

CELEBRITY ENDORSEMENT, PERCEIVED RISK, AND PURCHASE INTENTION: THE MODERATING ROLE OF BRAND IMAGE

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Abstract:

Background: The rapid advancements in technology, information, and communication have significantly impacted the global economy, including the competitive landscape of businesses.

Purpose: This study explores the influence of celebrity endorsement and perceived risk on consumer purchase intention towards local Indonesian skincare products, emphasizing the moderating role of brand image.

Design/methodology/approach: The study used a quantitative survey targeting local skincare users in the Jabodetabek area, collected via Google Forms, and analyzed using SPSS 26 with multiple and moderated regression analysis. This research provides new insights into the Indonesian skincare market, highlighting the dual impact of celebrity endorsement and perceived risk on purchase intention, with a focus on brand image's moderating role.

Findings/Result: The findings reveal that celebrity endorsement and perceived risk significantly, yet distinctly, influence purchase intention. Importantly, brand image was found to moderate the impact of celebrity endorsement on purchase intention, but did not significantly alter the effect of perceived risk on the same. These results have substantial implications for skincare marketers, suggesting that investments in celebrity endorsement, when combined with robust brand image strategies, and targeted marketing addressing perceived risks, can significantly influence consumer decision-making, thereby enhancing engagement and purchase intention in the competitive skincare market.

Conclusion: Celebrity endorsement significantly increases purchase intention, and while brand image moderates this effect, it does not significantly change the impact of perceived risk.

Originality/value (State of the art): This research provides new insights into the Indonesian skincare market, highlighting the dual impact of celebrity endorsement and perceived risk on purchase intention, with a focus on brand image's moderating role.

Keywords: brand image, celebrity endorsement, perceived risk, purchase intention, local skincare market

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INTRODUCTION

In an era where the global economy is increasingly shaped by advancements in technology, information, and communication, businesses face intense competition that hinges on strategic marketing. The rise of social media has redefined promotional landscapes, with influencers emerging as pivotal figures. Especially in the skincare industry, where innovation and consumer awareness drive demand for products offering multifaceted benefits, the influence of celebrities, due to their public recognition and appeal, has become a cornerstone for marketing strategies.

For skincare companies, choosing a celebrity to be an advertisement star or brand ambassador for skincare products is due to the strong influence that the celebrity has which can increase a positive paradigm for skincare products so that they still attract consumers attention to intend to buy (purchase intention).

In the research conducted by Aw and Labrecque (2020), it was demonstrated that the impact of celebrities is amplified in the digital landscape, especially on social media, where their extended reach and visibility significantly influence consumer behavior. Subsequently, Brooks et al. (2021) observed that social media influencers, paralleling traditional celebrities, shape consumer preferences through their perceived authenticity and relatability. Cheung et al. (2020) highlighted the role played by celebrities in enhancing consumer interactions with brands, focusing on digital platforms. Jun et al (2023) stated conditions that maximize the effectiveness of celebrity endorsement were identified. Additionally, Schouten et al. (2020) found that the comparison between celebrities and influencers emphasized the significance of factors

like identification, credibility, and product-endorser fit in influencing consumer behavior. These studies collectively indicate a complex, multi-dimensional influence of celebrities in the modern consumer market, especially in relation to consumer buying interest.

Celebrity endorsement is one factor that can influence consumer buying interest. A celebrity is a person who is publicly recognized by most certain groups of society because of their achievements in their field (Zakari et al. 2019).

Despite the burgeoning revenue in Indonesia's personal care and beauty sector, projected to reach US\$ 9.59 billion by 2027 (as seen in Figure 1), the mechanisms through which celebrity endorsement and perceived risk translate into purchase intention remain underexplored. While existing studies, such as those by Khan and Lodhi (2016), and Wang et al. (2013), have affirmed the positive impact of celebrity endorsement on purchase intention, they offer limited insight into the Indonesian market's unique characteristics. Similarly, research by Lee et al. (2019) has touched upon related variables like brand awareness and loyalty, but its generalizability is constrained by demographic limitations and a narrow focus on Chinese female students.

Khan et al. (2019) highlights their findings indicating that celebrity endorsement, credibility, and product suitability all contribute positively to purchase intention. While this research delves into the effects of celebrity endorsement on purchase intention, the examination of actual consumer behavior lies beyond its scope. Subsequent inquiries could explore the mediating role of purchase intention in connecting celebrity endorsement and actual or perceived risk-associated purchasing behavior.

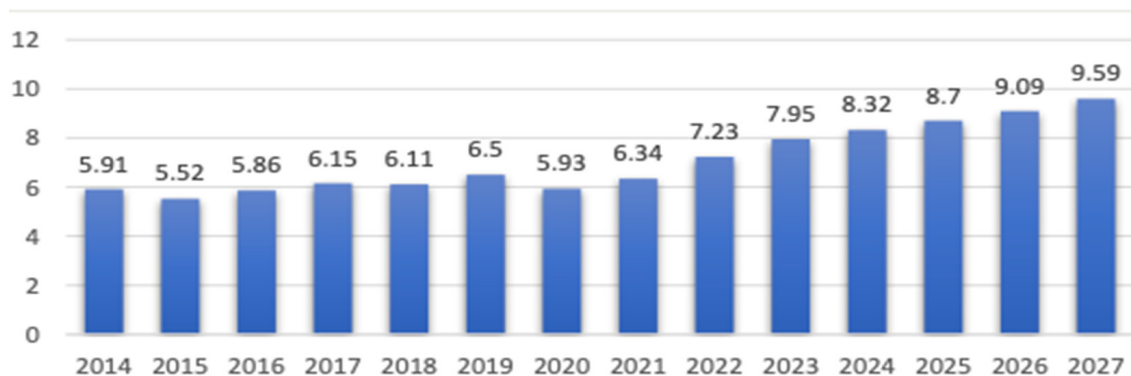


Figure 1. Personal Care and Beauty Products Revenue in Indonesia 2014-2027 (in billion USD)(<https://databoks.katadata.co.id/>)

The study by Osei-Frimpong et al. (2019) offers insights into understanding the impact of celebrity endorsement on consumer perceptions and buying behavior in emerging markets. The research establishes a significant and positive correlation between endorsement and consumer purchase intention.

Furthermore, the study underscores the importance of aligning brand image compatibility with the chosen celebrity endorser. Apart from that, companies must be able to keep up with existing developments and develop the best products in order to increase product purchases (Sherli et al. 2023).

Identifying a gap in the literature, this research aims to deepen our understanding of how celebrity endorsement and perceived risk influence purchase intention within the Indonesian context, with a particular emphasis on the moderating role of brand image. By incorporating a broader demographic and focusing on a market with a high potential for growth, this study seeks to provide actionable insights for local skincare brands and enrich the existing body of research with findings that reflect the current market dynamics in Indonesia.

The objective of this study, therefore, is to investigate the dual impact of celebrity endorsement and perceived risk on purchase intention and to assess how brand image may alter this relationship. This research aims to contribute to the strategic marketing discourse and offer evidence-based recommendations for industry stakeholder.

METHODS

The research design utilized a quantitative approach with a structured survey, targeting a specific demographic through purposive sampling. This design was selected for its effectiveness in gathering detailed and relevant data to analyze consumer behavior in relation to the study's focus.

The research population is users of local skincare brands in Indonesia residing in the Jabodetabek area. The selection of the Jabodetabek region as the focus area for this study is due to its significant representation of the Indonesian skincare market. As the most populous and economically vibrant region in Indonesia, Jabodetabek encompasses a diverse demographic, making it an ideal setting to understand consumer behavior towards local

skincare products. Moreover, the region's consumers are known to be more exposed to various marketing campaigns, including celebrity endorsement, thus offering a comprehensive perspective on how these factors influence purchase intention.

We employed purposive sampling to select individuals who have previously purchased local skincare products for the last three months to ensure that there is no decay effect yet relevance to the research objectives. The employment of purposive sampling is to ensure respondents have recent experience with the products, which is crucial for obtaining relevant and accurate insights into their perceptions and buying intentions.

Data collection was conducted using a Google Form, distributed via WhatsApp. The form included a screening question to identify individuals who had used local skincare products in the last three months and resided in the Jabodetabek area. While age, gender, income level, and monthly expenditure were not criteria for respondent selection, these demographic details were captured in the survey results, providing a more specific profile of the participants. This approach ensured that respondents had recent experience relevant to the study, while also collecting detailed demographic data for a comprehensive analysis.

The questionnaire was adapted from recent research that examined related variables. Items measuring purchase interest were modified from Lee et al. (2019), Wang et al. (2013), and Khan et al. (2019). The celebrity endorsement variable was adapted from Wang et al. (2013). The brand image variable was modified from Osei-Frimpong et al. (2019), Yaseen et al. (2019), and Nurhandayani et al. (2019). While for perceived risk variable was modified from Alrawad et al. (2023); Jadil et al. (2022).

Likert scale, a psychometric scale commonly used in surveys to understand attitudes and opinions of respondents. The scale ranged from 1 to 5, with each point on the scale corresponding to a specific level of agreement or disagreement with the given statements. The following weights were assigned to each category: a score of 1 for "Strongly Disagree" (SD), indicating a complete disagreement with the statement; a score of 2 for "Disagree" (D), indicating some disagreement; a score of 3 for "Neutral" (N), indicating neither agreement nor disagreement; a score of 4 for "Agree" (A), indicating agreement; and a score of 5 for "Strongly

Agree” (SA), indicating complete agreement with the statement.

Guided by Nunnally’s (1970) recommendation, our survey instrument contained 20 items, dictating a minimum sample size of 200 respondents (10 times the number of items).

Operationalization of Variables

Operationalization is conducted to identify the types and indicators of the variables relevant to this research, establishing precise measurement scales for hypothesis testing.

Celebrity Endorsement

It was operationalized by measuring visibility, credibility, attraction, and power of the celebrity. Participants rated their agreement with statements regarding a celebrity’s work visibility, product usage, trustworthiness of messages, honesty in reviews, expertise related to the product, skills, image, reliability, and influence over followers.

Perceived Risk

Perceived risk was broken down into financial, performance, time, and social risks. Respondents assessed their willingness to incur additional costs, potential disappointment with services, time spent shopping, and family responses to social risks.

Purchase Intention

Purchase intention was measured through transactional, referential, preferential, and explorative dimensions (Chetioui et al. 2019). Questions probed the necessity to buy the product, pleasure in purchasing,

recommendations to family and friends, product preference, and willingness to seek price and product information.

Brand Image

Brand image included corporate, product, and user image dimensions. Consumers evaluated their recognition of the company, knowledge of product benefits and quality, confidence in using the product, and fit with their style (Kotler, 2016).

Data were analyzed using SPSS 26. Multiple linear regression was applied to test hypotheses H1 and H2, with the following model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \epsilon$$

Where Y represents purchase intention, X_1 is celebrity endorsement, X_2 is perceived risk, α is a constant, and β_1, β_2 are the regression coefficients.

To test hypotheses H3 and H4, we used moderated regression analysis (MRA), incorporating interaction terms to examine the effects of the moderator (brand image). The model is as follows:

$$Y_i = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 Z_i + \beta_4 (X_1 \times Z_i) + \beta_5 (X_2 \times Z_i) + \epsilon$$

Here, Z_i represents the brand image as the moderating variable, and $\beta_3, \beta_4, \beta_5$ are the regression coefficients for the interaction terms.

The conceptual framework (Figure 2) illustrates the proposed relationships between the variables. It depicts the direct effects of celebrity endorsement and perceived risk on purchase intention, as well as the moderating effect of brand image on these relationships.

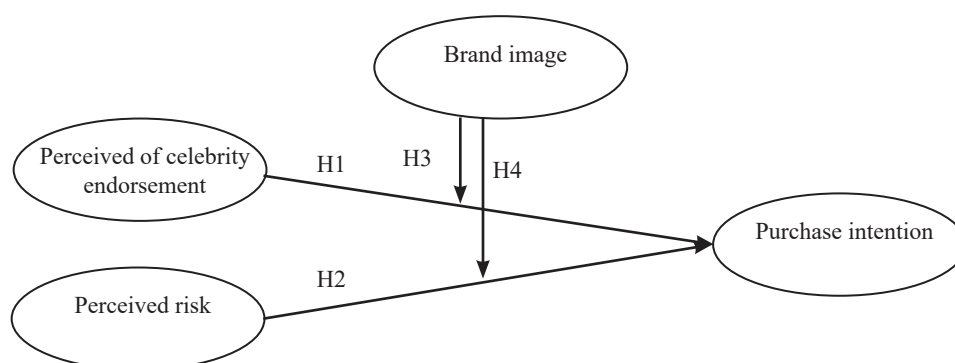


Figure 2. Research framework

Hypothesis

- H1: Celebrity endorsement positively influences purchase intention for Indonesian local skincare products.
- H2: Perceived risk negatively influences purchase intention for Indonesian local skincare products.
- H3: Brand image moderates the relationship between celebrity endorsement and purchase intention for Indonesian local skincare products.
- H4: Brand image moderates the relationship between perceived risk and purchase intention for Indonesian local skincare products.

RESULTS

Validity test

Sekaran & Bougie (2016) define a validity test as an assessment of how effectively an instrument or research measurement tool captures the concept being studied. It's apparent that all the r-count values are greater than the r-table value (0.334), confirming the validity of all statements included in the questionnaire concerning celebrity endorsement, perceived risk, purchase intention and brand image variables.

Reliability Test

The reliability test functions as a tool to gauge the effectiveness of a questionnaire, serving as an indicator for a given variable or construct. Now and Bougie (2016) stipulate that for a research instrument to be considered reliable, its Alpha value must exceed 0.60. The outcomes of the test indicate that Cronbach's Alpha

for each instrument yielded the following results: 0.899 for celebrity endorsement variable (X1), 0.929 for the perceived risk variable (X2), 0.918 for the purchase intention variable (Y), and 0.833 for the brand image variable (Z). These values all surpass the threshold of 0.60, signifying that the instruments can be deemed reliable.

Normality Test

The objective of the normality test is to determine whether the dependent variable, independent variable, or both exhibit a normal distribution within the regression model (Ghozali, 2021). The decision criteria in the Kolmogorov-Smirnov normality test dictate that if the Asymp. Sig. (2 tailed) value exceeds 0.05. The ensuing table provides the results of the normality test (Table 1).

The Kolmogorov-Smirnov test reveals a significance value of 0.200. The output indicates that this significance value of 0.200 is greater than the threshold of 0.05. Hence, it can be deduced that the data within the regression model follows a normal distribution.

Heteroscedasticity Test

The assessment of heteroscedasticity entails utilizing the Glejser test, which involves regressing the absolute residual values against the independent variable (Ghozali, 2021). The existence of heteroscedasticity is determined by examining the significance level against a 5% alpha (α). If the significance value exceeds the alpha (α) threshold, it indicates the absence of heteroscedasticity. The results of the heteroscedasticity test are displayed in Table 2.

Table 1. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residuals
N		200
Normal parameters, b	Means	.0000000
	std. Deviation	1.83264078
Most extreme eifferences	absolute	.050
	Positive	.029
	Negative	-.050
Test statistics		.050
asympt. Sig. (2-tailed)		.200c,d

From the provided Glejser test outcomes, the significance value for celebrity endorsement variable is 0.713, for perceived risk is 0.348 and for brand image is 0.326. All of these significance values surpass the 0.05 threshold. As a result, it can be deduced that no indications of heteroscedasticity are present within the regression model.

Multicollinearity Test

The multicollinearity test is an analytical technique utilized to ascertain whether multicollinearity is present or not in a regression model. An absence of multicollinearity is indicated if the tolerance value surpasses 0.10, and a VIF value lower than 10.00 also signals the absence of multicollinearity (Ghozali, 2021). The outcomes of the multicollinearity test are presented in the subsequent Table 3.

Evaluating the tolerance and VIF values provided, the tolerance value for celebrity endorsement variable is 0.439, for the perceived risk variable is 0.628, and for the brand image variable is 0.384, all of which exceed the threshold of 0.10. Similarly, the VIF values for celebrity endorsement variable is 2.28, for the perceived risk variable is 1.59, and for the brand image variable is 1.73, all of which are below the 10.00 limit. Thus, based on the presented data, it can be concluded that there is no presence of multicollinearity.

Multiple Linear Regression Equations

The primary objective of employing the multiple linear regression model is to anticipate the magnitude of the dependent variable using accessible information about the magnitudes of the independent variables. The outcomes of the multiple linear regression analysis are displayed (Table 4).

From the Table 4 shows the regression equation as follows:

$$Y_i = a + B_1X_1 + B_2X_2 + e$$

$$Y_i = 8.015 + 0.590 X_1 + 0.207 X_2 + e$$

From the regression equation it can be interpreted as follows:

A constant term of 8.015 accompanied by positive coefficients implies that when both celebrity endorsement and perceived risk variables remain constant or are set to zero, purchase intention is 8.015. The regression coefficient associated with celebrity endorsement variable exhibits a positive value of 0.590. This indicates that as celebrity endorsement increases, there is a corresponding increase in purchase intention. Conversely, a decrease in celebrity endorsement leads to a decrease in purchase intention.

Table 2. Heteroscedasticity Test Results

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	3,721	.946		3,935	.000
	Celebrity endorsement	-.014	.039	-.039	-.369	.713
	Perceived risk	-.022	.024	-.083	-.941	.348
	Brand image	-.042	.043	-.091	-.984	.326

a. Dependent variable: Purchase intention

Table 3. Multicollinearity test results

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	std. Error	Betas			tolerance	VIF
1	(Constant)	3,493	1,544		2,262	.025		
	Celebrity endorsement	.316	.063	.304	5.013	.000	.439	2,280
	Perceived risk	.196	.039	.257	5.065	.000	.628	1.593
	Brand image	.551	.070	.418	7,884	.000	.576	1,736

a. Dependent variable: Purchase intention

The regression coefficient linked to the perceived risk variable demonstrates a positive coefficient of 0.207. This signifies that as perceived risk increases, there is a corresponding increase in purchase intention. Conversely, a decrease in perceived risk results in a decrease in purchase intention.

Coefficient of Determination (R²)

In order to determine the coefficient of determination, the analysis was conducted using the SPSS 26 software for Windows. The relevant results are displayed in the Table 5.

Derived from the analysis of the coefficient of determination as presented in the provided table, it is evident that an R Square value of 0.583, equivalent to 58.3%, has been obtained. This value indicates that approximately 58.3% of the variance in the dependent variable, Purchase Intention, can be explained by the independent variables, namely celebrity endorsement

and perceived risk. The remaining 41.7% of the variance is attributed to factors outside the scope of this research model. Importantly, the coefficient (R) value of 0.763 underscores a robust and pronounced association between the independent and dependent variables. This substantial coefficient value, exceeding the threshold of 0.5, signifies a notable and substantial correlation between these variables.

Partial Test (t test)

In accordance with Ghozali (2021), the t-test serves the purpose of evaluating the individual effects of independent variables on the dependent variable. Its aim is to ascertain whether a significant impact from each independent variable exists. Should the significance level surpass 0.05, the null hypothesis (H0) is embraced. Conversely, when the significance level falls below 0.05, the null hypothesis (H0) is refuted. The results of the partial tests are exhibited in the following Table 6.

Table 4. Multiple linear regression analysis

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	8015	1,641		4,883	.000
	Celebrity endorsement	.590	.060	.568	9,778	.000
	Perceived risk	.207	.044	.271	4,667	.000

a. Dependent variable: Purchase intention

Table 5. Results of the coefficient of multiple regression determination

Summary model b				
Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.763a	.583	.579	2.11392

a. Predictors: (Constant), Perceived risk, Celebrity endorsement

b. Dependent variable: Purchase intention

Table 6. Multiple regression partial test results

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	8015	1,641		4,883	.000
	Celebrity endorsement	.590	.060	.568	9,778	.000
	Perceived risk	.207	.044	.271	4,667	.000

a. Dependent variable: Purchase intention

The interpretation of the influence of these variables can be explained as follows: The significance value associated with celebrity endorsement is 0.00, which is below the designated threshold of 0.05. This suggests that celebrity endorsement exert a statistically significant partial effect on purchase intention, supported by the significance value being less than 0.05. The significance value attributed to perceived risk is 0.00, which is situated below the significance threshold of 0.05. This suggests that perceived risk exerts a statistically significant partial influence on purchase intention, given that the significance value lies below 0.05. Consequently, the conclusions drawn from the hypotheses in this study can be succinctly summarized as follows:

H1: Celebrity endorsement has a significant positive effect on purchase intention.

H2: Perceived risk has a significant positive effect on purchase intention.

Moderation Regression Equation

The purpose of hypothesis testing is to determine whether the factors celebrity endorsement and perceived risk influence purchase intention when moderated by the presence of brand image. The statistical method utilized to examine the effects of a dependent variable in conjunction with one or more independent variables is regression analysis. To investigate the hypotheses, a multiple linear regression model is applied, along with the application of Moderated Regression Analysis (MRA). From the Table 7 shows the regression equation as follows:

$$Y_i = a + B_1X_1 + B_2X_2 + B_3Z + B_4X_1 * Z + B_5X_2 * Z + \epsilon$$

$$Y_i = (-20,205) + (1,407)X_1 + (-0,102)X_2 + (1,617)Z + (-0,046)X_1 * Z + (0,011)X_2 * Z + \epsilon$$

From the moderating regression equation above, it can be interpreted as follows:

A constant value of -20.205 indicates that when all the independent variables remain constant, the purchase intention is reduced by 20.205 units. The regression coefficient celebrity endorsement variable displays a positive value of 1.407, indicating that as celebrity endorsement increases, there is a corresponding increase in Purchase Intention. The regression coefficient of the perceived risk variable exhibits a negative value of -0.102, implying that as perceived risk increases, there is a corresponding decrease in

purchase intention. The regression coefficient of the brand image variable reveals a positive coefficient of 1.617, indicating that an increase in brand image leads to a corresponding increase in purchase intention. The regression coefficient of the interaction variable between celebrity endorsement and brand image stands at -0.046. This implies that as the interaction between celebrity endorsement and brand image becomes more pronounced, purchase intention tends to decrease. The regression coefficient of the interaction variable between perceived risk and brand image is 0.011. This indicates that an increase in the interaction between perceived risk and brand image leads to a corresponding increase in purchase intention.

Coefficient of Determination (R²)

The coefficient of determination test was conducted using the SPSS 26 for Windows software. The results are presented in the Table 8 provided. Upon reviewing the coefficient of determination presented in the supplied table, it is observed that the R Square value is calculated as 0.703, equivalent to 70.3%. This value indicates that 70.3% of the variability exhibited in the dependent variable, Purchase Intention, can be accounted for by the combined influences of the independent variables celebrity endorsement, perceived risk, and the moderating variable brand image. The remaining 29.7% of the variance is attributed to external factors beyond the confines of the research model. Additionally, the coefficient (R) value of 0.838 emphasizes an exceptionally robust relationship between the independent and dependent variables. This high coefficient value, exceeding 0.5, underscores a significant and substantial correlation between these variables.

Partial Test (t test)

As explained by Ghazali (2021), the t-test serves the purpose of evaluating the individual partial impact of independent variables on the dependent variable. The results of the partial tests are displayed in the following Table 7.

The interpretation of the influence of these variables can be elucidated as follows: The significance value celebrity endorsement is 0.015, which is less than the threshold of 0.05. Therefore, the null hypothesis (H₀) is rejected in favor of the alternative hypothesis (H_a).

The significance value of perceived risk is 0.859, which is greater than the specified threshold of 0.05. Consequently, the null hypothesis (H0) is accepted while the alternative hypothesis (Ha) is rejected. The significance value of the brand image variable is 0.00, which is less than the designated significance level of 0.05. Consequently, the null hypothesis (H0) is rejected, and the alternative hypothesis (Ha) is accepted. The significance value of the interaction variable between celebrity endorsement and brand image is 0.043, which is less than the predefined significance level of 0.05. Consequently, the null hypothesis (H0) is rejected, and the alternative hypothesis (Ha) is accepted. The significance value of the interaction variable between perceived risk and brand image is 0.620, which exceeds the predetermined significance level of 0.05. As a result, the null hypothesis (H0) is accepted, and the alternative hypothesis (Ha) is rejected. From the explanation, the results of the hypothesis in this research are:

H3: The variable of brand image has the capacity to moderate the correlation between the impact celebrity endorsement and the purchase intention concerning local Indonesian skincare products.

H4: The brand image variable does not possess the capability to moderate the connection between the influence of the perceived risk variable and the purchase intention pertaining to Indonesian local skincare products.

Path analysis

Path analysis is a technique for analyzing cause and effect relationships that occur in multiple regression if the load variable influences the dependent variable not only directly but also indirectly (Ratlan & Reinhard, 2014).

Based on the results of the indirect influence test in Table 9 using the Sobel test, it is known that the influence of celebrity endorsement (X1) on purchase intention (Y) which is mediated by brand image (Z) shows t-count (0.486) < 1.96 and the value significance is 0.627 > 0.05, so it can be concluded that brand image does not play a role as a mediating variable. It is known that the influence of perceived risk (X2) on purchase intention (Y) which is mediated by brand image shows a t-count (5.977) < 1.96 and a significance value of 0.00 > 0.05, so it can be concluded that brand image plays a role as a mediating variable.

Table 7. Moderated regression analysis

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	-20,205	6,964		-2,901	.004
	Celebrity endorsement	1,407	.575	1,354	2,449	.015
	Perceived risk	-.102	.573	-.134	-.178	.859
	Brand image	1617	.312	1,226	5.187	.000
	X1Z	-.046	022	-1,872	-2,039	043
	X2Z	011	022	.494	.497	.620

a. Dependent Variable: Purchase Intention

Table 8. Coefficient of moderation regression determination

Summary model b				
Model	R	R square	Adjusted R square	std. error of the estimate
1	.838a	.703	.695	1.79766

a. Predictors: (constant), X2Z, Celebrity endorsement, Brand image, Perceived risk, X1Z

b. Dependent variable: Purchase intention

Table 9. Indirect influence

Indirect influence	Regression coefficient	t-statistics	Sig.
X1>Z>Y	0.010	0.486	0.627
X2>Z>Y	0.273	5.977	0.000

The Impact of Celebrity Endorsement on Purchase Intention

Our multiple linear regression analysis unveiled that celebrity endorsement (X1) exerts a significant positive influence on purchase intention (Y) among consumers of local Indonesian skincare products. A notable p-value of 0.001, well below the conventional alpha level of 0.05, and an R-square value of 0.481, indicates that celebrity endorsement account for approximately 48.1% of the variance in purchase intention. This finding is consistent with the theory that celebrities can effectively transfer their positive attributes to endorsed products, thereby influencing consumer behavior. It supports the findings of Osei-Frimpong et al. (2019) and contrasts with those of Alvionita and Sutedjo (2021) (Lisnaini et al. 2022; Wasitaningrum & Nur Cahya, (2022), suggesting variability in endorsement effectiveness potentially due to market and cultural differences.

Osei-Frimpong et al. (2019) emphasized the role of celebrities and social status individuals in product endorsement, particularly in the context of the growing impact of online reviews and social media. Their findings align with the trends observed in this study and offer additional insights into how digital platforms are shaping consumer perceptions and behaviors in the beauty industry.

Our research findings also supported a study by Uribe et al. (2022) that examined the effectiveness of celebrity endorsement in digital and social media contexts. It found that social media enhances the indirect influence of celebrity endorsement on purchase intention through ad and brand attitude, regardless of the explicitness of the message.

Moreover, this finding also supported the study by Khan et al. (2019) stated that the attractiveness, credibility of the celebrity, and the alignment between the product and the celebrity are key factors that drive purchase intention. This finding was also strengthened by the study of Sherli et al. (2023) found that beauty influencers significantly influence purchase decisions

through brand personality, brand trust, and brand image, while perceived price fairness significantly influences decisions through brand image. These findings contribute to understanding the dynamics of beauty influencer marketing and pricing strategies in influencing consumer behavior in the skincare market.

Perceived Risk and Purchase Intention

The study also revealed intriguing insights into the role of Perceived Risk (X2) on Purchase Intention (Y). Unlike Ariffin et al. (2018), who found a negative impact of perceived risk on purchase intention. Our study's outcomes are more in line with Ilhamalimy and Ali, (2021) that mentioned the significant influence of perceived risk on purchase intention. Conversely, this finding confronted the study by Ventre and Kolbe (2020), pointing towards a nuanced, context-dependent relationship.

Moreover, Jadil et al. (2023) revealed a significant negative influence of online trust on perceived risk, suggesting that higher trust in online sellers can reduce perceived risks and enhance purchase intention in online shopping. This complements our study's outcomes, indicating that trust plays a crucial role in how Indonesian consumers perceive risks associated with skincare products.

Furthermore, Alrawad et al. (2023) research highlights the complex interplay between online trust, perceived risk, and consumer behavior in online shopping environments. This aligns with our findings of a nuanced, context-dependent relationship between perceived risk and purchase intention, emphasizing the importance of trust and cultural factors in shaping consumer behavior in the Indonesian skincare market.

Brand Image as a Moderating Variable

Regarding the moderating effect of brand image (Z), our moderation regression analysis showed that while it does moderate the relationship between celebrity endorsement (X1) and purchase intention (Y), the effect is negative (significance value of 0.043 and a coefficient of -0.046). This suggests that a strong brand image may indeed reduce the impact of celebrity endorsement, potentially because consumers with a firm perception of the brand may rely less on celebrity influence. This outcome resonates with the work of Lenarto et al. (2017), yet diverges from Wardhana et

al. (2021), highlighting that the role of brand image is complex and may vary depending on the interplay between consumer perceptions and brand strategies.

Brand Image as a Mediating Variable

The study also investigated brand image as a potential mediating variable between celebrity endorsement (X1) and purchase intention (Y), as well as between perceived risk (X2) and purchase intention (Y). The findings reveal that brand image (Z) does not mediate the relationship between celebrity endorsement and purchase intention, contrary to previous studies such as those by Alessandro et al. (2023) and Jayanti et al. (2020). This could indicate that the direct influence of celebrity endorsement is more pronounced than the indirect influence through brand image, perhaps reflecting an evolving consumer landscape where endorsements have a more immediate impact on purchase decisions.

Managerial Implications

The implications for managers in the Indonesian skincare industry are multifaceted. Firstly, celebrity endorsement was confirmed to be a potent tool for influencing purchase intention, but their impact may be contingent upon the pre-existing strength and perception of the brand image. Skincare companies should carefully select celebrities whose image aligns with their brand identity. Secondly, perceived risk is a significant factor but does not operate in isolation; it is interwoven with brand image and consumer perceptions. Brands should strive to minimize perceived risks through transparent communication and robust quality assurances. Lastly, although brand image does not mediate the impact of celebrity endorsement or perceived risk on purchase intention, it remains a critical aspect of the brand strategy, suggesting that maintaining a positive brand image is indispensable.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Our research aimed to dissect the dynamics between celebrity endorsement, perceived risk, and purchase intention, with a particular focus on brand image's role within the Indonesian skincare market. The findings decisively indicate that celebrity endorsement

significantly bolster purchase intention, affirming the potency of well-regarded public figures in marketing campaigns. Likewise, perceived risk was found to influence purchase intention, underscoring the necessity for brands to address potential consumer concerns proactively.

Crucially, brand image emerged as a significant moderator in the interplay between celebrity endorsement and purchase intention, implying that the strength of a brand's image can enhance or detract from the efficacy of celebrity-driven marketing. However, brand image did not moderate the relationship between perceived risk and purchase intention, which may suggest that risk perception is a more intractable consumer concern that requires direct address beyond brand image enhancement.

Recommendations

Selective Celebrity Endorsement: Companies should meticulously vet potential celebrity endorsers to ensure alignment with brand values and consumer expectations. The effectiveness of these endorsements hinges on the celebrity's credibility and the congruence with the brand's image.

Risk Management Strategies: Brands must adopt comprehensive risk management strategies that go beyond mere image crafting. This should include clear communication of product benefits, transparent customer reviews, and assurance of quality and safety standards to mitigate perceived risks.

Brand Image Cultivation: Continuous investment in brand image is crucial, not only as a moderator for the impact of celebrity endorsement but also as a standalone factor that influences consumer purchase intention. This could involve customer engagement initiatives, community building, and consistent brand messaging.

Diversified Marketing Approaches: Given that brand image does not moderate the perceived risk's impact on purchase intention, a diversified approach that combines reputation management with direct consumer reassurance measures can be more effective.

For future research, a longitudinal approach could provide deeper insights into how these relationships evolve over time, particularly as market trends and

consumer behaviors shift. Additionally, exploring the nuances within different segments of the skincare market could yield tailored strategies for varying product types and consumer demographics.

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