

# Chapter 1

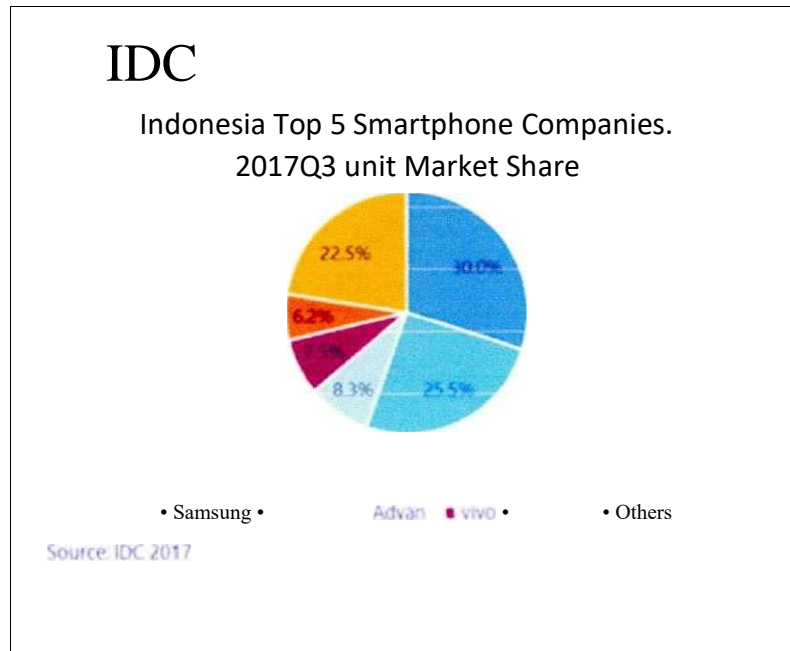
## INTRODUCTION

### 1.1 Background

Smartphones are currently the most widely owned communication tool and demand by consumers as the most communication tool easy to interact with other people. Many smartphone companies are launch a variety of smartphone products to meet market demand. The development of technology in the era of globalization is growing rapidly, indicated by the emergence of increasingly sophisticated communication tools. Some this past year smartphones are now a trend communication tools used by the community especially among the people teenagers.

With the smartphone makes it easy for humans to communicate and look for information. In addition, the high human lifestyle continues just look for a better smartphone every day. In consuming a product usually the consumer consider the product and price aspects offered by the company. Consumers consider products viewed in terms of shape, design, features of the product, and the durability of the product. In the reality is, consumers in buying a product consider the price of the product is adjusted to the quality and reliability of the product.

OPPO is a global electronic and technology service provider that brings the latest and most sophisticated cellular electronic devices in more than 20 countries, including the United States, China, Australia and other countries in Europe, Southeast Asia, South Asia, the Middle East and Africa. OPPO strives to provide the best mobile experience through careful design and smart technology.



Picture 1.1

#### Indonesia Top 5 Smartphone Companies 2017

Source : <https://tekno.kompas.com>

Top 5 smartphone in the graph OPPO get 25.5% get closed with Samsung and Apple (others). Communication is not the only a stuff that social media provides to us. It can be used to online shopping, advertising, education, business tool, too. As per the survey of previous research, 90% of college students use social networks in their daily communication. Technology has experienced a rapid development by introducing small communication devices and we can use these small communication devices for accessing social networks anytime, anywhere, as these gadgets include pocket computers, laptops, iPads and even simple mobile phones which supported by internet (Siddiqui, 2016)

Smartphone is a handheld personal computer with a mobile operating system and an integrated mobile broadband cellular networks connection for voice, SMS, and Internet data communication; most, if not all, smartphones also support Wi-Fi. Smartphones are typically pocket-sized, as opposed to tablet computers, which are much larger. They are able to run a variety of software components, known as "apps". Most basic apps (e.g. event calendar, camera, web browser) come pre-installed with the system, while others are available for download from official sources like the Google Play Store or Apple App Store. Apps can receive bug fixes and gain additional

functionality through software updates; similarly, operating systems are able to update.

Marketers spend so much time trying to understand why people buy products and services. Sometimes it seems that there is no reason for a purchase, but in reality there is always a reason. Social factors are very influential in the decision making process for the consumer, this can affect the decision making process in a positive or negative way (Familmaleki et al., 2015). Gender roles have a significant effect on consumer behavior it defines what is appropriate for each gender in the form of behavior, attitude and appearance. Consumer purchase decision can change at any time.

Promotion strategy is one of another way that can be done by company to attract consumer interest. One of the dominant forms of promotion by companies is advertising. Advertising is the process of delivering messages or information to some or all audiences using media. Advertising is defined as promoting or providing information through the mass media (Khasali, 1992 in Sitorus, 2013).

Advertising is basically persuasive or convincing audiences with various promises that ultimately drive a person to have a desire to buy a product. One of the media to deliver advertising messages is television. This is because the role television has an advantage when compared with other media in an effort to help dissemination of successful advertising.

Nielsen survey in Sitorus (2013) related to the behavior of top brand shopping. The survey shows the impact of advertising on Indonesian consumers is on third in Asia Pacific. As many as 74% of Indonesian respondents admit, advertising increases their tendency in choosing a brand. According to the survey, this situation is encouraged by an economy booming and rapidly growing middleclass population that they are competing to find popular brands to show their new social status. It is clear that advertising is an important thing to do by the company to sell its products, especially in Indonesia. One of the most effective ways to do advertising that is often pursued by many companies is through brand ambassadors or celebrity endorsers

OPPO also managed to boost sales in Indonesia. Growth of OPPO is attributed to its decision to appoint several brand ambassadors earlier this year. These ambassadors are Rio Haryanto (the first Indonesian Formula-I driver), Isyana Sarasvati (Indonesian

singer songwriter), Chelsea Islan (Indonesian actress), and Reza Rahardian (Indonesian actor). All are popular - and considered trendsetters among the young generations of the Indonesian population. With her being the brand ambassador, the smartphone user in Indonesia will be aware of the brand and hoping that they will buy OPPO Smartphone as their Communication or Gadget setup.

If the product is being endorsed by a famous celebrity then it will result in better brand recall and better brand awareness. Celebrity endorsement gives extra points to the companies for attracting the customer's attention. The brand ambassador is shaping a brand's characteristics, a brand ambassador should have the capability to deepen brand attachment. For instance, in Indonesia, OPPO Smartphone chose Chelsea Islan as their brand ambassador. They want to show to Indonesian people that Chelsea Islan is using OPPO Smartphones as her Communication setup.

Brand Equity (Keller, 1993 in Dwivedi et al., 2015) is shaped by the quantity and quality of brand associations in memory, implying that the brand with more detailed knowledge in the customer's memory will have greater Brand Equity than any other product. When a celebrity links up a brand via an endorsement deal, the associations of a celebrity get transferred over to the endorsed brand in consumer memory (Till, 1998 in Dwivedi et al., 2015).

Meanwhile, based on the research conducted by Dwivedi et al. (2015) about Celebrity Endorsement, Self-Brand Connection and Consumer based Brand Equity also observe a direct positive effect of endorser credibility on self-brand connection. and celebrity endorsers can be strategically used to develop a stronger level of engagement with consumers given their potential to address consumer self-definitional needs. Self-Brand Connection as formation of strong and meaningful ties between a particular brand and a consumer's self-identity and such brands develop strong emotive ties with a consumer over time, generally culminating in development of favorable brand attitudes and behavioral intentions (Escalas, 2004 in Dwivedi et al., 2015).

Based on the above explanations, in this study we want to know the relationship between the Brand Ambassador or Celebrity Endorsement, Self-Brand Connection, and Brand equity on OPPO Smartphone.

## **1.2 Research question**

Based on background above, research question is as follows •

1. Does celebrity endorsement have impact on self brand connection for OPPO Smartphone?
2. Does the impact of celebrity endorsement affect to the brand equity for OPPO Smartphone
3. Does brand equity have impact on self-brand connection for OPPO Smartphone

## **1.3 The objective study**

The objective of the study is as follows .

1. To analyze significant the impact of Celebrity Endorsement advertisement on Self brand connection of OPPO Smartphone
2. To analyze significant the impact of Celebrity Endorsement are significant impact on Self Brand Connection of OPPO Smartphone
3. To analyze brand equity significant impact on self-brand connection in OPPO Smartphone