



Analysis of Foreign Investment in Indonesia: A Case Study of Blackpink Brand Ambassador and Oreo Brand Image

Salwa Nurmala Sari¹, Farah Amelia², Jeciska Sihombing³, Rachel Natasia⁴, Rifka Hutasoit⁵, Hafiza Adlina⁶

^{1,2,3,4,5,6}Department of Social and Political Science, Universitas Sumatera Utara, Medan, Indonesia

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ABSTRACT

Foreign direct investment has become a significant phenomenon in the global economic context, including in Indonesia. This study aims to analyze the influence of foreign direct investment on BLACKPINK's brand ambassador and Oreo's brand image in Indonesia. In this case study, we adopt a literature review approach to investigate concepts related to foreign direct investment, brand ambassadors, and brand image. In this research, we also observe the factors influencing the success of foreign direct investment and the effectiveness of brand ambassadors. Our analysis reveals that factors such as appropriate marketing strategies, alignment between the brand and the ambassador, and positive interaction between the brand and consumers play pivotal roles in achieving successful outcomes. By gaining deeper insights into the influence of foreign direct investment on BLACKPINK's brand ambassador and Oreo's brand image, this study can provide valuable insights for companies and other stakeholders in understanding the increasingly global dynamics of the Indonesian market. Furthermore, this research can serve as a foundation for developing more effective marketing strategies in the context of foreign direct investment and the utilization of brand ambassadors in the future.

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Corresponding Author:

Hafiza Adlina
Department of Social and Political Science
Universitas Sumatera Utara, Medan
Email: hafizaadlina@usu.ac.id

1. INTRODUCTION

Sophisticated technological advances that can affect the flow of incoming and outgoing information can even affect the social and cultural life of the country itself. As technology develops and globalization occurs, many trends from other countries enter our country. In the growing digital and information era, many companies use marketing strategies by using brand ambassadors as a way to introduce their products to a wide audience. A brand ambassador is someone who is considered to have a good image, is popular, and is trusted by the public, so that it can be used to promote a company's product or brand.

The current trend that many people enjoy doing is the Korean wave or Hallyu. The Korean wave here refers to the popularity of Korean traditions, which include music, drama, films, food, cosmetics, literature. Every year the kpop music industry is expanding and continues to increase and make it a world trendsetter, including Indonesia. Often times we get great influence from trendsetters or their idols. So the company also looks at business opportunities to make k-pop idols as a marketing tool for the company's products. Korean celebrities become brand ambassadors who are capable of offline consumers to buy their company's products. Usually companies are looking for brand ambassadors other than according to the company's criteria, of course those who are on the rise, or have many fans in the community. Companies also choose brand ambassadors, of course they have strong reasons for choosing these artists, such as good achievements and the behavior of these artists in their fields of expertise. There are many companies that have used brand ambassadors from k-pop idols, one of which is Oreo which is a girl group from South Korea.

As in that brand ambassadors (Shimp, 2003) are a form of marketing communication for advertisements, through the application of brand ambassadors it is hoped that they are capable of increasing the brand image of the company. Oreo carries out promotional activities in one way, namely by having a brand ambassador to improve the brand image. The brand image must appeal to the needs and wants of consumers beyond the functions and benefits of the product. Collaborations carried out by k-pop idols will also greatly affect brand image. One example of a brand ambassador who is quite popular today is the girl group from South Korea, Blackpink. Blackpink is one of the brand ambassadors of Oreo, a famous biscuit brand from the Mondelez International company.

By using popular brand ambassadors, the company hopes to improve brand image and also increase sales. Brand image will also greatly influence consumer purchasing decisions. Before holding a brand ambassador, the company's brand image must have been built so that it makes an impression on the minds of the public or consumers. And become a material consideration for the parties who will cooperate with the company. Brand image will continue to influence consumer purchasing decisions. Because the more companies build a good image, the public's perception will also be good. Therefore, this study wants to find out whether the use of the Blackpink brand ambassador and the Oreo brand image have an effect on consumer purchasing decisions. Based on the explanation above, that Oreo uses brand ambassadors and brand image as promotional tools. In this way, researchers are interested in working on research entitled "The Effect of BlackPink Brand Ambassadors and Oreo Brand Image on Consumer Purchase Decisions (Case Study of North Sumatra Students)"

2. RESEARCH METHODE

The research design is Literature Review or literature review. Literature research or literature review (literature review, literature research) is research that examines or critically reviews knowledge, ideas, or findings contained in academic-oriented literature, and theoretical and methodological contributions for certain topics. , Cooper (2010). The nature of this research is descriptive analysis, namely the regular breakdown of the data that has been obtained, then an understanding and explanation is given so that the reader can understand it well.

3. RESULT AND ANALYSIS

Brand Ambassadors

Brand Ambassadors. According to (Shimp, 2003) explained that brand ambassadors are advertising supporters who function as creative marketing communication strategy efforts to increase public buying interest in the products offered. In order for the brand to be quickly fixed in the minds of consumers and interested in buying its products, the selection of brand ambassadors must be appropriate and become a brand representative that is in accordance with the target consumer. It is not uncommon for companies to use celebrities as their brand ambassadors because celebrities are suitable to be used as representatives of the company's market segment and the influence of celebrities is very strong leading to effective and efficient marketing communications. As a brand ambassador it is very important to pay attention to the characteristics of celebrities who will represent a product described in the VisCap model by Rossiter and Percy in (Rama, 2017)

Visibility. Visibility is the popularity value attached to a celebrity for the representation of a product. Visibility is a measure of how wide the scope of popularity is possessed by celebrities as brand ambassadors. The celebrity's popularity will determine the impact on the brand's popularity.

Credibility. Credibility is the ability of a celebrity and the trust given from celebrities. This expertise focuses on how celebrities have the skills, experience and knowledge that are aligned with the brands they support.

Attraction. Attraction is the three things that exist in celebrities and products, namely similarity, familiarity and liking. This attractiveness is divided into two components, namely, the physical attractiveness of the celebrity who is the choice of brand ambassadors and the attractiveness of the conformity of the product to be advertised. Attractive brand ambassadors will produce attractive advertisements and products compared to using less attractive communicators.

Power. Power is the power of celebrities to seduce target consumers in advertised products. The brand ambassador used must have the power to influence and attract the attention of the target market.

Brand Image. Brand image for the company is a strong weapon to excel from its competitors. To build a brand image, the right marketing strategy must be carried out in order to attract target consumers. Indirectly, a good image will increase consumer loyalty to the brand. According to (Kotler & Keller, 2009) explains that brand image is a product identification in order to differentiate its products and product competitors by the presence of a name, term, sign, symbol, design or combination thereof. According to (Keller, 2013) brand image has three elements that will make a brand image firmly attached to the minds of consumers, as follows:

Favorability of Brand Association. The advantages of brand association can be seen how the brand fulfills the needs and desires of customers, thereby forming a positive attitude towards the brand. The existence of consumer needs and desires raises expectations, and consumers need to fulfill these expectations through the capabilities of the products and brands they consume.

Strength of Brand Association. Communication plays an important role in this element because the strength of brand associations depends on how much information enters the minds of consumers about the brand image. When consumers take the initiative to think about and interpret the meaning of product information, it creates strong relevance in consumer memory.

Uniqueness of Brand Association. The uniqueness element must be owned by every brand so that the brand has interesting characteristics that are attractive and difficult for competitors to imitate. Through this uniqueness consumers can feel the difference with similar products. In

addition, consumers can remember and get an inherent impression of the uniqueness of the brand.

Foreign Investment

Foreign direct investment (FDI) is direct investment made by foreign companies or investors to other countries. The following is some important theoretical information about foreign investment:

1. **Theory of Foreign Investment (FDI Theory):** There are several theories that explain the reasons why foreign companies choose to invest directly in other countries. Some well-known theories include:
 - a. **Location Advantage Theory:** This theory explains that foreign companies invest in other countries to take advantage of the locational advantages possessed by the investment destination country. These location advantages can be in the form of access to large markets, skilled and cheap labor, political and legal stability, good infrastructure, and other factors that increase investment attractiveness.
 - b. **Internalization Theory:** This theory focuses on the motivation of foreign companies to make direct investment by internalizing activities previously carried out by business partners or suppliers. By making direct investments, companies can control and take advantage of the benefits of these activities.
 - c. **Diversification Theory:** This theory states that foreign companies invest in other countries to diversify their risks. By investing in multiple countries, companies can reduce the risks associated with economic fluctuations or regulatory changes in one country.
2. **Benefits of Foreign Investment:** Foreign investment can provide several benefits, both for investment destination countries and for foreign companies. Some of the benefits include:
 - a. **Transfer of Technology:** Foreign companies often bring advanced technology, know-how and management practices to investment destination countries, which can increase productivity and technological advances in related sectors.
 - b. **Increased Investment and Economic Growth:** Foreign investment can increase domestic investment, create jobs, and promote long-term economic growth.
 - c. **Provision of Capital and Resources:** Foreign investment can assist investment destination countries in obtaining capital, technology, management and other resources that may not be available locally.
3. **Factors Affecting Foreign Investment:** There are several factors that can influence the decision of foreign companies to invest in certain countries, including:
 - a. **Economic Factors:** Factors such as macroeconomic stability, market size, economic growth rate, infrastructure, labor costs, fiscal and monetary policies, and currency stability can influence a country's investment attractiveness.
 - b. **Political and Legal Factors:** Political stability, government policies regarding foreign investment, legal protection, and a conducive business climate are important factors that are considered by foreign companies before investing.
 - c. **Social and Cultural Factors:** Factors such as educational level, workforce quality, business culture, and consumer preferences can also influence the decision of foreign companies to invest in a country.

Blackpink's Influence As A Brand Ambassador

The presence of Blackpink as a brand ambassador can make a significant contribution in enhancing Oreo's brand image. The following are several ways how Blackpink's presence can enhance Oreo's brand image:

1. **Association with Popular Celebrities:** Blackpink is one of the most popular and internationally recognized K-pop bands. Their presence as brand ambassadors can give Oreo a strong appeal, because diehard Blackpink fans will be more likely to be interested in buying products advertised by their idols. This can enhance Oreo's positive image in the eyes of Blackpink fans and other potential consumers.
2. **Relevance to Target Demographics:** Blackpink has a wide fan base across different age groups and countries. By choosing Blackpink as brand ambassadors, Oreo can reach a wider and more diverse target demographic, including teenagers and young adults who are potential Oreo consumers. The existence of Blackpink as a popular icon can make Oreo look more modern, trendy, and in accordance with the lifestyle of young consumers.
3. **Increasing Brand Appeal:** Blackpink has a reputation as a style and beauty icon. By collaborating with Blackpink, Oreo can leverage their image and style to increase brand appeal. Marketing campaigns involving Blackpink can feature elements of style and fun that can make Oreo look more attractive, trendy and up to date.
4. **Global Impact:** Blackpink has a huge global following and strong influence in various international markets. By becoming Oreo's brand ambassadors, they can help expand the brand's reach in various countries, including in Asia Pacific and the Middle East as mentioned in the case study. This can enhance Oreo's international image and make it more recognizable in the global market.
5. **Continuity and Continuity:** Blackpink is a music group that has proven its success over a relatively long period of time. By establishing a long-term partnership with Blackpink as brand ambassador, Oreo is able to build a solid relationship with Blackpink fans and bring a sense of continuity and continuity to their brand. This can give consumers the confidence that Oreo is an up-to-date, relevant and reliable brand.

With Blackpink's presence as brand ambassadors, Oreo can leverage the group's popularity, influence, and positive image to enhance their brand image, making the Oreo brand more attractive, modern, and memorable to consumers. Apart from consumers, Blackpink's presence is also considered beneficial for investors, because:

1. **Role of Brand Ambassador in Foreign Investment:**
 - a. In foreign investment, the use of brand ambassadors such as BLACKPINK can be an effective marketing strategy to strengthen brand image and increase product attractiveness in the Indonesian market.
 - b. BLACKPINK as a brand ambassador can help raise awareness of the Oreo brand among Indonesian consumers, especially among BLACKPINK's extensive fans and strong fan base in the country.
 - c. The presence of a brand ambassador can provide emotional appeal and connection between Indonesian consumers and the Oreo brand, which can drive consumer preferences and influence purchasing decisions.
2. **Influence of Brand Ambassador on Brand Image Oreo:**

- a. By linking up with BLACKPINK's brand ambassador, Oreo was able to gain a positive image as a trendy, modern and relevant brand among young consumers in Indonesia.
 - b. BLACKPINK as a popular icon can strengthen the perception of the Oreo brand as an international brand associated with a dynamic lifestyle, fun and satisfaction.
 - c. BLACKPINK's brand ambassador's positive personality and image can be transferred to the Oreo brand, creating positive associations with values such as cheerfulness, freedom, and joy.
3. The Impact of Foreign Investment and the Brand Ambassador Strategy on the Indonesian Market:
- a. Foreign investment by Oreo through the use of the BLACKPINK brand ambassador can make a positive contribution to Indonesia's economic growth through increasing investment, creating jobs, and increasing exports of Oreo products.
 - b. BLACKPINK's brand ambassador strategy can help Oreo in expanding its market share in Indonesia, especially among young consumers who are an important target market for snack products.
 - c. Oreo can leverage BLACKPINK's popularity and influence in the entertainment industry and social media to expand brand reach and strengthen consumer engagement through effective marketing campaigns.
4. Challenges and Opportunities in Using a Brand Ambassador:
- a. One of the challenges in using a brand ambassador is maintaining consistency between the image of the brand ambassador and the brand they represent. Good synergy is needed between brands and brand ambassadors so that the messages conveyed can be consistent and in accordance with brand values.
 - b. The opportunity is to increase the appeal of the Oreo brand by leveraging the popularity and influence of BLACKPINK's brand ambassadors, which can create a competitive advantage in an increasingly competitive market.

The analysis above illustrates how foreign investment by Oreo using the BLACKPINK brand ambassador can affect Oreo's brand image in the Indonesian market. The use of brand ambassadors can provide benefits such as increased brand awareness, increased emotional appeal, and the formation of positive associations with the values represented by the brand ambassador. However, challenges also exist in maintaining consistency and synergy between brands and brand ambassadors. Overall, this strategy is one of the approaches that companies can use in foreign investment and strengthen their brand presence in the Indonesian market.

Oreo Investment in Indonesia

Based on the article mentioned, Mondelez International made an investment of US\$23 million, equivalent to around Rp.320 billion, to add an Oreo biscuit production line in Cikarang, West Java. This investment aims to increase Oreo production capacity by 70%. This investment project was announced in 2021 and completed at the end of that year. The Mondelez International factory in Cikarang is a world-class biscuit production center that also serves as an export center for more than 35 countries in Asia Pacific and the Middle East. The addition of this production line was carried out in response to the increasing demand for Oreo exports from various countries in the region.

This investment is also made by using advanced technology in the production of biscuits, including the use of energy, water and carbon efficient machines to support a more sustainable production process. In addition, this investment is also supported by the Indonesian government through the Coordinating Ministry for Maritime Affairs & Investment, Ministry of Industry and Ministry of Investment (BKPM) which creates a conducive business and investment climate. This investment is part of Mondelez International's commitment to continue to support national economic growth, create jobs, and develop the food and beverage industry in Indonesia.

4. CONCLUSION

Based on the results of research and analysis and discussion regarding the influence of brand ambassadors and brand image on foreign investment, the following conclusions can be drawn; The results of this study are also in line with previous studies that examined the effect of brand ambassadors on foreign investment. This study shows that brand ambassadors also have an important role in influencing foreign investment decisions, especially in Indonesia.

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