

THE EFFECT OF CELEBRITY ENDORSMENT TOWARDS PURCHASING INTENTION THROUGH BRAND PERCEPTION AS INTERVENING VARIABLE ON SHOPEE CONSUMERS DURING THE COVID-19 PANDEMIC

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Abstract: The development of technology, especially the internet, has changed the lifestyle and human behavior, one of which is shopping style. This study aims to determine the effect of Celebrity Endorsement towards Purchasing Intention with Brand Perception as an intervening variable on Shopee e-commerce customers in Semarang City. The population in this study was Shopee e-commerce users in Semarang city and the number of samples was 96 respondents, which obtained by using purposive sampling. This study used quantitative method and source of data was obtained from primary data and secondary data. Data was analyzed using Structural Equation Modeling (SEM) with Smart PLS version 3.2 software. The results of this study indicate that Celebrity Endorsement had a significant effect on Brand Perception and Purchasing Intention, and Brand Perception had a significant effect on Purchasing Intention. The Brand Perception variables was able to mediate the relationship between the influence of Celebrity Endorsement on Purchasing Intention

Keywords: *Celebrity Endorsement, Brand Perception, Purchase Intention.*

1. Introduction

The COVID-19 pandemic outbreak in Indonesia had an impact on the sustainability of people's life. During the current covid-19 pandemic, the Institute for Development of Economics and Finance or INDEF (2020) revealed that there was a huge impact on national macroeconomic indicators, both short term and long term, one of which is people's purchasing power. In line with this, the government established policy regarding the Enforcement of Restrictions on Community Activities or known as PPKM in order to reduce the transmission rate of the Covid-19 virus, including changes in shopping behavior of Indonesian people from conventional to online shopping (Santia, 2020).

The current phenomenon represents the increment of consumer buying interest in online shopping. According to (Kotler & Armstrong, 2012), buying interest is a sense that arises after receiving a stimulus from the product that has been looked, then create a desire to buy and own the product. There are various way to bring up the interest in buying, either by finding out himself about the product that he needs or information that exists in the community directly (Dama, 2016). Brand is a meaningful factor since it can influence consumer choices or preferences. A good brand provides a superiority aspect to consumers

which leads to favorable consumer attitudes and creates better sales and financial performance for the company (Suryani, 2013: 75).

The importance of promotion in business has been realized by many business actors in increasing sales, including e-commerce. Research data released by Adstensity shows that e-commerce players in Indonesia spent a lot of money in promotion, especially advertising (indotelko.com, 2019). According to (Shimp, 2014), Endorser (advertising star) is a movie star, film actor/actress, athlete, or other famous person who can build trust in others towards their statements.

Ramlawati (2020) mentioned that celebrity endorsements had a positive and significant effect on purchasing intention. However, this result is different with Megayani (2019), who mentioned that celebrity endorsement did not have a significant positive effect on purchasing intention. Reviewing products or services from celebrities did not have significant impact to influence their followers in using these products or services, Mayningsih (2021).

Considering the phenomenon and research regarding the gap which is described above, researcher decided to conduct study with the title of "The Effect of Celebrity Endorsement towards Purchasing Intention through Brand Perception as an Intervening Variable".

2. Research Method

This study applied Explanatory Research and the population in this study was consumers in Shoppe e-commerce platform in Semarang city as many as 96 respondents. Sample was obtained by purposive sampling technique, based on certain criteria. The inclusion criteria were customers who used the Shope e-commerce platform with a minimum age of 18 years and domiciled in the Semarang city. This study used primary data and secondary data, then analyzed with SmartPLS ver 3.29 software, with the following empirical framework:

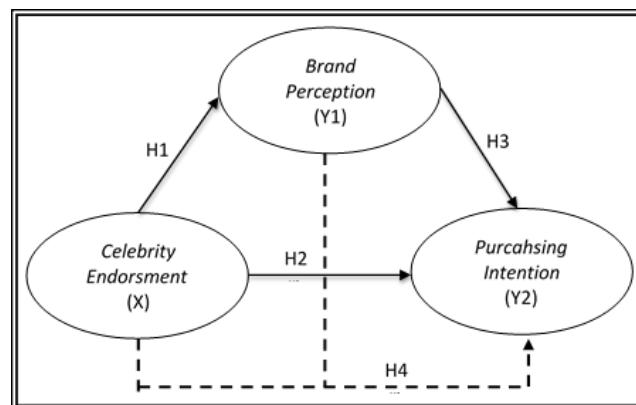


Figure 2. 1 Empirical Research Framework

3. Results and Discussion

3.1. Results

Data analysis was conducted to test the validity of each indicator and the reliability of the construct. The validity criteria were measured by convergent validity, while construct reliability was measured by composite reliability.

a. Validity Test

Validity test is used to measure the validity of a questionnaire. It can be said that the questionnaire is valid if it is able to reveal something that will be measured by the

questionnaire. This test was carried out by using convergent validity in PLS. The convergent validity value of each indicator can be seen from the loading value. Individual indicator is considered valid if the loading value above 0.70, however loading value of 0.50 to 0.60 is still acceptable in the development stage of research.

Tabel 3 1 Cross Loading Result

	<i>Brand Perception</i>	<i>Celebrity Endorsement</i>	<i>Purchasing Intention</i>
X1.1		0,869	
X1.2		0,772	
X1.3		0,848	
X1.4		0,731	
Y1.1	0,852		
Y1.2	0,894		
Y1.3	0,864		
Y2.1			0,819
Y2.2			0,725
Y2.3			0,868

Source: Data processing with PLS, 2022

Data in Table 3.1 shows that the requirement had been fulfill, so that all constructs in the estimated model met the criteria of good discriminant validity, which means that data analysis results can be accepted because the values that describe the relationship between constructs was developed. Another method to observe discriminant validity is based on the Square Root of Average Variance Extracted (AVE), with recommended value is above 0.5. The AVE value in this study is as following:

Table 3 2 Average Variance Extracted (AVE)

	<i>Average variance</i>	<i>Square root of AVE</i>
<i>Brand Perception</i>	0,757	0.870
<i>Celebrity Endorsment</i>	0,651	0.806
<i>Purchasing Intention</i>	0,650	0.806

Source: Data processing with PLS, 2022

Table 3.2 shows that the $\sqrt{\text{AVE}}$ value was above 0.5 for all constructs in the research model, so it can be concluded that all indicators in this study are declared valid.

b. *Reability Test*

The reliability test is carried out by considering the composite reliability value of the indicator block that measures the construct. The composite reliability shows a satisfactory value if the value is above 0.7. The composite reliability value in the output is as following:

Table 3 3 Composite Reliability

	<i>Composite</i>
<i>Brand Perception</i>	0,903
<i>Celebrity Endorsment</i>	0,882
<i>Purchasing Intention</i>	0,847

Source: Data processing with PLS, 2022

Table 3.3 shows the composite reliability result of each construct is good, which was above 0.7. According to Chin (1998), it can be said that an indicator has a good reliability if its value is above 0.70 and can be maintained and accepted at a value of 0.50 to 0.60. The value for all variables has a composite reliability value of > 0.5 , meaning that it has a good reliability value and can be used for further research processes. Reliable means that the indicator used in actual research is in accordance with the actual conditions of the research object.

c. Inner Model Test

After the estimated model meets the Outer Model criteria, the next step was to test the structural model (Inner model). The R-Square values in construct is as following:

Table 3 4 R-Square

	<i>R-</i>
<i>Brand</i>	0,503
<i>Purchasing</i>	0,723

Source: Data processing with PLS, 2022

Table 3.4 shows that the R-square value of the Brand Perception variable construct (Y1) was 50.3%. This means that the Celebrity Endorsement variable can explain the Brand Perception variable construct by 50.3%, while the remaining ($100\% - 50.3\% = 49.7\%$) was explained by other variables. The R-square of variable construct of Purchasing Intention (Y2) was 72.3%. This means that the variable constructs of Celebrity Endorsement and Brand Perception are able to explain the construct of Purchasing Intention (Y2) variable of 72.3%, while the remaining ($100\% - 72.3\% = 27.7\%$) was explained by other variables.

d. Hypothesis testing

Table 3 5 Hypothesis testing

	Origin sample (O)	Mean Sample (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
<i>Brand Perception -> Purchasing Intention</i>	0,628	0,630	0,093	6,752	0,000
<i>Celebrity Endorsment -> Brand Perception</i>	0,713	0,718	0,057	12,496	0,000
<i>Celebrity Endorsment -> Purchasing Intention</i>	0,283	0,282	0,097	2,910	0,004

Source: Data processing with PLS, 2022

The results of the above data processing can be seen in the testing of each hypothesis that has been proposed, namely:

1. The Effect of Celebrity Endorsement on Brand Perception

Based on the PLS test results in table 3.5 above towards the first hypothesis, namely the effect of Celebrity Endorsement (x) on Brand Perception (y1), it shows that the original sample estimate result was 0.713, the t value was (12,496) $>$ t table (2.00) and the P value values $0.000 < 0.05$. Celebrity Endorsement had a significant positive effect on Brand Perception, which means that if Celebrity Endorsement gets better, then Brand Perception will raise.

2. The Effect of Celebrity Endorsement on Purchasing Intention

Based on the PLS results in table 3.5 above towards the second hypothesis, namely the effect of Celebrity Endorsment (x) on Purchasing Intention (y2), it shows that the original sample estimate was 0.283, the t value was (2,910) > t table (2.00) and the P value was 0.004 < 0.05. Celebrity Endorsement has a significant effect on Purchasing Intention. Which means that, if Celebrity Endorsment gets better, then the Purchasing Intention will increase.

3. The Effect of Brand Perception on Purchasing Intention

Based on the PLS test results in table 3.5 above towards the third hypothesis, namely the effect of Brand Perception (y1) on Purchasing Intention (y2), it indicates that the original sample estimate result was 0.628, the t-count value was (6.752) > t table (2.00) and the p-value was 0.000 < 0.05. There was a significant and positive influence between the Brand Perception variable on Purchasing Intention, which means that if the Brand Perception gets better, then it will increase the Purchasing Intention.

Table 3 6 Direct and Indirect Effects

	Origin sample (O)	Mean Sample (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Val ues
<i>Celebrity Endorsment -> Brand Perception -> Purchasing Intention</i>	0,448	0,451	0,073	6,164	0,00 0

Source: Data processing with PLS, 2022

4. Indirect Effect of Celebrity Endorsement on Purchasing Intention mediated with Brand Perception.

Table 3.6 shows that the indirect effect of the Celebrity Endorsement variable on Purchasing Intention through Brand Perception as a mediating variable obtained an original sample of estimate value was 0.448, t arithmetic value was (6.164) > statistical t value (2.00) and p value was 0.000 < 0.05. Thus, it can be concluded that the Brand Perception variable can mediate the relationship between the Celebrity Endorsement variable and Purchasing Intention.

3.2. Discussion

This study has identified following results. The first hypothesis proved that there was a significant positive effect between Celebrity Endorsement on Brand Perception. The second hypothesis proved that there was a significant and positive influence between the relationship of Celebrity Endorsment on Purchasing Intention and the Effect of Celebrity Endorsement on Purchasing Intention mediated by Brand Perception, there was a significant and positive influence. The cross-loading results for each indicator of Celebrity Endorsement starting from the lowest order to the highest order are:

- a) Visibility with a cross loading was 0.869
- b) Credibility with a cross loading was 0.772
- c) Attraction with a cross loading was 0.848
- d) Power with a cross loading was 0.731

The lowest cross loading value was Power, with a value of 0.731. Thus, Shopee should be able to choose advertising stars who have Power such as famous figures with many followers, so as to increase Shoppee brand perception. The highest cross loading value was Visibility with a value of 0.869, which means that Celebrity Endorsement on Shopee should be able to maintain the visibility of advertising stars in the various events. This research is supported by Alatas (2018) who stated that there was a positive relationship between Celebrity Endorsement and Brand Perception. It is also in line with the study from Bramantya and Jatra (2016), who mentioned that Celebrity Endorsement had an effect on Brand Perception. In other words, it can be said that if the Celebrity Endorsement in Shopee gets better, then the Brand Perception will be raised and also increase Purchasing Intention.

The third hypothesis revealed that there was a significant and positive influence of Brand Perception on Purchasing Intention. Based on the cross-loading results for each indicator of Brand Perception starting from the lowest order to the highest order are:

- a) Brand Experience with a cross loading was 0.852
- b) Brand Affect with a cross loading was 0.894
- c) Brand Trust with a cross loading was 0.864

Meanwhile, the cross-loading results for each indicator of Purchasing Intention starting from the lowest order to the highest order are:

- a) The level of customer desire with a cross loading was 0.819
- b) The tendency of customers to choose with a cross loading was 0.725
- c) The level of customer preference to purchase with a cross loading was 0.868

Thus, the lowest value of cross loading brand perception was Brand Experience with the value of 0.852 while the smallest value of cross loading purchasing intention was the tendency of customers to choose with the value of 0.725. In brand perception with the indicator of Brand Experience Shopee, it is needed to improve the shopping experience for customers in a brand to help customers remember the familiar brand. Moreover, the value of Purchasing Intention with indicators of the tendency of customers in choosing, needs to get more attention when consumers can be facilitated in choosing products that suitable with their criteria. The high value of cross loading on the brand perception variable is Brand Affect with the value of 0.894. Therefore, it is better if Shopee can improve and maintain a brand that has a very significant impact on consumers. The highest value of Purchasing Intention with an indicator of customer preference level in buying shows that the shopee feature can observe factors that can facilitate their consumers. The results of this study is supported by Foster, (2016) which stated that Brand Perception had a significant and positive effect on Purchasing Intention. These results are supported by Anggraeni and Asnawati (2017), who mentioned that Brand Perception had a positive and significant effect on Purchasing Intention. If the Brand Perception gets better, then the Purchasing Intention will increase.

4. Conclusion

Based on the analysis results that has been carried out, the following conclusions can be drawn from the present study:

The first hypothesis testing shows that the Celebrity Endorsement variable had a significant positive effect on Brand Perception, which means that the statement of this

hypothesis about there is an influence of Celebrity Endorsement on Brand Perception is accepted.

The second hypothesis shows that the Celebrity Endorsement variable had a significant effect on Purchasing Intention, which means that the statement of this hypothesis about there is an influence of Celebrity Endorsement on Purchasing Intention is accepted.

The third hypothesis shows that the Brand Perception variable had a significant effect on Purchasing Intention, which means that statement of this hypothesis about there is an influence of Brand Perception on Purchasing Intention is accepted.

The fourth hypothesis shows that the Celebrity Endorsement variable had a significant effect on Purchasing Intention through Brand Perception as an intervening variable. This means that the hypothesis which states that there is an influence of Celebrity Endorsement on Purchasing Intention through Brand Perception as an intervening variable is accepted.

Based on the results of this study, these findings suggest several courses of action to improve Brand Perception and Purchasing Intention on Shopee such as following:

Analysis of the Celebrity Endorsement variable shows that the lowest cross loading indicator value was the Power indicator of 0.731. Thus, it is recommended that shopee will use advertising stars who have a lot of fans or popularity in each period.

In analysis of the Brand Perception variable, the lowest cross loading indicator value was the Brand Experience indicator with the value of 0.852. Thus, it is recommended that shopee can provide a good shopping experience on the features and presentation of the website.

In the analysis of the Purchasing Intention variable, the lowest cross loading indicator value was the customer tendency indicator in choosing with the value of 0.725. Thus, in this case, it is recommended that shopee can improve more effective features to assists customers find the item that they need.

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