

## Accounting Analysis of Cost and Benefit of Celebrity Endorsements in Micro, Small and Medium Enterprises

Ira Hasti Priyadi <sup>1\*</sup>, Uly Mabruroh Halida <sup>2</sup>, Safiratul Jannah <sup>3</sup>, Alfiatur Rohmaniyah <sup>4</sup>


<sup>1</sup>Faculty of Islamic Economics and Business, State Islamic Institute of Madura, Indonesia

<sup>2</sup>Faculty of Islamic Economics and Business, State Islamic Institute of Madura, Indonesia

<sup>3</sup>Faculty of Islamic Economics and Business, State Islamic Institute of Madura, Indonesia

<sup>4</sup>Faculty of Islamic Economics and Business, State Islamic Institute of Madura, Indonesia

\*Corresponding email: [irabastipriyadi@iainmadura.ac.id](mailto:irabastipriyadi@iainmadura.ac.id)

 <https://doi.org/10.19105/sfj.v4i2.15622>

### ARTICLE INFO

#### Keywords:

Cost and Benefit Analysis, Selebgram Endorsement

### ABSTRACT

In the era of digitalization, social media has become an integral part of human life, not only as a communication tool but also as a branding and marketing platform. This phenomenon creates opportunities for businesses to use Instagram celebrities (selebgram), well-known individuals on social media, as product promotion agents. However, this strategy is not without significant costs. This research aims to conduct a cost-benefit analysis (CBA) on product promotion through celebrity endorsement in Indonesia, with a focus on MSMEs in Pamekasan. Mixed methods research is used to combine quantitative and qualitative approaches. Data was obtained through interviews with MSME actors and program celebrities, documentation and literature studies. Quantitative data includes endorsement rates for well-known celebrities, while qualitative data involves evaluating the benefits received by MSMEs. A cost-benefit analysis was conducted to assess the efficiency of investment in this promotion. It can be seen that several MSMEs achieved the highest Cost-Benefit Ratio (CBR), indicating high efficiency in generating benefits.

*This journal is under license Creative Commons Attribution-NonCommercial 4.0 International License*

## INTRODUCTION

In today's digital era, human life is closely related to social media. Social media, also known as social media, has an important role in various aspects of people's lives, from sending messages to friends, sharing information, to finding topics that are being discussed, social media has now become an important need for many people. This is due to the ability of social media to connect almost everyone who has internet access. In addition, the function of social media is not limited to communication. Initially, social media was designed to build a communication ecosystem. However, with the development of the internet and technology, social media has now become a second world for humans, where people can gather and interact without the limits of space and time.<sup>1</sup>

Nowadays, social media is not only used as a communication tool, but also as a means of branding. Branding is a way for someone to build an image in the public eye, allowing various groups, from officials, educators, athletes, religious leaders, celebrities, to the general public, to introduce themselves. Social media is currently not only used as a medium for self-branding, but can also be used for many

<sup>1</sup>Binus University, *Pemanfaatan Media Sosial Sebagai Media Promosi*, <https://communication.binus.ac.id/2022/12/17/pemanfaatan-media-sosial-sebagai-media-promosi/>

things, one of which is as a promotional media in a digital marketing strategy.<sup>2</sup> On the other hand, social media also plays an important role in marketing. As a widely used platform, social media allows business people to introduce and promote their products more effectively, so they can reach more consumers.<sup>3</sup>

In the business world, promotional strategies are the first step to introduce products to consumers. A good promotional strategy must be supported by structured planning, both internally and externally. Effective promotion certainly requires a large budget in order to achieve the desired sales target. Therefore, companies need to manage their promotional budgets carefully to avoid losses and ensure that promotional costs are in line with the form of promotion carried out. One popular form of promotion is through endorsements on social media. Based on the results of the study, it was concluded that promotional costs can affect the company's sales volume.<sup>4</sup>

Among the various social media platforms, Instagram is one of the most widely used for promotional activities. Instagram celebrities, or known as selebgrams, have great influence because their number of followers reaches thousands to millions of people. Endorsement through selebgrams has become a very effective promotional method, because selebgrams can introduce products directly to potential consumers. Celebgrams, who are famous for various reasons such as attractive appearances, or unique talents, are often used as influencers by business people to promote their products. With the number of followers reaching thousands or even millions, it is easy for selebgrams to make their accounts a business field, namely by accepting product promotion endorsements.<sup>5</sup>

*Endorsements* is a simple yet very effective form of promotion in the modern business world. Business people ask celebrities or famous figures to give positive reviews and promote products through their social media accounts. People tend to trust figures they consider influential more, so endorsements become a powerful marketing technique. People known as netizens will trust their testimonials or reviews and generate interest in buying the product.<sup>6</sup>

However, the cost of doing endorsements is not cheap, because each celebgram has a certain rate, depending on the number of followers and the type of promotion done (story or feed or post) on Instagram. Therefore, a cost evaluation is needed to ensure that the endorsement fee is commensurate with the benefits obtained.

Cost-Benefit Analysis is an important tool for business owners to evaluate the effectiveness of promotional costs through endorsements. With this analysis, business owners can identify all costs incurred and compare them with the benefits obtained from increased sales or improved brand image. For example, several celebrities in Indonesia set varying endorsement rates, from hundreds of thousands to tens of millions of rupiah. Based on the data, the highest endorsement rate in Indonesia reaches IDR 50 million per promotion. The amount of this cost certainly requires a thorough analysis so that the promotional investment can provide optimal benefits for the business.<sup>7</sup>

---

<sup>2</sup>Ibid, p. 110

<sup>3</sup>Ibid

<sup>4</sup>Aulia, *Pengaruh Biaya Promosi Terhadap Peningkatan Penjualan Pada PT. Matramas Motor Alauddin Makassar*, (Jurnal Economic Vol.7 No.2) hal.109.

<sup>5</sup>Dian N.Rizeki, *Mengenal Apa Itu Selebgram dan Cara Menjadi Selebgram*, <https://majoo.id/solusi/detail/cara-menjadi-selebgram>

<sup>6</sup>Geofanni Nerissa Arviana, *Mendalami Seluk Beluk Endorsement Yang Katanya Mudah, Benarkah Demikian?*, <https://glints.com/id/lowongan/endorse-adalah/>

<sup>7</sup>Didit Praditya, *Analisis Biaya Dan Manfaat Investasi E-Commerce Di Lingkungan Usaha Kecil Menengah*, (Jurnal Penelitian Komunikasi dan Opini Publik Vol.22 No.2, Desember 2018) hal. 76.

Table 1. List of Celebgrams and their Endorsement Rates in Indonesia

| No. | Celebrity Name   | Rates             |
|-----|------------------|-------------------|
| 1.  | The Raditya Dika | Rp. 50,000,000.00 |
| 2.  | Raffi & Nagita   | Rp22,000,000.00   |
| 3.  | Ruben Onsu       | Rp20,000,000.00   |
| 4.  | Tasya Farasya    | Rp20,000,000.00   |
| 5.  | Reza Arap        | Rp. 18,000,000.00 |
| 6.  | Atta Lightning   | Rp13,000,000.00   |
| 7.  | Aurel Hermansyah | Rp. 7,000,000.00  |
| 8.  | Ria Ricis        | Rp. 5,000,000.00  |
| 9.  | Awkarin          | Rp4,000,000.00    |
| 10. | Moonella         | Rp. 3,500,000.00  |

(Source: Processed data, 2023)

There are several previous studies on celebrity endorsements, such as research conducted by Indah Purnama which showed that online promotions and celebrity endorsements had an influence on consumer purchasing interest.<sup>8</sup>, and research by Ayu Astria and Sa'ad Noor which showed that purchasing decisions were influenced by influencers by 71.23% while 28.77% were influenced by other factors that were not currently being researched.<sup>9</sup>, then the research conducted by Gayatri Hutami Putri and Bhina Patria showed different results from the two studies that celebrity endorsements did not affect purchasing interest in teenage girls, as indicated by the results of the test of different purchasing interest scores in the experimental group and the control group, which did not have a significant difference.<sup>10</sup>. Previous studies that have previously existed have focused more on consumer purchasing interest and decisions, while the novelty of this study lies in the accounting approach and focus on cost and benefit analysis, which is different from previous studies, in addition, previous studies did not discuss more measurable economic impacts, such as costs and benefits of endorsement for business actors, especially MSMEs.

For MSMEs who want to expand their market reach and increase sales, the promotion method through celebrity endorsements can provide a great opportunity to be more widely known. However, this kind of promotion requires significant costs, both in the form of promotional fee payments and free product delivery to the celebrity. Through a cost-benefit analysis, this study will calculate the extent to which endorsement investments bring benefits to MSMEs compared to their costs. Thus, this study provides a more measurable accounting perspective, helping MSMEs make wiser decisions about investing in celebrity endorsements.

## METHOD

This research adopts a mixed methods approach.<sup>11</sup>with a combination of quantitative and qualitative methods. The research population was all MSMEs in the Madura region that had conducted endorsement activities with Pamekasan celebrity grams, without limitations on product categories (food and beverage, fashion, etc.) or geographic locations within the Madura region. The research sample consisted of 5 MSMEs selected by purposive sampling, with the following criteria: (1) having conducted at least one endorsement with Pamekasan celebrity grams within a period of 1 year, (2) having an active social media account, and (3) being willing to be a respondent. Several MSMEs in

<sup>8</sup> Indah Purnama, "Pengaruh Promosi Online Dan Endorserment Selebgram Terhadap Minat Beli Konsumen," t.t.; Ayu Astria dan Sa'ad Noor, "Pengaruh 'Influencer' terhadap Keputusan Pembelian di CV. Citra Sejahtera Mandiri (Esme Fashion)," *Ekonis: Jurnal Ekonomi dan Bisnis* 24, no. 2 (18 Januari 2023), <https://doi.org/10.30811/ekonis.v24i2.3787>.

<sup>9</sup> Astria dan Noor, "Pengaruh 'Influencer' terhadap Keputusan Pembelian di CV. Citra Sejahtera Mandiri (Esme Fashion)."

<sup>10</sup> Gayatri Hutami Putri dan Bhina Patria, "Pengaruh Endorsement Selebriti Instagram terhadap Minat Beli Remaja Putri," *Gadjah Mada Journal of Professional Psychology (GamaJPP)* 4, no. 1 (1 Juni 2018): 33, <https://doi.org/10.22146/gamajpp.45347>.

<sup>11</sup> Sugiono, *Metode Penelitian Kuantitatif, Kualitatif dan Kombinasi (Mixed Methods)* (Bandung: Alfabeta, 2014).

Pamekasan that were the subjects of the research were 1) Rumah Ayu Aesthetica (RAA), 2) Kedai Jus RR, 3) Bakso Mas Aab, 4) Syasignature, and 5) Bee.Le.

Quantitative data were obtained through an online survey using a questionnaire distributed to a sample of MSMEs. The questionnaire contained closed and open questions regarding the profile of MSMEs, endorsement characteristics, costs incurred, and the impact of endorsements on business. Qualitative data were obtained through in-depth interviews with 6 MSMEs and 2 Pamekasan celebrities who met the criteria of having a minimum of 15 thousand followers and had endorsed MSMEs in Madura. In-depth interviews aimed to dig deeper into the experiences, motivations, and perceptions of the actors regarding endorsement activities. Quantitative data were analyzed using descriptive statistics, while qualitative data were analyzed thematically. The results of the quantitative and qualitative analyses were then integrated to provide a comprehensive picture of the effectiveness of Pamekasan celebrity endorsements on MSMEs in Madura.

## RESULTS

Table 2. Summary of Interviews with Informants

| Aspect                     | Interview   | Interview Conclusion  |
|----------------------------|---|---|
| The Role of Digitalization | "Digitization certainly has an important role for our business, especially to attract old and new customers. Then also to expand the marketing area because from the beginning the marketing area was only limited to the clinic area, for example in Pamekasan, with digital marketing the scope of the business such as the sale of skincare products has also begun to be expanded to several areas in other cities. At first this business was only known by word of mouth, between friends, but now I am starting to expand the market by spreading information about this clinic through social media such as TikTok and Instagram. <sup>12</sup> | Digitalization through social media (Instagram and TikTok) helps MSMEs expand their marketing reach and reach new customers outside the local area.   |
| Promotion Media            | "So far we have been selling our products offline, namely with our two offline stores, namely in Trasak and in the store that we just re-launched on Jalan Stadion. We do our promotions online by advertising products on the Instagram social media page. <sup>13</sup>   | MSMEs such as Syasignature use online promotions on Instagram as support for marketing in offline stores, which are located in strategic locations.   |
| Criteria for Celebgrams    | "Looking at Instagram itself, how they do endorsements. So it's more about interest, whether they like it or not or are they interested in the beauty world. So also looking at how they promote and see the number of followers because RAA's market share is diverse, there are students, housewives, workers, and others.. <sup>14</sup><br><br>"Usually, business owners ask for first endorsements to see the number of my followers first. At the beginning of  | The selection of celebritygrams is done by considering the number of followers, Instagram insight (reach), interests and specializations of the celebritygram in fields that match the product, such as beauty or culinary. |

<sup>12</sup> Ria Ayu, Owner of Rumah Ayu Aesthetica, Face to Face Interview, September 2023.

<sup>13</sup> Lulu, Owner Syasignature, Face to Face Interview, September 2023.

<sup>14</sup> Ria Ayu, Owner of Rumah Ayu Aesthetica, Face to Face Interview, September 2023.

endorsing, my followers were still few, not many people endorsed me, only my closest friends who had businesses asked me to review their products."<sup>15</sup>

"When I want to choose a celebrity, I usually first look at it and ask for their Instagram insight, so it's like the reach of the celebrity's account, how many people see their story in one day, then spread out in which cities their followers are. So it's not just about going viral that we endorse but we also really have to pay attention to the insight and the celebrity's field of specialization. I prefer those who really focus on the culinary world, for example, F is famous for being in charge of culinary in Pamekasan so it really has that influence on my endorsed business."<sup>16</sup>

|                                      |   |  |
|--------------------------------------|---|--|
| <p>Endorsement Fee</p>               | <p>"To endorse a product, the first thing is to pay the endorsement fee of the celebrity, each celebrity is different. The rates vary, if the celebrity is already famous it can be up to 500 thousand, if not yet famous it can be Rp100,000.00 besides that if we want to be reviewed on the spot then we have to prepare a food menu to be reviewed and all of that is free outside the celebrity fee."<sup>17</sup></p> | <p>Endorsement fees vary depending on the popularity of the celebgram: famous celebgrams can be charged up to IDR 500,000, while lesser-known ones are around IDR 100,000. MSMEs also provide products for free for celebgram reviews on-the-spot.</p> |
|                                      | <p>"To endorse a product, the first thing is to pay the endorsement fee of the celebrity, each celebrity is different. The rates vary, if the celebrity is already famous it can be up to 500 thousand, if not yet famous it can be Rp100,000.00 besides that if we want to be reviewed on the spot then we have to prepare a food menu to be reviewed and all of that is free outside the celebrity fee."<sup>18</sup></p> |  |
|                                      | <p>"For the costs incurred, of course, it is the endorsement rate, I chose a cheap celebgram, sis at that time, Mr. H was the celebgram at that time, so the cost was very cheap. Then I also had to send the product to be endorsed, namely I sent fruit salad as the product to be endorsed."<sup>19</sup></p>  |  |
| <p>Free Products for Endorsement</p> | <p>I was once endorsed by one of the ice shops in Sampang City. Of course, in this case, apart from setting the endorsement</p>   | <p>MSMEs prepare products to be reviewed, such as food or drinks, which are given free of charge to the</p>  |

<sup>15</sup> Wati, Celebrity, Live Interview, September 2023.

<sup>16</sup> Rini, Owner of Bakso Mas Aab, Face to Face Interview, September 2023.

<sup>17</sup> Febi, Owner Bee.lee, Face to Face Interview, September 202.

<sup>18</sup> Febi, Owner Bee.lee, Face to Face Interview, September 202.

<sup>19</sup> Wulan, Owner of RR Juice Shop, Face to Face Interview, September 2023.

|                                    |    |   |   |
|------------------------------------|----|---|---|
|                                    |    | rate according to the rate I proposed, I would also get free products about whatever would be reviewed, for example various drinks, snacks, and so on. <sup>20</sup>  | celebrity as part of the endorsement process.   |
| Benefits of Celebrity Endorsements | of | "The benefits received when endorsing a celebrity are the benefits that can be felt are the benefits of increased income, so it is really felt before endorsing and after endorsing the income obtained can multiply, besides that because we also sell online and have a social media page, new followers appear and start asking questions and then ordering from us. <sup>21</sup>   | Endorsement by celebrity increases income, adds followers, and attracts new buyers both online and offline, expanding market reach. For example, Rini was able to open a new branch in Surabaya after endorsing with celebrity. |
|                                    |    | "When I endorsed F, from there I added followers, although the buyers were not significant, but the followers at least increased. At first it was just a follow, see see later on you want to buy like that. When the content was posted and became FYP on Instagram social media, the next day many buyers came offline and privately online on our social media and now the effect is still very much felt, sis, to the point that we were able to open a branch in Surabaya too. <sup>22</sup> |   |

(Source: Processed data, 2023)

## DISCUSSION

### 1. Digitalization of MSME Market Access

MSMEs are part of the Indonesian economy whose existence has a major contribution to economic growth itself. Every year the growth of MSMEs is increasing. It can be felt together that the presence of MSMEs is able to absorb the available workforce. Currently, the world has long entered the 4.0 era, a state where all activities in the world are highly dependent and always transforming to take advantage of increasingly sophisticated technological developments. The movement and changes in the way of doing business that are increasingly rapid towards digitalization force business actors to adapt to these changes<sup>23</sup>. Before the digital era, several MSMEs in Madura relied on word-of-mouth marketing to reach customers. However, as technology developed, business owners realized the great potential of digitalization. By utilizing social media platforms such as Instagram, several MSMEs were finally able to expand their reach significantly. Through creative content and active interaction with customers, business actors were able to attract wider consumer interest and increase brand awareness. The results of this digitalization strategy were not only able to increase the number of new customers, but also able to retain old customers. In addition, product sales also experienced a significant increase. This success shows that digitalization has become the key to business growth.

<sup>20</sup> Sri Hartatik, Celebrity Instagram Live Interview, September 2023.

<sup>21</sup> Febi, Owner Bee.lee, Face to Face Interview, September 202.

<sup>22</sup> Sri Hartatik, Celebrity Instagram Live Interview, September 2023.

<sup>23</sup> Yusyida Munsa Idah dan Muliasari Pinilih, "Strategi Pengembangan Digitalisasi UMKM," *Prosiding Seminar Nasional dan Call for Papers*, 2019, 196.

**2. Costs incurred in doing endorsement**

The cost of hiring a celebgram in Madura as an endorser varies greatly and is influenced by a number of factors. One of the main factors is the reach and influence of the celebgram on social media platforms. The greater the number of followers and the higher the level of engagement, the higher the rate offered. In addition, the niche or topic discussed by the celebgram is also an important consideration. If the celebgram's niche matches the product or service offered, then the costs incurred tend to be higher. Campaign duration, content usage rights, and geographic location also affect endorsement costs. Choosing the right celebrity is a valuable investment for MSMEs. To maximize the budget, it is important to determine clear goals, from increasing brand awareness to driving sales. After that, use a realistic budget and compare offers from several celebrities. Consideration of choosing micro-influencers who have more affordable costs but a high level of engagement with the audience can be an option in choosing a celebrity. Based on research results, the success of endorsements is not only about the number of followers, but also the effectiveness of the message that can be conveyed.

In addition to these costs, there are also indirect costs, namely costs that must be incurred to review a product, the amount of which varies according to the custom desires of each MSME.

Table 2 Total Endorsement Costs of Research Sample MSMEs

| <b>MSMEs</b>        | <b>Total cost</b> |
|---------------------|-------------------|
| RAA                 | Rp. 700,000       |
| RR Shop             | Rp. 300,000       |
| Mas Aab's Meatballs | Rp. 600,000       |
| Syasignature        | Rp. 1,200,000     |
| Queen Bee           | 600,000           |

(Source: Processed data, 2023)

Based on the data, it can be concluded that in terms of comparing the total endorsement costs, Syasignature has the highest total endorsement costs among other MSMEs, which is IDR 1,200,000, while Kedai RR has the lowest total costs, which is IDR 300,000. Based on the distribution of costs, there is a large variation in the distribution of costs between MSMEs. Syasignature has costs that are more than twice as high as other MSMEs, while RAA, Bakso Mas Aab, and Queen Bee have relatively similar total costs.

**3. Benefits of Endorsement**

Endorsements, especially when involving celebrities or influential figures, can provide a number of benefits for a brand or product. Based on the results of the study, here are some of the benefits of endorsements carried out by MSMEs in Madura. The first benefit is increased income. Endorsements can increase income directly from the sale of a product due to the effectiveness of the target or market target. The involvement of celebrities can increase interest and therefore, can provide a significant boost to the sale of products or services. In addition, endorsements can also result in increased brand awareness. Endorsements can increase brand awareness because the presence of celebrities can bring public attention to products or services. Third, endorsements can increase credibility. The association of a brand with celebrities or influential figures can increase credibility. Fans or followers of these celebrities tend to give additional trust to the brands they endorse.

The existence of endorsements also has an impact in the form of influence on purchasing decisions. Endorsements can influence consumer purchasing decisions. Fans or followers of endorser figures may be interested in trying the product because of an emotional connection or trust in the figure. In addition to the support of target demographics, choosing the right endorser can help brands reach certain demographic targets. Celebgrams often have a follower base that

includes certain demographic groups. Endorsements are also a means of conveying brand values or messages. Endorsements can be used to convey certain values or messages desired by business actors. However, it is important to remember that the benefits of endorsements can vary depending on the extent to which the endorser is in line with the brand, whether the endorser's involvement is positive or negative, and how the endorsement strategy is integrated into the overall marketing.

#### 4. Cost Benefit Analysis (Cost Benefit Ratio)

Seeing the involvement of endorsements through celebrity grams as an effective strategy to expand market access and increase the visibility of MSMEs, it is necessary for MSMEs in Madura to follow the development of digital transformation so that the businesses they run continue to grow and do not go bankrupt due to inappropriate marketing mixes. Because if we look at the potential of several MSMEs in Madura such as research by Bernardus Sinurat on the financial accounting records of a stall shows that accounting-based financial management can be beneficial for UMKM entrepreneurs because they can find out the financial condition of their business so they know whether they are experiencing losses or profits, and can manage and supervise all financial transactions that occur while their business is operating. Business actors must learn to use accounting-based financial management and they must keep accounting records at least in a simple way so that you can calculate the capital spent on endorsements and the net profit received.<sup>24</sup>

This research is also supported by a summary table of Cost and Benefit Ratio which analyzes the benefits and costs of endorsement from MSMEs quantitatively so that it can be used as a reference in measuring the impact of endorsement involved in MSMEs:

Table 3: Calculation of CBR for MSMEs

| MSMEs               | Total cost    | Total Benefits | CBR   |
|---------------------|---------------|----------------|-------|
| RAA                 | Rp. 700,000   | Rp. 9,000,000  | 12.85 |
| RR Shop             | Rp. 300,000   | Rp. 3,200,000  | 10.66 |
| Mas Aab's Meatballs | Rp. 600,000   | Rp. 7,400,000  | 12.3  |
| Syasignature        | Rp. 1,200,000 | Rp. 14,000,000 | 11.6  |
| Bee.lee             | 600,000       | 5,000,000      | 8.3   |

(Source: Data processed: 2023)

The table shows the cost and benefit ratio (CBR) analysis for several Micro, Small, and Medium Enterprises (MSMEs). CBR measures the ratio between the total benefits obtained from an investment and the total costs incurred. The higher the CBR value, the more efficient and profitable the investment. The results of the CBR analysis are

- a. RAA:  
RAA's CBR is the highest, which is 12.85. This shows that each unit of invested cost generates a benefit of 12.85 units. Investment in RAA is relatively efficient based on this ratio.
- b. RR Shop:  
RR Shop has a good CBR with a value of 10.66. This also shows good investment efficiency in terms of benefits generated compared to costs.
- c. Mas Aab's Meatballs:  
Bakso Mas Aab has a high CBR with a value of 12.3. This shows that investment in Bakso Mas Aab is relatively efficient in achieving benefits.
- d. Signature:

<sup>24</sup>Bernardus Sinurat, Penerapan Pencatatan Akuntansi Pada UMKM Warung Madura Ar-Rahman, Jurnal Media Akademik (JMA) Vol.2, No.6 Juni 2024 e-ISSN: 3031-5220; DOI: 10.62281, PT. Media Akademik Publisher AHU-084213.AH.01.30.Tahun 2023, h.1.



Syassignature has a CBR of 11.6. Although not as large as RAA and Bakso Mas Aab, it still shows good efficiency in spending and benefits.

e. Bee.lee:

Bee.lee has a lower CBR compared to other MSMEs, which is 8.3. Although still positive, this value indicates relatively lower efficiency compared to others.

The relation to the use of endorsement fees is that a high Cost-Benefit Ratio (CBR) in each MSME indicates that the costs incurred to use endorsement services produce equivalent or even greater benefits. If endorsement fees produce a high CBR, as seen in RAA and Bakso Mas Aab, the costs incurred for promotion through endorsement are effective in increasing the benefits obtained by the MSME, for example in the form of increased sales, brand awareness, or market reach. Conversely, a lower CBR, as in Bee.lee, could indicate that the benefits received by the MSME from endorsement fees are not as large as those generated by other MSMEs, or that the use of endorsement fees is not yet fully optimal.

## **CONCLUSION**

MSMEs in Madura are undergoing digital transformation, especially in marketing, with a primary focus on social media, such as WhatsApp and Instagram. Endorsement through celebrity Instagrammers is an effective strategy to expand market access and increase the visibility of MSMEs. Celebrities are used to promote various types of businesses, including beauty, culinary, and fashion businesses. Endorsement costs include celebrity Instagrammer rates and products sent for review. The benefits of endorsements involve increased revenue, brand awareness, credibility, influence on purchasing decisions, and conveying brand values. Endorsement costs and benefits received vary depending on factors such as celebrity Instagrammer reach, engagement rate, product niche, and campaign duration. CBR is used to measure the efficiency of endorsement investment by comparing total benefits and costs. RAA has the highest CBR (12.85), indicating high efficiency in generating benefits. Kedai RR, Bakso Mas Aab, and Syassignature also have good CBR, while Bee.lee has a lower CBR. The suggestions in this study are to continue optimizing the use of social media, and consider utilizing other platforms besides Instagram, such as TikTok, according to changes in trends and user preferences and the selection of celebrity Instagrammers. The selection of Instagram celebrities must consider factors such as reach, engagement rate, niche, and experience before determining the endorsement rate. Continuously evaluate the performance of Instagram celebrities to ensure that endorsement investments provide optimal value.

## **ACKNOWLEDGEMENTS**

The greatest gratitude is conveyed to all Academicians at the Faculty of Islamic Economics and Business for the financial support and opportunities that have been given so that this article can be published. Hopefully this article can be one of the real contributions in the development of science, especially related to MSMEs, digital marketing, and accounting in the modern era. The support and trust that has been given is greatly appreciated, and for that, a deep sense of gratitude is conveyed.

## **REFERENCES**

- Alvi, Muhamad I, et al. 2019. Credibility and Power of Celebgrams in Increasing Purchase Interest in Online Stores on Instagram. *Journal of Economic, Business and Accounting*. Volume 2 Number 2
- Anggiany, Adhis. 2016. The Secret to Becoming a “Celebgram” How to Make a Profit Through Instagram. Accessed August 16, 2023.
- Aulia. (2019). The Effect of Promotion Costs on Sales Increase at PT. Matramas Motor Alauddin Makassar, (*Jurnal Ekonomik* Vol.7 No.2)
- Binus University.2022. Utilization of Social Media as a Promotional Media, <https://communication.binus.ac.id/2022/12/17/pemanfaatan-media-sosial-sebagai-media-promosi/>

- Dian N.Rizeki.(2019, January 12). Getting to Know What a Celebgram Is and How to Become a Celebgram, <https://majoo.id/solusi/detail/cara-menjadi-selebgram>
- Didit Praditya. (2019). Cost and Benefit Analysis of E-Commerce Investment in Small and Medium Enterprises, (Research Journal of Communication and Public Opinion Vol.22 No.2) <https://media.neliti.com/media/publications/272783-cost-and-benefit-analysis-of-e-commerce-bedd8a5b.pdf>
- Geofanni Nerissa Arviana. (2023, February 16). Delving into the Ins and Outs of Endorsements That Are Said to be Easy, Is That True?<https://glints.com/id/lowongan/endorse-ilah/>
- Kotler, Phillip and Gary Armstrong. 2004. Principles of Marketing. (10th Ed). Pearson Education Inc. New Jersey
- Mandey, Jilly Bernadette. 2013 Promotion, Distribution, Price Influence on Purchasing Decisions of Surya Promild Cigarettes. *Emba Journal: Journal of Economic, Management, Business and Accounting Research*. . 1(4), 95-104. Accessed on August 18, 2022 at<https://ejournal.unsrat.ac.id/index.php/emba/article/view/2577/2109>
- Nur, Firly M and Ferlina, Arlin M,T. 2020. The Effect Of Perceive Value, E-Lifestyle, And Online Promotion On Consumer Repurchase Intention On Kai Access Users In Indonesia. *Journal of Economics and Banking*. Vol. 05, No. 1.
- Astria, Ayu, and Sa'ad Noor. "The Influence of 'Influencers' on Purchasing Decisions at CV. Citra Sejahtera Mandiri (Esme Fashion)." *Ekonis: Journal of Economics and Business* 24, no. 2 (January 18, 2023). <https://doi.org/10.30811/ekonis.v24i2.3787>.
- Fantri, Andy Eka. Head of Anugerah Bluto Medika Pharmacy, Live Interview, August 2021.
- Idah, Yusyida Munsa, and Muliasari Pinilih. "Digitalization Development Strategy for MSMEs." *Proceedings of the National Seminar and Call for Papers, 2019*.
- Najiyah, Faizatun. Admin Center of Anugerah Bluto Medika Pharmacy Services, Direct Interview, August 2021.
- Purnama, Indah. "The Influence of Online Promotion and Celebrity Endorsement on Consumer Purchase Interest," tt
- Putri, Gayatri Hutami, and Bhina Patria. "The Influence of Instagram Celebrity Endorsement on Teenage Girls' Purchase Interest." *Gadjah Mada Journal of Professional Psychology (GamaJPP)* 4, no. 1 (June 1, 2018): 33. <https://doi.org/10.22146/gamajpp.45347>.
- Sugiono. *Quantitative, Qualitative and Mixed Methods Research Methods*. Bandung: Alfabeta, 2014.