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Viral marketing and purchasing decision: Learning from BTS meal

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Abstract

This study aims to determine whether Viral Marketing, Celebrity Endorsers, and Price influence BTS Meal Purchasing Decisions. The sample in this study was 102 respondents, with a sampling technique using Purposive Sampling. The respondent were people who purchased BTS Meal a minimum of once. This research analysis method uses Structural Equation Modeling (SEM) with Partial Least Square (PLS) approach. The results showed that: 1) there was a strong and significant influence between viral marketing and the purchase decision of BTS Meal; 2) celebrity Endorsement significantly affects the purchase decision of BTS Meal; 3) the price does not significantly affect the purchase decision of the BTS Meal. The result of the Goodness of Fit (GOF) value in this study is 0.509, which means that the model's fit and the study's variables are robust.

Keywords: Celebrity endorsement; price; viral marketing

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Introduction

During the Covid-19 pandemic, various business sectors have decreased, including food and beverages. Social distancing causes a decrease in visitors number and limited operating hours. So, the entrepreneur must have a more creative marketing strategy to attract consumers. The advancement of internet technology also makes it easier for entrepreneurs to market their products. Based on the results of the Hootsuite and We Were Social report in 2022, internet users in Indonesia reached 204.7 million when compared to internet users in 2021 internet users in Indonesia were 202.6 million. There was an increase of 1%. With the increasing number of internet users, spreading information about a product will be faster. Consumers can easily exchange information or find information about the desired effect. The data can be easily accessed anywhere and anytime. Viral Marketing is a word-of-mouth marketing process carried out through the internet related to E-Mail messages or through other interesting marketing methods so that customers are willing to convey the message to their friends (Sandala, Massie & Tumbuan, 2019).

The key to Viral Marketing is to make consumers visit the website and then consumers recommend it to people who are interested in it. In addition, many companies do marketing by collaborating with influencers and engaging consumers in the products offered. The use of that person is usually called Celebrity Endorse. Celebrity Endorsements are figures who promote or endorse a product in various media (Wikatanazal, Pardiman & Rizal, 2021). Currently, K-pop is one of the most famous artists from South Korea, especially among millennials. McDonald's saw this opportunity by making a special menu in collaboration with BTS (Bangtan Sonyeondan), namely BTS Meal. BTS comprises seven members formed by Big Hit Entertainment, now renamed Hybe Corporation. In 2021 BTS was number one on the Forbes Korea Power Celebrity list, which ranked the most powerful and influential celebrities in Korea. BTS has fans called ARMY. BTS fans are spread all over the country. The Army is known to have high loyalty to its idol group. The collaboration between McDonald's and BTS can influence purchasing decisions at McDonald's.

The BTS Meal menu is like the previous menu: Chicken Mc Nuggets, French Fries, and drinks. However, the special ones from BTS meals are two favorite sauces with packaging that contains the BTS logo. The price is the amount of money the buyer is willing to pay, which the seller receives (Kristanto, Indraningrat & Prasetiyaningtiyas, 2017). McDonald's decision to collaborate with BTS to create a BTS Meal product and BTS also promoted the outcome that affected the price increase. Usually, the price of happy meal products at McDonald's is around Rp. 35,000, but because of collaborating with BTS, this

product became Rp. 45,000. From this research, we can calculate how much the influence of viral marketing, celebrity endorsement, and price affects the purchasing decision and how the model is formed. It is as same as the research conducted by Noviyanti, Sunarsi & Wijoyo, 2021 and Nuraini, Alfiyah & Maftukhah, 2015 which mention that purchasing decisions are a way of solving problems by choosing an action and purchasing decisions are a long process of considering a product offered.

Method

Data collection in this study is divided into primary and secondary sources. Preliminary data were obtained based on the results of scattered questionnaires, and secondary data was obtained from books, thesis journals, and related theses. The sampling technique in this study used Purposive Sampling with the sample criteria that will be taken in this study are people who have purchased BTS Meal at least once in the BSD area. The number of samples used was 102 respondents. The population in this study is BTS Meal consumers in BSD, South Tangerang. Validity and Reliability test in this study using SmartPLS software and data analysis in this study using partial least square (PLS) approach. PLS-SEM is an alternative or equation of the primary structural equation modeling (SEM) method with the help of SmartPLS software (Zahiroh N, Zaqiyah S & Novie M. 2021).

Empirical Result

Because the value of the loading factor ≥ 0.7 (Table 1), it can be concluded that all variables in this study are significant and ideal to meet the requirements of convergent validity. The expected Discriminant Validity Average Variance Extracted (AVE) must have a value > 0.5. The average value of the extracted variant (AVE) is already ≥ 0.50. So, this study has met the requirements of good convergent validity.

Table 1. Loading Factor

Variable	CE	H	KP	VM	Result
X1.1				0.801	Valid
X1.2				0.781	Valid
X1.3				0.846	Valid
X1.4				0.803	Valid
X1.5				0.850	Valid
X2.1	0.825				Valid
X2.2	0.829				Valid
X2.3	0.842				Valid

Variable	CE	H	KP	VM	Result
X2.4	0.853				Valid
X3.1		0.864			Valid
X3.2		0.830			Valid
X3.3		0.871			Valid
X3.4		0.890			Valid
Y1.1			0.714		Valid
Y1.2			0.867		Valid
Y1.3			0.864		Valid
Y1.4			0.809		Valid

Table 2 AVE Score, CR Value, Cronbach's Alpha and R-Square

Variable	AVE Score	CR Value	Cronbach's Alpha	R-Square (R^2)
Viral Marketing (VM)	0.667	0.909	0.875	
Celebrity Endorse (CE)	0.702	0.904	0.858	
Price (H)	0.747	0.922	0.887	
Purchasing Decision (KP)	0.665	0.888	0.830	**0.733**

Source: Data processed using SmartPLS3

To measure or test the reliability of a model or construct, it can be seen through the composite reliability and Cronbach's Alpha values (Table 2). A model or construct can be reliable and acceptable if the Composite Reliability (CR) value is above ≥ 0.7, while ≥ of 0.8 is very satisfying. The Composite Reliability value in this study can meet the requirements satisfied because the reliable composite value is above ≥ 0.8. The model or construct is reliable if the value of Cronbach's Alpha is expected ≥ 0.6. The value of Cronbach's Alpha in this study is ≥ 0.6. So, it can be concluded that the model or construct of the data in this study is reliable. Name (2022) mentions that the values in GoF have categories 0.1 (small), 0.25 (medium), and 0.36 (large). The R-Square score for this research is 0.733. This score is then calculated by the Goodness of Fit (GOF) formula. The result of the Goodness of Fit (GOF) value in this study was 0.509, classified into solid categories.

GoF $: \sqrt{(Com \times R^2)}$
                 $: \sqrt{(0.695 \times 0.733)}$
                 $: \sqrt{(0.509)}$

The result of the R-Square value in this study was 0.733. Such marks belong to the category of large or strong. The R-Square value of the purchase decision variable is 73.3%, meaning that other factors influence the remaining

26.7%. Before testing the hypothesis, it is necessary to try the value of Q Square or Q2; if the model is to be relevant, it must have a Predictive value greater than 0 (zero); below is a calculation of the Q2 value.

Q2   : 1 – (1-R12) (1-R22)
              : 1 – (1-0.733)
              : 1 – 0.267
              : 0.733 or 73.3%

The hypothesis is accepted if the p-value is less than 0.05 (< 0.05), and T values must be more than 1.98 (>1.98) to accept the hypothesis. The hypothesis can be seen below:

H1: Viral Marketing significantly affects purchasing decisions.
H2: Celebrity Endorsement significantly affects purchasing decisions.
H3: Price has no significant effects on purchasing decisions.

Table 3. Result of Model

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STRERR|)	P Values	Hypothesis
VM -> KP	0.526	0.520	0.095	5.551	0.000	Accepted
CE -> KP	0.221	0.228	0.086	2.573	0.010	Accepted
H -> KP	0.182	0.182	0.105	1.731	0.084	Rejected

The result, H1 accepted because the P value is less than 0.05 (0.000, 0.05) and the T value is more than 1.98 (5.551 > 1.98). It concludes that viral marketing significantly affects purchasing decisions. H2 is accepted because the P value is less than 0.05 (0.010 < 0.05) and the T value is more than 1.98 (2.573 > 1.98), which means Celebrity Endorsement significantly affects purchasing decisions. H3 was rejected because the P value is more than 0.05 (0.084 > 0.05) and the T value is less than 1.98 (1.731 < 1.98), which means Price has no significant effect on purchasing decisions.

Conclusions

Viral Marketing significantly affects purchasing decisions, seen from a higher value from indicators of product knowledge and reducing uncertainty. Product knowledge consumers obtain through electronic media or people around them can influence their purchasing decisions. It can be seen in the BTS Meal product because the dissemination of information through electronic media is so fast, and many people are talking about this product in electronic media such as Twitter, causing curiosity of consumers to try and decides to buy this BTS Meal product. The result is the same as the research conducted by (Sandala, Massie & Tumbuan, 2019), which states that Viral Marketing significantly affects purchasing decisions.

Celebrity Endorsements significantly affect the purchasing decision of the BTS Meal. In the Celebrity Endorse variable, the Attraction and Power indicators have a higher value than other indicators. Based on this, BTS's appearance and characteristics as celebrities promoting BTS Meal products significantly influence consumers' decisions to buy BTS meal products. In the future, this can be considered again for McDonald's in the selection of Celebrities to promote other McDonald's products and maintain the factors that influence purchasing decisions in customers. McDonald's is also expected to be able to choose or use celebrities with many fans and firm characteristics to promote other McDonald's products. Previous research states that Celebrity Endorsements significantly affect purchasing decisions (Wikatanazal, Pardiman & Rizal, 2021).

The price applied by McDonald's for BTS Meal products has a positive but insignificant influence. In the variable price, the price affordability indicator and price competitiveness have a higher value than other indicators. It can show that price is not the main factor for someone to decide on a BTS Meal product because although the price of BTS Meal is higher than the price of similar products, consumers still buy. Besides, it can also cause the intense brand of BTS KPOP and the loyal fans called the army. This product is not always sold per season, so people are curious to buy it even though the price of BTS Meal is high. This is the same as previous research, stating that price does not significantly affect decisions (Najma, 2022).

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