

THE IMPACT OF ENDORSEMENTS ON SALES TURNOVER MSME BUSINESS IN BANDAR LAMPUNG CITY

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Abstract (Indonesia)

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Latar Belakang: Perkembangan teknologi saat ini banyak dimanfaatkan oleh para pelaku usaha untuk mempromosikan produknya, dengan kemudahan yang diinginkan oleh pembeli, tentunya hal ini menjadi solusi bagi pengusaha UMKM untuk pengembangan usaha. Penggunaan endorsement merupakan salah satu alternatif yang bisa dicoba untuk meningkatkan omzet penjualan.

Tujuan: Penelitian ini bertujuan untuk mengetahui sejauh mana peran guru dalam melaksanakan layanan pendidikan inklusif di SMAN 6 Bandung.

Metode: Penelitian ini dilakukan dengan menggunakan survei menggunakan bantuan *google form* terhadap 100 responden pengusaha UMKM yang menggunakan *endorsement* sebagai bantuan promosi usaha UMKM di Kota Bandar Lampung. Jenis penelitian ini menggunakan jenis penelitian kuantitatif dengan menggunakan format deskriptif. Data yang dikumpulkan dalam analisis menggunakan metode deskriptif kuantitatif dan deskriptif kualitatif dengan memanfaatkan peralatan statistik deskriptif dan tabel frekuensi tunggal serta frekuensi silang. Pengambilan keputusan dilihat dari jumlah hasil persentase jika lebih dari 50% diartikan sebagai variabel yang berdampak pada UMKM.

Hasil: Hasil penelitian ini diperoleh penggunaan promosi menggunakan media sosial dengan bantuan *endorser* untuk mempromosikan produk yang dimiliki UMKM sangat berpengaruh pada aspek informasi, aspek persuasif, aspek pengulangan, dan omzet penjualan untuk berkembang dan bersaing dengan UMKM lainnya.

Kesimpulan: Penelitian ini fokus pada dampak pengaruh *endorsement* terhadap omzet UMKM terutama pada volume penjualan dan laba. Penggunaan promosi menggunakan media sosial dengan bantuan *endorser* untuk mempromosikan produk yang dimiliki UMKM sangat berdampak pada aspek

informasi, aspek persuasif, aspek pengulangan dan omzet penjualan guna untuk pengembangan dan bersaing dengan UMKM lainnya.

Keywords: *Endorsement, omset penjualan, UMKM.*

Abstract (English)

Background: *Technological developments are currently widely used by business actors to promote their products, with the convenience desired by buyers, of course, this is a solution for MSME entrepreneurs for business development. The use of endorsements is one alternative that can be tried to increase sales turnover.*

Objective: *This study aims to determine the extent of the role of teachers in implementing inclusive education services at SMAN 6 Bandung.*

Method: *This research was conducted using a survey using the help of a google form on 100 respondents of MSME entrepreneurs who used endorsements as assistance for promoting MSME businesses in Bandar Lampung City. This type of research uses a quantitative type of research using a descriptive format. The data collected in the analysis used quantitative descriptive and qualitative descriptive methods by utilizing descriptive statistical tools and tables of single frequencies and cross frequencies. Decision-making is seen from the number of percentage results if more than 50% is interpreted as a variable that has an impact on MSMEs.*

Results: *The results of this study obtained the use of promotion using social media with the help of endorsers to promote products owned by MSMEs greatly affect the information aspect, persuasive aspect, repetition aspect, and sales turnover to develop and compete with other MSMEs.*

Conclusion: *This study focuses on the impact of the effect of endorsements on MSME turnover, especially on sales volume and profit. The use of promotion using social media with the help of endorsers to promote products owned by MSMEs has a great impact on information aspects, persuasive aspects, repetition aspects, and sales turnover to develop and compete with other MSMEs.*

Keywords: *Endorsement, sales turnover, MSMEs*

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INTRODUCTION

Economic growth is currently at its peak, with the introduction of data technology innovations that greatly affect business actors. The level of technological progress has provided convenience for humans in various fields, one of which is the field of business or buying and selling. The real form of technological progress is the existence of the internet. The internet provides various facilities for its users, one of which is a place to buy and sell. This facility can be used as a field for doing business.

The emergence of online shops, online commerce groups, e-commerce platforms, and other *e-business* models is proof that today's society wants convenience in trying to get what they want quickly and easily. Especially during the *Covid-19* pandemic where all access is restricted, of course, *online* sales are one solution so that MSMEs can survive even in a slumped economic situation. As a result, MSME players are required to make more aggressive sales and more vigorous promotional efforts. So that the goods offered sell well with extra sales promotions. Of course, this will have an impact on the public to know the existence of the goods we sell, to know the advantages both in terms of products and services compared to competing MSMEs. Social media is an *alternative* method of bidding to sell goods in larger quantities.

The increasing demand for *online* sales is inseparable from the advertisements used by each MSME entrepreneur to attract many consumers. Advertising is a persuasive communication medium designed to generate responses and help achieve objectivity or marketing goals (Rahmawati, 2013). One of the ways that are done so that advertisements made can attract the attention of consumers is by using *endorsements*. The selection of *endorsers* must be considered. Many factors determine the success or failure of a product, but the use of *endorsements* can indeed be one of the factors, especially the nature of being a driver for consumers to want to buy. The use of *endorsements* is one of the creative strategies in advertising that is used so that people can form perceptions about products or brands by associating *endorsers* with their products and causing brand awareness in the public as users of the product.

Celebrity endorser is used to attracting the attention of the audience and is expected to increase *product awareness*. The use of *celebrity endorsers* gives the impression that consumers are selective in choosing and improving their status by having what is used by celebrities (Pradhan et al., 2016). *Celebrity image* for a consumer can be measured based on the celebrity's suitability and ability to attract attention (Miller & Allen, 2012). Every celebrity has many meanings, including status, class, gender, age as well as personality, and lifestyle. Credibility and attractiveness alone are not enough to explain how *celebrity endorsements* can serve to transfer the value of a product or company (Charbonneau & Garland, 2010).

Considering that the use of *endorsements* is a very intensive thing to do in advertising and marketing, the author feels interested in conducting research related to the impact of using the *endorsement* on the sales turnover of a product and goods.

RESEARCH METHODS

The data used in this study is primary data by conducting a survey directly of MSME actors in Bandar Lampung City who use Instagram social media as a promotional and sales medium and use *endorsements* as an *alternative* to promoting products. This type

of research uses a quantitative type of research using a descriptive format. Quantitative research with a descriptive format aims to explain, and summarize various conditions, various situations, or various variables that arise in the community that is the object of research based on what happens (Bungin, 2011). The sampling technique to be used is Saturated Sampling where the sample is all members of the population. In this study, the number of samples to be taken was 100 respondents. then the techniques that the author will use are observation (observation) and questionnaire (questionnaire), the distribution of questionnaires to MSME actors is carried out using the help of *google forms*.

The data collected in the analysis used quantitative descriptive and qualitative descriptive methods by utilizing descriptive statistical equipment and single frequency tables as well as cross frequencies. Decision-making is seen from the number of percentage results if more than 50% is interpreted that the variable has an impact on MSMEs (Lubis & Junaidi, 2016).

RESULTS AND DISCUSSION

This research was carried out in Bandar Lampung City. Data on MSME entrepreneurs who market their businesses using social media and using the help of celebrity *endorsements* to carry out sales promotions in Bandar City.

1. Descriptive Data

The results of descriptive data of respondents to the frequency distribution show that 66% of MSME owners are female and 35% of MSME owners are male. The last education taken by MSME owners was 61% of Bachelor (S1) graduates, in second place 45% of high school graduates, 4% of Diploma graduates (D3), and 1% of junior high school graduates. MSMEs who are respondents are 62% aged 0-5 years, 13% are aged 6-10 years and 25% are over 10 years old. Most of the MSME players who are respondents are engaged in trade 84%, production business 11%, and services 6%. The fields of trade that are engaged in include fashion, culinary, cosmetics, and parabola. Meanwhile, the business in the field of production engaged in is engaged in making robusta coffee, making chips, Lampung tapis craftsmen, producing souvenirs typical of Lampung, and other service businesses such as hair shaving, computer service, laundry, car, and motorcycle washing, transportation.

Table 1.
Respondent descriptive data

Gender	Frequency	Percentage
Man	35	35%
Woman	66	66%
Total	100	
Final Education		
SD	0	0%
JUNIOR	1	1%
SMA	45	45%
Diploma (D3)	4	4%
Undergraduate (S1)	61	61%
Total	100	
Length of Business (years)		
0 – 5	62	62%
6 – 10	13	13%
>10	25	25%

Total	100
Business Type	
Service	6 6%
Trade	84 84%
Production	11 11%
Total	100

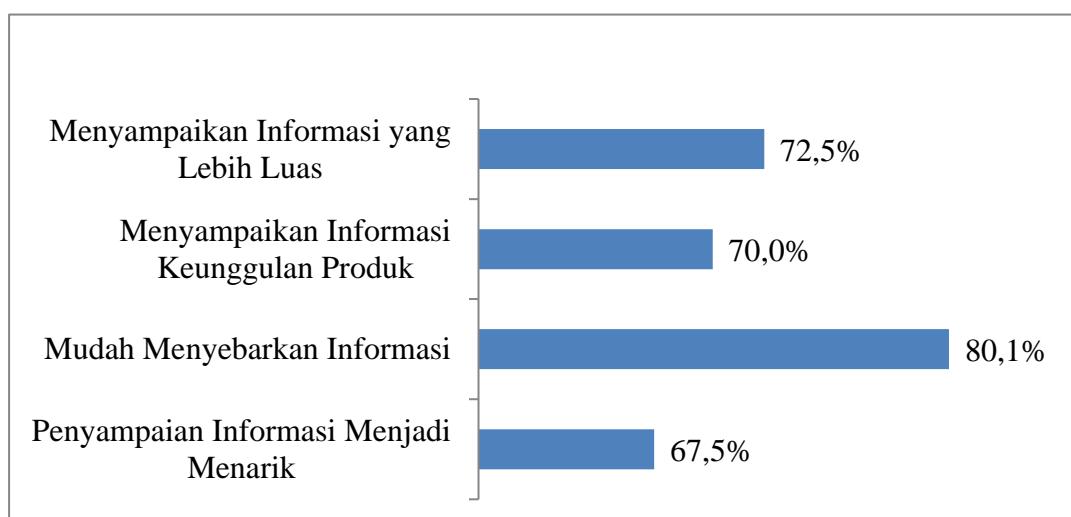
Source: Data Processed by Author, 2022

2. *Endorsement Data*

Endorsement is a marketing strategy by utilizing the icons of famous people such as artists, figures, and other advertising stars who have direct and strong influence and use their famous attributes to attract consumers to make purchases.

a. Impact of Information Aspects (*Informing*)

Using *endorsement* services has an impact on information on potential buyers. Based on the results of a survey conducted, shows that using *endorsement* services has a very impact on delivering information to a wider range of prospective buyers, namely 72.5%, *Endorsement* Makes it easier to disseminate information about MSME products offered. Can convey information on product excellence to MSMEs which is promoted by 70%. The level of trust possessed by an endorsement will certainly easily convey the information conveyed, this can be proven that the *endorsement* is easy to disseminate information, which is 80.1%. With so many *followers*, of course, there are special tricks and ways to convey product information to be more interesting, it can be proven that the delivery has become more attractive by 67.5%. Information can be easily conveyed to potential buyers because *endorsers* have a level of *trustworthiness*. Trust refers to perceived honesty, integrity, and trustworthiness by the crowd. In addition to having a level of trust *endorsement* has expertise which refers to the knowledge, experience, and skills possessed by supporters (*endorsers*) (Terence & Andrews, 2013). The following Figure 1 shows the impact of information aspects of the use of *endorsements* on MSMEs in Bandar Lampung City

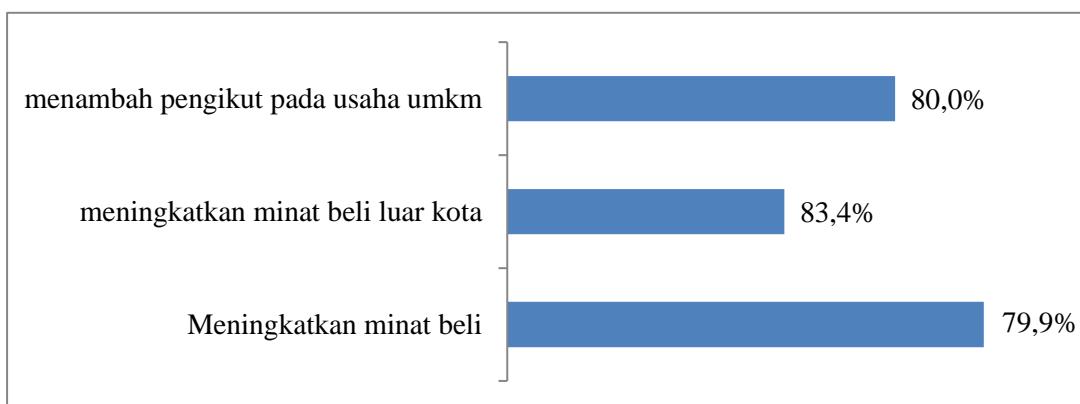


Source: Data Processed by Author, 2022

Figure 1. Information Aspects of the Impact of Endorsements

b. Impact of Persuasive Aspects (*Influencing*)

The implementation of social media has an impact on persuasive aspects (*Influencing*). So it can be concluded that the use of *endorsements* can increase purchase interest in Out-of-Town Customers by 83.4%. *Endorsements* can increase followers to MSME businesses by 80.0%. So that it can increase buying interest by 79.9%. Strength is the charisma emitted by the *endorser* so that it can influence the thinking, attitude, or behavior of consumers because of the supporting statement or message (cavernous). It will certainly be easy to infect the *followers* he has to easily believe what he says. The following Figure 2 shows the impact of the persuasive aspects of endorsement use on MSMEs in Bandar Lampung City.

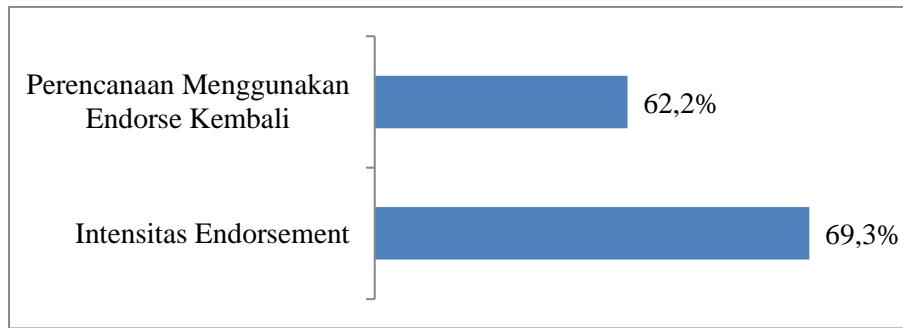


Source: Data Processed by Author, 2022

Figure 2. Persuasive Aspects of Endorsement Impact

c. Impact of Repetition Aspects (*Pervasiveness*)

The intensity of *endorsements* can strengthen the interest of potential *customers* in MSME business products. This is because it will increase the trust of potential buyers who are still hesitant and introduce new *followers*. Of course, the intensity of endorsements can strengthen the interest of potential buyers in MSME products by 69.3%. Planning to use *endorsements* back by 62.2% to increase sales turnover. The uniqueness of the characteristics of the *endorser* can help communicate the messages you want to convey to the *audience*. Celebrities as *endorsers* who have a characteristic match with the product to be advertised will be more helpful in dramatically conveying the message. So by making repeated or intense *endorsements*, it will certainly have an impact on the level of trust and loyalty of potential buyers and those who have used the MSME product. The following Figure 3 shows the impact of the repetition aspect of *endorsement* use on MSMEs in Bandar Lampung City.



Source: Data Processed by Author, 2022

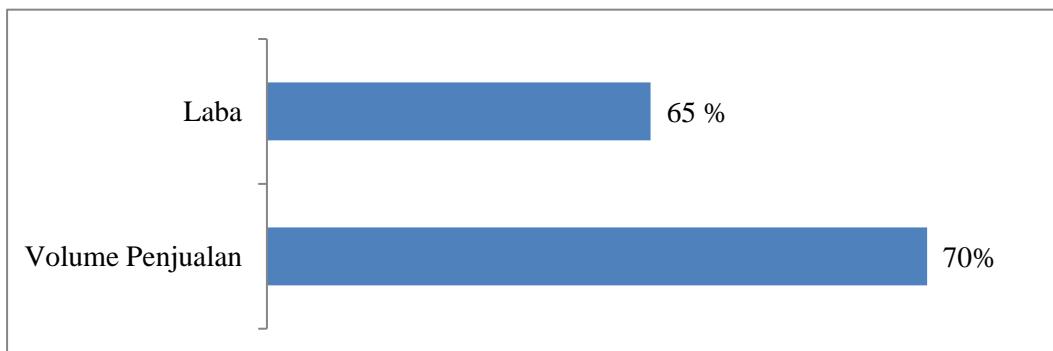
Figure 3. Aspects of Repetition of Endorsement Impact

According to (Schiffman & Kanuk, 2007), there are several roles of *endorsers* as advertising models that companies can use, namely:

1. *Testimonials*. If the celebrity personally uses the product, then his party can testify about the quality and benefits of the advertised product or brand.
2. Support (*Endorsement*). There are times when a celebrity is asked to star in a product commercial when he or she is not personally an expert in the field.
3. Actor (*Actor*). Celebrities are asked to promote a certain product or brand related to the role they are starring in a certain program.
4. Spokesperson (*Spokesperson*). Celebrities who promote a product, brand, or company over some time fall into the group of spokesperson roles. Their appearance will be associated with the brand or product they represent.

d. Impact on Sales Turnover

Endorsements can increase sales turnover so that the expected target for MSME business actors is achieved. The use of *endorsements* Can increase sales *volume* by 70% and increase profits by 65%. So it can be concluded that the more often you use the right *endorsement*, the more you increase your turnover in a month. The sales turnover obtained is equivalent to the endorsement fee for one *endorsement*. The following figure 4 shows the impact of the use of *endorsements* on the sales turnover of MSMEs in Bandar Lampung City



Source: Data Processed by Author, 2022

Figure 4. Impact of Endorsements on Sales Turnover

Based on the results of a survey on the use of endorsements for MSME businesses in Bandar Lampung City, it certainly has a very good impact on sales turnover, this supports

the function and purpose of these sales, the Company generally has three general objectives in sales, namely:

- 1) Achieve a certain sales volume
- 2) Getting a certain profit
- 3) Support the company's growth.

Sales volume is the result of sales activities carried out by the company to achieve the goal of maximizing profits and increasing sales turnover. According to (Chakroborty, 2005), there are several disadvantages or disadvantages of using celebrities as endorsers, namely as follows:

1. *Negative Publicity*. Celebrities who lose their popularity or are exposed to problems can have an impact on the decline in the value of the advertised brand. Therefore, when celebrities who support the brand are involved in legal issues, personal problems, or other issues that can lower their selling value and will have an impact on the product to be advertised.
2. *Overshadowing*. When a product is marketed and uses a celebrity whose image is very dominant, it can be that the image defeats the identity of the endorsed product. Celebrities who are used as endorsers can distract consumers' attention to them, commonly known as celebrity shadows. Consumers do pay attention to their celebrities but have problems remembering what products they advertise.
3. *Over Exposure*. A celebrity can be an endorser on a wide variety of products so that no specific product can be associated with it.
4. *Over Usage*. The use of several celebrity endorsers for marketing a product so that the public will be confused about who exactly is the endorser of the product.
5. *Extinction*. A long contract from a celebrity endorser will lead to extinction in the absorption of the identity of the product association. If celebrities cannot stabilize their behavior, it will result in a shift in the associations that celebrities image to the company.
6. *Financial Risk*. The use of celebrities in the promotion mix process is a step that requires very high financing and can cause financial risk for the company.

CONCLUSION

This study focuses on the impact of the effect of *endorsements* on MSME turnover, especially on sales volume and profit. The use of promotion using social media with the help of *endorsers* to promote products owned by MSMEs has a great impact on information aspects, persuasive aspects, repetition aspects, and sales turnover to develop and compete with other MSMEs. This survey proves that the power of the *endorser* can have a positive and negative impact. The positive impact as evidenced by the percentage rate above 50% indicates that endorsements of MSMEs are very influential. The study used 100 respondents of MSME actors in Bandar Lampung City. The results of the research show that most MSME players use and use *endorsement* services to increase sales turnover.

This research does not further examine the comparison before and after the use of endorsements to sales turnover in detail such as the comparison of the average sales turnover before using endorsements and after using *endorsements* with the help of Wilcoxon test. So it is suggested that further research can analyze this matter by equating whether there is a significant comparison in the increase in turnover before and after using *endorsements*. The obstacles felt by MSME actors in running a business using endorsement services are that in addition to the price set by the endorser management, MSME actors have to wait too long for the *endorser* to post the product to be promoted.

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