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The Effect of Celebrity Endorsement on Purchase Intention Mediated by Brand Image: Industry and Brand Level Analysis.

ABSTRACT

The utilization of celebrity endorsement as a marketing strategy has gained widespread popularity across various industries, including the electronic industry. The objective of this study is to assess the correlation between celebrity endorsement and purchase intention, specifically through brand image. The analysis compares the relationship between variables at two levels: industry and brand, each at varying levels of maturity. Results indicate that at the industry level, brand image plays a positive mediating role in the relationship between celebrity endorsement and purchase intention, despite a negative direct relationship between the two. At the brand level, celebrity endorsement has a negative impact on purchase intention for Samsung, while exhibiting no significant effect on Vivo brand. However, brand image positively mediates the relationship between the two. Furthermore, multigroup analysis reveals that the difference in effect between the two brands is not statistically significant.

Keywords: Celebrity Endorsement, Purchase Intention, Brand Image, Smartphone Industry, Indonesia

INTRODUCTION

The use of celebrity endorsements in marketing has become increasingly popular over the years due to its potential to attract attention, create positive associations, and enhance brand image. Brands are intensively enhancing their advertising effort in order to come out as the winner in the market and reap as much market share as possible. Celebrity endorsements are known to have potential to give brands an increase in revenue as much as 20% on average (Foong & Yazdanifard, 2014). Thus, making it a great strategy for brands to stay ahead in the competition.

Celebrity endorsement is a form of advertising where a celebrity acts as a spokesperson for a brand or product (Solomon, 2009). Celebrity endorsement can help to increase the likelihood of a purchase to happen. This argument is proved by research conducted by Andita, Najib, Zulfikar, & Purnamasari (2021) stating that a celebrity endorsement can significantly increase sales of the brand endorsed. A good example is Ryan Reynolds endorsement with Mint Mobile which resulted in an increase of 50,000% of its sales revenue in a span of 3 years (Weinstein, 2021).

Similarly, celebrity endorsement has an influence on brand image. Business owners use celebrity endorsement as a tool to obtain better campaign effectiveness, brand awareness, and brand recall (Spry et al., 2011). For example, when Nike used Michael Jordan as their ambassador promoting their shoes. It created a strong association between the brand and the world's greatest basketball player, which helped to establish Nike as a dominant player in the athletic footwear industry (Ponsford, 2019). Following up the previous example, the researchers strongly believe that brand is an intangible asset that enables companies to execute premium pricing and entice purchase intention. A viral collaboration between Charles & Keith and ITZY released a Moss Gabine Belted Hobo Bag that is sold at a premium price as much as Rp 1,200,000.00 (*Dark Moss Gabine Belted Hobo Bag: Charles & Keith*). Since the collaboration hits viral, the endorsement's hype will enable prospective customers to have the intention to buy.

The present study delves deeper into the impact of celebrity endorsements on purchase intention in the smartphone industry, while considering the mediation of brand image. Building on the research conducted by Adiba et al. (2020), which focused on celebrity endorsements in Indonesia by Samsung and Vivo, this study aims to compare the two brands and examine the effect of these variables on customer purchase intentions--a topic that has received limited attention. The researchers contend that Samsung and Vivo are representative of the entire smartphone industry,

catering to different markets and complementing each other. According to a survey by Statcounter in Indonesia, Samsung leads the market with 21.55% ownership, as reported by the authors.

In June 2022, Vivo's market share in Indonesia was recorded as 14.81% according to Statcounter (2023). Samsung's brand ambassador, Raisa, has gained immense popularity and was nominated as one of the top 100 influential celebrities in the book "Asia's 100 Digital Star 2020" by Watson (2020). Similarly, Maudy Ayunda's multi-talented achievements in the music, acting, and education industries have landed her a spot in Forbes under 30 list of influential figures. These companies carefully select the most suitable celebrity to represent their brand and create a successful marketing campaign. The aim of this research is to analyze the impact of celebrity endorsement on purchase intention through brand image for Samsung and Vivo. Both brand-level and industry-level analyses will be conducted to objectively understand the overall relationship between the variables.

LITERATURE REVIEW

Celebrity Endorsement

Celebrity endorsement has been widely used by companies and brands today to capture larger audiences and gain more trust. To understand celebrity endorsement, McCracken (1989) described celebrity endorsement as a modern marketing technique by creating personal testimonials campaigns which are capable of arousing the sense of similarities between the customers and celebrities. Furthermore, a research done by Van der Waldt, M van Loggerenberg, & Wehmeyer (2011) stated that celebrity endorsement might change the perception of a brand in a positive way according to what the companies and brands intend to.

Brand Image

Brand image can be understood as the value of the brand captured by customers targeted as a result of marketing efforts done (Keller, 1993). According to Aaker & Biel (1994) (as cited in Annissa & Paramita, 2021), how good a product is created does not contribute to how great it resides in the minds of customers. Hence, a company's success in converting sales from potential clients is not guaranteed by the quantity of marketing channels it uses.

According to Keller (1993), there are three factors that determine brand image: brand strength, favorability, and uniqueness. Brand's strength can be understood as how many times a brand is being "reinforced" as a result of advertising efforts, meaning a more relevant advertising reinforces brands better. In addition, brand's favorability is addressing how accepting each customer is towards the brand; thereby it leads to more positive attitudes. Last but not least, brand uniqueness refers to the distinction in values that a brand generates and that other companies cannot imitate.

On the other hand, according to Fianto et al. (2014), brand image's dimensions are mentioned as follows: 1) Saliency 2) Reputation 3) Familiarity 4) Trustworthiness. Saliency revolves around how a brand is conspicuous and easily noticeable i.e. relevance. Reputation describes the level of acceptance of a brand, somewhat equivalent to familiarity. While, trustworthiness focus is placed on how the company doesn't let its clients down with its offerings.

Purchase Intention

Purchase intention is defined as a customer's propensity to purchase a certain product or do a specific action in connection with a purchase, which can be measured by their likelihood to purchase the product (Luqman et al., 2022). Purchase intention is also tied to attitudes due to their personal nature. When a customer is drawn to a product, they would be encouraged to engage in a variety of actions to obtain the desired product. Furthermore, purchase intention can be indicated by the desire

to purchase the product, the consideration to purchase the product, the intention to purchase the product, and the intention to purchase the product in the future (Lin et al., 2013).

However, according to Ferdinand (2006), purchase intention can be identified with four different dimensions namely transactional interest, referential interest, preferential interest, and exploratory interest. Transactional interest refers to the customer's willingness to purchase the product. Referential interest refers to the customer's willingness to refer or endorse the product to other people. Preferential interest refers to the customer's likelihood to select the product over other similar products. Lastly, exploratory interest refers to the customer's willingness to do research to dig up more information about the product. Based on the stated definitions, the researcher summarizes purchase intention as a customer's inclination to purchase a product, which can be measured by their transactional interest, referential interest, preferential interest, and exploratory interest.

The Impact of Celebrity Endorsement on Brand Image

The effect of celebrity endorsement on brand image has been a topic of marketing research for many years. Till, B. D., & Busler, M. (2000) found that endorsement enhances brand perception considering the originality of the endorsement; it affects how well it works to promote brand recognition and image. This is explained by customers' emotional connections to brands, which are strengthened through celebrity endorsement.

Be that as it may, deriving from Ohanian (1991), irrelevant celebrity could bring about the opposite effect to brand image. According to Ohanian (1991), celebrities can enhance a brand's image by possessing a variety of qualities, such as credibility, attractiveness, recognition, and likeability. If these conditions are not met, the endorsement won't be as effective, leaving customers with weak impressions and doing less to improve the brand's image. According to Lomboan (2013), a successful endorsement is heavily reliant on the celebrity's capacity to improve the brand's image.

Findings from a recent research done by Naomi & Ardhiansyah (2021) showed that a brand ambassador has a strong direct impact towards brand image. Naomi & Ardhiansyah (2021) also showed that a celebrity's popularity, charm, and public image influences the brand image. However, this would also mean that if the brand ambassador has a poor public image, it would also poorly affect the brand. A research by Masato (2021) supports this relationship theory between celebrity endorsement and brand image. Thus, celebrity endorsement can have an impact on a brand's image if the celebrity's unique characteristics are considered and accentuated. Surely, the endorser must align with the brand's image and value.

- H₁ : Celebrity endorsement significantly influences the brand image of smartphone brands.
- H_{1s} : Celebrity endorsement significantly influences the brand image of Samsung.
- H_{1v} : Celebrity endorsement significantly influences the brand image of Vivo.

The Impact of Brand Image on Purchase Intention

In this market where there are countless brands fiercely competing with one another, brand image has become a very important tool to differentiate themselves and gain competitive advantage. Brand image represents a brand's personality and identity, showcasing their strength and uniqueness. A good brand image gives the brand better credibility and reputation, which would influence the customers' consideration to buy their product (Wijaya, 2013).

Thus, a brand that builds a better brand image would subsequently lead to higher purchase intention (Adiba et al., 2020). Especially with a relatively sizable purchase such as a handphone, a better brand image would drive customers to find out more information about the brand and their products, which would lead to their consideration to purchase the product (Shahid et al., 2017).

According to a research done by Benhardy et al. (2020), brand image directly has a positive influence on purchase intention. Other research done by Zufikar et al. (2022) and Isyanto et al. (2020) further

supports the existence of a significant positive relationship between brand image and purchase intention. These research results prove that brand image is an important factor to build in order to increase customers' purchase intention.

H₂ : Brand image significantly influences the purchase intention of smartphones.

H_{2s} : Brand image significantly influences the purchase intention of Samsung smartphones.

H_{2v} : Brand image significantly influences the purchase intention of Vivo smartphones.

The Impact of Celebrity Endorsement on Purchase Intention

The influence of celebrity endorsement on consumers' desire to make purchases cannot be overlooked. As Kim and Ko (2012) note, using the influence of celebrity endorsement to inform potential buyers about a brand's goods or services is a successful strategy. Customers are more inclined to trust and appreciate a company when a well-known and well-respected celebrity backs it. Keller (2012) asserts that celebrity endorsement may also raise a brand's popularity, respectability, and allure.

Keller (2012) proposes that consumers frequently hold off on making a purchase in order to wait for cues as an additional explanation of the effect of celebrity endorsement on purchase intention. Celebrity endorsement can have an impact on these cues since it serves as a "cognitive" shortcut that makes it simpler for buyers to determine whether or not to purchase a product (Keller, 2012). Moreover, celebrity endorsement may inspire groups and movements started by the celebrity, encouraging people to participate and feel welcomed (Keller, 2012). Celebrity endorsement can boost the chance of a sale by boosting consumers' faith in the product.

According to Erdogan's (1999) research, celebrity endorsement is a type of marketing communication technique that makes use of well-known people to support a company's image or line of goods. It has been discovered that the employment of celebrities in advertising has a favorable effect on customer behavior, including purchase intention. First off, a buyer who trusts the endorser will feel more comfortable and confident, which will increase their propensity to buy the goods (Erdogan, 1999). Second, people frequently try to imitate the celebrities they find attractive, which improves their likelihood of purchasing the recommended item (Erdogan, 1999). Thirdly, choosing celebrities wisely may boost perceived competence, which in turn can strengthen buying intentions. Finally, a strong influence on purchase intention is the emotional connection that exists between the celebrity and the audience (Erdogan, 1999). Supporters of the celebrity are more likely to buy the endorsed goods because they want to follow whatever the celebrity does.

A research done by Masato (2021) showed that celebrity endorsement has a significant and positive influence towards the brand's purchase intention. The result of a research by Aliyev (2021) also supported this theory and showed that celebrities' fan base feels a strong emotional connection towards the celebrity. Therefore, they pay attention to the celebrities' daily lives and the products that they use. Thus, celebrity endorsements could significantly influence their fan base's purchase intention.

Overall, it is proved that celebrity endorsement can have a significant influence on consumers' desire to make a purchase. Customers are more likely to make a purchase owing to admiration of the celebrity as stated by Choi and Rifon (2012). To optimize the advantages of celebrity endorsement, it is crucial for brands to carefully choose the ideal celebrity.

H₃ : Celebrity endorsement significantly influences the purchase intention of smartphones.

H_{3s} : Celebrity endorsement significantly influences the purchase intention of Samsung smartphones.

H_{3v} : Celebrity endorsement significantly influences the purchase intention of Vivo smartphones.

The Mediating Effect of Brand Image between Celebrity Endorsement and Purchase Intention

As shown by Kim and Ko (2012), there is a direct relationship between celebrity endorsement and purchase intention as customers tend to trust a brand or a product more when a celebrity that they look up to backs it up. Thus, the customer's faith in a celebrity could lead to an increase in sales (Keller, 2012). At the same time, Prilia & Ardhiyansyah (2021) showed that celebrity endorsement strongly and directly impacts brand image. Celebrities are able to improve how well customers view and perceive a brand with the celebrities' various qualities (Ohanian, 1991). Furthermore, brand image also directly affects purchase intention (Benhardy et al., 2020). A brand with a stronger positive image would, as a result, achieve higher purchase intention (Adiba et al., 2020). This means that celebrity endorsement could build and shape better brand image, and better brand image would result in a higher purchase intention. Therefore, brand image is able to mediate the relationship between celebrity endorsement and purchase intention.

H4 : Brand image mediates the relationship between celebrity endorsement and purchase intention of smartphones.

H4s : Brand image mediates the relationship between celebrity endorsement and purchase intention of Samsung smartphones.

H4v : Brand image mediates the relationship between celebrity endorsement and purchase intention of Vivo smartphones.

METHODOLOGY

Description of Population and Sample

This research is a comparative study that compares two top smartphone brands in Indonesia, namely Samsung and Vivo. Since this research mainly focuses on rank comparison done through likert scales, this research uses primary data i.e. quantitative as the source of data and the data is collected through self-administered questionnaires distributed through a valid survey generator website, namely Survey Monkey and Populix. We created two separate questionnaires, one for Samsung and Raisa, and another one for Vivo and Maudy Ayunda. The respondents chose one questionnaire with the smartphone and celebrity pairing they are more familiar with to answer.

Moreover, the population suitable to be in this research must fulfill 4 criterias as follows: 1) Live in Indonesia 2) Familiar with the brand 3) Familiar with the celebrity 4) Know that the brand currently is taking the celebrity as their brand ambassador. Following that, to enhance objectivity and minimize subjectivity, the researchers implement unrestricted or simple random sampling as the sampling design.

Data Analysis Technique

This research is using PLS-SEM analysis by Hair et al. (2014) through multiple regression owing to several reasons, namely better accuracy, better correlation results, and better avoidance towards sensitivity in variable measurements. In general, there are two main stages of analysing the model and testing the hypotheses of the research model: assessment of the measurement model and evaluation of the structural model .

There are two analyses in this research: (1) industry level, in which data from both brands are combined, and (2) brand-level, in which separate analysis is done to both brands followed by a Multi Group Analysis (MGA) is done to test if the path differences are significant.

The analytical tools used is Smart-PLS Software due to its flexibility in interpreting graphical outputs also enables the researcher to have easiness in changing the elements of each data.

ANALYSIS AND DISCUSSION

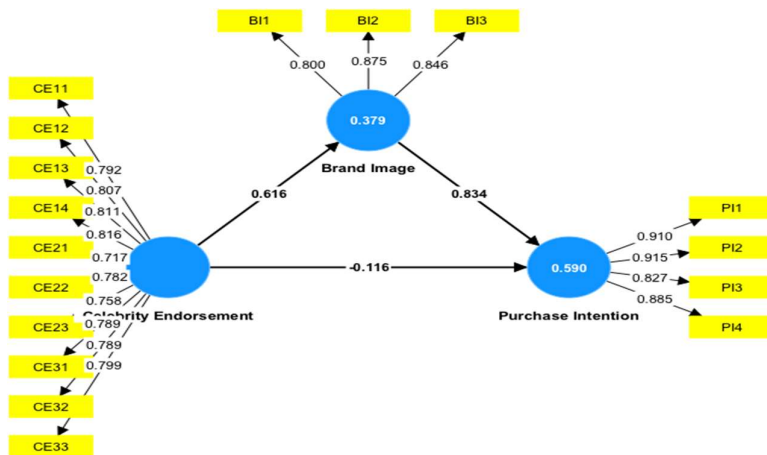
The two surveys from both brands collected a total of 379 valid respondents. 193 respondents filled in the survey for Samsung and Raisa, and 186 respondents filled in the survey from Vivo and Maudy Ayunda. 48% of them are between 17 – 24 years old, 19% between 25-32, and 14.51% between 33-41 years old. Almost half of the respondent are high-school graduated (49%), followed by Undergraduate (44%) and Master graduate (4.22%)

Industry-Level Analysis

This analysis utilizes the combined data set of 379 samples to conduct an industry-level assessment. Firstly, the measurement model is evaluated using Composite Reliability (CR) and Average Variance Extracted (AVE) to ensure the reliability of all items in measuring their respective constructs and to detect any multicollinearity issues. The next step is to test for convergent and discriminant validity among constructs. During the convergent validity test, one indicator (CE34) demonstrated a loading factor below 0.5 and was subsequently removed from the test. The remaining indicators successfully passed the convergent validity test with factor loading above 0.5. Additionally, Average Variance Extracted (AVE) showed values exceeding 0.5 for all variables tested, indicating the achievement of external consistency. Internal consistency was assessed using three parameters, namely Cronbach's Alpha, rho_A, and composite reliability, which all yielded satisfactory results.

After the model is declared to meet all the requirements in the evaluation of the measurement model, the next step is to evaluate the model structurally. The structural model is a model that describes the relationship between variables. Evaluation in this section is carried out with several exploratory parameters, namely the values of R2, f2, Q2, and the parameter of Goodness of Fit (model fit).

| | Beta | Std Dev | t-stat | pvalue | f ² | Q ² | VIF |
|--|--------|---------|--------|--------|----------------|----------------|-------|
| Direct | | | | | | | |
| Celebrity Endorsement -> Brand Image | 0.616 | 0.052 | 11.916 | 0.000 | 0.611 | 0.266 | 1.000 |
| Brand Image -> Purchase Intention | 0.834 | 0.037 | 22.593 | 0.000 | 1.055 | 0.457 | 1.611 |
| Celebrity Endorsement -> Purchase Intention | -0.116 | 0.048 | 2.43 | 0.015 | 0.020 | - | 1.611 |
| Indirect | | | | | | | |
| Celebrity Endorsement -> Brand Image -> Purchase Intention | 0.514 | 0.055 | 9.287 | 0.000 | - | - | - |
| Total | | | | | | | |
| Celebrity Endorsement -> Brand Image | 0.616 | 0.052 | 11.916 | 0.000 | - | - | - |
| Brand Image -> Purchase Intention | 0.834 | 0.037 | 22.593 | 0.000 | - | - | - |
| Celebrity Endorsement -> Purchase Intention | 0.398 | 0.064 | 6.244 | 0.000 | - | - | - |



There are four main findings from the table above:

1. Celebrity endorsement has a positive significant effect towards brand image (H1 is accepted, p-value <0.05)
2. Brand image has a positive significant effect towards purchase intention (H2 is accepted, pvalue <0.05)
3. Celebrity endorsement has a negative, significant effect towards purchase intention (H3 is accepted, pvalue >0.05).
4. Despite a significant negative direct effect between Celebrity Endorsement and Purchase Intention, Brand Image positively mediates the relationship between the two (H4 is accepted, p-value <0.05).

Brand-level Analysis

In the second analysis, we divide the data into two groups: Group Samsung – Raisa, and Group Vivo – Maudy. We want to compare if there is a difference in the effect among the variables given that the two brands are distinctively different.

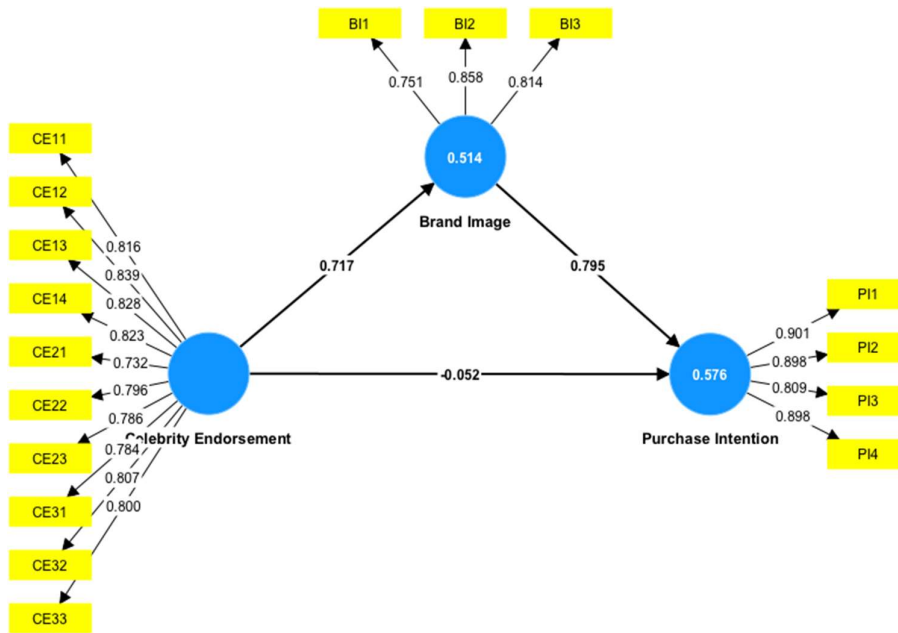
The measurement model test for both groups are as follows:

1. During the convergent validity test, there was one indicator (CE34) which achieved loading factor <0.5 for both groups: 0.419 for Samsung-Raisa, and 0.417 for Vivo-Maudy. The indicator is dropped and the indicators are tested again. The result shows that the rest of indicators pass the convergent validity test (factor loading >0.5). Average Variance Extracted (AVE) shows value >0.5 for all variables tested in the model which means that external consistency on which the convergent validity is based has been achieved.
2. The reliability test shows that the variables in both groups are reliable. The value of Cronbach's Alpha, ρ_A , and composite reliability are >0.70 . Indicators on each of the variables indeed measure the variable in question consistently and are related to one another.
3. Diagonal values in the Fornell-Larcker matrix for the Samsung-Raisa group are bigger than other values in the matrix. It's the same case for Vivo-Maudy's Fornell-Larcker matrix. This indicates that each variable measures specific things and differs from one another.

After the model in both groups is declared to meet all the requirements in the evaluation of the measurement model, the next step is to evaluate the model structurally. The result are shown in tables below:

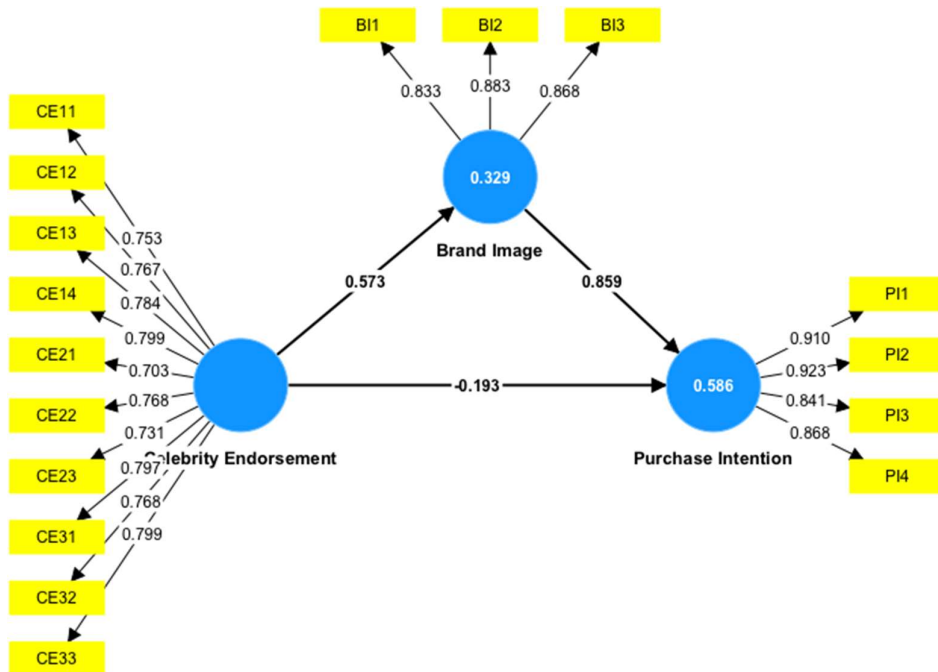
Structural Model Evaluation – Samsung-Raisa

| Hubungan Variabel | Beta | Std Dev | t-stat | pvalue | f^2 | Q^2 | VIF |
|---|--------|---------|--------|--------|-------|-------|-------|
| Direct | | | | | | | |
| Celebrity Endorsement - > Brand Image | 0.717 | 0.066 | 10.923 | 0.000 | 1.056 | 0.328 | 1.000 |
| Brand Image -> Purchase Intention | 0.795 | 0.076 | 10.430 | 0.000 | 0.727 | 0.432 | 2.056 |
| Celebrity Endorsement - > Purchase Intention | -0.052 | 0.089 | 0.584 | 0.560 | 0.003 | - | 2.056 |
| Indirect | | | | | | | |
| Celebrity Endorsement - > Brand Image -> Purchase Intention | 0.570 | 0.083 | 6.849 | 0.000 | - | - | - |
| Total | | | | | | | |
| Celebrity Endorsement - > Brand Image | 0.717 | 0.066 | 10.923 | 0.000 | - | - | - |
| Brand Image -> Purchase Intention | 0.795 | 0.076 | 10.430 | 0.000 | - | - | - |
| Celebrity Endorsement - > Purchase Intention | 0.518 | 0.085 | 6.092 | 0.000 | - | - | - |



Structural Model Evaluation – Vivo - Maudy

| Hubungan Variabel | Beta | Std Dev | t-stat | pvalue | f ² | Q ² | VIF |
|--|--------|---------|--------|--------|----------------|----------------|-------|
| Direct | | | | | | | |
| Celebrity Endorsement -> Brand Image | 0.573 | 0.068 | 8.482 | 0.000 | 0.489 | 0.242 | 1.000 |
| Brand Image -> Purchase Intention | 0.859 | 0.046 | 18.857 | 0.000 | 1.197 | 0.450 | 1.489 |
| Celebrity Endorsement -> Purchase Intention | -0.193 | 0.067 | 2.864 | 0.004 | 0.060 | - | 1.489 |
| Indirect | | | | | | | |
| Celebrity Endorsement -> Brand Image -> Purchase Intention | 0.493 | 0.074 | 6.663 | 0.000 | - | - | - |
| Total | | | | | | | |
| Celebrity Endorsement -> Brand Image | 0.573 | 0.068 | 8.482 | 0.000 | - | - | - |
| Brand Image -> Purchase Intention | 0.859 | 0.046 | 18.857 | 0.000 | - | - | - |
| Celebrity Endorsement -> Purchase Intention | 0.300 | 0.093 | 3.239 | 0.001 | - | - | - |



There are four main findings from the table above:

1. In the case of both brands, Samsung and Vivo, Celebrity Endorsement has a positive and significant effect to Brand Image (H1s and H1v are accepted, p-value <0.05)
2. In the case of both brands, Samsung and Vivo, Brand image has a positive significant effect towards purchase intention (H2s and H2v are accepted, p-value <0.05)
3. In the case of Samsung, Celebrity Endorsement does not have a significant effect towards Purchase Intention (H3s is rejected, p-value >0.05), *but* in the case of Vivo, Celebrity Endorsement does have a negative significant effect towards Purchase Intention (H3v is accepted, p-value <0.05)
4. In the case of both brands, Samsung and Vivo, Brand Image mediates the relationship between Celebrity Endorsement and Purchase Intention. The indirect effect of Celebrity Endorsement towards Purchase Intention through Brand Image is, surprisingly, positive and significant (H4s and H4v are accepted, p-value <0.05), regardless of a non-significant effect between Celebrity Endorsement in the case of Samsung, a negative significant effect in Vivo.

After knowing the relationship between variables at the level of each group, then we want to compare whether there are differences in the effect between the variables between Group Samsung and Group Vivo. The tool used is Multigroup Analysis (MGA). To be able to use the MGA analysis, Modified Iterative Communication (MICOM) testing was first performed to confirm the differences between the two groups were caused by differences between the variables.

The MICOM analysis comprises three stages, namely: (1) ensuring the model structure is consistent across both groups. In the present study, the model structure utilized for both Samsung and Vivo is identical, indicating completion of this stage; (2) examining compositional invariance. Results indicate that the Original Correlation value is greater than or equal to the value in the Correlation Permutation Mean column, signifying the consistency and validity of the analysis despite varying data characteristics; and (3) assessing the similarity of the model's mean and variance across the two groups. Findings reveal that there is a mean difference in the Brand Image and Purchase Intention variables, as evidenced by the values in the Mean - Original Difference column falling outside the 2.5% to 97.5% range. However, the average variance of the variables across the groups shows no difference.

All three MICOM stages show good results except for the mean similarity parameters between Brand Image and Purchase Intention. Considering that there are more parameters that are met, the process can proceed to MGA analysis.

| Path | Path Coefficients-diff (Grup A - Grup B) | p-Value original 1-tailed (Grup A vs Grup B) | p-Value new (Grup A vs Grup B) |
|---|--|--|--------------------------------|
| Brand Image -> Purchase Intention | -0.064 | 0.773 | 0.454 |
| Celebrity Endorsement -> Brand Image | 0.143 | 0.070 | 0.140 |
| Celebrity Endorsement -> Purchase Intention | 0.141 | 0.095 | 0.191 |

From the table above it can be concluded that there was no significant difference between the relationship variables in Samsung brand data and Vivo brand data (all variable relationships had a p-value > 0.05).

Discussion

Through the examination of both brand and industry levels, it has been determined that Celebrity Endorsement has a positive impact on Brand Image and subsequently, Brand Image has a positive impact on Purchase Intention. These findings confirm our initial hypothesis.

Further analysis conducted on the Vivo-Maudy group suggests that in the industry level, Celebrity Endorsement negatively impacts Purchase Intention. However, in the case of Samsung, the findings suggest that the effect is not significant. Research conducted by Malik & Qureshi (2016) supports this, indicating that negative effects can occur when endorsers endorse multiple products.

Despite the non-significant or even negative direct effects between Celebrity Endorsement and Purchase Intention, Brand Image has been found to positively mediate the relationship between the two on both industry and brand level analysis. These results suggest the vital role that Brand Image plays in mediating the relationship between Celebrity Endorsement and Purchase Intention.

After conducting an MGA analysis, it has been observed that there is no significant difference in the impact on the relationship between variables when comparing a well-established global brand such as Samsung and a newcomer like Vivo. It is noteworthy that the effect of celebrity endorsement on purchase intention was not deemed significant in the case of Samsung; however, it had a negative effect on Vivo.

CONCLUSIONS AND RECOMMENDATIONS

This study emphasizes the significance of brand image in determining purchase intention. It was found that celebrity endorsements may not have the desired effect on purchase intention when the brand image is not already established in the consumer's mind. However, celebrity endorsements can be an effective marketing technique in creating favorable attitudes towards a brand or product. It's important for marketers to note that while there is a positive relationship between celebrity endorsement and brand image, the same cannot always be said for purchase intention. Thus, it is crucial to carefully assess the impact of celebrity endorsements on purchase intention before implementing advertising strategies.

Based on the conclusions of the study, the authors recommend the following suggestions:

- 1) Further research can investigate the correlation between the variables by utilizing varying celebrity personas, such as those who are controversial versus those who are likeable, to examine the impact of persona on brand image and purchase intention. Additionally, it would be intriguing to explore the disparities among brand types, such as luxury versus affordable

brands, and the influence of celebrity endorsement on purchase intention. For instance, despite its reputation as a luxury smartphone brand, Apple has refrained from using celebrity endorsements (Sertoglu, Catli, & Korkmaz, 2014).

- 2) Further research should also focus on the impact of consumer demographics on the relationship between celebrity endorsement, brand image and purchase intention as it is likely to have an influence (McCormick, 2016).

By exploring these topics, a better understanding can be gained in relation to how effective celebrity endorsements can be in influencing customers.

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APPENDIX

Operational Definition of Variables

Operationalization of Customer Engagement

| Dimensions | Elements | Items | Items (in Bahasa) |
|-----------------|----------------------|--|---|
| Expertise | Expert (CE11) | Raisa is an expert in the entertainment industry. | Raisa ahli di industri entertain. |
| | Experience (CE12) | Raisa has a lot of experience in the entertainment industry. | Raisa mempunyai banyak pengalaman di industri entertain. |
| | Knowledgeable (CE13) | Raisa has extensive knowledge of the entertainment industry. | Raisa memiliki wawasan yang luas mengenai industri entertain. |
| | Qualified (CE14) | Raisa is well qualified in her line of work as an actress. | Raisa memenuhi kualifikasi dalam bidang pekerjaannya sebagai artis. |
| | Skills (CE15) | Raisa is skilled at doing her job as an actress. | Raisa terampil dalam melakukan pekerjaannya sebagai artis. |
| Trustworthiness | Dependable (CE21) | Raisa can be counted on for her professionalism. | Raisa dapat diandalkan profesionalitasnya. |
| | Honest (CE22) | Raisa is an honest person. | Raisa merupakan sosok yang jujur. |
| | Reliable (CE23) | Raisa is a reliable person. | Raisa merupakan sosok yang dapat diandalkan. |
| | Sincere (CE24) | Raisa is a genuine person. | Raisa merupakan sosok yang tulus. |
| | Trustworthy (CE25) | Raisa is someone you can trust. | Raisa merupakan sosok yang dapat dipercaya. |
| Attractiveness | Attractive (CE31) | Raisa is a person who looks attractive. | Raisa merupakan sosok yang berpenampilan menarik. |
| | Classy (CE32) | Raisa is a classy person. | Raisa merupakan sosok yang berkelas. |

| | | | |
|--|------------------------------|------------------------------|------------------------------------|
| | Beautiful or handsome (CE33) | Raisa is a beautiful figure. | Raisa merupakan sosok yang cantik. |
| | Elegant (CE34) | Raisa is an elegant figure | Raisa merupakan sosok yang elegan. |
| | Sexiness (CE35) | Raisa is a sexy figure | Raisa merupakan sosok yang seksi. |

Operationalization of Brand Image

| Dimensions | Items | Items (in Bahasa) |
|---------------------------|---|--|
| Brand's Strength (B1) | The Samsung brand is a well-known brand. | Merek Samsung adalah merek yang terkenal. |
| Brand's Favorability (B2) | I have a favorable opinion of the Samsung brand. | Saya memiliki opini yang baik mengenai merek Samsung. |
| Brand's Uniqueness (B3) | The Samsung brand is more unique than other brands in the same industry (ex: product design, promotion strategy, etc.). | Merek Samsung lebih unik dibandingkan brand-brand lain di industri yang sama (ex: desain produk, strategi promosi, dll). |

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Operationalization of Purchase Intention

| Dimensions | Items | Items (in Bahasa) |
|---------------------|--|---|
| Transactional (PI1) | I intend to buy a Samsung phone in the future. | Saya berniat untuk membeli handphone Samsung di masa mendatang. |
| Preferential (PI2) | Samsung is my preference when I need a phone. | Samsung merupakan preferensi saya jika saya membutuhkan atau menginginkan handphone. |
| Exploration (PI3) | Before buying Samsung products, I look for information about Samsung phones first. | Sebelum membeli handphone Samsung, saya mencari informasi mengenai handphone Samsung terlebih dahulu. |

2. Notifikasi bahwa artikel sedang direview



Ruth Tarigan <ruth.tarigan@petra.ac.id>

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1 message

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3. Editor decision: accepted



Ruth Tarigan <ruth.tarigan@petra.ac.id>

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11 August 2023 at 18:47

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Ruth Srininta Tarigan, Juliana Caearia Tandung, Viriyani, Ansell Kevyn Sutrisno:

We have reached a decision regarding your submission to International Journal of Financial and Investment Studies (IJFIS), "The Effect of Celebrity Endorsement on Purchase Intention Mediated by Brand Image: Industry and Brand Level Analysis".

Our decision is to: Accept Submission

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