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VISUAL MERCHANDISING, CELEBRITY ENDORSERS, ADVERTISEMENT CREATIVITY, AND E-SERVICE QUALITY ON NETFLIX PURCHASE DECISION

Wilda Ayu Putri Mardani[1], Wenti Krisnawati[2]
Muhammadiyah University of Gresik, Gresik, Indonesia
[1] wildaayupm@gmail.com [2] wentikrisnawati@umg.ac.id

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ABSTRACT

Background: Advances in technology are not foreign to us. Over time, technology is growing rapidly and rapidly, making it easier for people to access and utilize technology. The development of technology, especially in the field of information, has an impact on several sectors of life, including the economic, social, and cultural sectors.
Aim: This research aims to find out the influence of Visual Merchandising, Celebrity endorsers, ad creativity, and E-service Quality on the purchase of the Netflix video streaming app.
Method: Using 100 respondents as a sample. The study used multiple linear regression analysis using four hypotheses. Test the hypothesis using the t-test with a signification level of 0.05.
Findings: The calculation results showed that the free variables namely Visual Merchandising, Celebrity Endorser, Creative Advertising, and E-Service Quality partially positively affected the purchase number with signification numbers below 0.05. Based on the results of the analysis, it is expected that Netflix can improve Visual Merchandising, Celebrity Endorser, advertising creativity, and E-service Quality. This will increase the number of purchases of the Netflix video streaming app.

KEYWORDS

visual merchandising; celebrity endorser; advertisement creativity; e-service quality; purchase decision

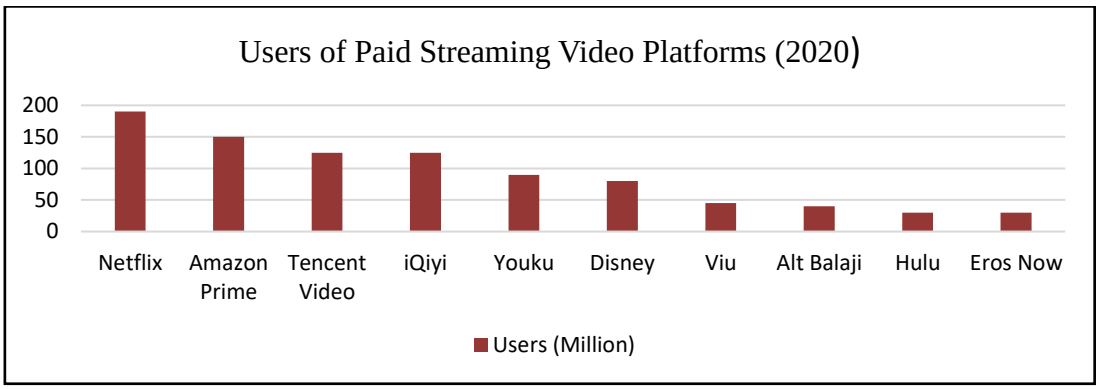
INTRODUCTION

Technological progress is not unfamiliar. Over time, technology is growing rapidly and rapidly, this makes it easier for people to access and utilize technology. The development of technology, especially in the field of information, has an impact on several sectors of life, including the economic, social, and cultural sectors. The results of a survey conducted by IDN Research Institute and Alvara Research Center on 1,400 millennials in 12 major cities in Indonesia with several findings, including millennials' lives cannot be separated from gadgets or smartphones, most millennials state that the goods touched first after waking up are smartphones (Harususilo, 2019). People's new habits with the internet certainly affect several things, one of which is economic life. This has an impact on the use of the internet to meet people's needs and has an impact on people's purchasing behavior towards something. According to Kotler and Keller (2009), consumer behavior is the study of how individuals, groups, and organizations choose, buy, use goods, services, ideas, or experiences to decide needs and desires. Daily life that can no longer be separated from internet technology causes all need to depend on internet access, communication, purchasing goods, meeting entertainment needs, and using internet services, such as watching movies. It can be concluded that there has been a shift in the way people watch movies from using conventional television

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to using streaming on the internet. This causes many applications or websites that can be used to access movies. One of them is Netflix.

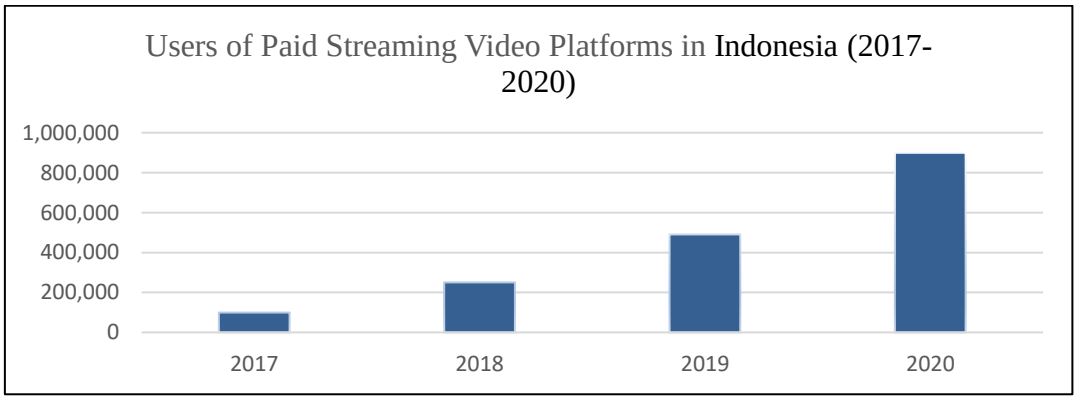
Netflix is one of the most popular apps for movie lovers. Headquartered in Los Gatos, California. It was founded in 2008 by Reed Hasting and Marc Randolph in Scotts Valley, California (Netflix – Wikipedia). Netflix became the paid video streaming app with the most subscribers compared to any other app in 2020 with the following data:



Source: databoks.katadata.co.id (2020)

Figure 1. Number of Paid Streaming Video Subscribers (2020)

This is also supported by graph data on the increase in the number of Netflix subscribers in the last four years with the following data:



Source: databoks.katadata.co.id (2020)

Figure 2. Number of Netflix Streaming Subscribers in Indonesia 2017-2020

The switch to how to watch or access movies from conventional television to video streaming and the increasing number of subscribers of the Netflix streaming application became a phenomenon in this study. Netflix has an interesting and accessible app display, this is because Netflix pays attention to its Visual Merchandising. Pancaningrum (2017) defines Visual Merchandising as the presentation of a store or brand and merchandise to customers through a work team from store advertising, displays, certain events, fashion coordination, and merchandising departments to sell goods and services offered by store outlets. Visual Merchandising on Netflix can be seen from the Netflix logo, theme design on the application, font selection, color, and the menu layout on the Netflix application display.

In addition to the Visual Merchandising variable, here is also a Celebrity Endorser variable. Celebrity Endorser is the use of artists as advertising stars in media, ranging from print media, social media, and television media (Shimp, 2003). Netflix uses artists and film players in Indonesia and abroad implicitly as their Celebrity Endorsers by promoting the films they star in. It can also provide an advantage for the cast of the film because it can be a medium for the promotion of their films.

Efforts to increase the users of the Netflix application to be wider, of course, Netflix also uses advertising as a promotional medium. Advertising creativity is translating various information about the product, the market, against the target consumer to formulate the product (Kasali, 1995). Netflix is quite active in processing its social media. On Netflix's Instagram social media account, Netflix.

In addition to Visual Merchandising, Celebrity endorsers, and ads that Netflix is trying to maximize to get more subscribers, there is another factor that is very important for the continuity o this video streaming application, namely E-Service Quality. E-service quality is a meeting between consumer expectations without direct interaction in the services provided (Dolatabadi, 2012). The E-Service Quality that Netflix has provided so far can be felt starting from the service when we register an account to subscribe. Netflix provides short but clear information instructions to be easily understood by customers and can help customers register independently.

Based on this background, this research will prove the "Influence of Visual Merchandising, Celebrity Endorser, Advertising Creativity and E-Service Quality on the purchase decision of the Streaming Video (Netflix) application."

Relationships Between Variables and Hypotheses

Visual merchandising is a term used in product management that pays great attention to the appearance of products in retail stores to get the best profit. Visual Merchandising is expected to increase consumer interest in products by making them more visible to consumers in-store or online.

H_1: Visual Merchandising affects video streaming app purchase decisions (Netflix)

Shimp (2003) stated that Celebrity endorsers are figures (actors, entertainers, or athletes) who are famous by the public for their achievements in the field of supported product categories. This is in line with Mmiftahurrahman's (2020) research entitled The Influence of Celebrity Endorsers, Prices, and Product Innovation on Jambi batik purchase decisions. It was concluded that Celebrity Endorser had a positive influence on purchasing decisions. Then it will affect consumer purchasing decisions against something promoted by celebrity endorsers.

H_2: Celebrity Endorser influences video streaming app purchase decisions (Netflix).

Advertising creativity is the translation of various information about products, markets, and target consumers into specific positions in communication, which is then used to formulate advertising purposes, therefore, when viewed from any angle, creative advertising strategies cannot be separated from the overall marketing strategy (Kasali, 1995). The more creative the advertisements are created, the more likely it is that consumers will be interested and buy the advertised product.

H_3: Advertising Creativity affects video streaming app purchase decisions (Netflix)

E-service quality is defined as the meeting between consumer expectations without direct interaction in the services provided (Dolatabadi, 2012). This online service is expected to provide consumers with quality services that meet their needs and expectations of consumers. E-Service Quality is also expected to be useful to maintain good relations with consumers and it is expected that there will be buyers back from consumers for the products or services offered.
H_4: E-Service Quality affects video streaming app purchase decisions (Netflix)

RESEARCH FRAMEWORK

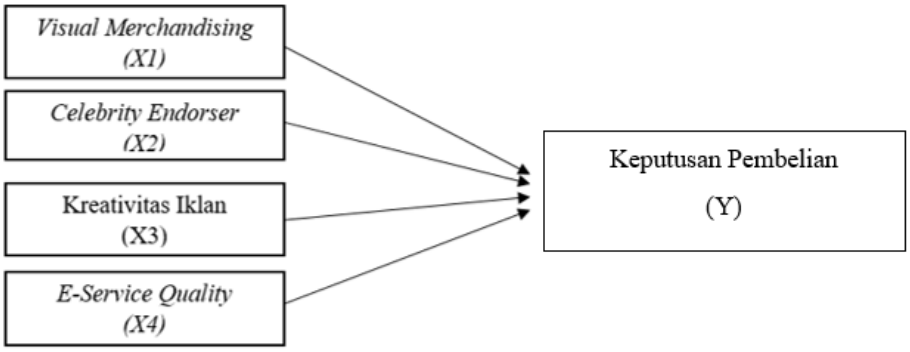


Figure 1. Research Framework

METHOD

The type of research used is quantitative research where quantitative research is research that emphasizes more on numbers and analytical techniques using statistics assisted by the SPSS program. The research site is located at the University of Muhammadiyah Gresik, Gresik Regency, East Java Province. Population according to Sugiyono (2015) is a generalization area consisting of subjects or objects that have certain qualities and characteristics set by researchers to be studied and then drawn to conclusions. The population in this study is a Students of the University of Muhammadiyah Gresik who knows Netflix with an unknown population. The population of this study is not known with certainty. So that the number of samples taken as many as 100 respondents. Cooper and Emory (1996) argue that the basic formula for determining the sample size of probability assumes that the population is unlimited where as many as 100 people drawn from a population of 5000 roughly have the same estimate as 100 samples taken from 200 million populations. Sampling is done by nonprobability sampling. The procedure used is to use Purposive sampling with the criteria of Muhammadiyah Gresik University students who are or have used a video streaming application (Netflix). The data source is obtained from primary data where the data is taken directly from the respondent, namely through filling out a questionnaire. The data measurement technique used is the interval scale, then in this questionnaire using a Likert scale with a score of 1-5. Testing of research instruments is carried out by Validity and Reliability Tests. Classical assumption testing uses normality tests, multicollinearity tests, and heterocedoxity tests. Using multiple linear regression analysis as well as hypothesis tests is carried out with determination coefficient tests, and statistical tests-t.

RESULTS AND DISCUSSION

Respondents in this study were Netflix users who were students of the University of Muhammadiyah Gresik. With a sample of 100 respondents who subscribed to or subscribed to Netflix, through a list of statements (online questionnaires) data was obtained from respondents. The classification conducted on respondents in this study aims to know clearly about the picture of respondents as research objects. An instrumented test is a test of the validity of data whether the data is suitable for research or not.

The validity test in this study can be calculated if r calculates > r table and positive value then the statement is declared valid or by looking at the signification number with the provision that if the sig is below 0.05 then the questionnaire can be said to be valid and if the signification number is greater than 0.05 then it can be categorized as invalid. The following are the results of the validity of the study:

Table 1. Validity Test Results

Variable	Statement	r_{tabel}	r_{count}	Sig.	Information
Visual Merchandising (X_1)	P1	0,1966	0,873	0,000	Valid
	P2	0,1966	0,837	0,000	Valid
	P3	0,1966	0,887	0,000	Valid
	P4	0,1966	0,883	0,000	Valid
Celebrity Endorser (X_2)	P5	0,1966	0,875	0,000	Valid
	P6	0,1966	0,876	0,000	Valid
	P7	0,1966	0,933	0,000	Valid
Advertising creativity (X_3)	P8	0,1966	0,863	0,000	Valid
	P9	0,1966	0,896	0,000	Valid
	P10	0,1966	0,897	0,000	Valid
	P11	0,1966	0,895	0,000	Valid
	P12	0,1966	0,885	0,000	Valid
E-service Quality (X_4)	P13	0,1966	0,869	0,000	Valid
	P14	0,1966	0,941	0,000	Valid
	P15	0,1966	0,937	0,000	Valid
	P16	0,1966	0,918	0,000	Valid
	P17	0,1966	0,88	0,000	Valid
Purchasing Decision (Y)	P18	0,1966	0,824	0,000	Valid
	P19	0,1966	0,889	0,000	Valid
	P20	0,1966	0,853	0,000	Valid

Source: SPSS output 25, data processed by researchers, 2021

Based on the table on all items of the r count statement greater than r table and signification numbers smaller than 0.05, thus all items of the questionnaire statement are proven valid and can be continued for the advanced testing stage.

A construct is said to be reliable when giving a Cronbach Alpha value of > 0.60 and vice versa (Ghozali, 2011). The results of the instrument reliability test are shown in table 4.13 below:

Table 2. Reliability Test Results

Variable	Alpha Theory	Alpha Value	Information
Visual Merchandising (X_1)	0,60	0,880	Reliable
Celebrity Endorser (X_2)	0,60	0,876	Reliable
Advertising creativity (X_3)	0,60	0,932	Reliable
E-service Quality (X_4)	0,60	0,946	Reliable
Purchasing Decision (Y)	0,60	0,814	Reliable

Source: SPSS output 25, data processed by researchers, 2021

The table shows the Alpha value of all variables over 0.60 which means that all research statement items are reliable as research measuring instruments.

The normality test of this study used the Kolmogorov Smirnov test to obtain Zhicalcation scores and signification rates. The test conditions if the signification value is above the alpha value (5%) then H1 is rejected and H0 is accepted, which concludes that the residual distribution is normal and vice versa.

Table 3. Kolmogorov-Smirnov Test Results

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			100
Normal Parameters[a,b]	Mean		,0000000
	Std. Deviation		1,12287485
Most Extreme Differences	Absolute		,107
	Positive		,107
	Negative		-,043
Test Statistic			,107
Asymp. Sig. (2-tailed)			,007[c]
Monte Carlo Sig. (2-tailed)	Itself.		,194d
	99% Confidence Interval	Lower Bound	,183
		Upper Bound	,204

Source: SPSS output 25, data processed by researchers, 2021

It is explained that the Monte Carlo signification value of residual data is 0.194 > 0.05, hence the decision to accept H0 which means that the residual data meets normal assumptions.

Ghozali's (2011) heteroskedasticity test aims to test whether in regression models there is a variance inequality from residual one observation to another. The statistical test selected by

the researcher is the Glejser test, the basis for decision making of heteroskedasticity test through the Glejser test is:

1) When sig. 2-tailed < α = 0.05, then heteroskedasticity has occurred; and
2) When sig. 2-tailed > α = 0.05, hence no heteroskedasticity occurs.

Table 4. Heteroskedasticity Test Results

Model		Sig.
1	(Constant)	,000
	Visual Merchandising (X_1)	,313
	Celebrity Endorser (X_2)	,082
	Advertising creativity (X_3)	,530
	E-service Quality (X_4)	,543

Source: SPSS output 25, data processed by researchers, 2021

The results of heteroskedasticity testing can be concluded sig. each variable is greater than 0.05. So based on the results of the test, the free variables in this study did not occur heteroskedasticity.

The tolerance value that is commonly used is 0.10 or equal to a VIF value below 10. Thus it becomes multicollinearity (Ghozali, 2001). The results of multicollinearity testing in this study can be seen in the following table:

Table 5. Heteroskedasticity Test Results

	Collinearity Statistics	
Model	**Tolerance**	**VIF**
Visual Merchandising (X_1)	,275	3,638
Celebrity Endorser (X_2)	,600	1,667
Advertising creativity (X_3)	,359	2,786
E-service Quality (X_4)	,271	3,692

Source: SPSS output 25, data processed by researchers, 2021

From the table above, it can be seen that the VIF of all free variables is smaller than 10 and has a tolerance value greater than 0.10, meaning that all free variables in this study have no multicollinear symptoms.

While the analysis of multiple linear regression obtained by researchers is as follows.

Table 6. Multiple Linear Regression Analysis Results

		Unstandardized Coefficients		Standardized Coefficients		
	Model	**B**	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	,076	,747		,102	,919

Visual Merchandising (X_1)	,219	,072	,298	3,029	,003
Celebrity Endorser (X_2)	,235	,062	,251	3,761	,000
Advertising creativity (X_3)	,140	,051	,238	2,766	,007
E-service Quality (X_4)	,127	,057	,219	2,212	,029

a. Dependent Variable: Purchase Interest (Y)

Source: SPSS output 25, data processed by researchers, 2021

So that the regression equation is obtained as follows:

Y = 0.076 + 0.219x1 **+ 0.235x2+ 0.140x3+ 0.127x4**

The last test conducted by the researchers was a hypothesis test using the t-test to test the significance of the relationship between variables X and Y, whether variables X_1, X_2, X3, and X4 (Visual Merchandising, Celebrity Endorser, Creative Advertising, E-service Quality) affect variable Y (Purchasing Decision) separately or partially. The basis of decision-making (Ghozali, 2011) is to use probability numbers of significance, namely:

1) If the probability number of significance > 0.05, then Ho is accepted and Ha is rejected.
2) If the probability number of significance < 0.05, then Ho is rejected and Ha is accepted.

Table 7. Hypothesis Test Results

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	,076	,747		,102	,919
	Visual Merchandising (X_1)	,219	,072	,298	3,029	,003
	Celebrity Endorser (X_2)	,235	,062	,251	3,761	,000
	Advertising creativity (X_3)	,140	,051	,238	2,766	,007
	E-service Quality (X_4)	,127	,057	,219	2,212	,029

a. Dependent Variable: Purchase Interest (Y)

As well as the result of the coefficient of determination (R2). From the results of Adjusted R Square = 0.736, it can be said that the change of bound variables (Y) by 73% to variables X_1, X_2, X_3, X_4 part of the remaining 27% are caused by other factors that are not contained in the model. With the following results:

Table 8. Validity Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,864[a]	,747	,736	1,14627

a. Predictors: (Constant), E-service Quality (X_4), Celebrity Endorser (X_2), Creative advertising (X_3), Visual Merchandising (X_1)

Visual Merchandising earns a significance value of 0.003 or below 0.050. This proves that Visual Merchandising has a positive influence on variable purchasing decisions. Thus the hypothesis in this study proved acceptable. Visual Merchandising is a term used in product management that pays great attention to the appearance of products on display for the best profit (Pancaningrum, 2017). This easy-to-understand presentation of information on Netflix got an average score of 4.47 on a scale of 1 to 5, out of 100 respondents who had filled out the questionnaire. Netflix presents some information on its display by grouping several menus. The menus presented on the Netflix display are: Home, TV Shows, Movies, New & Popular, My List on the menu at the top of the left, and there is also a menu of items for movie search, selection of adult or children's film genres, and icons such as notification bells for notifications regarding movie updates from Netflix.

Celebrity Endorsers earn a significance value of 0.000 or below 0.050, thus proving that Celebrity Endorsers have a positive influence on purchasing decisions. Thus the hypothesis in this study proved acceptable. Shimp (2003) stated that Celebrity endorsers are figures (actors, entertainers, or athletes) who are famous by the public for their achievements in the field of supported product categories. Celebrity Endorser on Netflix has occurred implicitly through the film players who number the movie and Netflix as the viewing media. This means that Netflix has chosen a celebrity group as its endorser. The selection of the group is by the selection factors of endorsers according to Song and Chaipoopiratana (2010) which is an endorser who has credibility and has a match with the promoted product. Thus Netflix has got a lot of advantages of promoting its application through the cast of the film.

Advertising creativity gets a significance value of 0.007 or below 0.050, proving that advertising creativity has a positive influence on purchasing decisions. Thus the hypothesis in this study proved acceptable. Advertising is a form of mass media disseminated through newspapers, magazines, radio, television, and other media or direct messages between two or more individuals, intended for or delivered to a particular recipient (Shimp, 2010). The more creative the advertisements are created, the more likely it is that consumers will be interested and buy the advertised product. This is in line with Netflix's social media which is always updated and consistent in providing its latest advertising every day on social media accounts both Instagram and Twitter.

E-service Quality obtains a significance value of 0.029 or below 0.050, proving that E-service Quality has a positive influence on purchasing decisions. Thus the hypothesis in this study proved acceptable. E-service quality is defined as the meeting between consumer expectations without direct interaction in the services provided (Dolatabadi, 2012). This online service is expected to provide consumers with quality services that meet their needs and expectations of consumers. In line with the Netflix service according to its users, namely, providing convenience from the account registration process, payment, verification until the account can be used by users to watch movies.

CONCLUSION

Based on the results of testing the seven hypotheses that have been proposed in this study, conclusions can be drawn, namely:

1) The results of the research hypothesis test show that Visual Merchandising has a Positive Effect on the Decision to Purchase Video Streaming Applications (Netflix);
2) The results of the research hypothesis test showed that Celebrity Endorser had a positive effect on the Decision to Purchase a Video Streaming Application (Netflix);
3) The results of testing the research hypothesis show that advertising creativity has a positive effect on video streaming application (Netflix) purchasing decisions;
4) The results of the research hypothesis test showed that E-service Quality had a positive effect on the Decision to Purchase Video Streaming Application (Netflix).

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