

The Impact of Micro-Influencer on Brand Image and Purchase Intention in Local Culinary Products on Instagram

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Abstract - Due to the growth of the food industry in SME business, SME business owners often face several issues, and one of them is how to maximize SMEs' marketing strategy at a low cost. This research analyzes how credibility perceived by micro-influencer impacts a person's purchase intention and how they perceive brands in the food industry. The author employs quantitative approaches to gather data, using judgmental sampling strategies, and PLS-SEM to analyze data. The tool utilized was a questionnaire distributed by 251 respondents online and respondents are specifically followers of foodstagram micro-influencer (@awlaparr). This study reveals a favorable influence of Attractiveness, Expertise, and Trustworthiness on Brand Image; Trustworthiness and Brand Image on Purchase Intention. With the data collected, this study can be claimed to be valuable in presenting solid evidence that Instagram's foodstagram micro-influencer improved brand image and purchase intention in local culinary products. Therefore, micro-influencer deserves to be considered by SMEs as one of the digital marketing tactics to boost their brand image and purchase intention.

Keywords - Micro-influencer; Attractiveness; Expertise; Trustworthiness; Brand Image; Purchase Intention; PLS-SEM; Quantitative Method; Questionnaire; Survey

I. INTRODUCTION

Food is a massive industry in Indonesia, as the Group of Twenty's (G20) third fastest developing economy, it has both significant and interesting food and beverage markets, as well as very unique food and beverage demand that is constantly evolving. In 2018, the consolidated food and beverage industry generated IDR 3.6 trillion in revenue (USD 253 million). This sector generated 36.4 percent of Indonesia's GDP in the first quarter of 2020 [1]. In today's ultra-competitive market, SMEs should have a diverse folio of marketing tactics in place to ensure their products can sell successfully. As with large conglomerate corporations, marketing strategy is just as critical for small and medium-sized businesses (SMEs), where marketing can serve as a channel for delivering brands and values to customers [2]. To accomplish those two objectives, one marketing channel has been seen to deliver the best value for it: social media marketing can be leveraged to boost consumer communication, as the majority of people now use social media [3]. However, the goal of social media marketing is an entire process to entice consumers to visit social media, as social media has the potential to produce leads, which can eventually convert visitors to customers [4]. As

a result, SMEs must discover credible resources, such as influencers, to persuade their target market to visit the social media platforms used by SMEs [5].

Influencers are classified according to their audience segmentation, which enables them to accept brands and collaborations that are a good fit for their audiences. There are numerous classifications, including mega, macro, micro, advocates, referrers, and loyalists [6]. Among these tiers, the micro-influencer offers the most sizable benefit to the SMEs when it comes to working with them. In general, a micro-influencer may have a targeted audience of approximately 10,000 to 100,000 followers, which results in a high engagement rate on Instagram of approximately 3.6 percent, as opposed to macro-influencers who reach approximately 1.5 percent. If the post is related to the audience's preferences, a niche audience will most likely boost their enthusiasm for sponsored articles. This data demonstrates the cost-effectiveness of hiring micro-influencer, particularly for SMEs operating on a shoestring budget [7].

According to [8], micro-influencer is currently recognized by many practitioners as someone who has a higher level of engagement and creates trust among its audience than the type influencers who have more followers or celebrities with millions of followers on Instagram [9]. As a result, micro-influencer can build stronger relationships with their followers, which leads to the creation of trustworthy and credible relationships. According to [10], 80% of micro-influencer publish their organic content on Instagram. As a result, Instagram is the most popular platform for micro-influencer. In terms of purchasing intention, 45.4% of micro-influencer followers on Instagram said they tried something suggested by a micro-influencer, and 26.9% said they bought something after seeing a higher percentage of posts than other tiers of influencer. According to [11], it established that the effect of an endorser's trustworthiness and attractiveness on three dimensions is strongly associated with purchasing intention.

Nowadays, SMEs choose Instagram micro-influencer due to their low cost and vast quantity of available micro-influencer to boost the market scale and it is critical to monitor budgets and expenses. However, when the authors conducted a preliminary interview with 3 local culinary product businesses (SMEs) that have endorsed foodstagram micro-influencer, the three SMEs (@enak.semua, @eat_me.dimsum, @bakso_makijaaah) said that micro-influencer that they hired had no effect on

increasing their sales. This is a difficult thing to accept, because if a false micro-influencer is employed and does not produce progressive results in terms of buy intention for the SMEs, the marketing budget will be wasted, perhaps resulting in company losses. The findings from previous research [12], it showed that social media influencer is known to affecting brand image, also shown Attractiveness, Expertise, Trustworthiness influence Brand Image [13], [14], then purchase intention is affected by brand image [15]. In addition, Social Media micro-influencer have a more positive effect on brand trust and purchase intention than conventional Social Media Influencers [16].

In this research, researchers use Source Credibility Theory (Attractiveness, Expertise, Trustworthiness) of Micro-influencer on Brand Image and Purchase Intention in local culinary products on Instagram. In this research, not only determining the relationship between those variables, but also aims to develop recommendations for small and medium enterprises (SMEs) with local culinary businesses on using micro-influencer to maximize brand image and stimulate purchase intention

II. METHODOLOGY

This quantitative-based research will focus on Generation Y and Generation Z, with ages 18 to 39 years as Instagram's most user. The researchers distributed data to respondents in Indonesia. The number of samples is determined through the with a minimum sample of 200 respondents [17]. This research is a descriptive study using a probability sampling technique, namely the simple random sampling method and the 5-point Likert scale was used in these closed-ended questions since it is more reliable when used on a general population [18].

The primary data processing using the PLS-SEM method with Smart PLS 3.0 system to determine the relationships between variables. The purpose of using PLS is to predict the relationship between variable constructs. One of the assumptions that stumble researchers is the assumption of normality, therefore by used PLS through the bootstrapping method, the assumption of normality will not be a problem [19].

III. RESULTS

The online survey obtained 251 respondents and was analyzed by the PLS-SEM method. Outer model analysis on Smart-PLS 3 is carried out to ensure that the measurement used is feasible to be used as a measurement (valid and reliable). The tests performed on the outer model are Convergent Validity, Discriminant Validity, Composite Reliability, and Average Variance Extracted (AVE). Convergent Validity is determined in the first stage by examining the value of the loading factor to be over 0.7. Based on the validity assessment of loading factors in stage one, all loading values are more than 0.7, indicating that this research have met the loading factor's

validity requirements. The validity test is also performed using the average variance extracted (AVE) value.

TABLE 1
VALIDITY TESTING BASED ON AVE STAGE 1

	Composite Reliability	Average Variance Extracted (AVE)
AT	0.809	0.585
BI	0.864	0.680
EX	0.812	0.592
PI	0.834	0.627
TW	0.835	0.629

The recommended Average Variance Extracted (AVE) value is above 0.5 [20]. Since the AVE values above 0.5, which means has passed the validity test based on the AVE. The Composite Reliability value suggested is above 0.7. It is known that all Composite Reliability values are above 0.7, which means already met reliability requirements based on Composite Reliability. Furthermore, the discriminant validity test was carried out using the Fornell-Larcker approach.

TABLE 2
VALIDITY TESTING BASED ON LOADING FACTORS

	AT	BI	EX	PI	TW
AT1	0.797				
AT2	0.768				
AT3	0.729				
BI1		0.828			
BI2		0.845			
BI3		0.799			
EX1			0.715		
EX2			0.744		
EX3			0.843		
PI2				0.797	
PI3				0.762	
PI4				0.815	
TW1					0.802
TW2					0.714
TW3					0.858

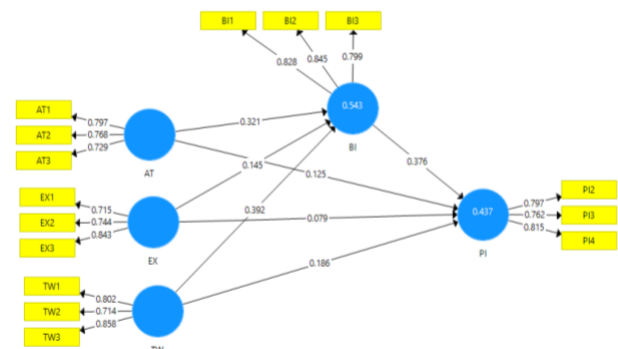


Fig. 1. Path Diagram based on Loading Factor Value

Based on testing the validity of loading factors in Table 2, it is known that all loading values are above 0.7, which means that they have met the validity requirements based on the loading value. Furthermore, the validity test is carried out based on the average variance extracted (AVE) value. On the Table 4, the author shows the second stage of Validity Testing based on Average Variance Extracted (AVE) and Reliability Testing based on Composite Reliability (CR).

TABLE 3
DISCRIMINANT VALIDITY RESULT

	AT	BI	EX	PI	TW
AT	0.765				
BI	0.636	0.825			
EX	0.582	0.550	0.769		
PI	0.519	0.622	0.462	0.792	
TW	0.587	0.661	0.556	0.551	0.793

Since the value of the square root of AVE for each latent variable is greater than the correlation value between these latent variables and other latent variables. So it can be concluded that it has met the requirements of discriminant validity. After testing the outer model for reflective indicators. For formative indicators, different tests are carried out, namely by looking at Multicollinearity. Where the VIF value is between 5-10 it can be said that the indicator occurs multicollinearity. Table 4 shows that the overall VIF value is below five so there is no multicollinearity in this research.

After analyzing the outer model, the researcher evaluates the inner model by looking at the value of the coefficient of determination. From the PLS algorithm result, It is known that the coefficient of determination for the Brand Image variable is 0.543 which means Attractiveness, Expertise, and Trustworthiness can affect brand image by 54.3 % and for Purchase Intention is 0.437 which means Attractiveness, Expertise, Trustworthiness, and Brand Image can affect purchase intention by 43.7%. Meanwhile, Q2 is the cross-validated redundancy intended to measure the predictive relevance for the inner model. By using blindfolding tests in SmartPLS, the score of Q2 of Brand Image is 0.362 and Q2 for Purchase Intention is 0.262. Q2 value above 0 indicates a predictive relevance in a model. Because the Q2 value from all the factors is above 0, the researcher concludes that the model has predictive relevance. In this research, the researcher also finds the Goodness of Fit value is 0.218 indicating that the model can adequately explain empirical data which leads to the conclusion that the model developed is highly valid. (since the GoF value is greater than 0.1).

TABLE 4
MULTICOLLINEARITY RESULT

	VIF
AT1	1.413
AT2	1.331
AT3	1.172
BI1	1.576
BI2	1.605
BI3	1.493
EX1	1.340
EX2	1.366
EX3	1.240
PI2	1.395
PI3	1.300
PI4	1.447
TW1	1.438
TW2	1.283
TW3	1.494

The next stage is Hypothesis Testing through bootstrapping. The table below shows the results of hypothesis testing.

TABLE 5
HYPOTHESIS RESULT

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O /STDEV)	P Values
AT -> BI	0.321	0.318	0.064	5.015	0.000
AT -> PI	0.125	0.125	0.072	1.726	0.085
BI -> PI	0.376	0.376	0.068	5.576	0.000
EX -> BI	0.145	0.149	0.058	2.520	0.012
EX -> PI	0.079	0.082	0.063	1.255	0.210
TW -> BI	0.392	0.393	0.050	7.884	0.000
TW -> PI	0.186	0.189	0.061	3.046	0.002

In hypothesis 1, it is stated that The attractiveness of micro-influencer significantly positively influences brand image. The PLS results in Table 5 indicate that the T-values are 5.015, indicating that AT does indeed have a substantial positive effect on BI (T-value >1.96 at the 0.05 significance level). In other words, hypothesis 1 is accepted. Hypothesis 2 states that a micro-influencer expertise has a strong beneficial impact on brand image. Table 6 shows that the T-values are 2.520, indicating that micro-influencer competence has a considerable positive influence on brand image means (T-value > 1.96 at 0.05 significance level). Hypothesis 2 is, in other words, accepted. In hypothesis 3, it is stated that trustworthiness of micro-influencer significantly positively influences brand image. Table 5 shows that the T-values for the PLS calculation are 7.884, indicating that (TW) has a significant positive effect on BI (T-value > 1.96 at 0.05 significance level). To put it another way, hypothesis 3 has been accepted.

In hypothesis 4 and 5, it is stated the attractiveness of micro-influencer significantly positively influences and The expertise of micro-influencer significantly positively influences purchase intention. However the t-values in 6, on the other hand, are lower than 1.96 at the 0.05 significance level (5 percent). As a result, these hypothesis is rejected. This demonstrates that AT and EX to PI do not have any significant relationships.

In hypothesis 6, it is stated that The trustworthiness of micro-influencer significantly positively influences purchase intention. Table 6 shows that the T-values for the PLS calculation are 3.046, indicating that TW has a significant positive effect on PI (T-value > 1.96 at 0.05 significance level). In other words, hypothesis 6 is accepted. Last but not least, In hypothesis 7, it is stated that brand image significantly positively influences purchase intention (PI). Table 5 shows that the T-values for the PLS computation are 5.576, indicating that BI has a significant positive effect on PI (T-value > 1.96 at 0.05 significance level). In other words, hypothesis 7 is accepted.

IV. DISCUSSION

Based on the results of the P-Values, it can be seen that Attractiveness has a significant positive effect on Brand Image. Attractive communicators achieve a higher level of opinion agreement [21]. This statement is also supported by theory from the study [22] that the attractiveness of a celebrity endorsement has a beneficial effect on brand image. Hence, in this research, as the authors study about the specific influencer namely micro-influencer, attractiveness of micro-influencer significantly influences brand image in local culinary products in Instagram.

Expertise (EX) follows to be a variable that gives a significantly positive influence on Brand Image (BI). Individuals tend to agree more with expert opinions than with non-expert ones. According to the balance model, an endorser's expertise contributes in conveying a sense of attachment to the product [23]. Sometimes, the attractiveness and expertise of micro-influencer are not enough to enhance the brand image by looking at the effect size, indeed the resulting figures show that the effect is not too strong, this shows that the user does not make the element of 'attractiveness' and 'expertise' from a micro-influencer as a priority, but only as a complementary element that can help the brand to improve their image. However, both the attractiveness and expertise of a micro-influencer must still be considered to enhance brand image of local culinary product business.

Trustworthiness (TW) has the biggest effect on Brand Image (BI) compared to other variables, indicated by T-Values (7.884) and the effect size is still quite sufficient (0.197). Furthermore, these results indicate that the trustworthiness of micro-influencer is indeed more

considered by the followers than the attractiveness and expertise of micro-influencer. Given that micro-influencer are a form of marketing strategy that is being used by many small medium enterprises (SMEs), the micro-influencer in giving an online review should provide a review that can be trusted by the followers, so that it may be useful to enhance the brand image as the result is significant.

For the relationship of micro-influencer' attractiveness towards purchase intention, the hypothesis testing result is rejected. Consequently, expertise (EX) is also a variable that gives a insignificantly positive influence on Purchase Intention (PI). A further reason for the low importance of expertise might be that consumers might consider an influencer as a "person stemming from the middle of the society" (compared to a traditional celebrity endorser). Since this study focuses on micro-influencer, it is proven that attractiveness and expertise are not significant factors that affect purchase intention on local culinary food by foodstagram micro-influencer.

However, the trustworthiness of micro-influencer significantly positively influences purchase intention. Therefore, only one of the dimension of micro-influencer perceived credibility influence on purchase intention, which is trustworthiness who has positive and significant effect on purchase intention. Also, Brand Image (BI) is one of the variables that shows the greatest significance in relation to Purchase Intention (PI), which means that BI has a strong direct positive effect on PI. This is also supported by the effect size number which indicates a strong relationship between these two variables (T-Values = 5.576 and Effect Size = 0.115). With this number, it can be said that the study is proven true. This result shows that the positive brand image of a local culinary business usability has a big role to the purchase intention [24]

V. CONCLUSION

The objectives of this exploratory study were to determine what is the impact of micro-influencer on brand image and purchase intentions for local culinary products on Instagram and to give the recommendations for small and medium enterprises (SMEs) with local culinary businesses on using micro-influencer to maximize brand image and stimulate purchase intention. According to the findings of this study, brand image in local culinary products is influenced by micro-influencer' attractiveness, expertise, and trustworthiness. Other than that, local culinary food purchase intentions on Instagram are influenced by the brand image and micro-influencer' trustworthiness. In addition, micro-influencer' attractiveness, expertise, and trustworthiness affect purchase intention, through brand image as mediating variables.

For the recommendation, in developing the 'brand image' of the local culinary business in Instagram,

Trustworthiness (TW) of a micro-influencer has the biggest effect, shown by the medium effect size (>0.15) compared to the Attractiveness and Expertise. Furthermore, Attractiveness and Expertise have a small effect on the brand image (effect size <0.15). In short, to build the good brand image for the local culinary business and want to use the foodstagram micro-influencer as a marketing strategy, small and medium enterprises with local culinary business must prioritize the trustworthiness of the micro-influencer, search the micro-influencer that give honesty in doing the review, then followed by attractiveness and expertise (respectively).

Next, when a small and medium enterprises (SMEs) with local culinary businesses want to stimulate the purchase intention, brand image itself gives a medium role in influencing purchase intention (effect size = 0.115), also the trustworthiness of foodstagram micro-influencer is complementary in stimulating purchase intention (effect size <0.35), the other factors named attractiveness and expertise of a foodstagram micro-influencer shows that it is not significantly influence the purchase intention for local culinary products in Instagram. When a good Brand Image (BI) is successfully created, a purchase intention in local culinary products will be formed. This study also shows that the purchase intentions are not affected directly by the micro-influencer attractiveness and expertise, but when it goes through brand image first as a mediating variable, it could positively influence the purchase intention along with the trustworthiness of a foodstagram micro-influencer.

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