuleran produk, dan keterlibatan film di penempatan produk dalam film serta secara konsisten menunjukkan daya tarik fisik, keselarasan selebriti, kepercayaan, dan keahlian pada selebriti dukungan yang memotivasi pembelian.

Kata kunci: niat beli konsumen, iklan, penempatan produk, selebriti pendukung

INTRODUCTION

Research Background

Information and communication technology development has a pretty big role toward consumer behavior. Information and communication technology development has upgraded people needs and wants, new and innovative product has changed people reason, attitude and motivation to consider to buy products. Smartphone is one of evidence of communication technology advancement. Smartphone in Indonesia is expeditiously developing so as to smartphone market.

Lots of smartphone products entered Indonesia market and smartphone market now is in the battle field. Indonesian captured as target of broadening sales, pursuing strong potential customers, increasing loyalty and other profitability. Samsung smartphone is one of the smartphone leading products that carry the prospect and development of smartphone products and market in Indonesia. Samsung smartphone advertising is the most repetitive and easy one to be found. A mass media used to promote and put their product on advertising so that it will affect consumer brand awareness of Samsung smartphone. Samsung has a strong and potent capability on advertising. Product placement and celebrity endorsement are a form of advertising techniques in order to introduce product and increase brand awareness of its product. Product placement is essential to put recognition of a brand or product to customer mind, which will affect consideration to customer's purchase intention.

Samsung has a lot of product placement in movies such as In Zoolander 2 with Samsung Galaxy S6, House of Card with Samsung Galaxy S6 edge, Pretty Girls with Samsung Galaxy S6 edge, and the most popular one in avengers: Age of Ultron movie 2015. In the context of celebrity endorsement, Consumers of the product are much effect by celebrity when they believe that endorser has actual attachment with product rather than materialistic gain. There are some celebrities whom Samsung has a partnership with and some of them are David Beckham, world famous boxer Manny Pacquaio, and Ellen Degeneres. Smartphone is one of most identical gadget in Manado that involved consumer willingness to purchase a product. People behavior in Manado is pliable toward trend that makes people in Manado are more predisposed to popularity that influence esteem. Product placement in movies and celebrity endorsement used to impart good product Image and in order to increase consumer purchase intention.

Thus, explanation above conducts researcher to analyze the effect of product placement in movies and celebrity endorsement on consumer purchase intention of Samsung smartphone in Manado.

Research Objectives

The aims of this research are:

1. To analyze the significant simultaneous effect of product placement in movies and celebrity endorsement on consumer purchase intention of Samsung smartphone in Manado.
2. To analyze the significant partial effect of product placement in movies on consumer purchase intention of Samsung smartphone in Manado.
3. To analyze the significant partial effect of celebrity endorsement on consumer purchase intention of Samsung smartphone in Manado.

THEORETICAL FRAMEWORK

Marketing

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging value with other (Kotler and Armstrong, 2001). Burns and Bush (2006) defined marketing as an organization function, not a group of persons or separate entity within the firm. The

purpose of doing marketing is to gain sales which that is a result of implementing effective and efficient marketing strategies.

Advertising

Role of advertisement is to carry message to the far distances. It is also use to target the scatter mass audience. The role of advertising on sales volume is very important. It is proved to be very essential tool in enhancing the sales of brand. Advertisement is directly linked with the sales of the products (Abiodun, 2011).

Purchase Intention

Purchase intention is a kind of decision making that studies the reason to buy a particular brand by consumer (Shah et al., 2012). Kotler (2003) proposes that individual attitudes and unpredictable situations will influence purchase intention.

Product Placement

Product placement, and more specific, brand placement, is the compensated inclusion of a branded product or brand identifiers, through audio and/or visual means
with- in mass media programming (films and broadcast pro- grammes) for promotional purposes (Badin and Carder, 1996; D'Astous and Chartier, 2000; Morton and Fried- man, 2002).

Celebrity Endorsement
Celebrity endorser is an individual who is known by the public for his or her achievements in areas other than that of the product class endorsed" (Friedman and Friedman, 1979).

Previous Research

A previous study by Eunseon and Jong-Hyuok (2013) confirmed that there is relationship between product placement attitude and purchase intention. The previous study stated about the relationship of watching Tv shows, product placement attitudes and purchase intention. Phugazhenthi and Sudharani Ravindran (2013) stated that that there is an impact of celebrities in advertisements on consumer purchase intention. This previous research cited that celebrity has a potential of being noticed and liked by the viewers.
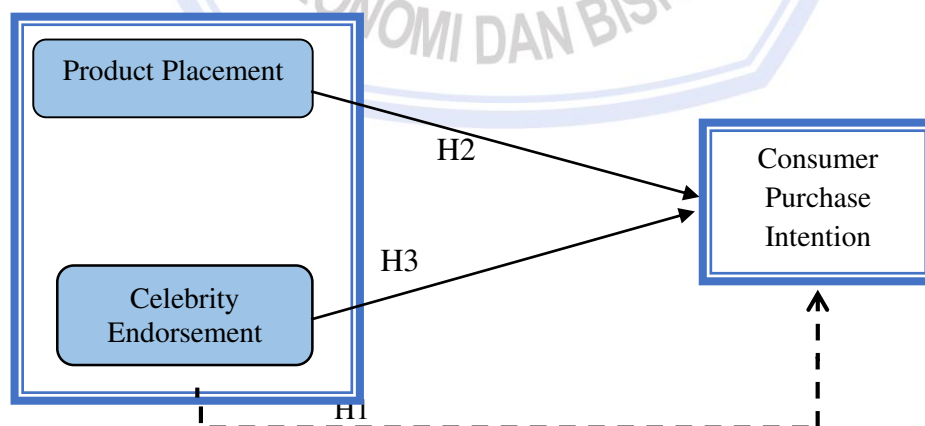
Conceptual Framework

Figure 1. Conceptual Framework
Data Processed (2016)

Research Hypotheses

The hypotheses of this research are:

H_0 : Product placement in movies and celebrity endorsement have no simultaneously significant effect on Customer Purchase Intention of Samsung smartphone.

H1 : Product placement in movies and celebrity endorsement have a simultaneously significant effect on Customer Purchase Intention of Samsung smartphone.

H2 : Product placement in movies has a partially significant effect on consumer purchase intention of Samsung smartphone.

H_3 : Celebrity endorsement has a partially significant effect on Consumer Purchase Intention of Samsung Smartphone.

RESEARCH METHOD

This research is a causal type of research where it will investigate the effect of product placement in movies and celebrity endorsement on consumer purchase intention. According to Hair et al. (2007:160), causal research tests whether or not one event causes another. This research will be conducted in Manado and will be started from July until September 2016. The population in the research is the users of Samsung smartphone in Manado. The sample in this research is consisting of 110 respondents. we procure information needed for research compliance from questionnaires. The questionnaires are distributed to respondents so they can respond directly on the questionnaires.

There were two sections in the questionnaires that should be filled by respondents. The first section asked about respondents identities and the second section asked about things that related with the variables. The survey was created using suitable questions modified from related research and individual questions formed by the researcher. The survey will be comprised of several questions, which are related to the participant's perception regarding product placement in movies and celebrity endorsement. The survey will be used to investigate respondents' attitudes and motivation toward product placement and celebrity endorsement which influencing consumer purchase intention. Likert scale was used to determine if the respondent agreed or disagreed in a statement.

This research is using ordinal regression analysis because as a predictive analysis, ordinal regression describes data and explains the relationship between one dependent variable and two or more independent variables. in ordinal regression analysis, the dependent variable is ordinal (statistically it is polytomous ordinal) and the independent variables are ordinal or continuous-level (ratio or interval) like variables in this research.

The formula of ordinal regression model is shown as follows:

$$E(y) = \frac{e^{\beta_0 + \beta_1 X_1 + \beta_2 X_2}}{1 + e^{\beta_0 + \beta_1 X_1 + \beta_2 X_2}}$$

Description:

y   = Consumer Purchase Intention
β_0 = Intercept
β_1, β_2 = The Ordinal Coefficient of Each Variable
X_1 = Product Placement
X_2 = Celebrity Endorsement
e   = Error Standard or Error Term

RESULT AND DISCUSSION

This research uses reliable questionnaire which are distributed to 110 respondents as the source of primary data. The characteristics of 110 respondents are classified based on gender, age, education, occupation, income, using smartphone experience, respondents' watching experience of product placement in movies and celebrity endorsement.

The total sample of this research is 110 respondents. The results of the questionnaires are:

1. The number of female respondents (54%) is more than male respondents (46%). The 54% of female respondents determines 59 female respondents and 46% of male respondents determines 51 male respondents. It can be used as an indication that women use Samsung smartphone more than men and women have more experience watch and found product placement in movies and celebrity endorsement than men.
2. The largest number of sampled respondents is 66% comes from age 25 - 34 years (73 respondents) then followed by age 35-44 years with 26% (28 respondents) and above 44 years with 8% (9 respondents). This result shows that 25 – 34 group of age dominated the respondents of this research.
3. The largest number of sampled respondents' education level is Bachelor with 76% (84 respondents) then followed by senior high school with 18% (20 respondents), master with 4% (4 respondents), junior high school with 1% (1 respondent), 3 year diploma with 1% (1 respondent).
4. In term of respondents' occupation, the result of questionnaires shows that most respondents are private employee with 44% (48 respondents), followed by entrepreneurs with 24% (27 respondents), government employee with 13% (14 respondents), teacher with 16% (18 respondents) and housewife with 3% (with 3 respondents).
5. The largest number of sampled respondents (61%) with 67 respondents have income around 3.000.000 – 4.500.000 IDR then followed by 28% of respondents (31 respondents) have income above 4.500.000 IDR and 11% of respondents (12 respondents) have income around 1.500.000 – 3.000.000 IDR.
6. Largest number of sampled respondents have already been using Samsung smartphone for about 1 – 4 years 54% (59 respondents), followed by above 4 years with 38% (42 respondents) and under 1 year with 8% (9 respondents).
7. In term of respondents' watching experience of product placement in movies and celebrity endorsement, the result of the questionnaires is that the largest number of sampled respondents 55% (60 respondents) sometimes watch product placement in movies and celebrity endorsement ,followed by often with 26% (29 respondents), seldom with 14% (16 respondents) and always with 5% (5 respondents).

Validity and Reliability Test

The value of Cronbach's Alpha of 10 items used in this research is 0.875. The data is considered as reliable since the value of Cronbach's Alpha is above the minimum value which is 0.6. The value of MSA of all 10 items used in this research are above 0.5. Therefore, the data is considered as valid and it can be used for further tests and analyses.

Ordinal Regression Analysis

This section provides the result of Ordinal Regression Analysis. SPSS 22.00 Software was used to find out the result of Ordinal Regression.

Model Fitting Information
Table 1. Model Fitting Information

Model	-2 Log Likelihood	Chi- Square	Df	Sig.
Intercept Only	347.262			
Final	241.360	105.902	20	.000

Link function: Logit.
Source: SPSS Ouput (2016)

There is intercept only 347.262 is the expected mean value of Y (dependent variable) when all X (Independent variables) = 0. Final is the value when X (independent variables) are put and computed which in this case the value of final is 248.867. Chi-Square provides those predictors' regression coefficients in the model which don't equal to 0 (zero). The Chi-square is 98.395 with significant of actual level 5% (sig 0.000).

Goodness of Fit
Table 2. Goodness of Fit

	Chi-Square	Df	Sig.
Pearson	550.214	634	.993
Deviance	241.360	634	.000

SPSS Output (2016)

Goodness of fit will determine whether the model is good fit or not. Based on Table 4.5, There are two statistics which are Pearson and Deviance, they both have their own value of Chi-Square. Pearson 500.214 with Sig 0.933 and Deviance 241.360 with Sig 1.000, those value indicate that the model is good fit because significant value of both pearson and and deviance are greater than 0.05.

Pseudo R-Square
Table 3. Pseudo R-Square

Cox and Snell	.618
Nagelkerke	.646
McFadden	.305

SPSS Output (2016)

There are McFadden, Nagelkerke, and Cox and Snell Analysis measures meant to simulate the R-Squared analysis. Table 4.6 Shows that amongst those Pseudo R-Square, Nagelkerke Pseudo R-Square is the biggest with 0.646. It informs that product placement and celebrity endorsement (independent variables) are able to explain consumer purchase intention dependent variable as much as 64.6% while the rest 35.4% is explained by other factors not discussed in this research.

Parameter Estimates

Parameter Estimates discusses and provides particularly the relationship between explanatory variables and the outcome. Wald value of every independent variable and its significance. X1 (Product Place ment) has Wald value 15.452 and estimate value 0.646 with sig. 0.000 (<0.05) and X2 (Celebrity Endorsement) has Wald value 13.685 and estimate value 0.483 with sig. 0.000 (<0.05). it pinpoints that all independent variables (Product Placement and Celebrity Endorsement) have a significant effect on Consumer Purchase Intention of Samsung smartphone.

The formula of ordinal regression model for this research is shown as follows:

$$\text{E(y)} = \frac{e^{347.262 \,+\, 0.646\ Product\ Placement\ +0.483\ Celebrity\ Endorsement}}{1 + e^{347.262 \,+\, 0.646\ Product\ Placement\ +0.483\ Celebrity\ Endorsement}}$$

y = Consumer Purchase Intention

Interpretation

1. Product Placement (X1) has a significant effect on Consumer Purchase Intention (Y). The result of Product Placement are Estimate Value 0.646, Wald Value 15.452 and Significance 0.000 (<0.05). These data results show the estimated coefficient for Product Placement is 0.646 and use the exponent to find OR with Product

Placement as the base: exp (0.646) = 1.907. Odd Ratio of Product Placement by diving the exponent of 0.646 to 1 is 0.254. The odds of Product Placement of achieving higher level are 74.6 % (1-25.4%).

2. Celebrity Endorsement (X1) has a significant effect on Consumer Purchase Intention (Y). The result of Celebrity Endorsement are Estimate Value 0.483, Wald Value 13.685 and Significance 0.000 (<0.05). These data results show the estimated coefficient for Celebrity Endorsement is 0.483 and use the exponent to find OR with Celebrity Endorsement as the base: exp (0.483) = 1.620. Odd Ratio of Celebrity Endorsement by dividing the exponent of 0.483 to 1 is 0.617. The odds of Celebrity endorsement of achieving higher level are 38.3 % (1-61.7%).

Test of Parallel Lines

Table 4. Test of Parallel Lines

Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Null Hypotheses	241.360			
General	215.178	26.182	100	1.000

The null hypotheses states that the location parameters (slope coefficients) are the same across categories.

   a. Link function: Logit

SPSS Output (2016)

The test of parallel lines is used to test the assumption that every category has same parameter or relationship with independent variable where the logit is equal with all logit equations. The data supports that this study is good fit model because the Sig. is 1.000 which it is >0.05 with Chi-Square 26.182.

Discussion

Conducting a research on consumer purchase intention is highly interesting among the researchers. By studying consumer purchase intention and its causal factors, it is expected that company can develop a sustainable relationship with customers which in particular can increase sales of Samsung smartphone.

This study has been conducted to analyze the effect of product placement in movies and celebrity endorsement on consumer purchase intention of Samsung smartphone in Manado.

Product Placement on Consumer Purchase Intention

The result of the ordinal regression analysis shows that there is a significant effect of product placement on consumer purchase intention of Samsung smartphone in Manado. In this research, it is represented by exposure, high profile/star liking, product familiarity, and movie involvement.

This finding shows that product placement in movies has affected purchase intention of consumer. Exposure, high profile star/ star liking, product familiarity, and movie involvement. Product placement influence motivation and attitude of consumer and effect on consumer purchase intention. Result of this research provides a conclusion that through product placement in movies Manadonese will get motivated and creating attitude of willingness or intention of Manadonese to purchase and buy Samsung smartphone.

Celebrity Endorsement on Consumer Purchase Intention

The result of the ordinal regression analysis shows that there is a significant effect of celebrity endorsement on consumer purchase intention of Samsung smartphone in Manado. In this research, it is represented by physical attractiveness, celebrity congruence, trustworthiness, and expertise. Based on the result of the questionnaire, the respondents who live in Manado mostly agree that physical attractiveness, celebrity congruence, trustworthiness, and expertise affect consumer purchase intention of Samsung smartphone.

This study shows that celebrity endorsement has a significant effect on people in Manado intention to purchase Samsung smartphone. Those physical attractiveness factor, celebrity congruence, high trustworthiness, and expertise will help company to achieve the improvement, development, sustainability and it is helpful to increase consumer purchase intention.

CONCLUSION AND RECOMMENDATION

Conclusion

Three conclusions can be formulated:

1. Product placement and celebrity endorsement simultaneously influence consumer purchase intention. The increasing of these two variables will simultaneously increase the consumer purchase intention.
2. Product placement partially affects consumer purchase intention positively.
3. Celebrity endorsement partially affects consumer purchase intention positively.

Recommendation

The recommendations for Smartphone companies that can be concluded from the overall result in this research are listed as follow:

1. It is essential to maintain product placement in movies in order to meet customer interest on smartphone products. A proper exposure, consistent high profile star/ star liking, good product familiarity, and great movie involvement increase consumer purchase intention of Samsung smartphone and encourage repeat purchases.
2. Focusing more on celebrity endorsement by enhancing physical attractiveness of celebrity endorser, improving celebrity congruence, trustworthiness, and expertise because those can bring positive and significant effect on consumer purchase intention.

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