

# Effect of Endorsers on the Evaluation of Fast Moving Consumer Goods (FMCG) Advertising and Lux Soap Brand Loyalty in Communities in the Regional Area of Jember

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This study was conducted to determine the effect of endorsers on evaluating fast moving consumer goods (FMCG) advertisements and brand loyalty on lux soaps in the Jember region. The research method uses Structural Equation Modelling (SEM) and testing using AMOS. There was a research sample of 182 people chosen through a multi-stage random sampling method. The study found that endorser variables, message content, message structure, and message source have a positive and significant effect on the evaluation of fast moving consumer goods ads. However the message format has a positive but not significant effect on the evaluation of fast moving consumer goods advertisements in the Jember region. A second test was conducted to determine whether the relationship of endorsers, message content, message structure, message format, and message source significantly influence brand loyalty in the Jember Korwil community while evaluating if fast moving consumer goods advertisements significantly influence Lux soap brand loyalty.

**Key words:** *Endorser, Ad Evaluation, Fast Moving Consumer Goods, Brand Loyalty.*

## Introduction

The Jember region is generally composed of rural and urban communities. These communities tend to be selective in making a purchase decision and to product brand loyalty.

Therefore technological breakthroughs affect human behaviour in meeting basic needs that are initially simple but become a very complex requirement. One effective way to offer products to people in the Jember region is by advertising, because through advertisements consumers in the Jember region will know the products that the company has marketed.

One of the creative ways for advertising agents to deliver messages is to use an endorser as an opinion leader in delivering messages to consumers about the brand of the product being advertised (Suman, 2008). Companies must choose endorsers that are suitable for conveying advertising messages; good advertisements are those that suit the target audience. Therefore the message will reach consumers and they can form opinions according to their perceptions, with the aim of introducing the brand or the product. The role of endorsers is also a factor that can influence and foster consumer interest in buying or using selected goods and services.

Sumarwan (2002), states in promoting a product, the endorser's function is: to give testimony; provide encouragement and reinforcement (endorsement); act as an actor in advertising; and act as a company spokesperson. The role of endorsers benefits the company because endorsers have popularity, talent, charisma, and credibility. The use of endorsers is expected to provide positive value to the advertisements. The endorser's linkage to a brand will be stronger if based on their experience in communicating an advertising message. Hariyana (2013), proved that: endorsers, message content, message structure, message format, and source have a significant effect on purchasing decisions and Lux brand soap loyalty in Jember Regency, except that the message structure variable cannot significantly influence the purchasing decision. Farhat & Mustafa (2011), study results proved that there is a positive value on the effect of the credibility of celebrity endorsers and their attractiveness for advertising.

FMCG product categories in Indonesia include a variety of products including: toothpaste, perfume, bath soap and others. Consumers often re-buy bath soap products. One of which is Lux soap, a FMCG product. Lux soap is a bath soap product that serves to cleanse the body so that the body becomes healthy and free from all skin diseases. One example of a Lux soap advertisement is a visual image of a beautiful woman with white and sexy skin, which evokes attractiveness and provides an association with lux soap. Fast Moving Consumer Goods (FMCG) are products that have a very fast turnover; and this FMCG product is durable and in-durable.

Results of a survey conducted by the research company Kantar Worldpanel on seven thousand households for seventy FMCG categories (food or non-food products) every week in Indonesia, about the trends in Indonesian consumer behaviour, found out there are four types of loyalty customers. They are 100% Loyals, Shifting Loyals (loyalty between two

brand choices), Split Loyals, and Switchers (who like to change brands). A Consumer Reach Point (CRP) is used to measure how many households around the world buy a product of a certain brand. This method combines penetration and frequency to help FMCG companies gain a clear understanding of their brand's global reach. Research conducted in 2016 related to the FMCG market in Indonesia, shows continued positive trends from year to year. Worldpanel Indonesia leading data shows that from 2015 to 2016, there has been an increase in sales of FMCG products by 14 percent throughout Indonesia.

This study was conducted to determine the effect of endorsers on evaluating fast-moving consumer goods advertisements and soap brand loyalty to the community in the region of Jember Namely: Probolinggo City, Probolinggo District, Lumajang, Bondowoso, Situbondo, Jember and Banyuwangi District,

## Literature Review

### *Endorser Relationship to FCMG Evaluation and Brand Loyalty*

Sridevi (2014), states that celebrity advertising has a positive value on FMCG consumers. This study uses relevant academic theories and determines the effectiveness of celebrity advertisements on FMCG products. Arsena, Silvera, & Pandelaere (2014), show that celebrity endorsers can produce consumer perceptions, trust and commitment to brand relationships and the results show that a credible endorser can improve the brand image of a product. Dwivedi, McDonald, & Johnson (2014), proved that celebrity endorsers can influence consumer perceptions, trust and commitment to brand relationships. Their results show that a credible endorser can directly impact and increase brand equity through influencing consumer perceptions of brand trust, relationship and commitment. Mugiono & Mudiantono (2012), proved there is a positive value from the effect of celebrity endorser's credibility, advertisement appeal, brand awareness and attitude towards purchasing decisions.

**Hypothesis 1:** Relationship of endorsers with FCMG evaluation.

**Hypothesis 6:** Relationship of endorsers with brand loyalty.

### *Relationship of Message Content to FCMG Evaluation and Brand Loyalty*

In the world of advertising the message delivered is very important for achieving the intended advertising goals. Advertisers must take into account what must be delivered in order to get the desired response . J. Nantel & Sekhavat (2008), examine the use of variable: mobile commerce, SMS, virtual communities, advertisements, and text messages. There was a significant effect of the variable used. Bovee (1996), stated that advertising messages are ideas or news that are communicated or delivered to the audience through advertising media.

The communicator must calculate what has to be conveyed to the target audience in order to get the desired response. Whereas the advertising strategy is merely a statement of intent which must be translated into living communication, something that will be seen, something that will get attention, something that contains meaning (value), and something that will be remembered. They are all conceptual tasks and concepts are a reflection of the core message (Farbey, 1997).

**Hypothesis 2:** Relationship between message content and FCMG evaluation.

**Hypothesis 7:** Relationship of message content with brand loyalty.

### ***Relationship between Message Structure Influences the Evaluation of FCMG and Brand Loyalty***

Kusumaningtyas (2014), states that the advertising message has a joint and significant influence on the purchasing decision. The message structure, format and source variables partially have a significant influence on purchasing decisions, while the message content variable has a non-significant effect on purchasing decisions. The message structure variable is a variable that has a dominant influence on purchasing decisions. Widiyatmoko (2005), used the variables of: advertising effectiveness, brand association and brand loyalty. The results of their study proved that a positive and significant effect on the effectiveness of advertising, brand associations, loyalty and equity. J. A. Nantel & Rosen (2014) aimed to determine and explain the effect of mobile commerce. The results of their study proved that mobile commerce, SMS, virtual communities, advertisement, and text message variables had a significant effect.

**Hypothesis 3:** Relationship of message structure and FCMG valuation.

**Hypothesis 8:** Relationship between message structure and brand loyalty.

### ***The Relationship of the Message Format Influences the Evaluation of FCMG and Brand Loyalty***

If the message is conveyed through the product or its packaging, the communicator will pay attention to colour, texture, aroma, size and shape. J. A. Nantel & Rosen (2014), study aimed to determine and explain the effect of mobile commerce. The results of their study proved that mobile commerce, SMS, virtual advertising communities and text message variable has a significant effect. Satria (2009), proved there was a positive value on the effects of advertising content, structure and formats; purchasing decisions; and customer satisfaction and loyalty. Knowing the quality of the product influences the consumer's purchase decision. Most likely the consumer will recommend the product of his choice to others.

**Hypothesis 4:** Relationship of message format with FCMG evaluation.

**Hypothesis 9:** Relationship of message format with brand loyalty.

### ***The Relationship between Message Sources affects the FCMG Evaluation and Brand Loyalty***

The credibility of the message source is influenced by three factors, namely: a) Expertise; special knowledge possessed by communicators to support and base their claims. b) Trustworthiness; the audience's perception of the objectivity and honesty of the message source. Friends and family will be more trusted than strangers or salespeople. c) Likability; the attractiveness of message sources, for example, famous, beautiful, handsome, humorous, and so on. Ason et al. (2013), empirically states that contextual factors have the most substantial influence on purchasing decisions and have an impact on brand loyalty and switching. In addition, it provides important insights into the factors that practitioners must improve in order to adjust their marketing approaches and provide knowledge to managers and researchers.

**Hypothesis 5:** Relationship between message sources and FCMG evaluations.

**Hypothesis 10:** Relationship between message sources and brand loyalty.

### ***Relationship of FCMG Evaluation with Brand Loyalty***

This hypothesis means that FMCG evaluation influences the brand loyalty of Lux Soap in the Jember region and FMCG evaluation reflects the level of brand loyalty of a consumer. If the FMCG evaluation increases the purchasing decision, the brand loyalty will increase. Engel et al. (1995), said that consumer behaviour is the activities of individuals directly involved in obtaining consuming products and services, including the decision process that precedes and follows this action.

### **Methodology**

The study was conducted with an explanatory approach and confirmatory research aimed at building relationships between one variable with another variable to analyse the relationships between them or how a variable affects other variables (Umar, 2002). The number of research samples was 182 people collected using multi-stage random sampling (Suharsimi Arikunto, 2013). The sampling criteria was that they had carried out purchases of lux soap more than twice in the community in the region of Korember Jember which includes, Probolinggo City, Probolinggo District, Lumajang, Bondowoso, Situbondo, Jember and Banyuwangi District. Data was collected using a questionnaire. This research used Structural Equation Modeling (SEM), while the development and testing of hypotheses was with AMOS statistics. The

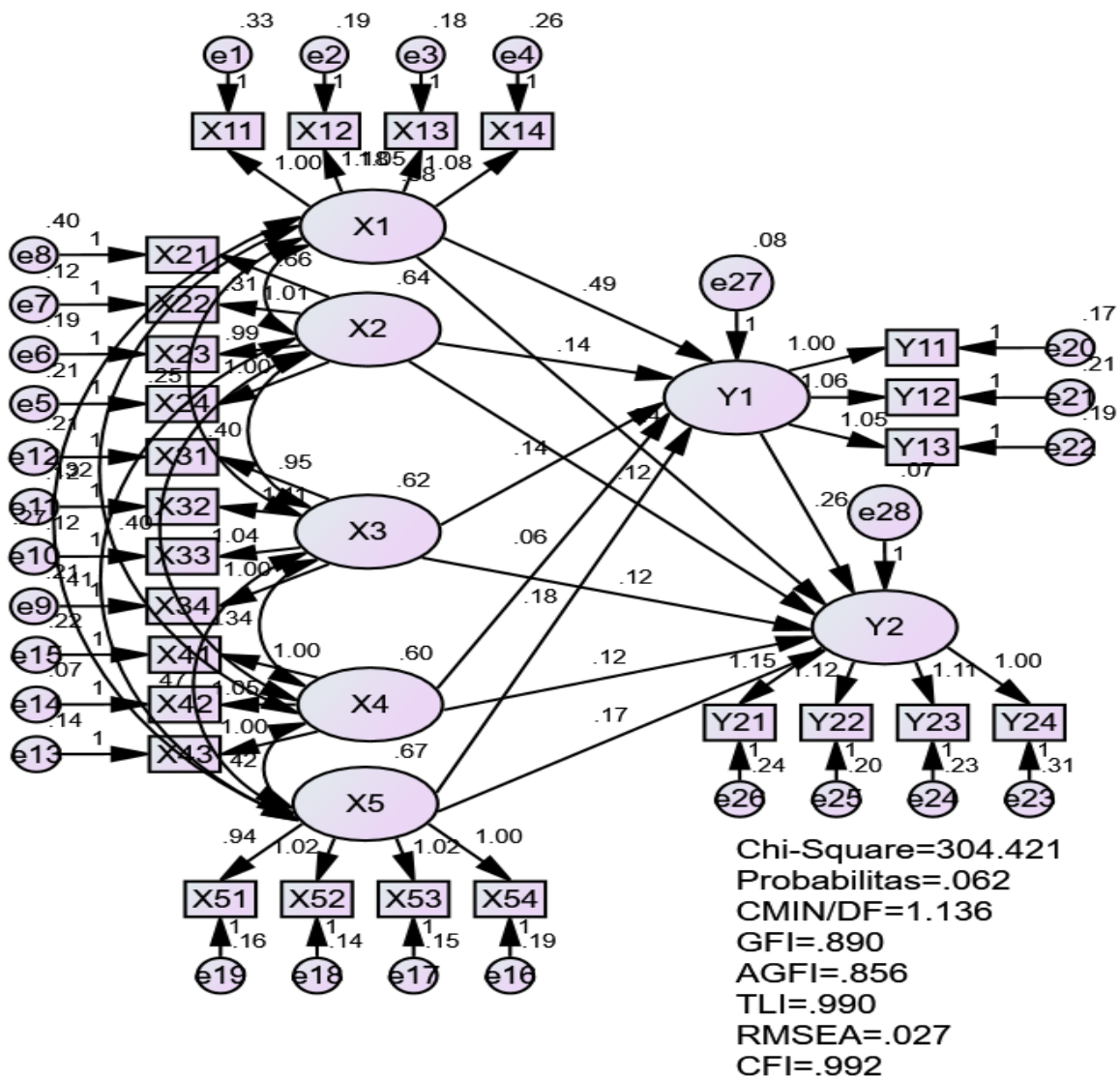
research analysis technique was confirmatory factor analysis with a regression weight approach, while the construct in this study was an endogenous construct.

## Results and Discussion

### Structural Equation Modelling Analysis

SEM test results for the effect of Endorser (X1), Message Content (X2), Message Structure (X3), Message Format (X4), and Message Source (X5) on FMCG Evaluation (Y1) and Brand Loyalty (Y1) can be seen in Figure 1.

**Figure 1:** SEM Test Results



### 1) Goodness of Fit Test

The results of testing the suitability of the model in the study noted that the eight criteria used to assess the feasibility of whether or not a model has been largely met, thus it can be said that the model is accepted and there is a suitability of the model with the data.

### 2) Causality Test

The next step is to test the causality of the hypotheses developed in the model. Testing the path coefficients is presented in Table 2.

**Table 2:** Causality Test Results

No.	Variable	Path coefficient	CR	Probability	Description
1.	$X_1 - Y_1$	0,490	5,447	0,000	Significant
2.	$X_2 - Y_1$	0,140	2,184	0,029	Significant
3.	$X_3 - Y_1$	0,144	2,227	0,026	Significant
4.	$X_4 - Y_1$	0,062	0,925	0,355	Influential but not significant
5.	$X_5 - Y_1$	0,176	2,576	0,010	Significant
6.	$X_1 - Y_2$	0,237	2,292	0,022	Significant
7.	$X_2 - Y_2$	0,124	2,063	0,039	Significant
8.	$X_3 - Y_2$	0,124	2,013	0,044	Significant
9.	$X_4 - Y_2$	0,125	2,031	0,042	Significant
10.	$X_5 - Y_2$	0,172	2,600	0,009	Significant
11.	$Y_1 - Y_2$	0,264	2,041	0,041	Significant

## Discussion

### *Effect of Endorser on FMCG Evaluation and Brand Loyalty to the Community in the regional area of Jember*

Hypothesis 1 states that endorsers have a positive and significant relationship to the evaluation of FMCG. The results of the analysis were a positive path coefficient of 0.490 with a CR of 5.447. This states that the better the consumer's perception of the endorser, the FMCG evaluation will increase, and vice versa. As the consumer's perception of the endorser gets worse, it reduces the FMCG evaluation. The results of this study are in line with Sridevi (2014), which states that celebrity advertising has a positive value on FMCG consumers. The objectives during the study present relevant academic theories and determine the effectiveness of celebrity advertisements on FMCG products. While Arsena, Silvera, & Pandelaere (2014), indicated that celebrity endorsers can produce consumer perceptions, trust and commitment to brand relationships. As well the results indicate that a credible endorser can improve the brand image of a product.

Hypothesis 6 states that endorsers have a positive and significant relationship on brand loyalty. The results of the analysis were a positive path coefficient of 0.237 with a CR of 2.292. This means that the better consumer perceptions of endorsers will increase the loyalty of the Lux soap brand, and vice versa. As the consumer's perception of the endorser gets worse, it reduces the loyalty to the Lux soap brand. Research conducted by Hariyana (2013), proved that: endorsers; message content, structure and format; and source have a significant effect on purchasing decisions and Lux soap brand loyalty in Jember Regency, except that the message structure variable cannot have a significant effect on purchasing decisions. Whereas research by Mugiono & Mudiantono (2012), proved that it has a positive value on the effect of celebrity endorser credibility, advertisement appeal and brand awareness and attitude towards purchasing decisions. Farhat & Mustafa (2011) proved a positive value on the effect of the credibility of celebrity endorsers and attractiveness of advertising.

#### ***Effect of Message Content on FMCG Evaluations and Brand Loyalty to the Community in the regional area of Jember***

Hypothesis 2 states that message content has a positive and significant effect on the evaluation of FMCG. The results of the testing show a positive path coefficient of 0.140 and CR of 2.184. This shows the better the consumer's perception of the message content the higher the increase in FMCG evaluation, and vice versa. As the consumer's perception of the message content gets worse, FMCG evaluation decreases. This research is supported by research of J. Nantel & Sekhavat (2008), which aimed to determine and explain the effect of mobile commerce. The variables used were mobile commerce, SMS, virtual communities, advertisements and text messages. The results of their study proved that mobile commerce, SMS, virtual communities, advertisements and text messages had a significant effect.

Hypothesis 7 states that the content of the message has a direct effect on brand loyalty. The results of testing are a positive path coefficient of 0.124 with a CR of 2.063. This shows better consumer perceptions of the contents of the message increases their loyalty to the Lux soap brand, and vice versa. As the consumer's perception of the message content gets worse, it reduces the loyalty to the Lux soap brand. This research is in line with other research conducted namely if a consumer is loyal to a brand, they will likely recommend their favourite product to others (Tsang et al. (2004).

#### ***Relationship of Message Structure to FMCG Evaluation and Brand Loyalty to the Community in the regional area of Jember***

Hypothesis 3 states that message structure has a positive and significant effect on the evaluation of FMCG. The results show a positive path coefficient of 0.144 with a CR of 2.227. This shows better consumer perception of the message structure, will increase FMCG



evaluation, and vice versa. As the consumer's perception of the message structure gets worse, it decreases FMCG evaluation. Kusumaningtyas (2014) showed that the advertising message variable had a joint and significant influence on the purchasing decision. The message structure, format and source variables partially had a significant influence on purchasing decisions, while the message content variable had a non-significant effect on purchasing decisions.

Hypothesis 8 states that message structure influences brand loyalty. The results show a positive path coefficient of 0.124 with a CR of 2.013. This shows better consumer's perception of the message structure will increase the Lux soap brand loyalty, and vice versa. As the consumer's perception of the message structure is gets worse, it reduces the Lux soap brand loyalty. The message structure variable is a variable that has a dominant influence on purchasing decisions. Widiyatmoko (2005) used variables of advertising effectiveness, brand association and brand loyalty. Their results proved a positive and significant effect on the effectiveness of advertising, brand associations and brand loyalty and equity.

#### ***Relationship of Message Format to FCMG Evaluation and Brand Loyalty to the Community in the regional area of Jember***

Hypothesis 4 states that message format has a positive and not significant effect on FCMG evaluation. The results show a positive path coefficient of 0.355 with a CR of 0.92. This shows message format is assessed not as a factor that determines FMCG evaluation. The results of this study were not supported by Satria (2009), their results showed a positive value on the effect of: advertising content, structure and formats; purchasing decisions; and customer satisfaction and loyalty. Knowing the quality of the product, usually influences a purchase decision. Most likely, the consumer will recommend the product to others. This supports the theory of the message format Tjiptono et al. (1995).

Hypothesis 9 states that message format has a positive and significant effect on brand loyalty. The results show a positive path coefficient of 0.125 with a CR of 2.031. This shows better consumer's perception of the message format will increase the Lux soap brand loyalty, and vice versa. As the consumer's perception of message format gets worse, it reduces Lux soap brand loyalty. Message format must also be concise and clear so that it can cover important matters regarding product quality. This will increase the sense of interest of consumers who see the advertisements because consumers feel attracted after seeing the advertisement and are likely to buy products (Tsang et al., 2004).

### ***The Effect of the Message Source on the Evaluation of Brand Loyalty FMCG Advertisements to the Community in the Jember Korwil area***

Hypothesis 5 states that the source of the message has a positive and significant effect on FMCG evaluation. The results show a positive path coefficient of 0.176 with a CR of 2.576. This shows the better the consumer's perception of the source of the message, the more FMCG evaluation will increase, and vice versa. As the consumer's perception of the source of the message gets worse, it decreases the FMCG evaluation.

Hypothesis 10 states that the source of the message has a positive and significant effect on brand loyalty. The results show a positive path coefficient of 0.172 with a CR of 2.600. This shows the better the consumer's perception of the source of the message, more loyalty of the Lux soap brand increase, and vice versa. As the consumer's perception of the source of the message gets worse, it decreases the loyalty to the Lux soap brand.

Ason et al., (2013), states the shopping culture and behaviour of Greek consumers influence their purchasing decisions. This finding supports the empirical research of the research (Kusumaningtyas 2014; Kotler 2005; Tsang et al. 2004; Buda and Zhang 2000; Kasali 1995; Nantel and Rosen 1986). The results of their study consistently proved that the source of messages has a significant effect on evaluating FMCG advertisements.

### ***The Effect of FMCG Evaluation on the Loyalty of the Lux Soap Brand in the Community in the Jember Korwil area***

The findings in this study proved that FMCG evaluation has a significant effect on the loyalty to the Lux soap brand in the community in the regional area of Jember. Based on these results, it can be concluded that the eleventh hypothesis which stated that the FMCG evaluation has a significant effect on loyalty to the Lux soap brand in the Jember Korwil area is proven and acceptable. This means that if consumers' perceptions of FMCG evaluation increase, their loyalty to the Lux soap brand will increase, and vice versa. As consumers' perceptions of FMCG evaluation decreases, it reduces the loyalty to the Lux soap brand. FMCG evaluation influences brand loyalty because FMCG evaluation reflects a consumer's level of brand loyalty. As purchasing decisions increase, brand loyalty in a product will increase. The loyal attitude of a consumer towards a product is usually seen from the attitude of the purchase. The more often a consumer buys a product, the consumer can be said to be loyal to that product Lamb et al., (2001).

## Conclusion

Based on the analysis of data and the grading of the effects of exogenous variables of Lux soap consumers in the community in the Regional District of Jember several conclusions can be drawn.

Endorsers influence the evaluation of FMCG advertisements in the community in the regional area of Jember. This proves that endorsers can improve the evaluation of FMCG consumers in the decision to purchase Lux soap. Message content has a significant effect on the evaluation of FMCG advertisements and this proves that message content can improve the evaluation of FMCG consumers in the decision to purchase Lux soap. Message structure has a significant effect on the evaluation of FMCG advertisements in the community in the region of Jember and this proves that the structure of the advertising message by endorsers can improve the evaluation of FMCG consumers in the decision to purchase Lux soap. Message format has no significant effect on the evaluation of FMCG advertisements and this rejects that message format is not able to improve the evaluation of FMCG consumers in the purchase of Lux soap. Message source has a significant effect on the evaluation of FMCG advertisements in the community in the region of Jember. This proves that message source can improve the consumer's FMCG evaluation in the decision to purchase Lux soap.

Endorsers have a significant effect on the loyalty of the Lux soap brand in the community in the Jember region. This proves that the endorser can increase the loyalty of the Lux soap brand. The contents of the message have a significant effect on the loyalty of the Lux soap brand and this proves that endorsers can increase the loyalty to the Lux soap brand. Message structure has a significant effect on the loyalty of the Lux soap brand and this proves that endorsers can increase the loyalty to the Lux soap brand. Message format has a significant effect on the loyalty to the Lux soap brand in the community in the regional district of Jember and this proves that endorsers can increase loyalty to the Lux soap brand. The source of the message has a significant effect on the loyalty to the Lux soap brand and this proves that endorsers can increase the loyalty to the Lux soap brand. The evaluation of FMCG advertisement has a significant effect on the loyalty to the Lux soap brand in the community in the regional area of Jember.

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