

The Impact of Celebgram Endorsement on Purchase Intention: The Mediating Effects of Customer Attitude and Brand Awareness

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ABSTRACT

This study aimed to examine the impact of celebgram endorsement on purchase intention among millennial women in Jakarta, mediated by brand awareness and customer attitude. The hypotheses were tested by using a quantitative method based on 100 samples. Data was collected using questionnaires distributed directly to the respondents through electronic media. Based on data processing and analysis, there were significant impacts on purchase intention as affected by celebgram endorsement, brand awareness, and customer attitude. The results of this study showed that the mediation of customer attitude affected purchase intention more significantly compared to the mediation of brand awareness. This study also concluded that millennial women tend to follow current trends, and social media activity has a positive impact on brands as celebgram endorsement supports their management on the process of increasing purchase intention.

Keywords: *Celebrity Endorsement, Customer Attitude, Brand Awareness, Purchase Intention.*

1. INTRODUCTION

The digital age has had a huge impact on the aesthetic industry globally. In the aesthetic industry, the phenomenon of trends rises because of the influence of technological developments and social media. Industry 4.0 has also dragged the aesthetic industry into the Beauty 4.0 era. In this era, beauty standards seem to be determined by the developments and opinions on social media or comments from internet users on Twitter, Facebook, and Instagram. This is the condition in which public opinion becomes essential. Recognition is the main goal of people to beautify themselves. Even more so in the digital world, all people want is to take selfies, be exposed, be recognized, and be appreciated by their surroundings. By using the internet, the company's marketing strategy has eventually changed from the traditional ways to digital ways [15]. Social media as a digital marketing tool, can help companies strengthen their brands. Then, many companies realize the importance of using celebrity endorsements and have taken the opportunity to use this advertising tool to obtain high brand exposure, interest, attention, desire, and action among Y generation customers. One of the most popular social media using Celebrity Endorsement is Instagram (98.8%), which is the highest chosen social media platform. YouTube (41.0%) is in the second place and followed by Blog in the third place (28.9%). On Instagram, the phenomenon of endorsement is currently evident in several figures and ordinary people who are able to attract the attention of other Instagram users. According to Dyah [2], endorsers on Instagram are different from those in

conventional media, because on Instagram, anyone can become an endorser, or commonly known as Celebgram (celebrity-endorser on Instagram).

SociaBuzz.com reported that Internet Celebrity is the first choice of marketers with a percentage of 59%. The percentage is far from the celebrity, in the second position with a percentage of 22.9%. This means that famous figures purely from social media, like Celebgram, are more in demand than celebrities whose names are already well-known on the screen. This certainly can be a reference on why Celebgram becomes the first target of marketers and business owners to be invited to collaborate. Celebgram's selection as a means to market products is certainly inseparable from the effects perceived by Celebrity Endorsement users. SociaBuzz's research results showed that as much as 83% of respondents feel that Celebgram is highly effective in digital marketing strategies. At present, the company prefers Celebgram because of four main factors, namely the level of interaction with followers (69.9%), the characteristics or lifestyles that match the brand image (53%), the number of followers (50.6%), the quality of content (47 %), and five other considerations (2.4%).

2. LITERATURE REVIEW

2.1 Celebrity Endorsement

Celebrity Endorsement is an advertising technique in which marketers use celebrities to promote their products. Shimp

[14] stated that celebrity endorsement uses celebrities as advertising stars in the media, ranging from printed media, social media, and television media. In addition, celebrities are chosen because of their famous attributes; including the good looks, courage, talents, elegance, strength, and physical attractiveness that often represent the appeal desired by the brands being advertised. According to Sumarwan [16], in purchasing products and services or selecting particular brands, celebrities can have a strong influence on customers. Celebrities can be marketing tools for a very important product, and their extraordinary appeal and a significant number of fans can be their advantages; including inner beauty, charisma, and credibility. Meanwhile in conventional media, celebrity endorsement is always aimed at those who are known by many people, such as actresses or actors. The phenomenon of the emergence of these celebrities stems from the uniqueness raised by the Instagram account owners on every photo uploaded, especially those who have attractive appearances. This uniqueness is what later became the attraction of other Instagram users. The more followers they have, the more *likes* and comments are shown on their photos.

Furthermore, the selection of celebrity endorsements is usually based on imaging through a famous celebrity [11]. Royan [11] said that in marketing activities, the use of celebrities in advertising should be evaluated by using VisCAP (presenter effects in advertising) model. Royan [11] explained the VisCAP model has three elements as follows:

1. *Visibility*. Visibility is a dimension of how popular celebrities are. Popularity can be determined by how many fans they have (Popularity), and how often they appear in public (Appearance), including self-image as one of the indicators of visibility.
2. *Credibility*. A celebrity's credibility covers two things, namely expertise and objectivity. The expertise relates to the celebrity's knowledge about the advertised product, while objectivity refers to the celebrity's ability to give confidence to customers of the product. Celebrities who have trusted credibility will represent the advertised brand. The advertised product will also fit the perception desired by the audience. Credibility consists of the following attributes:
 - a. Expertise, the level of knowledge or expertise possessed by celebrities in their fields
 - b. Objectivity, customer perception on the celebrity's reputation.
 - c. Trustworthiness, the willingness of the presenter to make an honest statement. The public considers the claims stated by advertisements are only to increase sales; therefore, the role of celebrity is needed to be the one who is perceived to be honest in giving their opinions.
3. *Attraction*. Attraction means receiving messages that depends on the attractions of the supporters. Supporters will succeed in changing opinions and customer behavior through the mechanism of attraction, which is to rise a feeling that the celebrities have something people want to have, so they are willing to follow the contents of the message. The attractiveness of brand ambassador has these following attributes:

- a. *Physical Likeability* is an audience perception on the physical appearance of supporters who are considered attractive. Likeability refers to a way of someone attractive to make other people want to do what that person says. In general, an audience is interested in supporters who have physical perfections; such as beautiful or handsome face figures, ideal bodies, and others.
- b. *Non-Physical Likeability* is an audience perception on non-physical appearance or supporting personalities. In general, the audience prefers supporters who are open, humorous, and natural.
- c. The *Similarity* is an audience perception on the similarity people have with supporters, whether it is from the factors of age, hobbies, activities, and problems faced as shown in the marketing.
- d. *Power* is the charisma emitted by a public figure to be able to influence customers, so they are influenced to buy or use a brand supported by the celebrity or influencer.

2.2 Customer Attitude

Customer attitude is a tendency to behave in a way that is pleasant or unpleasant to a particular object. Schiffman and Kanuk [22] noted that an individual's lifestyle is dramatically affected by the attitudes which consist of three elements: cognitive (knowledge), affective (feelings), and behavioral (response tendencies). The attitude formation through those three components is explained as follows:

1. *Cognitive*: The knowledge and perception obtained based on the combination of direct experience with the attitude and information objects related to the source.
2. *Affective*: A statement of interest in emotions or feelings on products or brands. This can be in the forms of pleasure, displeasure, or experiences that are expected to be managed in emotionally covered states (such as happiness, sadness, shame, anger, astonishment). Enhancing or strengthening the experience can influence what rises in mind and how individuals act.
3. *Behavioral*: A component associated with the likelihood or tendency that individuals will take special actions or behave in certain ways.

In fact, these three stages have developed the attitudes about a product and also influence one another. In the process of formulating attitudes, these elements do not need to occur simultaneously in which they may start with one of the three, and after that, all of them work.

2.3 Brand Awareness

Brand awareness is a matter of whether brand names come to mind when customers think of certain product categories and how convenient they are to use [18]. The role of brand awareness in brand equity depends on the

level of awareness achieved in the minds of customers. There are four levels of brand awareness:

1. *Unaware of the Brand*. The lowest level in the brand awareness pyramid is where customers are not aware of the brand.
2. *Brand Recognition*. The minimum level of brand awareness is the introduction of a brand reappears after aided recall.
3. *Brand Recall*. Brand recall works without assistance (unaided recall)
4. *Top of mind*. Brands are mentioned first by customers or firstly appear in the minds of customers as the main brand out of many other brands.

2.4 Purchase Intention

Purchase Intention is a type of decision making that studies the reasons for buying a particular brand by customers. Saidani [23] defined purchase intention as a situation in which customers tend to purchase certain products under certain conditions. Purchase intention can be identified through the following indicators:

1. Transactional Intention, a person's tendency to buy products.
2. Referential Intention, a person's tendency to refer products to other people.
3. Preferential Intention, an interest that describes the behavior of someone who has a major preference for the product. This preference can only be replaced, if something happens with the preferred product.
4. Explorative Intention, an interest that illustrates the behavior of someone who always looks for information about the product and looks for information to support the positive qualities of the product.

2.5 Hypothesis

- H₁:** There is an Effect of Celebgram Endorsement on Purchase Intention
- H₂:** There is an Effect of Celebgram Endorsement on Customer Attitude
- H₃:** There is an Effect of Celebgram Endorsement on Brand Awareness
- H₄:** There is an Effect of Customer Attitude on Purchase Intention.
- H₅:** There is an Effect of Brand Awareness on Purchase Intention.
- H₆:** There is an Effect of Customer Attitude, which mediates the Celebgram Endorsement on Purchase Intention.
- H₇:** There is an Effect of Brand Awareness, which mediates the Celebgram Endorsement on Purchase Intention.

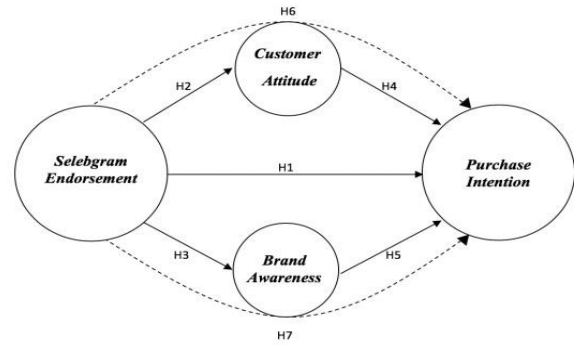


Figure 1. Conceptual Model

Figure 1 illustrates the structural model of this study. The existence of celebrity endorsement in social media marketing is one strategy to conduct promotions that can affect customer attitude and brand awareness. Thus, the research model shows that celebrity endorsement can create attitude and brand awareness, that can directly affect purchase intentions.

3. RESEARCH METHOD

The hypotheses testing in this study used a quantitative research method with a sample consisting of 100 respondents. The sample selection technique used in this study was non-probability sampling in which the respondents who met the population criteria did not have the same opportunity to be sampled. The data was obtained through questionnaires distributed directly to the respondents through electronic media. The analysis technique used was Partial Least Square - Structural Equation Modeling (PLS-SEM) by using the SmartPLS 3.2.8 Program.

4. ANALYSIS

4.1 Characteristics of the Respondents

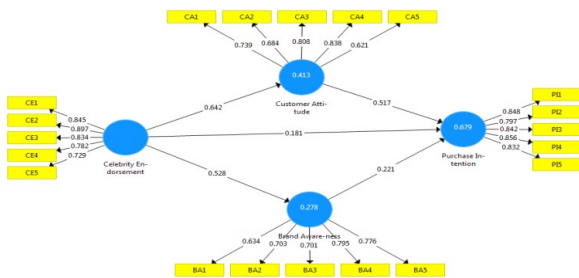
The characteristics of the respondents in this study were women who lived in Jakarta Special Region and had an Instagram account with the majority of respondents aged between 25-30 years (49%). 71% of the respondents had a bachelor education and 63% worked as employees. In addition, this study showed that 88% of the respondents are the followers of one or more Instagram Celebrities (Celebgram) or Beauty Vlogger in their Instagram accounts.

4.2 Outer-Model Analysis

The Outer-Model was adopted to examine the relationship between variables and indicators. The tests carried-out in the outer-model analysis were convergent validity,

composite reliability, Average Variance Extracted (AVE), and Cronbach's Alpha.

Figure 2



4.2.1 Validity Test

Validity test aimed to observe how well the results obtained from a measurement in which the construct validity consists of convergent and discriminant validity. All indicators had a Loading Factor > 0.5, so it can be concluded that all indicators were valid.

4.2.2 Reliability Test

Based on the results of SmartPLS data processing, the composite reliability of Celebgram Endorsement was 0.911, Customer Attitude was 0.859, Brand Awareness was 0.846, and Purchase Intention was 0.920. Hence, all composite reliability values on this research variable were > 0.70. This showed that all variables in this study were reliable. The results of composite reliability can be strengthened by looking at the value of Cronbach Alpha. Cronbach's Alpha value for Celebgram Endorsement was 0.876, Customer Attitude was 0.793, Brand Awareness was 0.773, and

Purchase Intention was 0.892. Similar to the composite reliability, a variable can be said to be reliable, if it has a value greater than 0.70 [4]. Based on the data, it can be inferred that the Cronbach's Alpha value of each variable had a value of > 0.70, so all the variables in this study were reliable.

4.3 Inner-Model Analysis

4.3.1 R-Square Test

The structural model was evaluated by using R-square for the dependent construct. The value of R² can be used to assess the effect of certain independent latent variables, whether the dependent latent variable has a substantive effect or not [4]. The higher the R² value, the greater the ability of the independent latent variable to explain the dependent latent variable. The R² results of 0.67, 0.33, and 0.19 indicates that the models were "good", "moderate", and "weak".

Table 1. R-Square

Variabel	R-Square
Customer	0.278
Brand	0.413
Purchase	0.679

4.3.2 Hypotheses Testing

Hypothesis testing was used to examine whether the hypothesis formed at the beginning of the study had significance value.

Table 2. Path Coefficient

	Original Sample	Sample Mean	Standard Deviation	t-Statistic	p -Values
Celebgram Endorsement -> Purchase Intention	0.181	0.182	0.082	2.198	0.028
Celebgram Endorsement -> Customer Attitude	0.642	0.650	0.070	9.115	0.000
Celebgram Endorsement -> Brand Awareness	0.528	0.540	0.090	5.866	0.000
Customer Attitude -> Purchase Intention	0.517	0.507	0.104	4.962	0.000
Brand Awareness -> Purchase Intention	0.221	0.230	0.100	2.214	0.027

Table 2 shows the results of the PLS calculation stating the direct effects between variables. There is a direct effect, if the t-statistic value is greater than 1.96. Hence, the results in Table 2 can be summarized as follows:

1. The Endorsement variable affects Purchase Intention

- The Endorsement variable affects Customer Attitude
- The Endorsement variable affects Brand Awareness
- Customer Attribute variable affects Purchase Intention
- Brand Awareness variable affects Purchase Intention

Table 3. Specific Indirect Coefficient

	Original Sample	Sample Mean (M)	Standard Deviation	t-Statistics	p-Values
<i>Celebgram Endorsement -> Customer Attitude -> Purchase Intention</i>	0.332	0.330	0.077	4.317	0.000
<i>Celebgram Endorsement -> Brand Awareness -> Purchase Intention</i>	0.116	0.124	0.057	2.043	0.042

Based on Table 3 displaying the Specific Indirect Effect, out of the two mediating effects, each mediated variable was evident to have a significant effect. The hypothesis is declared acceptable or has a significant effect, if the t-Statistic value is in accordance with the standard t-Table, which has a value > 1.96 and $p\text{-value} < 0.05$.

5. DISCUSSION

H₁: There is an Effect of Celebgram Endorsement on Purchase Intention.

Celebgram Endorsement has a positive effect on Purchase Intention. This means that if the perception of celebgram endorsement is positive, it will increase the purchase intention of millennial women in Jakarta Special Region. This result is supported by previous research conducted by Silvera and Austad [24]. These results are also relevant to previous research conducted by Johansson and Bozan [25] showing that attributes such as familiarity, likability and similarity in a celebrity endorser affect customers' purchase intentions. Rachmat et al [9] concluded that the visibility and compatibility of celebrity products significantly affects the customers' purchase intention.

H₂: There is an Effect of Celebgram Endorsement on Customer Attitude.

Celebgram Endorsement has a positive effect on Customer Attitude. This means that if the perception of celebgram endorsement is positive, it will increase the purchase intention of millennial women in Jakarta Special Region. This result is supported by previous research conducted by Chen [1] who found that customers have a positive attitude towards programmer as a phenomenon, and it affects the customers' purchasing decisions. It is revealed that promoting a particular product by a program affects the customers' purchase intention at the next stage of the customer decision-making process.

H₃: There is an Effect of Celebgram Endorsement on Brand Awareness.

Celebgram Endorsement has a positive effect on Brand Awareness. This means that if the level of celebgram endorsement increases, it will increase the brand awareness of millennial women in Jakarta Special Region. This result is supported by previous research conducted by Tapinfluence [21] proving that celebrity endorsement has a positive contribution to brand awareness with a strong influence. Likewise, in line with the statement taken from Tapinfluence [21], celebrity endorsement has a role in

increasing brand awareness among customers, while social media influencers play a very significant role in encouraging product involvement and brand loyalty [21], as they are able to communicate with niche segments better, in this case, the Celebrities and Influencers.

H₄: There is an Effect of Customer Attitude on Purchase Intention.

Customer Attitude has a positive effect on Purchase Intention. This means that if the level of customer attitude increases, it will increase the purchase intention of millennial women in Jakarta Special Region. This result is supported by previous research conducted by Chen [1] stating that customer attitude has a positive effect on purchase intention.

H₅: There is an Effect of Brand Awareness on Purchase Intention.

Brand Awareness has a positive effect on purchase intention. This means that if the level of brand awareness increases, it increases the purchase intention of millennial women in Jakarta Special Region. This result is supported by previous research conducted by Hutter et al [19] stating that brand awareness has a direct and significant impact on purchase intention. Soewandi [15] exemplified the dimensions of brand equity; i.e. brand awareness or brand association, brand loyalty, and quality perception. In addition, all dimensions of brand equity also have a positive effect on customers' purchase intention.

H₆: There is an Effect of Customer Attitude mediating the Celebgram Endorsement on Purchase Intention.

Customer Attitude mediates the effect of Celebgram Endorsement on Purchase Intention. According to Shih and Fang [20], attitude significantly controls customers' intentions, while subjective norms do not. Furthermore, they stated that behavioral intentions also significantly affect actual usage [20]. This means that if the level of customer attitude increases, in this case, a positive attitude to follow and trust what is used and discussed by the Celebgram will increase the relationship between the Celebrity Endorsement Program and Purchase Intention of Millennial Women in Jakarta Special Region.

H₇: There is an Effect of Brand Awareness mediating the Celebgram Endorsement on Purchase Intention.

Brand Awareness mediates the effect of Celebgram Endorsement on Purchase Intention. In line with Soewandi's research [15], it implies that social media

communication has a positive impact on brand awareness or brand association, brand loyalty, and quality perception. In addition, all dimensions of brand equity also have a positive impact on customers' purchase intentions. This means that if the level of brand awareness increases, it will increase the relationship between the Celebrity Endorsement Program and Purchase Intention of Millennial Women in Jakarta Special Region.

6. CONCLUSIONS

1. Celebgram Endorsement affects Purchase Intention.
2. Celebgram Endorsement affects Customer Attitude.
3. Celebgram Endorsement affects Brand Awareness.
4. Customer Attitude has an effect on Millennial Women's Purchase Intention.
5. Brand Awareness has an effect on Millennial Women's Purchase Intention.
6. Customer Attitude, as a mediating variable, affects the relationship between Celebgram Endorsement and Purchase Intention.
7. Brand Awareness, as a mediating variable, affects the relationship between Celebgram Endorsement and Purchase Intention.

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