World Conference on Business and Management 2015

WCBM 2015

Republic of Korea | June 29th – July 02nd, 2015

Program Book with Abstracts

"The Great-Copernican Change in Management Study:
The Age of Humanism, Humanistic Business Administration"

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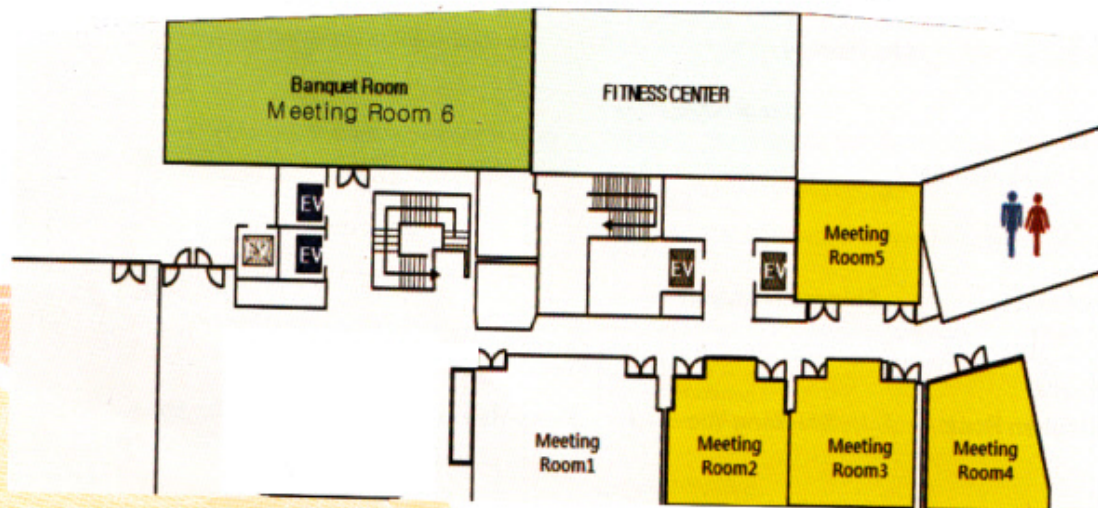Fax: 82 2 3295 0719 / www.pngba.org

Venue

Courtyard by Marriott Seoul Times Square
442 Yeongdeungpo-dong 4-ga, Yeongdeungpo-gu, Seoul, 150-798 South Korea
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Floor Map

General Program Schedule

Monday, June 29th at Courtyard by Marriott Seoul Times Square

		Optional Tour
1:00 PM – 6:00:PM	4th Fl. Lobby	Registration
6:00 PM – 8:00 PM	Urban BBQ (15th Fl.)	Welcoming Reception (Courtesy of P&GBA and KNTC)

Tuesday, June 30th at Courtyard by Marriott Seoul Times Square

8:00 AM – 6:00 PM	4th Fl. Lobby	Registration
10:00 AM - 10:30 AM	Room #6	Plenary Session (Introduction & Greeting)
10:30 AM – 10:45 AM	4th Fl. Lobby	Coffee Break (Courtesy of P&GBA)
10:45 AM – 12:15 AM	Room #1	IT Management / Service Science and Others
	Room #2	Marketing and Consumer Behaviors
	Room #3	Management and Decision Science
12:15 PM – 1: 30 PM	Momo Café	Lunch (Courtesy of P&GBA and Seoul City)
1:30 PM – 3:00 PM	Room #1	Operation Management and Research
	Room #2	Strategic and Change Management
	Room #3	Tourism and Hospitality Management
3:00 PM – 3:15 PM	4th Fl. Lobby	Coffee Break (Courtesy of P&GBA)
3:15 PM – 4:45 PM	Room #1	Economics / Management and Decision Science
	Room #2	Finance
	Room #3	Open Lecture
5:00 PM-		Dinner on your own & Optional Tour

General Program Schedule

Wednesday, July 1st at Courtyard by Marriott Seoul Times Square

8:00 AM – 6:00 PM	4th Fl. Lobby	Registration
9:00 AM – 10:30 AM	Room #2	Accounting
	Room #3	Finance
	Room #4	Finance/ Health Care Management
	Room #6	Junior Academic Competition
	4th Lobby	Poster Session
10:30 AM – 10:45 AM	4th Fl. Lobby	Coffee Break (Courtesy of P&GBA)
10: 45 AM – 12: 15PM	Room #2	Finance
	Room #3	Marketing and Consumer Behaviors
	Room #4	Finance / Operation Management and Research
	Room #6	Junior Academic Competition
	4th Fl. Lobby	Poster Session
12:15 PM – 1:30 PM	Momo Café	Lunch (Courtesy of P&GBA and Kyung Hee University)
1:30 PM – 3:00 PM	Room #2	Open Lecture
	Room #3	Economics / Marketing and Consumer Behaviors
	Room #4	Strategic and Change Management Tourism and Hospitality Management
3:00 PM – 3:15 PM	4th Fl. Lobby	Coffee Break (Courtesy of P&GBA)
3:15 PM – 4:45 PM	Room #6	Global Great Debate
4:45 PM – 5:00 PM	4th Fl. Lobby	Coffee Break (Courtesy of P&GBA)
5:00 PM – 7:30 PM	AMORIS (Banquet Hall)	Awards & Night Banquet (Courtesy of P&GBA)

Thursday, July 2nd

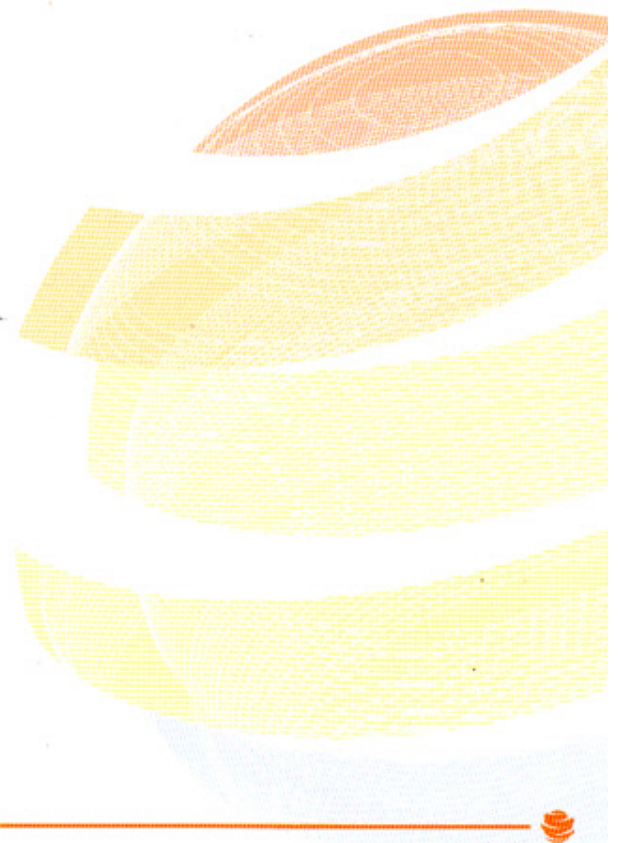|		
9:00 AM – 2:00 PM		Seoul City Tour Courtesy of P&GBA and Seoul City

Tuesday, June 30th	10:00 to 10:30	Room 6

Plenary Session
Introduction & Greeting

Speaker

Jeong-Gil Choi
President, P&GBA and Conference Chair, WCBM 2015
Editor-in-Chief, Global Business and Finance Review
Professor, Kyung Hee University, South Korea

Note

Tuesday, June 30th	10:45 to 12:15	Room 1

[E/J] Information and Technology Management / Service Science and Others

Session Chair
Carlos Alexandre Camargo de Abreu
Federal University of Rio Grande do Norte State, Brazil

Investigating the Consequences of M-Commerce Consumer Self-Confidence between U.S. and Korea: An International Comparison Study of Mobile Consumer Self-Confidence and Behaviors

Sung-Hee "Sunny" Park, University of South Carolina, USA
Kwanghyun Kim, KNUT, South Korea
Jeffery S. Smith, Florida State University, USA

Performance Appraisal Effect on Positive Psychological Capital (Samples of the Employees in the Sales Department of Financial Institutions in Indonesia)

Anthonius, Maranatha Christian University, Indonesia

The Effects of Extra Credit Assignment in Management Information Systems Classes: Do Extra Credit Assignments Lead Students to Moral Hazard?

Dongmin Kim, University of New Brunswick, Canada

✓ **The Factors of Choosing Non-Celebrity Endorsers on Instagram-Based Online Shops**

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The Factors of Choosing Non-Celebrity Endorsers

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Abstract

Marketing communication which is supported by communication technology, developed rapidly nowadays, it shows by the increasing of smartphones, and also followed by the increasing of smartphones' applications. One of the most downloaded applications in smartphones is social media platform called Instagram. The development and existence of Instagram were used by marketers to increase their sales, moreover for a new startups online shops, they freely to sell online and utilize freemium Instagram's features. Many of online shops who join on Instagram, are using non-celebrity endorsers to crack their sales instead of using the real celebrity, because naturally, the cost of celebrity endorsement is quite unaffordable. Different from previous researchs, that were almost related to celebrity endorsers on traditional media, this paper was made to seek the factors of choosing non-celebrity endorsers on social media Instagram. An exploratory study was conducted, while qualitative data were gathered through in depth interview to 75 online shops, who use Instagram as their marketing tools. The number of followers, the cost of non-celebrity endorsers, and attractiveness were identified as a main factors of choosing non celebrity endorsers, meanwhile there are some supporting factors included for further research.

Keywords: marketing communication, non-celebrity endorser, Instagram online shops.

Introduction

Communication technology becomes a staple needs for society nowadays, and it is indicated by the increasing of smartphones, and followed by the steep rise of smartphones' applications. One of the most downloaded applications in smartphones is social media platforms, which has many advantages for their user, such as user-friendly interface, free for download, followed by massive virtual members, and also provide freemium features. This advantages are considered as a new opportunity for marketers, especially for new startups company who choose to be pure-brick-based company. Previous research has shown that 88% of marketers are using social media (Gil-Or, 2010). Okazaki et.al (2007) has predicted that successfully making contact with consumers via social media would show great returns for marketers in the coming years. Some marketers choose Instagram as marketing tools, while it is said to be alternative social network among social media marketers, after Facebook and Twitter. Instagram can afford the needs of online shops based on uses and gratification framework (Whiting and Williams, 2013), while accessible factor, relative costs, and interactive communication as additional factors of choosing Instagram as marketing tools. An interesting fact has been found that interactive communication in Instagram cause a 'lifestyle envy' phenomenon, the condition while a person compares their own life to other people in virtual world through social media Instagram, and successfully blurring the limit between celebrity and non-celebrity, non-celebrity users are able to show their life to be seen as celebrity as well (Kiranasari and Wiratmojo, 2013). Those findings were used by marketers to empower non-celebrity people as endorsers for their online shops, and it becomes a global trend that happened in the world. Based on the fact, researcher are interested to seek the factors of choosing non-celebrity endorser on social media Instagram.

Literature Review

Social Media Marketing

Social media is defined as "a group of internet-based applications that build on the ideological and technical foundations of Web 2.0, and that allow the creation and exchange of user generated content." (Kaplan and Haenlein, 2010). Social media has changed the way people communicate, because communication has been transformed into technology-based communication, which has brought the limitless access to the way people give opinions and thought, freely to speak in social environment as well. All the technology improvement has brought a massive changes to customers, markets, and marketing, and social media has been used by many companies as the new interactive way to communicate with customers. Many kinds of social media platforms such as Facebook, Twitter, Instagram enable open dialogues between its users, and it has very visible format which is altering methods of advertising, merging both the advertiser and the advertised. Social media has transformed companies into large personalities, transcending them beyond just a brand, operate as a personal connection (Vinnie P. and Ayuna C, 2010). Kartajaya and Setiawan (2010) defines social media into two categories, there are expressive social media and collaborative social media, both of them were used in marketing purposes. While Assaad and Gómez (2011) divided the social media applications into three focus areas: relationships, communication and information. In the focus of information, it is mentioned that social

tagging is one of the important part and it is not the creation of new content, but it the creation of the description and categorization.

The Usage of Social Media: Instagram

Instagram is a social media platform which provide a photo-centric service, and currently considered to be more brand-friendly than other major social network. Through Instagram, consumers are currently much more inclined to like, share, and comment on brands' posts on Instagram than they are on Facebook or Twitter (Forrester Research Inc., 2014). Instagram delivers high interaction rates with brand content for three main reasons. First, it's less "cluttered" than other social sites, meaning it has fewer users and less content so brand posts don't get lost in the shuffle as easily. Second, Instagram doesn't filter out brand posts the way networks such as Facebook do. And, Instagram's user base skews younger than Facebook and Twitter, which is helpful because younger users typically engage more with brands on social sites.

The popularity of using Instagram as marketing tool was determined by several factors which taken from the uses and gratification theory from Katz, Blumer, Gurevitch (2011). Through the research, Kiranasari and Wiratmojo (2013) noted that there are several factors of choosing Instagram as promotional media besides uses and gratification theory, first, easily to access because Instagram can be accessed by smartphone and user friendly. Second, relative cost, while promoting through Instagram is more cost-effective and cost-efficient than using advertising. Third, lifestyle envy, Instagram provokes lifestyle envy when users desire to have a life as another users which can be seen by uploaded pictures, and then make a consumptive effects. Instagram is not only sharing media, but also as a measurement of social states. Whiting and Williams (2013) noted that accessible factor, relative costs, and interactive communication as additional factors of choosing Instagram for marketing purposes.

Celebrity Endorsers vs. Non-Celebrity Endorsers

The term celebrity endorsement defined by McCracken (1989), as any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement. Types of endorsements "can be explicit ('I endorse this product'), implicit ('I use this product'), imperative ('You should use this product'), or co-presentational (merely appearing with the product)" (Seno and Lukas, 2007). There are many previous research regarding to celebrity endorsers. The credibility of celebrity endorsers is considered to consist of three constructs: attractiveness, trustworthiness, and expertise (Ohanian 1990).

Research findings show that attractive endorsers are good at influencing the beliefs of customers (Debevec and Kernan 1984). Second, source credibility model holds that effectiveness of a message is based on the perceived level of expertise and trustworthiness the customers have in an endorser (Sternthal, Dholakia et al. 1978). Expertise is the degree to which the endorser is perceived to have the adequate knowledge, experience or skills to promote the product. It is immaterial whether the endorser possesses the expertise to endorse the product as long as the intended target market perceives it to be so (Erdogan, 1999: 298). Trustworthiness can be defined as the extent to which the endorser is perceived to be believable, honest and dependable.

On the other hand, the trend of non–celebrity advertising is increasing because the negative effect of celebrity endorsement is damaging the brand image. Non–celebrities persons are used in advertisements to avoid the negative effect of celebrity endorsement (Prieler et al., 2010). Celebrity endorsement also costs highly and it becomes a problem for startups companies. As the solution and supported by the swift of communication techology, the usage of non-celebrity endorsers become more popular, moreover in social media, especially photo-centric social media such as Instagram. Non-celebrity endorsers are considered to be more affordable but still effective to boost sales, but not everyone or every users are possible to be non-celebrity endorsers.

Research Methodology

Based on the phenomenon and theoretical backgrounds, this research was made to find out the key initial factors of choosing non-celebrity endorsers on Instagram-based online shops. An exploratory study was conducted, while qualitative data were gathered through in depth interview to online shops.

Qualitative research is highly appropriate in areas where people's motives, thoughts, feelings require reasoning and also where the individual experiences need to be explored. (Gordon & Langmaid, 1988).

In depth-interviews were designed to obtain response from Instagram-based online shops on choosing non-celebrity endorsers. According to Seidman's (1998), in-depth interview utilizes open-ended questions that constructs and directs the probing of participants' answers and the goal of in-depth interviewing is to get the participants reconstruct his or her experience related to the study.

The population of study for the research are online shops who running the business through Instagram, and the samples are 75 Instagram-based online shops which are based in three big cities in Indonesia (Jakarta, Bandung, and Surabaya). Isaac and Michael (1995) provide conditions where research with small sample sizes is justifiable when the research involves in-depth case study. That is, when the study requires methodology such as interview and where enormous amount of qualitative data are forthcoming from each individual respondent.

Nonprobability sampling was properly fitted for this research design. Nonprobability sampling is a sampling technique that relies on the judgement of the researcher instead of using chance selection procedures to select individuals for the sample group (Malhotra & Peterson, 2006). Purposive sampling techniques have also been referred to as nonprobability sampling or purposeful sampling or qualitative sampling. Purposive sampling techniques involve selecting certain units or cases, based on a specific purpose rather than randomly (Tashakkori & Teddlie, 2003a, p. 713).

Results

There are several important factors of choosing non-celebrity endorser in Instagram-based online shops. The most important factor is the number of real followers of the endorsers. 100% respondents answered that followers of certain endorsers has big implications to crack the sales instead of using celebrity endorsers. The number of followers factor also linked to the popularity of non-celebrity endorsers in specific fields, such as fashion experts, lifestyle experts, food experts, and art-skilled experts. Most of respondents choose an endorser who have more than 10.000 followers, because the assumption that the more followers, the more potential market could be reached by non-endorsers.

The second factor is the cost of using non-celebrity endorsers. 83% respondents classified non-celebrity endorsers into three groups. 24% respondents use the non-paid non-celebrity endorsers, most of them are the customers who satisfied using or buying products from online shops. In term of marketing, word of mouth online is indicated in this case. 41% respondents use the product-sponsored non-celebrity endorsers. In this group, online shops send products to endorsers for free, and the endorsers were requested to post some pictures through Instagram, using sponsored products. By adding a good and positive comments, a satisfying statements, referral to the online shops by using hasthag and mention the name of specific online shops indicate the effective way to crack the sales. 25% respondents use the paid-sponsored non-celebrity endorsers. This group is sponsored by online shops by sending them products, as well as the second group, but also they applied certain cost to be paid in order to promote the products. The cost itself vary depend on endorsers' popularity in virtual word. And lastly, 10% respondents combine non-celebrity endorser groups in pulse or sequential mode while post the pictures through Instagram.

The third most important factor is ability to provide an outstanding pictures quality. 78% respondents admitted that the quality of posted Instagram pictures were rely on the creativity of non-celebrity endorsers. This factors strongly related to expertise variable of celebrity endorsers. A qualified non-celebrity endorsers were expected to have an ability to take a good angle, to edit the pictures to be more delightful, have a technology conciouseness, to wear or to use the products in proper way to enhance the brand image of online shops.

The fourth factor, physical attractiveness of the non-celebrity endorsers were considered by 61% respondents as another important factor. Some attributes of physical attractiveness were ranked as mentioned as endorsers who: beautiful or handsome, have a good appearance, have an extraordinary lifestyle, have a special or distinctive skills, and have a social community.

The fifth factor, as the least important factors is the job or business that endorsers' work with, were considered by 17% respondents as a determinant of successful non-celebrity endorsers. By the answers, most of respondents refused to endorse the product that relatively same as endorsers' business working with or working at. This is possibly happened because there is a conflict of interest.

Additional factors has been mentioned while choose a non-celebrity endorsers. Access to contact endorsers, engagement to certain events, careness and sympathy from the endorsers to online shop, endorser's knowledge regarding to the sponsored products, and ability and willingness to refer the online shops.

Conclusions

This paper provides the factors of choosing non-celebrity endorsers on Instagram-based online shops. Applications of social media marketing and celebrity endorsement theory help the finding of the characteristics of non-celebrity endorsers on Instagram. The factors found in this study are: 100% respondents answered that the number of followers as the most crucial requirements of choosing non celebrity endorsers in Instagram, 83% respondents answered that the cost of using non-celebrity endorsers is the second most important factor, 78% respondents answered that ability to provide an outstanding pictures quality also considered as important factor, and it was said that this skill strongly related to expertise of an endorser, while physical attractiveness has 61% respondents, and endorsers' job or business related with, as the least important has 17% respondents.

This research contributes to the extant literature in several ways. First, the paper gives the contribution for academics and practitioners that non-celebrity endorsers in social media Instagram has its different characteristics than celebrity endorsers, and the factor analysis of non-celebrity endorsers in social media Instagram should be made in quantitative design. Second, research provides both academics and the business practitioners to enhance the using of non-celebrity endorsers in social media Instagram for budget consideration and the long term effect to increase the sales.

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