The Influence of Social Media Marketing and Celebrity Endorsement on Purchase Intention

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ABSTRACT

This study aims to determine the effect of social media marketing and celebrity endorsements on Tokopedia's purchase intention and the mediating role of brand image in this relationship. The method of data collection was done through a questionnaire to 240 respondents. Using a purposive sampling technique, the respondents are residents of DKI Jakarta who have seen one of the social media accounts and posted a Tokopedia advertisement. Data analysis was performed using SPSS version 26 software and SEM (Structural Equation Model) with LISREL software version 8.8. The results showed that social media marketing and celebrity endorsements significantly affected brand image. Therefore, brand image has a significant effect on purchase intention and has a fully mediating role in the relationship between social media marketing and celebrity endorsement of purchase intention.

How to Cite:
Wahyudianti, Syarafina., Candraswari, Nimita., Nur Aslamah, Afidah., Armeliza, Diah (2021). *The Influence of Capital Structure, Good Corporate Governance, Dividend Payment on Earnings Quality*. Econosains, 19(2), P 1-8

INTRODUCTION

In Indonesia, the use of internet is very useful for long-distance activities and real-time communication. With an average of people using internet technology for more than 8 hours every day, a report published by Google notes that 27 million new internet users have been added in Indonesia since 2020.
Citing research conducted by Katadata on the growth in the use of online applications, social media became the community's favorite application with its use increasing by 36% and followed by an increase in access to video streaming services by 32%. Not only that, but the types of e-commerce applications also increased by 28%.

In a survey conducted by Ipsos, there are 4 leaders in the e-commerce market in Indonesia, namely Shopee, Tokopedia, Lazada, and Bukalapak. In second place is Tokopedia, which is a marketplace made by the nation's children, providing a medium where sellers and buyers can transact and communicate for free and safely.

Tokopedia runs an advertising strategy that held accessible to the public through various marketing channels, one of which is social media. In addition, the campaign initiated by Tokopedia also collaborates with various parties, one of which is celebrities, often known as celebrity endorsements. By working with celebrities with good reputations, this strategy is useful for strengthening Tokopedia's brand image and the company's goal as a market leader amid intense marketplace competition.

Nugraha et al. (2018) stated that the stars in this endorsement in terms of public figures who are known to the public are often used by business people to boost brand image. Consideration of a potential endorser can be judged by popularity such as the number of fans or followers on social media (Ramlawati and Lusyana, 2020).

The development of the internet also gave birth to new marketing strategies such as the use of social media in promotional activities. According to Baltes (2017), social media marketing is an important technique in digital marketing because companies can use this form of social media to distribute their messages to their target audience without paying publishers which is a hallmark of traditional marketing.

Tokopedia applies these two marketing strategies, which costs a lot of money. Based on range data published by Hootsuite (2021), business-to-consumer or B2C companies can allocate 5-10% of their gross revenue to marketing. Not only that, 18.7-21.8% of the marketing budget is estimated to be spent on social media marketing purposes. The nominal is certainly not a small number and should be proven for its efficiency and effectiveness. Especially at this time, there are still a few fake and fraudulent news circulating on behalf of Tokopedia on social media which can harm Tokopedia's brand image.

In addition, researchers want to do further research on the mediating effect of brand image on the relationship between social media marketing and celebrity endorsement on purchase intention in the e-commerce industry. Due to the contradictions in previous studies in different industries.

LITERATURE REVIEW
Purchase Intention

Purchase intention refers to the consumer's action as feedback on the object which refers to the tendency to buy Kotler and Keller (2017). Purchase intention has the aspect that consumers will buy a product after the product is evaluated. Consumers can build purchase intentions based on various considerations such as price, income, and expected usefulness (Armstrong, 2017).

Brand Image

According to Kotler and Keller (2017), brand image is a set of beliefs, ideas, and impressions that a person has about a brand. In addition, brand image is one of the requirements for a strong brand and image requires a consistent and long-term perception formation process.
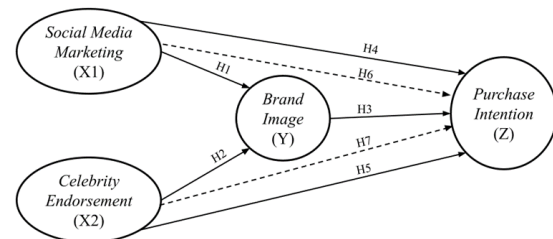
Social Media Marketing

Social media marketing is the use of social media to facilitate interaction between customers and organizations. Social media is valuable to marketers because it provides low-cost consumer reach and multiple ways to engage consumers at different stages of the buying cycle. With social media, there are various marketing goals and objectives that can be achieved such as promotion and branding, research, customer service to relationship management (Dhanesh and Duthler, 2019).

Celebrity Endorsement

Celebrity endorsement is a lucrative and booming advertising strategy that dominates fashion, cosmetics, food, sports, and many other industries, many of which are depicted in social media advertisements. This is because endorsements and social media are futuristic advertising tools in this technology generation. In short, endorsements are widely used worldwide and with social media as an advertising tool (Ahmad et al., 2019). Celebrity endorsements are used by several companies as a means of delivering product information to the public. Endorsers or stars on celebrity endorsements are chosen from among actors or actresses who are familiar with the wider community.

Figure 1. Reserch Model (Author, 2022)

H1: Social media marketing has a positive effect on Tokopedia's brand image

Research that has been done by Barreda et al. (2020) examines the effect of social media marketing on purchase intention in tourism companies. The results show that when social media marketing is highly entertaining, interactive, and widely shared by followers, it results in better relationships between the organization and its customers.

H2: Celebrity endorsement has a positive effect on Tokopedia's brand image

Research conducted by Masato (2021) revealed that celebrity endorsement has a positive and significant effect on the brand image of shampoo products. Consumers with high involvement will be able to decide their interest in buying a product. Therefore,

displaying a celebrity endorser will strengthen the brand image because it will be an opportunity for the product to be known by consumers.

H3: Brand image has a positive effect on Tokopedia consumers' purchase intention

Research conducted by Wajdi et al. (2020) which examines the effect of brand image on purchase intention in the cosmetic industry sector. In addition, brand image as an identity, perception, big picture, or impression created by a company is useful for distinguishing its products from others through gathering information from various sources. Therefore, a strong brand image can lead to higher trust from consumers.

H4: Social media marketing has a positive effect on Tokopedia consumers' purchase intention

Moslehpour et al. (2022) found that the company's social media marketing has a significant influence on purchase intention. They concluded that if an airline actively markets on social media, consumers are more likely to remember or recognize the airline more accurately than its competitors. These results are in line with research Perera and Perera (2018), in the hospitality sector.

H5: Celebrity endorsements have a positive effect on Tokopedia consumers' purchase intention

Based on research on the green tea brand Allure, there is a significant direct effect of celebrity endorsement on purchase intention. Where the endorsement by Chelsea Olivia and Glenn Alinskie really helps the Esprecielo Allure green tea brand in consumer understanding of the brand, brand recognition among competitors, brand

awareness, and identifying brand characteristics (Setiawan, 2018).

H6: Brand image has a mediating effect on social media marketing relationships and Tokopedia consumers' purchase intention

Tariq et al. (2017) concluded that brand image is a good mediator between social media marketing activities and purchase intention. Where this indicates that each dimension of the effect of social media marketing on purchase intention is also analyzed with brand image as a mediating variable. Research conducted by Moslehpour et al. (2022) suggested that customization is a significant dimension and social media marketing affects brand image significantly, which indicates that if the company's brand image will be more positive if the company can manage social media marketing well.

H7: Brand image has a mediating effect on celebrity endorsements and purchase intentions of Tokopedia consumers

Research conducted Riszki et al. (2020) states that the mediating role of brand image is clearly visible in the effect of the intervention on the influence of celebrity endorsement on purchase intention. That is, the stronger the brand image, the higher consumer purchase intention will be, because of the attractive and credible celebrity endorsement. This is because the role of celebrity endorsements provides detailed information and adds information about excellent product quality, and remembers consumers that endorser credibility can build consumer confidence in the quality of the products shown.

METODHOLOGY

The research was conducted from April 2022 to June 2022 by distributing online questionnaires through Google Form. This is also based on considerations of effectiveness and efficiency in the current pandemic conditions, especially in limiting social contact. The questionnaires were distributed in the DKI Jakarta area. This is based on the position of DKI Jakarta as the city with the highest level of active online shoppers with a percentage of 41.94% in a study conducted by Priceza in the Journal of Management Partners (Yudasella & Krisnawati, 2019). The percentage of this study shows that Jakarta residents have the potential to have high buying interest in online stores, including Tokopedia.

By using a non-probability sampling technique, specifically purposive sampling, the researchers set certain criteria that were appropriate in conducting this research. So that the respondents in this study must meet several criteria, namely the people of DKI Jakarta who are at least 17 years old, have visited one of the social media accounts and have seen Tokopedia advertisements.

This study uses primary data sources from questionnaires because data collection is more efficient, according to the study the number of respondents is quite large with a wide area coverage. Researchers used an online survey with Google Form as a research tool which was distributed to respondents who live in DKI Jakarta. This is based on the conditions of social restrictions during this pandemic, which do not allow direct contact with many people.

This study uses a 6-point Likert measurement scale to avoid bias tendencies because the behavior or attitudes of respondents cannot be determined specifically. Moreover, this study uses a multivariate analysis method, precisely using structural equation modeling (SEM) which has the minimum required number of samples. During the research, researchers will use SPSS for statistical software and LISREL version 8.8 as SEM software.

The data is declared valid through the validity test with the provisions of the value > with sig. 0.05. Furthermore, the reliability test was carried out using the Cronbach Alpha technique to test the reliability. Research is said to be reliable or true if the value of Cronbach's alpha > 0.6.

This research is also equipped with a descriptive analysis of the questionnaire by describing the respondents according to the characteristics of gender, age, education, and occupation.

RESULT AND DISCUSSION
Descriptive Analysis of Data

Based on the data obtained, respondents have five characteristics which are divided into gender, age, place of residence, last education, and occupation.

Table 1 Profile Respondent (Gender)

No	Gender	Amount
1	Female	169
2	Male	71
	Total Respondents	240

Source: Author (2022)

Based on gender, it can be concluded that the largest participating respondents were female, namely 169 people or equivalent to 70.42%. While the rest filled by male respondents as many as 71 people or 29.58%.

Table 2 Profile Respondent (Age)

No	Age	Amount
1	17-24 years old	143
2	25-34 years old	81
3	35-44 years old	8
4	45-55 years old	5
5	>55 years old	3
	Total Respondents	240

Source: Author (2022)

Based on age, respondents were dominated by the age range of 17–24 years old, namely 59.59% or as many as 143 people. While the rest is filled by the age range of 24-34 years old by 33.75% or as many as 81 people, ages 35-44 years old by 3.33% or as many as 8 people, ages 44-55 years old by 5% or as many as 5 people and ages > 55 years old by 1.25% or as many as 3 people.

Table 3 Profile Respondent (Domicile)

No	Domicile	Amount
1	West Jakarta	111
2	East Jakarta	57
3	South Jakarta	41
4	Central Jakarta	15
5	North Jakarta	13
6	Thousand Islands	3
	Total Respondents	240

Source: Author (2022)

Based on the domicile of the majority of respondents came from West Jakarta with a total of 114 people or equivalent to 46.25%. The second position was filled by respondents from East Jakarta with a total of 57 people or 23.75%. The rest are filled by respondents who live in South Jakarta as many as 41 people or 17.08% then followed by respondents from Central Jakarta as many as 15 people or 6.25%, respondents who live in North Jakarta as many as 13 people or 5.42% and 3 respondents domiciled in the Thousand Islands or the equivalent of 1.25%.

Table 4 Profile Respondent (Latest Eduaction)

No	Domicile	Amount
1	< High school	111
2	High school or equivalent	57
3	Diploma	41
4	Bachelor degree	15
5	Master or doctorate	13
	Total Respondents	240

Source: Author (2022)

Based on the latest education, it can be seen that the majority of respondents are high school or equivalent as many as 114 respondents with a percentage of 47.50% and followed by undergraduate graduates as many as 90 respondents or equivalent to 37.50%. The rest of the Diploma are 26 people or 10.84%, below high school/equivalent are 8 people or equivalent to 3.33% and Masters/Doctorate are 2 people or equivalent to 0.83%.

Table 5 Profile Respondent (Occupation)

No	Domicile	Amount
1	Students	151
2	Private sector employee	59
3	Civil servants	7
4	Entrepreneur	7
5	Others	16
	Total Respondents	240

Source: Author (2022)

Characteristics of respondents based on occupation are dominated by students, namely 151 respondents or equivalent to 62.91% and followed by private sector employee in the second position with 59 respondents or 24.58%. The rest of the respondents are civil servants, namely 7 people or 2.92%, then self-employed as many as 7 people or equivalent to 2.92% and with jobs

outside these or other categories as many as 16 people or 6.67%.

Table 6 Validity Test

Indi-cator	r-Statistic	r-Table	Evalu-ation
SMM1	0,728	0,126	Valid
SMM2	0,727	0,126	Valid
SMM3	0,743	0,126	Valid
SMM4	0,696	0,126	Valid
SMM5	0,694	0,126	Valid
SMM6	0,731	0,126	Valid
CE1	0,803	0,126	Valid
CE2	0,731	0,126	Valid
CE3	0,829	0,126	Valid
CE4	0,687	0,126	Valid
CE5	0,726	0,126	Valid
CE6	0,780	0,126	Valid
BI1	0,768	0,126	Valid
BI2	0,724	0,126	Valid
BI3	0,748	0,126	Valid
BI4	0,852	0,126	Valid
BI5	0,749	0,126	Valid
BI6	0,829	0,126	Valid
PI1	0,750	0,126	Valid
PI2	0,826	0,126	Valid
PI3	0,858	0,126	Valid
PI4	0,759	0,126	Valid
PI5	0,685	0,126	Valid

Source: Author (2022)

Based on the table above, it can be concluded that all questionnaire items from the variables of social media marketing, celebrity endorsement, brand image and purchase intention are valid. This is because the r-statistics of all statement items are greater than the r table, which is 0.126. Therefore, all indicators are proven to represent the variables tested in this study.

Table 7 Reliability Test

Variable	Cronbach's Alpha	Evaluation
Social Media Marketing	0,813	Reliable
Celebrity Endorsement	0,849	Reliable
Brand Image	0,863	Reliable
Purchase Intention	0,829	Reliable

Source: Author (2022)

Based on the table above, it can be concluded that all variables are reliable because they exceed Cronbach's Alpha 0.60 and can be used for further testing.

SEM Results
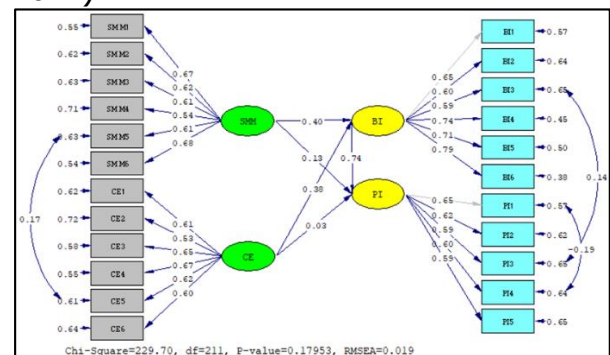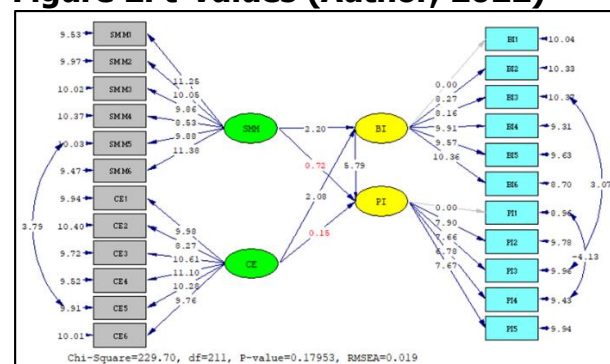Figure 1. Standarized Solution (Author, 2022)

Chi-Square=229.70, df=211, P-value=0.17953, RMSEA=0.019

Figure 2. t-Values (Author, 2022)

Chi-Square=229.70, df=211, P-value=0.17953, RMSEA=0.019

Based on the SEM test, Goodness of Fit Indices was produced which in this study was seen in the chi-square, GFI, RMSEA, AGFI, NFI, and CFI aspects. The

following is a detailed table of the test results:

Table 7 Reliability Test

Goodness of Fit Indices	Cut-off Value	Resu-lt	Evalua-tion
Chi-square	Smaller is better	0.18	Fit
GFI	≥ 0,90	0.92	Fit
RMSEA	≤ 0,08	0.019	Fit
AGFI	≥ 0,90	0.90	Fit
NFI	≥ 0,90	0.97	Fit
CFI	≥ 0,90	1.00	Fit

Source: Author (2022)

The test results above show the appearance of a complete SEM model consisting of 4 variables and each indicator is discussed. In addition, there are also goodness of fit test results which show the suitability between the value of the data processing results and the cut-off value.

Table 8 Hypothesis Test

Hypo-thesis	Path Coeffi-cient	t-Values	Evaluation
H1	0,40	2,20	Significant
H2	0,38	2,08	Significant
H3	0,74	5,79	Significant
H4	0,13	0,72	Not Significant
H5	0,03	0,15	Not Significant

Source: Author (2022)

Based on the table above, it can be seen that the social media marketing variable has a significant effect on brand image with a path coefficient value of 0.40 and a t-value of 2.20. Likewise, the celebrity endorsement variable has a significant effect on brand image with a path coefficient value of 0.38 and t-values of 2.08. The same thing also happened to the brand image variable which had a significant effect on purchase intention with a path coefficient value of 0.74 and a t-value of 5.79.

On the other hand, social media marketing variables have no effect on purchase intention with a path coefficient value of 0.13 and a t-value of 0.72. The celebrity endorsement variable also has no effect on purchase intention with a path coefficient value of 0.03 and a t-value of 0.15.

Mediation Test

The mediation test was carried out by entering the path coefficient and standard error of each independent variable to the dependent variable using the Calculation for the Sobel Test. Variables can be said to mediate if the results of Sobel statistic > 1.96. The following are the results of the mediation test of this study consisting of the results of the Sobel statistics for each hypothesis:

Table 9 Mediation Test

Hypo-thesis	Sobel Statistics	Evaluation
H6	2,07	Mediate
H7	1,98	Mediate

Source: Author (2022)

Based on the results of the mediation test above, it can be seen that the brand image variable mediates the influence of social media marketing on purchase intention with a Sobel value of 2.07. In addition, it can also be concluded that the brand image variable also mediates the effect of celebrity endorsement on purchase intention with a Sobel value of 1.98.

CONCLUSION

Based on the results of data processing, there are 5 hypotheses that can be accepted, namely the influence of

social media marketing on brand image (H1), the effect of celebrity endorsement on brand image (H2), the influence of brand image on purchase intention (H3), the mediating effect of brand image on the relationship between social media marketing and purchase intention (H6), and the mediating effect of brand image on the relationship between celebrity endorsement and purchase intention (H7). This is because the t-value obtained from data processing meets the cut-off value requirements. In addition, there are 2 rejected hypotheses, namely the influence of social media marketing on purchase intention (H4) and the influence of celebrity endorsement on purchase intention (H5). This is due to the t-value results that do not meet the cut-off value requirements.

Implications

In further research, it is possible to develop several variables that have never or rarely been used in research on purchase intention such as e-commerce delivery and security assurance, availability, ease of use, and accessibility (Aseng & Pandeirot, 2022). That way it will help study or knowledge about the e-commerce industry and can be useful for business people, especially online-based to be able to exist and provide the best innovations for their customers and the digital economy ecosystem.

Research Limitation

The research conditions carried out during the Covid-19 pandemic caused the entire process from guidance to data collection to be limited. This is because these activities can only be done online. Likewise, research sources have limited access and are often only available from journals and books that can be accessed online.

Suggestion

Further research can use other variables that can affect purchase intention, purchase intention such as e-commerce delivery and security assurance, availability, ease of use, and accessibility (Aseng & Pandeirot, 2022) and so on. Furthermore, research can be developed by making different research models, samples of more than 200 respondents, and selecting different characteristics of respondents so that research can obtain wider results from various other possibilities. Moreover, further research can be deepened with more accurate and up-to-date data or reference sources from other sources.

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