Influence of Celebrity Endorsement on Purchase Decision-making

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ABSTRACT

Objective – This study aims to determine the effect of trustworthiness, attractiveness, and expertise possessed by celebrity endorsers on consumer purchase decision-making and to determine the effect of trustworthiness, attractiveness, and expertise that celebrity endorsers have on the buying interest of Instagram social media users partially.

Methodology – The stratified random sample approach was used to determine respondents' responses to each variable in this study. Data was obtained through a questionnaire method for 50 respondents who frequently watch celebrities endorsing products or services. The data is then analyzed using quantitative analysis, which includes validity and reliability, as well as the F and T tests to prove the hypothesis. Multiple linear regression analysis is the data analysis technique used to see the effect.

Findings – Celebrity attractiveness influences purchase decision-making; however, trustworthiness and expertise do not.

Novelty – This is one of the first studies to examine the relationships between attractiveness, trustworthiness and expertise and purchase decision-making.

Keywords: celebrity endorsement, attractiveness, trustworthiness, expertise, decision-making

I. INTRODUCTION

Nowadays, changes in the social economy are accelerating, so an organization must be more creative and innovative in developing strategies to attract and retain its customers. The tight competition makes business entrepreneurs strive to advance their business by expanding their business network through the internet as a medium to offer their products. The internet makes it easy for businesses to expand their market share. Therefore, a progressive and long-term connection between an organization and its consumers requires effective communication. Promotional activities are an essential component of the communication mix because they can quickly adapt to customer behavior (Familmaleki et al., 2015). A promotion is a type of communication that sends messages to current or future customers to influence their behavior (Lake, 2016). On a different note, the use of smartphones and social media today is everyone's lifestyle, especially consumers, and organizations widely use this as their promotion activities. This advancement broadens the scope and effectiveness of advertising efforts and makes decision-making easier (Thomas & Akdere, 2013; Wei & Lu, 2013).

Using celebrities (public figures) in various advertisements is an effective marketing strategy to increase market share, sales volume and gain consumer trust. However, for an advertisement to attract the attention of potential consumers, the advertisement must be designed in such a way that the message or information contained in the advertisement can be conveyed. One creative way to advertise is to use the celebrity endorsement method. Referring to this phenomenon, the researcher wants to examine further whether celebrity endorsement has the most significant influence in influencing consumer purchasing decisions. Thus, this paper's objective is to investigate the effects of attractiveness, trustworthiness, and celebrity expertise on purchase decisions.

II. LITERATURE REVIEW

Celebrity Endorsement

The word celebrity refers to someone who is known to a wide audience and can be an actor, athlete, entertainer, and others who are known for having achievements in their respective fields (Friedman and Freidman, 1997). A celebrity endorser is anyone who has public fame and uses it in his appearance in an advertisement (McCraken, 1989). Advertisers often use celebrities to give a personality to the products or brands they sell (Kaikati, 1987).

The efficiency of celebrity endorsement is the reason for its appeal. Endorsements transfer a celebrity's worth and credibility to a product or brand (Erdogan and Baker, 2000). Previous studies have indicated that celebrity product endorsements are far more effective than non-celebrity endorsements (Kamins, 1989; Knoll & Matthes, 2017), resulting in increased sales and profitability (Bergkvist and Zhou, 2016; Elbese & Verleun, 2012).

Celebrity Attractiveness

Physical attractiveness is a signal that has subtle, pervasive, and unavoidable implications (Benzeval et al., 2013). Knoll and Matthes (2016) recommend enlisting the help of more appealing endorsers due to people's natural desire to boost their beauty and respond positively to endorsers who look like them. Humans tend to believe that attractive people appear wiser and have more ability in numerous professions.

Celebrity Trustworthiness

The ability of a celebrity to persuade a consumer to accept the message being presented is referred to as celebrity trustworthiness (Ohanian, 1990). Consumer trust in celebrities is the willingness of consumers to listen to what celebrities want to convey in advertisements and receive messages conveyed by celebrities.

Celebrity Expertise

Compared to the celebrity's attractiveness and trustworthiness, the perceived expertise of an endorser in the minds of customers is a more significant determinant in determining consumer buy intention (Ohanian, 1990). Furthermore, customers find Specialist 4 more appealing than other attractive and trustworthy endorsers who are not experts (Ohanian, 1990).

Purchase Decision-making Process

To understand the purchasing decision-making process made by consumers, research on consumer behavior tries to understand it from a rational perspective (Solomon, 2011). Moreover, the consumer decision-making process consists of problem recognition, information search, valuation of alternatives, product choice, and outcomes (Solomon, 2011).

First, problem recognition, customers recognize a discrepancy in certain aspects as a problem with what they need. Also, consumers search for specific data that is expected to help decision-making. After getting some information, consumers evaluate their findings and categorize them based on the same characteristics. In the end, the determination of a product can occur because the product is felt to be able to provide consumer problem-solving needs. Furthermore, this purchase decision will produce an outcome in the form of an evaluation which can take the form of spreading the news to other people or satisfaction (Solomon, 2011).

Research Framework

The relationship between celebrity endorsement (independent variable) and consumer decision-making(dependent variable) is shown in this study conducted to achieve the research goals. Aside from examining the direct relationship between celebrity endorsement and consumer decision-making, the research also looked at the indirect impact of attractiveness, trustworthiness, and expertise celebrity on

purchase decision-making. In a previous study, the trustworthiness and expertise of the celebrity do not affect communication effectiveness among college students (Pangaribuan et al., 2019).

A celebrity's attractiveness is another significant aspect that affects consumer purchase decision-making. The likeability, familiarity, and similarity of a celebrity's facial 6 features and physical characteristics contribute to the celebrity's message effectiveness, and this efficiency leads to an influential customer buy intention (Ohanian, 1990). Additionally, customers perceive a celebrity endorser's brand expertise and understanding as an indicator of the endorser's and the brand's credibility, therefore strengthening the product's brand image. As a result, expertise, knowledge, and trust all contribute to the formation of credibility and the improvement of a brand's image in the eyes of consumers. Therefore, from the statement above, hypotheses emerge:

H1: Attractiveness of the celebrity has a positive impact on consumer purchase decision making

H2: Trustworthiness of the celebrity has a positive impact on consumer purchase decision making

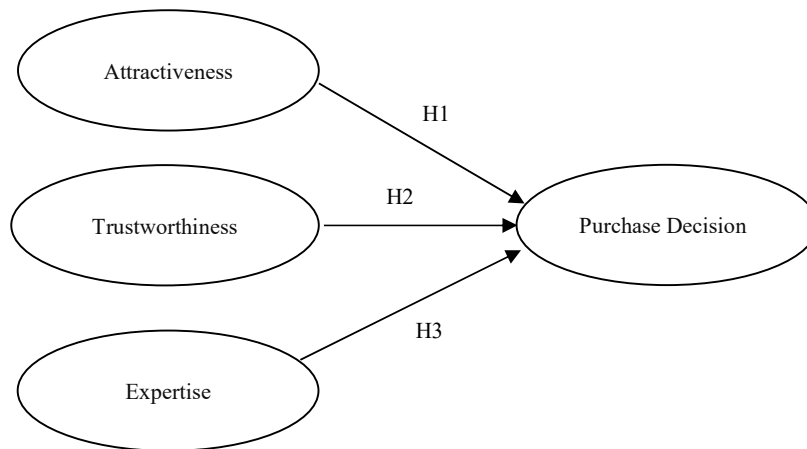H3: Expertise of the celebrity has a positive impact on consumer purchase decision making

Figure 1. Research Framework

III. METHODOLOGY

The research method that will be applied in the study is quantitative research with descriptive-correlative properties is survey research. The survey research method has two research characteristics. The first is descriptive analysis, which is a study on the description of a specific case/situation or thing on the object currently being researched. The facts and properties of the object under study are described in a methodical, factual, and correct manner using this style of research (Mansur, 2002). Secondly, this research includes inferential analysis, a method for systematically testing hypotheses about the correlation between variables and the problem of analysis in the hypothesis.

The quantitative method also describes the correlation between the various and dependent variables in the study. The independent variable is a variable manipulated to determine its effect on the dependent variable. On the other hand, the dependent variable is a variable in the research being investigated or tested. Data is collected using organized research methods such as surveys and questionnaires to provide quantifiable data in the quantitative technique. The information is acquired from a target sample of the total population.

IV. RESULTS AND DISCUSSION

Validity Test

The validity test was carried out by comparing the rcount value (correlated item-total correlation) with the r-table value. If the value of r-count > r-table and is positive, then the statement is said to be valid. For this study, the value of df (degree of freedom) can be calculated as follows:

$df = n - 2 = 50 - 2 = 48$

With a significance level of 0.05%, then obtained r table that is 0, 279. The results of the validity test can be seen in Table 1.

The validity of the questionnaire items revealed that all statement items in each variable have a correlation value greater than 0.279, which is considered an acceptable limit value for a research questionnaire item. As a result, all questionnaire items for all variables are legitimate and can be used to measure the study's variables.

Table 1. Validity Test

Variable	Item	R Count	R Table
Attractiveness	X1Q1	0.631	0.279
	X1Q2	0.809	0.279
	X1Q3	0.714	0.279
	X1Q4	0.715	0.279
Trustworthiness	X2Q1	0.593	0.279
	X2Q2	0.631	0.279
	X2Q3	0.782	0.279
Expertise	X3Q1	0.809	0.279
	X3Q2	0.744	0.279
	X3Q3	0.726	0.279
Purchase Decision-making	YQ1	0.721	0.279
	YQ2	0.791	0.279
	YQ3	0.771	0.279
	YQ4	0.626	0.279
	YQ5	0.826	0.279

Reliability Test

A variable is said to be reliable if the respondent's answer to the statement is consistent from time to time. Test reliability in this study uses the Cronbach alpha formula. The instrument can be said to be reliable or flexible if it has a reliability coefficient of 0.7 or more. The calculation results reliability by SPSS can be seen in Table 2.

Table 2. Reliability Test

Variable	Cronbach's Alpha
Attractiveness	0.716
Trustworthiness	0.804
Expertise	0.769
Purchase Decision-making	0.793

The results of the reliability test on the attractiveness variable (X1) showed the reliability coefficient alpha (R-count) 0.716> 0.7; it can be concluded that the research instrument item that measures the attractiveness variable (X1) is reliable so that it can be used in hypothesis testing. The results of the reliability test on the trustworthiness variable (X2) showed the reliability coefficient alpha (R-count) 0.804 > 0.6; it can be concluded that the research instrument item that measures the trustworthiness variable (X2) is reliable so that it can be used in hypothesis testing. The results of the reliability test on the expertise variable (X3) showed the reliability coefficient alpha (R-count) 0.769 > 0.6; it can be concluded that the research instrument item measuring the expertise variable (X3) is reliable, so that it can be used in hypothesis testing. The results of the reliability test on the purchase decision-making (Y) showed the reliability coefficient alpha (R-count) 0.793 > 0.6; it can be concluded that the research instrument item that measures variable (Y) is reliable, so it can be used in hypothesis testing.

Demographic Characteristics of Research Respondent

The demographics of the respondents consist of gender, age, education level, occupation, and how many times a week the respondent sees an ad with a celebrity endorser. Gender-wise, 34% are male, or as many as 17 people and 66% are female or as many as 33 people. For the respondents' age, 18% are under 20 years old or 9 people, 38% are 20-35 years old or 19 people, 32% are 36-50 years old or as many as 16 people, and 12% are over 50 years old or as many as 6 people. Based on the education level, from 50 respondents, 2% is junior high school graduate or as many as 1 person, 42% of them are senior high school graduate or as many as 21 people, and 56% are college degree graduate or as many as 28 people. Of the occupations from 50 respondents, 38% are students or 19 people, 34% are government employees or 17 people, 12% are private employees or as many as 6 people, and 16% are other occupations or as many as 8 people. Based on the survey results, from 50 respondents, 26% are 1-2 times or as many as 13 people, 24% of 16 them are 3-4 times or as many as 12 people, 12% are 5-6 times or as many as 6 people, and 38% are > 6 times or as many as 19 people.

Descriptive Analysis of Variables

4 statement items measure the celebrity endorser variable. The distribution of the percentage of respondents' answers to the statements on the celebrity variable endorser can be seen in Table 3.

Table 3. Attractiveness

Item	Scale									
	SS		S		TS		STS		Total	
	F	%	F	%	F	%	F	%	F	%
X1Q1	11	8	35	70	4	8	0	0	50	100
X1Q2	18	36	29	58	0	0	3	6	50	100
X1Q3	20	40	29	58	1	2	0	0	50	100
X1Q4	17	34	30	60	3	6	0	0	50	100

Table 3 shows that in item X1Q1, most of the respondents (70%) agreed that the photo display products/services posted by celebrity endorsers make them interested. On item X1Q2, most of the respondents (58%) agreed that the suitability of celebrities and the products/services they promote is essential in their buying decision. In item X1Q3, the statement about the classy impression that a celebrity can show that the product/service being promoted is high quality has, 58% of the respondents agreed. In item X1Q4, 60% of the respondents agree that the attributes or characteristics of celebrity endorsers can give a certain meaning to the products they promote.

Table 4. Trustworthiness

Item	Scale									
	SS		S		TS		STS		Total	
	F	%	F	%	F	%	F	%	F	%
X2Q1	21	42	25	50	4	8	0	0	50	100
X2Q2	13	26	32	64	5	10	0	0	50	100
X2Q3	24	48	22	44	4	8	0	0	50	100

Table 4 shows that in item X2Q1, the statement about the level of trust from celebrities is an important factor influencing their buying decision, most of the respondents (50%) agreed. In item X2Q2, the statement that messages in advertisements conveyed by celebrities are true to reality, most respondents (64%) agreed with that statement. In item X2Q3, the statement about products/services that use celebrity endorsements makes it easier for the respondent to judge the products/services. Most of the respondents (48%) answered strongly agreed.

Table 5. Expertise

Item	Scale									
	SS		S		TS		STS		Total	
	F	%	F	%	F	%	F	%	F	%
X3Q1	24	48	23	46	3	6	0	0	50	100
X3Q2	24	50	22	44	3	6	0	0	50	100
X3Q3	17	34	31	62	3	4	0	0	50	100

Table 5 shows that in item X3Q1, the statement about the knowledge possessed by a celebrity endorser about the product/service can convince the public to use the product/service advertised, (48%) answered firmly agree. Item X3Q2, which is about celebrity endorsers who have many followers can increase buying interest, most of the respondents (50%) answered strongly agree. In item X3Q3, the statement that a celebrity endorser must have much experience in endorsing to be considered an expert, (62%) answered agree.

Table 6. Purchase Decision Making

Item	Scale									
	SS		S		TS		STS		Total	
	F	%	F	%	F	%	F	%	F	%
YQ1	13	26	29	58	7	14	1	2	50	100
YQ2	12	24	22	48	13	26	1	2	50	100
YQ3	7	14	25	50	15	30	3	6	50	100
YQ4	10	20	31	62	9	9	0	0	50	100

Table 6 shows that item YQ1 is a statement about products/services promoted by celebrities who have lots of likes attract your interest to buy. Most of the respondents (58%) answered agreed. In item YQ2, statements about respondents tend to buy products/services that use their favorite celebrity as an endorser, most of the respondents (48%) agreed. In item YQ3, 50% of the respondent agree that they intend to buy a product/service because it is a celebrity endorser who is well-known to the public. In item YQ4, most of the respondents (62%) agreed that they were interested in finding information on products/services promoted by celebrities. In the last item, YQ5, most of the respondents (70%) agree that they want to purchase a product/service after seeing a celebrity promote it.

Hypothesis Testing

To test the hypothesis disclosed in the previous chapter, statistical analysis is carried out. The statistical analysis used in this study is multiple regression analysis because there is more than one independent variable that will be used to see the effect of trustworthiness, attractiveness, and expertise on purchase decision-making. Regression coefficient estimation is done by OLS (Ordinary Least Square). The calculation and data processing is carried out using the IBM SPSS Statistics version 23 program. The regression model calculated using SPSS is described as follows:

F Test
1. Determining the Formulation of the Hypothesis
a) H0 : $\beta = 0$, X1, X2, and X3 have no influence on Y.
b) H0 : $\beta \neq 0$, X1, X2, and X3 have a significant influence on Y.
2. Determine the level of significance (α) and t table
a) Real level (α) = 5% (0.05)
b) The value of the F table with a degree of freedom (df), 3:48. So the Ftable = 2.80
3) Testing criteria
H0 is being accepted if Fcount $\leq$ Ftable
H0 is being rejected if Fcount > Ftable

Based on the regression test results in the table, the Fcount value is 7.70, or the p-value (Sig.) is 0.000. Since the value of Fcount > Ftable (7.70 > 2.80) then H0 is rejected. Hence, there is a significant effect between variable X on variable Y.

T-Test
1. Determining the Formulation of the Hypothesis
a) H0 : β = 0, X1, X2, and X3 have no influence on Y.
b) H0 : β ≠ 0, X1, X2, and X3 have a significant influence on Y.
2. Determine the level of significance (α) and t table
a) Real level (α) = 5% (0.05)
b) Value of t table with a degree of freedom (df)
df = n – 2 = 50 – 2 = 48
c) t table = 2.010
3. Testing Criteria
H0 being accepted if Tcount ≤ Ttable
H0 being rejected if Tcount > Ttable

Table 7. T-test Result

Model	t	Sig.
1 Constant	1.017	0.315
Attractiveness	3.475	0.001
Trustworthiness	-0.731	0.468
Expertise	0.636	0.528

The results of the regression test in the table can be explained as follows:
1. Attractiveness (X1), the Tcount value is 3,475. It can be seen that the value of Tcount > Ttable (3,745 > 2.010) then H0 is rejected, meaning that attractiveness has a positive and significant effect on Purchase Decision Making.
2. Trustworthiness (X2), Tcount -0.731. It can be seen that the value of Tcount ≤ Ttable (-0.731 ≤ 2.010), then H0 is accepted, meaning that trustworthiness has no significant effect on Purchase Decision Making
3. Expertise (X3), the value of Tcount is 0.636. It can be seen that the value of Tcount ≤ Ttable (0.636 ≤ 2.020) then H0 is accepted, meaning that expertise has no significant influence on Purchase Decision Making

DISCUSSION

Attractiveness (X1), the Tcount value is 3,475. It can be seen that the value of Tcount > Ttable (3,745 > 2.010) then H0 is rejected, meaning that attractiveness has a positive and significant effect on Purchase Decision-Making. This means, high attractiveness will lead to consumer purchase decision-making, the attractiveness displayed in an advertisement will attract consumers.

Trustworthiness (X2), Tcount -0.731. It can be seen that the value of Tcount ≤ Ttable (-0,731 ≤ 2.010), then H0 is accepted, meaning that trustworthiness has no significant effect on Purchase Decision-Making. This means the trustworthiness of a celebrity endorsement is not very concerned or consumers do not really care about the trustworthiness of the celebrity in purchase decision-making.

Expertise (X3), the value of Tcount is 0.636. It can be seen that the value of Tcount ≤ Ttable (0.636 ≤ 2.020) then H0 is accepted, meaning that expertise has no significant effect on Purchase Decision-Making. This means the expertise of a celebrity endorsement is not very concerned, or consumers do not really care about the expertise of the celebrity in purchase decision-making.

V. CONCLUSION

This study aimed to determine the effect of celebrity endorsement on encouraging consumer purchase decision-making. Based on the results of the research analysis, in this chapter, it can be concluded that the

research results are as follows: Celebrity endorsement has three dimensions, namely attractiveness, trustworthiness, and expertise. Of the three dimensions, only attractiveness has a significant positive effect on consumer purchase decision-making.

This research has not been able to reveal the factors that can influence consumer buying interest fully. This study can only find 29.1% of the factors that influence consumer purchase decision-making. One of the limitations of this study is the limited time to collect respondents' answers. Furthermore, it is hoped that future research will be able to expand its coverage area so that it can represent the actual situation. For further research, it is hoped that the data collection technique in this study uses a questionnaire technique so that the possibility of filling out the questionnaire can be subjective. It is better if other methods are added, such as interviews with direct respondents, so the data is more accurate.

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