

The Effect of Celebrity Endorser on Purchase Intention of Cosmetic Product among Millennial Generation Consumers

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ABSTRACT:

The use of celebrity endorsers has become even more attractive to many consumers, including cosmetic consumers in Indonesia. Using the appropriate celebrity endorser is believed as one way to increase sales and to reduce the budget for advertising that become issues for certain companies. The purpose of this study is to examine the factors of the source credibility model consist of attractiveness, trustworthiness, and expertise that have positive or significant effects on consumer purchases intention. Questionnaire were distributed to millennial generation as the targeted cosmetic consumers in Indonesia. By using Likert scale points, the results of the questionnaire distribution received a total of 475 respondents, but only 438 questionnaires used in the test. This study was tested by using SEM-PLS. The results showed that all variables had positive and significant influences on consumer purchase intention in Indonesia. This study examined the influence of celebrity endorsers on social media on the purchase intention of the millennial or Y generation as the focus. The next research is expected to carry the same model, but with different generation as the object of the study.

Keywords:

Celebrity Endorser, Attractiveness, Trustworthiness, Expertise Purchase Intention.

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1. INTRODUCTION

Many people believe that social media is a necessity and is considered as a very important thing (Shareef et al., 2019). One generation that is very dominant in using social media is those who were born in 1980 to 2000 or often referred as Y generation and generation of millennials (McCormick, 2016). Generation Y is a generation that is very easily influenced by advertisements that use celebrity endorsers. They can process the information on this advertisement twice as effectively as the X generation and four times more effective than baby boomers who will create interest in buying (Spears et al., 2013). Likewise, in the cosmetic industry market in Indonesia, the cosmetic industry is dominated by millennials. Therefore, Y generation or the millennial generation has a big contribution to this market.

In this era, the large and medium-sized companies will promote their products by using celebrity endorsers since celebrity endorsers are the best way to promote good and fast feedback (Abbas et al., 2018). Celebrity endorser itself is a general marketing communication strategy to build a brand image. Advertisers believe that celebrity use affects advertising effectiveness, memory, and brand recognition, as well as buying intentions and follow-up (Spry et al., 2011). Celebrities refer to those with well-known personalities, such as actors, entertainers, or athletes. They are recognized by the public because of their achievements in certain fields other than the supported product class (Terence & Andrews, 2013).

The promotion of products by selectively choosing a good and appropriate celebrity endorser in the industry will increase the buyer interest. Purchase intention is a behavior that appears as a response to an object that shows the consumer's desire to make a purchase (Kotler & Keller, 2010). In addition, consumer purchase intention is defined as the possibility that consumers will buy a product and have a significant probability of making a purchase (Choi & Rifon, 2007). To increase purchase intention in the cosmetics industry in Indonesia, marketers must have a celebrity endorser that fits the criteria expected by consumers. To measure the endorsers in the cosmetics industry, it would be better to use the source credibility model by having three main indicators, namely attractiveness, trustworthiness, and expertise (Djafarova & Rushworth, 2017). The research of Ifeanyichukwu (2016) uses the source credibility model in measuring celebrity endorsers to increase consumer purchase intention. Besides, Abbas et al. (2018) states that all indicators of source credibility are significant models with consumer purchase intention. Besides that, from each indicator in the source credibility, they have five criteria that will differentiate these criteria from other industries, where the cosmetics industry will be differ from the food industry and so on (Ifeanyichukwu, 2016).

Therefore, this study was conducted to determine the indicators and criteria that may affect the celebrity endorser of the purchase intention. Also, the development of minimum sales is fixed or even increased, and the advertising costs will be decreased as it will be more effective by using the appropriate celebrity endorser. Based on the identification of problems, the objectives of this research are: to be able to know how the celebrity endorser can significantly influence the purchase intention of millennial consumers in the Indonesian cosmetics market industry; to find out how the characteristics of celebrity endorsers can influence the purchase intention of millennial consumers in the Indonesian cosmetics market

industry; and to find out the millennial consumers interest in buying the Indonesian cosmetics that use the celebrity endorser.

2. LITERATURE REVIEW

2.1 Celebrity Endorser

Celebrity endorsers are one of the most talked-about topics in marketing (Khan, 2018). Celebrities themselves are well-known personalities such as actors, entertainers, or athletes known to the public because of their achievements in other fields (Terence & Andrews, 2013). They convey messages to the target audience with greater persuasive power than the message delivered by the non-celebrity spokesperson as it will be easier to remember (Khan, 2018). Another opinion reinforces that celebrity endorser is a general marketing communication strategy to build a brand image. Advertisers believe that celebrity use affects advertising effectiveness, memory, and brand recognition, as well as buying intentions and follow-up (Spry et al., 2011). The strategy of using celebrity endorsers is the main strategy used by the marketers. This way if promotion is considered to be easier to increase purchase intention because it can give a high influence to consumers and the information will be delivered effectively (Keel & Nataraajan, 2012).

2.2 Attractiveness, Trustworthiness, Expertise, and Purchases Intention

Attractiveness is an important factor that influences brand image and consumer purchase intention. Attributes contribute to the effectiveness of messages conveyed by celebrities and this effectiveness leads to the brand image that impacts consumer interest and purchase interest (Khan, 2018). Meanwhile, Terence & Andrews (2013) states that attractiveness refers to traits that are considered pleasant to be seen, in terms of certain group concepts. According to the scale of measurement of the source credibility model, these attractiveness includes classy, sexy, beautiful, attractive and elegant. Abbas et al. (2018) states that there are five indicators in this attractiveness dimension as mentioned previously. First, attractive refers to fun attractiveness while classy refers to how endorsers have their style and extensive knowledge. Third, beautiful means that endorsers have beautiful faces while elegant is something graceful and has its style in dress or karmic order. Last, sexy reflects attraction or sexual attraction. Although it has different research objects, recent research has also confirmed that the indicator of trustworthiness in celebrity endorsers has a significant and positive effect on purchase intention as in the study of Abbas et al. (2018) and Ifeanyichukwu (2016).

According to Terence & Andrews (2013), trustworthiness is a dimension that refers to sincere, honest, trustworthy, dependable, and reliable. The listener's willingness to hear what the celebrity is trying to convey through the advertisement and receive the message conveyed by celebrities is referred to as consumer trust in celebrities. The quality of this celebrity endorser makes consumers agree with the message conveyed, which is known as celebrity trust as stated by Khan (2018). In the dimension of trustworthiness, there are five indicators as mentioned by Abbas et al. (2018). First, dependable refers to the trustworthiness and interrelation of an endorser with the product. Second, honest attitude refers to behavior and words while reliable is the relation of an endorser to the marketed product. Fourth,

sincere shows the attitude of perseverance or sincerity of an endorser while trustworthy on reflects the attitude of a trustworthy and trustworthy person. Similar to the previous indicators, in recent research, the indicator of trustworthiness plays a positive role in purchase intention as found in Abbas and Ifeanyichukwu's works. (Abbas et al., 2018; Ifeanyichukwu, 2016).

On the other hand, expertise refers to the level of knowledge, skills, or experience possessed by endorsers. Khan (2018) states that the expertise perceived by endorsers in the minds of consumers is a more significant variable in explaining consumer purchase intentions compared to celebrity attractiveness and trustworthiness. Meanwhile, Terence & Andrews (2013) argues that expertise refers to knowledge, experience, skills, level of expertise, and the qualifications possessed by an endorser as they relate to the brand of endorsers. The indicators possessed by dimensions of expertise consist of five parts: experts that reflect the experience of an endorser in marketing the product; subsequently experienced namely having good; knowledgeable knowledge and information, namely someone who has more knowledge and abilities in a field; qualified where a trained and recognized person in a field of work; and a skillful person who has knowledge, ability or is trained to do some work as stated by Abbas et al. (2018). The last indicator in the source credibility model also has a positive and significant influence on purchase intention as in the language in research on different objects (Abbas et al., 2018; Ifeanyichukwu, 2016) such as knowledge, ability, or trained to do some work. Based on the above understanding, the following hypotheses are to be submitted:

- H1: Attractiveness on celebrity endorser has a positive and significant effect on the Indonesian cosmetics industry's purchase intention among millennial generation
- H2: Trustworthiness on celebrity endorser has a positive and significant effect on the Indonesian cosmetics industry's purchase intention among millennial generation
- H3: Expertise on celebrity endorser has a positive and significant effect on the Indonesian cosmetics industry's purchase intention among millennial generation

Literature review and discussion of the principles of hypothesis development for this research model can be seen in Figure 1.

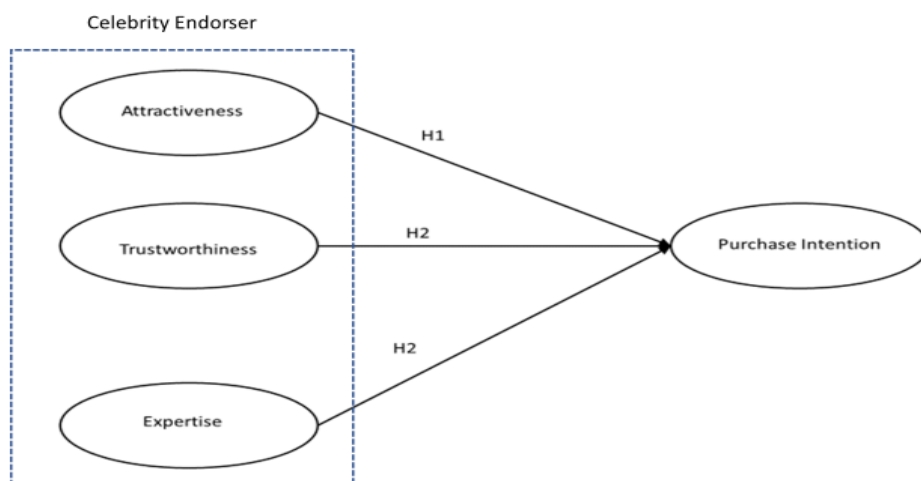


Figure 1. Research Model

3. METHODS

The measurement of each variable in this study has been designed according to the literature. Each indicator of these variables has been pre-tested and revised to ensure the content validity. There are 19 indicators to measure each variable. Attractiveness, trustworthiness, and expertise have five indicators each as stated by Terence & Andrews (2013). Meanwhile, consumer purchase intention has four indicators (Alalwan, 2018). All variables were measured by using a five-point Likert scale.

The sample used in this study is the millennial generation who use social media as well as cosmetic customers in Indonesia. Therefore, determining the sample can be done by using sampling judgment. Meanwhile, the data collection process was carried out by distributing online questionnaires. The total sample obtained is 438 respondents. With these results, it can be stated that the sample criteria in this study meets 95% confidence level and a 5% margin of error (Saunders et al., 2009).

The method of analysis used in this research is multiple regression. This analysis can explain the effect of simultaneous or partial independent variables on the dependent variable. In this study, the independent variables consist of attractiveness, trustworthiness, and expertise of consumers who are interested in buying cosmetics in Indonesia. The data that supports this research is processed using smart-PLS. Multiple regression analysis is an analytical method used to find out how to deal with it. This analysis uses a 95% confidence level.

4. RESULTS

4.1 Description of the Respondents

The profile of respondents in this study is illustrated in Table 1. 69% are women and 64% of respondents are students with an income of 62% around IDR 1,000,000 to IDR 2,000,000 and their cosmetic purchases are dominated by 89% one to three times to buy for cosmetics in a month. The profile of the respondents in this study is described in Table 1.

Table 1. Demographic characteristics of the respondents

	Variable	Frequency	%
Gender	Male	304	69
	Female	134	31
Occupation	Student	280	64
	Employee	90	21
	Entrepreneur	50	11
	Others	18	4
Income	1000k – 2000k	273	62
	2000k – 3500k	63	15
	>3500k	102	23
Cosmetic Purchased	1 – 3 / month	389	89
	4 – 5 / month	31	7
	>5 / month	18	4

4.2 Measurement Model

Furthermore, reliability and validity testing needs to be done to confirm the four constructs. First, reliability testing uses composite reliability (CR). Second, the validity assessment is done by testing the values of convergent validity and discriminant validity. Meanwhile, each indicator also needs to be tested for the level of reliability because it will have an impact on the convergent validity test. Hair et al. (2010) suggested that the loading factor value should be more than 0.5, composite reliability more than 0.6, and average variance extracted (AVE) should be more than 0.5. Each test result is attached to Table 2 and according to the rule of thumb, it can be said that this research has met the criteria.

Table 2. Loading, Composite Reliability, Average Variance Extracted

Construct/item	Loading*	CR	AVE
Attractiveness		0.820	0.533
Attractive	0.767		
Classy	0.737		
Beautiful	0.705		
Elegant	0.710		
Trustworthiness		0.811	0.589
Sincere	0.787		
Trustworthy	0.753		
Dependable	0.760		
Expertise		0.868	0.568
Experience	0.772		
Knowledgeable	0.777		
Expert	0.701		
Qualified	0.755		
Skilled	0.761		
Purchase Intention		0.876	0.531
I would prefer products advertised by celebrities	0.734		
I definitely purchased the products advertised by celebrities	0.752		
I will consider products advertised by celebrities	0.776		
I would recommend products advertised by celebrities	0.734		

In ensuring the suitability of the structural model, it is necessary to use the goodness of fit (GoF) index (Tenenhaus et al., 2005). The results of the model test show that the GoF value is 0.349 (see Table 3). This shows that the proposed model has a good performance (Daryanto et al., 2010). Moreover, by doing a model fit test it is also possible to determine an approximate model fit. Currently, the appropriate criterion for the approximate model implemented for PLS path modeling is to standardize the root mean square residual (SRMR) with a cut-off value of 0.8 (Sinkovics et al., 2016). In Table 3, it can be seen that the SRMR value is less than 0.8.

Table 3. Goodness of fit

Variable	AVE	R ²
Attractiveness	0.533	
Trustworthiness	0.589	
Expertise	0.568	
Purchase Intention	0.531	0.220
Average score	0.555	
AVE × R ²		0.122
GoF = √(AVE × R ²)		0.349
SRMR		0.110

To test the results of the hypothesis whether the relationship has a positive and significant effect or not, it can be seen from the p-value which must be less than 0.5. In Table 4, the three hypotheses have a p-value of less than 0.5 as well as having a positive and significant influence.

Table 4. Hypotheses test

	Path	Coef	p-value	Test result
H1	Attractiveness => Purchase Intention	0.228	0.000	Support
H2	Trustworthiness => Purchase Intention	0.138	0.005	Support
H3	Expertise => Purchase Intention	0.175	0.038	Support

5. DISCUSSION

The results of this study show that several indicators must be considered in the cosmetic industry for promotional activities by using celebrity endorsers, namely attractiveness, trustworthiness, and expertise in increasing consumer purchase intention. Furthermore, using celebrity endorsers is considered as one of the most effective ways in promotion. It is used to maintain the level of sales of the cosmetic industry itself and also to reduce the level of advertising cost by using celebrity endorsers advertisement appropriately and effectively.

The attractiveness variable on celebrity endorsers in the source credibility model has five indicators, namely attractive, classy, beautiful, elegant, and sexy (Abbas et al., 2018; Ifeanyichukwu, 2016; McCormick, 2016). However, after research the respondent indicators that can influence purchase intention in the cosmetic industry, there are only four indicators, namely attractive, classy, beautiful, and elegant. In Table 4, attractiveness with these four indicators has a significant and positive effect on consumer purchase intention in cosmetic products among millennials because it has a p-value of less than 0.5. So, marketers or cosmetic companies must pay attention to these four indicators including attractive, classy, beautiful, and elegant to increase consumer purchase intention in these products.

As with the previous variable, trustworthiness has five indicators in the source credibility of the first model, namely dependable, honest, reliable, sincere, and trustworthy (Abbas et al., 2018; Ifeanyichukwu, 2016; McCormick, 2016). However, what is following this research and its object is the cosmetic industry. There are only three influential indicators, such as dependable, sincere, and trustworthy. These three indicators bring trustworthy to be a

significant variable and influence the purchase intention of millennial consumers towards cosmetic products as seen in Table 4. It shows that trustworthiness has a p-value of less than 0.5 which means the hypothesis is accepted. So, marketers or cosmetic companies must pay attention to these three indicators including dependable, sincere, and trustworthy to increase consumer purchase intention in these products.

In this last variable, as with other variables in expertise, there are five indicators, namely experience, knowledge, expert, qualified, and also skilled (Abbas et al., 2018; Ifeanyichukwu, 2016; McCormick, 2016). In this study, there are only indicators of experience, knowledgeable, expert, and qualified are influential. With these four indicators, these variables have a significant and positive effect on millennial consumers' purchase intention in cosmetic product. It can also be seen from Table 4 that hypothesis number three has a p-value below 0.5 which means that the hypothesis is accepted as well as the other two hypotheses. In addition to indicators that are in the attractiveness and trustworthiness variables, marketers can also pay attention to indicators that come from the expertise variable, namely experience, knowledge, expert, and qualifications in increasing millennial consumers' purchase intention in cosmetic products.

6. MANAGERIAL IMPLICATION

Some suggestions are given for companies or marketers in the cosmetics industry related to their promotional activities, especially in advertising. It will be better and more effective when using celebrity endorsers that can increase buying and selling interest faster so that the advertising budget can be stable and managed well every year. In using celebrity endorsers for advertising, marketers must find the right endorsers in the cosmetic industry by paying attention to the indicators that are owned by the celebrity endorser itself which includes attractiveness, trustworthiness, and expertise. If the marketers have and choose the right celebrity endorser, marketers can increase consumer purchase intention in the products more effectively and efficiently.

7. LIMITATION AND RECOMMENDATION

In this study, the authors examined the influence of celebrity endorsers on social media on the purchase intention among millennial or Y generation. Thus, this only focused on one generation, namely generation Y. The next research is expected to carry the same model, but with different generation as the object of the study. For example, it can be a comparison between the promotional method with a focus on advertising by using celebrity endorsers on social media, which can affect consumers' purchase intention in the cosmetics industry in Indonesia in various age groups.

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