

The Effect Of Endorsements, Online Promotions On Social Media And Word Of Mouth On Buying Interest In Culinary Businesses In Palembang City

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ABSTRACT

This research was conducted with the aim of determining the influence of endorsements, online promotions on social media and word of mouth on buying interest in culinary businesses in the city of Palembang. The number of samples used in this study was as many as 125 respondents who were included in the sample with a homogeneous population type or the entire population in the same area by purchasing products of the same type or brand using the purposive sampling method. The results of multiple linear regression analysis show that endorsement, online promotion on social media and word of mouth have a positive and significant effect on buying interest. Endorsement, it is hoped that you can choose a foodvlogger who has a good image in the community, has quite a lot of followers on social media, a way to do food reviews that attract consumer interest. Promotions, it is hoped that MSMEs often provide promo prices by collaborating with several merchants such as e-wallets or banks that often provide discounts. Word of mouth, it is hoped that MSME culinary business actors in the city of Palembang can take advantage of the role of social media in promotional events.

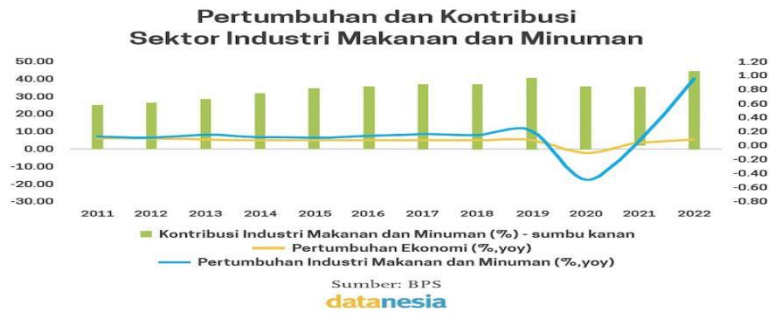
Keywords: *Endorsement, Promosi, Word of Mouth, Minat Beli*

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INTRODUCTION

The development of culinary businesses in Indonesia is currently increasingly diverse and competitive. But nowadays culinary is no longer just food and cuisine. The era of digitalization has also had an impact on the expansion of culinary meaning. From cooking and enjoying food, it is a word that is closely related to business, trends, lifestyle to amazing creativity and innovation in processing and serving. The culinary business is one of the many service businesses that are growing rapidly even during a crisis. This is because basically food is one of the basic human needs that must be met, so if eating and drinking are still the priority needs, the culinary business will continue to grow and develop (Febryanti, 2022).

The food business (culinary) is a business that does not exist because it is a primary need, for that culinary business is a business that will never die, but it is not that easy to manage a business in need of special skills to be able to make a culinary business run well. The development of the culinary business itself is also growing rapidly, many culinary businesses have emerged from all forms, for this reason an entrepreneur is required to be able to run his business and also always update on new things (Febryanti, 2022).

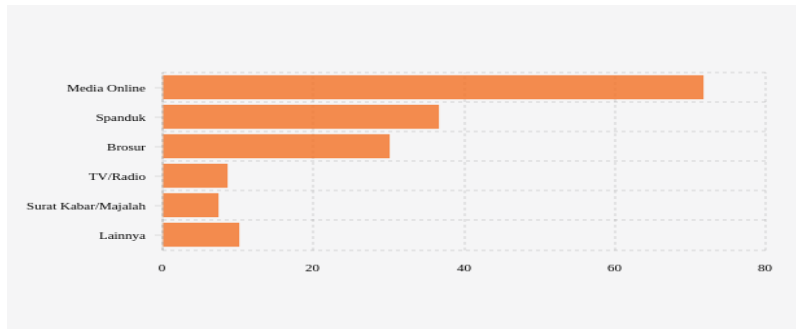


Source: Central Statistics Agency, processed in 2024

Figure 1.1.

Growth and Contribution of the Food and Beverage Industry Sector in Indonesia

The data in Figure 1.1 shows that the food industry and the community seem to be quenching their thirst, after the COVID-19 pandemic. After the industry's performance shrank in 2020, it immediately turned positive, growing 5.03% the following year. Even in 2022, the performance of the food and beverage industry is accelerating, growing by 40.54%, the highest in the last 10 years. The food and beverage industry was also affected by the pandemic. In 2020, its performance shrank by 17.51%, deeper than the national economic growth of minus 2.07%. However, last year, the food and beverage industry accelerated its growth to 40.54%, the highest in the last 10 years. This year, Gappmi projects the growth of the food and beverage industry to reach 5-7%.



Source: Central Statistics Agency, 2024

Figure 1.2.

Percentage of Use of Promotional Facilities in Food and Beverage Provider Businesses

The data in Figure 1.2 shows that food and beverage providers in Indonesia carry out promotional means to market their business or products. Along with the times, the most widely used means of promotion is online media. The Central Statistics Agency (BPS) noted that as many as 71.74% of food and beverage provider businesses use online media to promote their businesses or food products in 2024. Then, as many as 36.64% of businesses use banners for promotional means and 30.16% use brochures. There are also 8.65% of businesses still using television/radio as a means of promotion. Then, as many as 7.41% of businesses promote through newspapers/magazines and 10.07% use other media to promote their business. BPS also noted that in the current digital era, most food and beverage provider businesses have taken advantage of online sales, namely 85.55%. The most widely used means of online sales are through ordering services carried out by third parties, which is 61.69%. Followed by social media at 49.69%, while through websites only 17.62%.

Based on the phenomenon found by the author in South Sumatra Province as well as in Palembang City, especially in Palembang City through the website of the Central Statistics Agency which collected complete data on cooperatives and MSMEs (PL-KUMKM) in 2023 as an effort to encourage the creation of a single database of Cooperatives and MSMEs in Indonesia. The results that the Ministry of Cooperatives and SMEs in 2022 have obtained nine million MSME data by name by address, then in 2023 the data collection will target 215 districts/cities in 32 provinces and 64 million MSMEs in Indonesia that have challenges, in the form of financing, market access, and adequate technology (sumsel.beta.bps.go.id, 2024).

The South Sumatra provincial government noted that there are 680 thousand micro, small and medium enterprises (MSMEs) registered until 2024. This number is very minimal compared to the total of all MSMEs in South Sumatra which number up to 2.3 million. This was revealed by the Head of the South Sumatra Cooperatives and SMEs Office, Amiruddin, on Friday (19/4/2024) said that the number of MSME actors registered by name by address in the South Sumatra Provincial Government only reached 680 thousand out of 2.3 million MSMEs. Mr. Amirudin explained that there are obstacles to data collection and registration of MSME actors, because some MSMEs are mobile or trade on the go (detik.com, 2024).

METHOD

The number of population and sample in this study is determined based on the opinion of (Hair, 2010) which found that the appropriate sample size was between 100 to 200. It is also explained that the minimum sample size is as many as 5 observations for each *estimated parameter*, In this study, the number of questions in the questionnaire was 20 questions, so that the number of samples was 6 times the number of questions on each independent variable used, namely, *endorsement*, online promotion, and *word of mouth*.

According to Rostow (1996), development is divided into 5 types, including: traditional society, preconditions for takeoff, takeoff, moving to maturity, and the era of high mass consumption. According to Rostow, the development of development in Indonesia is to achieve take-off, which means the movement of development in the economic field that runs sustainably. With this condition, an area can be sure to develop. In addition, Indonesia society is a society that used to interact with the existence of a traditional system, be it including mutual cooperation, the activities of a citizen that involve many people.

So the number of samples used in this study is as many as 125 respondents who are included in the sample with a homogeneous population type or the entire population in the same area by purchasing products of the same type or brand. The sample determination technique in this study uses *the purposive random sampling technique*. The respondents in this study are customers and prospective customers who make purchases of customers who will purchase food and beverages in the culinary business in the city of Palembang in 2024.

RESULTS AND DISCUSSION

The endorsement variable (X1) has a beta value of 0.313 with a significance level of 0.003, which is smaller than 0.05. This shows that the endorsement variable has a positive and significant effect on buying interest in the culinary business in Palembang City, so the first

hypothesis can be accepted. The promotion variable (X2) has a beta value of 0.413 with a significance level of 0.001, which is also smaller than 0.05. This proves that promotion has a positive and significant effect on buying interest, so the second hypothesis can be accepted. In addition, the word of mouth variable (X3) showed a beta value of 0.603 with a significance of 0.025, which is smaller than 0.05, indicating that word of mouth has a positive and significant influence on buying interest in the culinary business in Palembang. Thus, the third hypothesis is also acceptable.

The Effect of Endorsement on Buying Interest in the Culinary Business (Case Study in Palembang City)

Endorsement has a positive and significant effect on buying interest. These results are in line with the results of research from (Shivam, 2022); (Kaur, 2021); (Nagdev, 2021); (Malik, 2021); (Sidani, 2020); (Weismueller, 2020); (Mukherjee, 2019) showed that endorsement had a positive and significant effect on buying interest.

Respondents' responses to the indicators of information provided by celebrities/foodvloggers can be trusted show the lowest scores. Several interviews conducted with several respondents said that reviews that are often conducted by foodvloggers sometimes do not correspond to reality. This is considered by some consumers to show that the reviews given are not credible because consumers say that they have bought culinary products at MSMEs in the city of Palembang that are not in accordance with what they buy. This shows that the role of a food vlogger where he is also endorsed/paid by MSME owners will always give a positive response and is considered not to give an honest response.

The respondents' responses to this celebrity/foodvlogger indicator have the ability to attract consumer buying interest, showing the highest score. This shows that the role of food vloggers is very influential on business development, especially MSMEs in the culinary sector. By using the role of food vloggers in the modern era as a means of promotion, this makes it easy to be known by the public because it is for the attractiveness of the public so that it is easy to be known and the desire to buy a product.

The Effect of Promotion on Buying Interest in the Culinary Business (Case Study in Palembang City)

Promotion has a positive and significant effect on buying interest. These results are in line with the results of research from (Rentika, D., Marlina, W., Muchsin, S., Aslamia, R, 2023); (Satria et al., 2023); (Man & Yang, 2022); (Email, 2022); (China, 2022); (Febryanti, 2022); (Lutfi, 2022); (Citrawatia et al., 2021); (Siregar, 2021); (Kuruvilla, 2020); (Tregear & Ness, 2020); (Büyükdağ, 2020); (Maharani, 2020); (Rachmadita et al., 2020); (Jayabaya & Mediawati, 2018) found that promotion had a positive and significant effect on buying interest.

Respondents' responses to this MSME indicator often provide promo prices that attract my interest, showing the lowest value. This shows that not all MSMEs in the city of Palembang often provide promo prices. But some MSMEs in the culinary business in the city of Palembang will provide promos at the time of launching a new brand or a product as a means of introducing the product and brand to the community. In providing prices, usually MSMEs in the culinary sector provide discounted prices if, for example, the product is included in a category that cannot be stored for more than 1 day or more. So they are usually often given discounts or special prices or bundling prices.

In the indicator of culinary products from MSMEs, they often participate in and participate in events both in the city of Palembang and outside the city of Palembang, showing the highest value. This shows that culinary business MSMEs in the city of Palembang have begun to dare to participate in events held both nationally and internationally which are often carried out in the city of Palembang. This creates an opportunity for MSMEs in the culinary business in the city of Palembang to be able to develop their business and can increase sales to be better and known by the general public.

The Influence of Word of Mouth on Buying Interest in the Culinary Business (Case Study in Palembang City)

Word of mouth has a positive and significant effect on buying interest. These results are in line with the results of research from (Sweeney, 2023); (Raisa & Nailis, 2023); (Lee, 2022); (Cong & Zheng, 2022); (Zamil, 2021); (Kim, 2021); (Qi, 2021); (File, 2021); (Lubis, 2021); (Lin & Lu, 2020); (Powa, 2018) found that word of mouth had a positive and significant effect on buying interest.

The respondents' responses to this MSME indicator provided a promotion that attracted my interest, showing the lowest value. This shows that the promotions carried out by MSMEs in the city of Palembang are still lacking, one of which is in determining prices and promotional facilities used in the sales process and brand and product introduction.

The respondents' responses to this MSME indicator are active on social media in providing information showing the highest value. According to some respondents, MSMEs in the city of Palembang are considered to be able to promote through various kinds of social media that are currently developing such as Instagram, TikTok, etc. In addition, the creation of interesting videos and photos on social media is also very influential. Through this social media, several MSMEs that sell products with food categories that can be delivered such as snacks have also penetrated e-commerce so that consumers who are outside the city can place orders through the e-commerce.

CONCLUSION

Endorsement has a positive and significant influence on buying interest in the culinary business in the city of Palembang. In addition, promotions have also been proven to have a positive and significant influence on buying interest in the culinary business sector in the city. Likewise, word of mouth has a positive and significant impact on buying interest in the culinary business in Palembang. These three variables show that endorsement, promotion, and word of mouth strategies together play an important role in increasing consumer buying interest in the culinary sector in Palembang City.

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